HAMMOND ASSET MANAGEMENT, LLC

Form ADV Part 2A - Disclosure BROCHURE

March 29, 2020

Hammond Asset Management, LLC
1800 Second Street, Suite 918
Sarasota, FL 34326
Phone: (941) 366-6600
www.hammondassetmanagement.com

This brochure provides information about the qualifications and business practices of Hammond Asset Management, LLC. If you have any questions about the contents of this brochure, please contact Harry Hammond at (941) 366-6600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Hammond Asset Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Hammond Asset Management, LLC is available on the SEC's website www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Advisor is 167357.

2. MATERIAL CHANGES

We do not have any material changes to report since our last annual update to this brochure, which was on March 29, 2019.

In the future, if there is any material information that could affect our relationship with you, even if it is not in our brochure, we will send it to you promptly. If you have any questions or would like a complete copy of our Disclosure Brochure, please contact Harry S. Hammond, Managing Member, at (941) 366-6600.

3. TABLE OF CONTENTS

4. ADVISORY BUSINESS

OWNERSHIP/ADVISOR HISTORY

Hammond Asset Management, LLC ("We") was originally organized as a Florida Limited Liability Company under the name Hammond Financial Group, LLC on July 16, 2002. We changed our name to Hammond Asset Management, LLC in March 2013. We were subsequently registered as a Florida investment adviser in 2013. Our owner and managing member is Harry S. Hammond.

ADVISORY SERVICES OFFERED

Before we enter into an Adviser-Client relationship, we may offer a complimentary general consultation to discuss services available, give a prospective client time to review services desired, and determine whether a relationship might benefit the client. Investment advisory services begin only after we and the client formalize the relationship with a properly executed agreement. We offer the following services to our clients:

FINANCIAL PLANNING SERVICES

We create a written financial plan that typically focuses on one or more specific areas such as financial and cash management, risk management, financial issues relating to divorce or death of a family member, tax issues, retirement planning, educational funding, goal setting, or other needs identified by the client or by our review of the client's financial circumstances. Through discussion with the client and/or questionnaires, we will collect pertinent data, identify goals, objectives, financial concerns and potential solutions. We will present the client with a written analysis. Following the conclusion of the consulting services, we may make recommendations regarding implementation of the financial strategies discussed.

SELECTION AND MONITORING OF THIRD-PARTY ADVISERS

After an initial meeting with the client or when deemed appropriate, we may recommend the services of a third-party investment adviser ("Third Party Adviser"). The recommendation will depend on the client's circumstances, goals and objectives, strategy desired, account size, risk tolerance, or other factors. We work with each client to determine which Third Party Adviser may be appropriate. Clients are never obligated to use a recommended Third Party.

We will review Third Party Advisers prior to making a recommendation to the client. We consider the following factors during its review: fees, reputation, performance, financial strength, management, price, reporting capabilities, client's financial situation, client's goals, client's needs, and client's investment objectives. After our review, we will present the client with one or more recommendations.

If the client wishes to proceed with the recommendation, we will enter into a Co-Advisor relationship with the recommended Third-Party Adviser. Under these arrangements, the Third-Party Adviser is responsible for portfolio management, portfolio design, best execution, portfolio reporting, trading, trade error resolution, and custodian reconciliations. While we maintain our relationship with the client by monitoring the status of the client's accounts with the Third-Party Adviser, make recommendations about the Third-Party Adviser, usually meeting with the client either in person or by telephone on annually and acting as the client's primary financial adviser. All questions regarding the Third-Party Adviser's services and performance will be directed to us.

Clients who are referred to Third Party Advisers will receive full disclosure, including services rendered and fee schedules, at the time of the referral, by delivery of a copy of the relevant Third-Party Adviser's Form ADV Part 2A or equivalent disclosure document before receiving investment advisory services from the third-party adviser.

In addition, if the investment program recommended to a client is a wrap fee program the client will receive the Appendix 1 or equivalent wrap fee brochure provided by the sponsor of the program. We will provide to each client all appropriate disclosure statements, including disclosure of solicitation fees paid to us and our advisory associates.

We will not refer a client to a Third-Party Adviser unless it is registered or exempt from registration as an investment adviser in the client's state of residence.

TAILORED SERVICES

We tailor all of our services to the client's stated goals, needs and objectives. For our portfolio management service clients, we allow them to impose restrictions on investment in certain securities or types of securities. All restrictions must be presented to us in writing.

WRAP PROGRAM

We do not participate in or sponsor a wrap program. This section is not applicable.

