November 17, 2014

John Podhoretz on the electorate's repudiation of the president.

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ObamaCare went live in October 2013, and the billion-dollar website that was supposed to guide people through their choices died. Americans learned that the Veteran's Administration had been falsifying data to hide its dreadful record of failed care. Border states were flooded with tens of thousands of children who had been led to believe that they (and eventually their parents) would be legalized after their horrific journeys. The Internal Revenue Service acknowledged that it had targeted groups hostile to the president, then denied it, and then claimed the emails detailing the actual events had somehow vanished. Americans were given contradictory and confusing details about how authorities were going to prevent the spread of Ebola inside the United States. After we were told the war on jihadist terror was basically a thing of the past, there came the rise of ISIS. The president erased his own "red line" when it came to Syria's use of chemical weapons. Vladimir Putin took a bite out of a neighboring country and is getting ready to take another. That is quite a record to take to the electorate.

No one believes that the Republican Party is popular. And yet, on Election Day, Republicans won eight new Senate seats (with a ninth on the way). The party will have its largest majority in the House of Representatives since 1946. Republicans reside in 31 of the nation's 50 governor's mansions, by far the highest number in modern times. In 24 states, the GOP holds the governorship and both houses of the state legislature; Democrats are in the same position in only six states. Republicans will now control 67 of the nation's 98 state legislative chambers, up from 59. And all this despite the fact that no one believes that the Republican Party is popular.

The New York Times reported on election night that the president did not feel "repudiated." At his press conference, Obama said the Republicans had had a "good night." They had indeed, but only because he had been repudiated.

As the president sneaks up to his immigration move, **Ross Douthat** asks if he will go ahead and disgrace himself.

In the months since President Obama first seem poised — as he now seems poised again — to issue a sweeping executive amnesty for millions of illegal immigrants, we've learned two important things about how this administration approaches its constitutional obligations.

First, we now have a clear sense of the legal arguments that will be used to justify the kind of move Obama himself previously described as a betrayal of our political order. They are, as expected, lawyerly in the worst sense, persuasive only if abstracted from any sense of precedent or proportion or political normality.

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... we do seem to be in an era whose various forces — our open-ended post-9/11 wars, the ideological uniformity of the parties — are making a kind of creeping caudillismo more likely.

But if that evil must come, woe to the president who chooses it. And make no mistake, the president is free to choose. No immediate crisis forces his hand; no doom awaits the country if he waits. He once campaigned on constitutionalism and executive restraint; he once abjured exactly this power. There is still time for him to respect the limits of his office, the lines of authority established by the Constitution, the outcome of the last election.

Or he can choose the power grab, and the accompanying disgrace.

The Lid posts on CNBC telling anchors to go easy on the president and the healthcare act.

During her Friday program on the "Fox Business Network," Melissa Francis made a truly scandalous revelation. "when I was at CNBC, I pointed out to my viewers that the math of Obamacare simply didn't work. Not the politics by the way; just the basic math. And when I did that, I was silenced." Francis eventually brought on Charlie Gasparino another FBN employee who used to work at CNBC who told of the time the network's anchors where called into Jeff Immelt the head of GE's office (GE owned CNBC at the time) for a discussion whether or not the network was being fair to President Obama and his economic policies.

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"Straight from the