CLIENTS ASSETS MANAGED

We do not have any assets under management; all assets are managed by Third Party Advisers.

5. FEES AND COMPENSATION

FINANCIAL PLANNING

Our financial planning services are provided on an hourly fee basis. The hourly fee for a financial plan is $150. The hourly fee rate is negotiable. Both the hourly rate and an estimate of the total project fee (estimated hours multiplied by the agreed to hourly rate) are shown on the executed Financial Planning Agreement. The Financial Planning fee is due upon delivery of the financial plan.

A client may terminate this service for any reason within the first five (5) business days after signing the contract without any cost or penalty. Thereafter, the contract may be terminated at any time by giving ten (10) days written notice to the firm at Hammond Asset Management, LLC, 1800 Second Street, Suite 918, Sarasota, FL, 34326. Upon receipt of the written notice of termination, we reserve the right to bill the client for services rendered based upon the hours worked on the financial plan.

SELECTION AND MONITORING OF THIRD-PARTY ADVISERS

When we recommend Third-Party Advisers, we do not charge a separate fee for this service. Instead, we enter into an agreement with the Third-Party Adviser and share in a portion of the

Third-Party Adviser's management fee that is charged to the client. Our portion can be up to 50% of the Third-Party Adviser's management fee. The exact amount will be disclosed in the Third-Party Adviser's Disclosure Document. Additionally, when the management fee is withdrawn which can vary with each Third-Party Adviser; these details will be disclosed in the Third-Party Adviser's ADV Part 2A and its investment management agreement; both documents and the Third-Party Adviser's Disclosure Document will be given to the client prior to any transaction made upon their behalf.

Please note that by receiving a portion of the Third-Party Adviser's management fee, this creates a conflict of interest for us. The sharing of the management fees creates a financial incentive to recommend Third-Party Advisers that would pay us a higher percentage of their fee. We attempt to mitigate the conflict of interest to best of our ability by placing the client's interest a head of our own, through our fiduciary duty and by following our Code of Ethics that establishes ideals for ethical conduct.

A client may terminate the Investment Management Agreement for any reason at any time and, within the first five (5) business days after signing the contract and receive a 100% refund of any fees paid without any cost or penalty. Thereafter, the Agreement may be terminated at any time by giving ten (10) days written notice. Upon termination, fees will be prorated for the number of days that services were rendered during the termination month. All unearned fees will be refunded to the client. The written notice of termination must be sent to Hammond Asset Management, LLC, 1800 Second Street, Suite 918, Sarasota, FL, 34326.

6. PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). We do not participate in side-by-side management and do not charge performance-based fees to some accounts while charge other types of fees to other accounts. Side-by-side management refers to the practice charging performance-based fees for account management while at the same time managing accounts that are not charged performance-based fees.

7. TYPES OF CLIENTS

Our services are offered to individuals and high net worth individuals. We require a minimum account size of $250,000. We reserve the right to waive or combine accounts to meet the minimum account size.

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

With respect to our financial planning services, we use an individualized asset allocation method for each client. When deciding on the asset allocation for a client, we take into account the client's risk tolerance, goals, investment objectives and other data gathered during the client meetings. Asset Allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance and investment horizon among various asset classes. The risk associated with asset allocation is that each class has different levels of risk and return, so each will behave differently over time. Also, despite being diversified there is no guarantee that an account will grow.

Once we have designed a financial plan for a client, we typically recommend Third Party Advisers that use Modern Portfolio Theory. Modern Portfolio Theory proposes that investing in a predetermined asset mix derived from the efficient frontier (dictated to achieve a specific client objective within a certain risk tolerance) and rebalancing with discipline, the portfolio is diversified across the various asset classes to mitigate unnecessary risk. This also provides for a portfolio that can operate without reliance on market timing and security selection; however, as with all investments positive returns are not guaranteed. In conjunction to investing in a diversified portfolio, each portfolio is constructed to meet specific parameters set forth in the individual client's investment policy statement and/or other documents. These parameters can include - but are not limited to - tax efficiency, concentrated stock positions and management history. Once again, the risk associated with a diversified portfolio is that each class has different levels of risk and return, so each will behave differently over time and despite being diversified there is no guarantee that an account will grow.

Depending on the design of the client's portfolio we may also recommend Third Party Advisers who use fundamental and/or tactical asset allocation.

Fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's *actual* business and its future prospects. The analysis is performed on historical and present data. On a broader scope, one can perform fundamental analysis on industries or the economy as a whole. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements. The risk associated with fundamental analysis is that despite that appearance that a security is undervalued, it may not rise in value as predicted.

Tactical Asset Allocation is an active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing anomalies or strong market sectors. This strategy is designed to allow portfolio managers to create extra value by taking advantage of certain situations in the marketplace. It is as a moderately active strategy because portfolio managers return to the portfolio's original strategic asset mix when desired short-term profits are achieved.

RECOMMENDED SECURITIES AND INVESTMENT RISKS

All investments bear different types and degrees of risk and **investing in securities involves risk of loss that clients should be prepared to bear.** While the recommended third-party adviser uses investment strategies that are designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. A client needs to ask questions about risks he/she does not understand, we would be pleased to discuss them.

We strive to render our best judgment on behalf of our clients. Still, we cannot assure or guarantee clients that investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. We continuously strive to provide outstanding long-term investment performance, but many economic and market variables beyond its control can affect the performance of an investment portfolio.

An investment could lose money over short or even long periods. A client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets. A client's account performance could be hurt by:

- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- **Interest rate risk:** The chance that bond prices overall will decline because of rising interest rates.
- **Manager risk:** The chance that the proportions allocated to the various securities will cause the client's account to under-perform relevant to benchmarks or other accounts with a similar investment objective.
- **International investing risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.
- **Credit risk:** This is the risk that an issuer of a bond could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet a financial obligation.
- **Inflation Risk:** This is the risk that inflation will undermine the performance of your investment and/or the future purchasing power of your assets.
- **Portfolio Concentration:** Accounts not diversified among a wide range of types of securities, countries or industry sectors may have more volatility and are considered to have more risk than accounts that are invested in a greater number of securities because changes in the value of a single security may have more of a significant effect, either negative or positive. Accordingly, portfolios are subject to more rapid changes in value than would be the case if client maintained a more diversified portfolio.
- **Options Investment Risk:** Like other securities - including stocks, bonds, and mutual funds - options carry no guarantees, and a person must be aware that it is possible to lose all of the principal he/she invests, and sometimes more. As an option holder, a person risks the entire amount of the premium he/she paid. But as an options writer, a person takes on a much higher level of risk. For example, if a person writes an uncovered call, he/she faces unlimited potential loss, since there is no cap on how high a stock price can rise. However, since initial options

investments usually require less capital than equivalent stock positions, potential cash losses as an options investor are usually smaller than if someone bought the underlying stock or sold the stock short. The exception to this general rule occurs when an option is used to provide leverage: Percentage returns are often high, but it is important to remember that percentage losses can be high as well.

9. DISCIPLINARY INFORMATION

Registered investment advisers and management persons are required to disclose all material facts regarding any legal or disciplinary events within the past 10-years that would be material to your evaluation of the Adviser or the integrity of its management.

On November 14, 2013, Financial Industry Regulatory Authority ("FINRA") instituted proceedings pursuant to NASD Conduct Rules 2110 and 3040 against Harry S. Hammond, owner and Managing Member. FINRA alleged that Mr. Hammond participated in private securities transactions without notice and approval from his former employer. Without admitting or denying the allegations, Mr. Hammond submitted a Letter of Acceptance, Waiver and Consent, which FINRA accepted in which Mr. Hammond (i) consented to the described sanctions and to the entry of the findings; (ii) was suspended from association with a FINRA member firm for twelve (12) months; and (iii) ordered to pay a penalty in the amount of $10,000 before re-associating with a FINRA member firm. More information concerning Mr. Hammond's disciplinary disclosures can be obtained from FINRA's BrokerCheck link at www.finra.org/brokercheck.

On November 6, 2014, State of Florida Office of Financial Regulation issued a Final Order against Mr. Hammond and Hammond Asset Management, LLC ordering that, as a collateral consequence of the above-referenced suspension against Mr. Hammond, Mr. Hammond's registration was suspended for one year, to run concurrently with his suspension by FINRA. In addition, the registration of Hammond Asset Management was suspended until Mr. Hammond's suspension expires. These suspensions expired November 17, 2014.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

BROKER DEALER AFFILIATION

We are not affiliated with a broker-dealer.

FUTURES/COMMODITIES FIRM AFFILIATION

We are not affiliated with a futures or commodities broker.

OTHER INDUSTRY AFFILIATIONS

Our owner, Mr. Hammond, is an independent life insurance agent. He may recommend insurance products to clients. This is a conflict of interest because the commissions paid by insurance products give Mr. Hammond a financial incentive to recommend and sell them to clients. (It is important to note that the insurance commissions are separate from the fees outlined in Item 5, above.) However, Mr. Hammond attempts to mitigate any conflicts of interest to the best of his ability by placing the client's interests ahead of his own, through his fiduciary duty and by informing clients that they are never obligated to purchase insurance through him.

SELECTION AND MONITORING OF THIRD-PARTY INVESTMENT ADVISERS

We may refer you to another registered investment adviser ("third party adviser") for services or investment strategies not offered by Hammond Asset Management. If you decide to engage the third-party adviser's services, Hammond Asset Management will receive an ongoing fee. While Hammond Asset Management will refer only those third-party advisers, we believe will serve your interests, the fees received causes a conflict of interest under the theory that the referral to use other advisers is tainted by the receipt of fees or other remuneration for the referral. While we cannot eliminate this conflict of interest, we alert you to its existence through this brochure and a Solicitor's Disclosure Statement that explains the financial relationship between Hammond Asset Management and the third-party adviser. Further, you are under no obligation to conduct business with any third-party adviser referred by us.

11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code of Ethics covers all supervised persons and it describes its high standard of business conduct, and fiduciary duty to our clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

MATERIAL INTEREST IN SECURITIES

We do not have a material financial interest in any securities.

INVESTING IN OR RECOMMENDING THE SAME SECURITIES

On occasion, our owner and investment adviser representatives may buy or sell for their own accounts securities that are the same as, similar to, or different than those that they recommend to their clients for purchase or sale. Differences can arise due to variations in personal goals, investment horizons, risk tolerance, and the timing of purchases and sales. We attempt to mitigate the conflict of interest to the best of our ability through the enactment of our code of ethics, trading policies, and fiduciary responsibilities. Nonetheless, we generally attempt to place client transactions ahead of proprietary trades. Our associates are aware of their fiduciary duty to our clients and the prohibitions against the use of any insider information. Records of all associates' proprietary trading activities will be kept, available to regulators to review on the premises.

12. BROKERAGE PRACTICES

We do not make recommendations regarding custodian or brokers. All custodian and broker choices are handled by the recommended Third-Party Adviser. Please see the Third-Party Adviser's ADV Part 2A, Item 12 for those details.

13. REVIEW OF ACCOUNTS

PERIODIC REVIEWS

Our owner, Harry Hammond, reviews the general holdings of clients' accounts on a quarterly basis. Mr. Hammond also meets with clients on at least an annual basis to review their financial situations.

OTHER REVIEWS

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client's financial situation (such as retirement, termination of employment, physical move or inheritance).

REPORTS

The client will receive an account statement from their custodian at least quarterly, and usually monthly. We urge you to carefully review such statements.

14. CLIENT REFERRALS AND OTHER COMPENSATION

OTHER COMPENSATION

Hammond Asset Management receives a portion of fees you pay when you participate in one of the programs offered by third party advisers. Third party advisers may offer incentives to Hammond Asset Management, such as larger fees based on the amount of assets managed by the third-party adviser. In addition, third party advisers may provide free or reduced-cost marketing assistance based on the amount of assets referred to the third-party adviser by Hammond Asset Management. Third party adviser's may provide their investment advisory services to advisers, like Hammond Asset Management, at low or no cost and at reduced costs to family members. These situations create conflicts of interest because they give Hammond Asset Management incentives to decide which third party adviser to refer or recommend. We address these conflicts by disclosure in this brochure and in a Solicitor's Disclosure Statement. Further, we remind you that you are under no obligation to conduct business with any third-party adviser referred by us.

CLIENT REFERRALS

We do not pay for client referrals or use solicitors.

15. CUSTODY

All client funds, securities and accounts are held at third-party custodians. We do not take possession of a client's securities. The client's custodian shall also send a quarterly statement indicating the amount of fees withdrawn from the client's Account. We urge clients to carefully review such statements.

16. INVESTMENT DISCRETION

All services are non-discretionary, which means the client retains full discretion to supervise, manage, and direct the assets of the account. We will make recommendations on how the Account should be managed. But, the client will be free to manage the account with or without our recommendation and all with or without our prior consultation.

17. VOTING CLIENT SECURITIES

We will not be responsible for responding to proxies that are solicited with respect to securities held in clients' accounts. Proxy solicitation materials will be forwarded to clients directly from the custodian for response and voting. In the event a client has a question about a proxy solicitation, the client should contact his/her investment adviser representative.

18. FINANCIAL INFORMATION

BALANCE SHEET

We do not require or solicit prepayment of more than $500 in fees per client, six months or more in advance. Therefore, we are not required to provide a balance sheet.

FINANCIAL CONDITION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs its ability to service our clients.

BANKRUPTCY

We have not been the subject of a bankruptcy proceeding.

19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

We have one principal executive officer (management person), Harry S. Hammond. Mr. Hammond's biographical information is provided in the attached Brochure Supplement document.

Mr. Hammond is required to disclose additional information if he has other business activities. As disclosed under Item 10.C, above, Mr. Hammond is a licensed insurance agent (life, annuity & Health). He spends 5 to 10 hours a month on this activity.

He is also required to disclose if he receives performance-based fees, has any relationship or arrangement with an issuer of securities, or was ever found liable in an arbitration, civil, self-regulatory organization or administrative proceeding. We have not information to report on these items because none of these apply to Mr. Hammond or us.

HARRY S. HAMMOND, CEC

Form ADV Part 2B Brochure Supplement

March 29, 2020

Hammond Asset Management, LLC
1800 Second Street, Suite 918
Sarasota, FL 34326
Phone: (941) 366-6600
Website: www.hammondassetmanagement.com

This Brochure Supplement provides information about Harry S. Hammond that supplements the Hammond Asset Management, LLC's Brochure. You should have received a copy of that Brochure. Please contact Mr. Hammond at (941) 366-6600 if you did not receive Hammond Asset Management, LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Harry S. Hammond is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Mr. Hammond is 2261856.

2. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Harry S. Hammond, CEC

Born: 1958

Education: Attended Winthrop University, Attended University of North Carolina

Professional Designation:

Certified Education Consultant (*CEC*) – 2017

Prerequisite: Candidate must meet the following: (1) minimum five years' experience in financial services; (2) experience teaching adult students; (3) demonstrated to be in good standing with the federal and state regulators; (4) letter of recommendation or referral from credible community member; and (5) agree to site visit to review business practices.

Education Requirements: Candidates must complete the following: two-day, in-person training and completion of a one-year training period consisting of online live training modules, casework and a site visit to designation holder's place of business.

Examination Type: Final Certification Exam (online, proctored)

Continuing Education: 10 hours per year.

Business Background:

Hammond Asset Management, LLC – March 2013 to Present – Owner/Managing Member

Allegient Securities LLC – December 2007 to December 2011 – Registered Representative

Intersecurities, Inc. – March 2006 to December 2007 – Registered Representative

FFP Securities, Inc. – August 2000 to March 2006– Registered Representative

3. DISCIPLINARY HISTORY

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Please see Form ADV Part 2A, Item 9 Disciplinary Information for disclosure of Mr. Hammond's disciplinary events.

4. OTHER BUSINESS ACTIVITIES

Mr. Hammond is an independent life insurance agent. He spends five to ten hours a month on this activity. He may recommend insurance products to clients. This is a conflict of interest because the commissions paid by insurance products give Mr. Hammond a financial incentive to recommend and sell them to clients. (It is important to note that the insurance commissions are separate from the fees outlined in the firm's ADV Part 2A). However, Mr. Hammond attempts to mitigate any conflicts of interest to the best of his ability by placing the client's interests ahead of his own, through his fiduciary duty and by informing clients that they are never obligated to purchase insurance through him.

Mr. Hammond is the Director of Operations for the Tampa Bay Chapter of the Foundation for Financial

Education. He spends approximately 40 hours per month on this activity. It is a volunteer position. He provides fee financial education seminars to companies.

5. ADDITIONAL COMPENSATION

Mr. Hammond does not receive any additional compensation.

6. SUPERVISION

Mr. Hammond is the sole principal and Chief Compliance Officer of the Adviser. As a result, he has no internal supervision placed over him, but he is bound by the Adviser's Code of Ethics.

7. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Arbitration or Civil, Self-Regulatory Organization or Administrative Proceedings History

In 2001, Mr. Hammond was named in an arbitration claim of suitability and lack of disclosure that settled for $60,000. There was no finding of fault against Mr. Hammond, although he contributed $5,000 to the settlement amount. In 2011, Mr. Hammond was named in an arbitration claim of related to the recommendation of a direct participation program, which went insolvent. The case was settled for $131,000 with Mr. Hammond contributing $6,000. Again, there was no finding of fault against Mr. Hammond. In late 2012 and early 2013, Mr. Hammond's previous broker-dealer was named in five arbitrations related to the insolvent direct participation program. While Mr. Hammond was not a named party, his former employer disclosed it on his regulatory history. The former employer settled with the claimants for various amounts. Mr. Hammond was not required to contribute to these settlements.

Bankruptcy

Mr. Hammond has not been the subject of a bankruptcy petition.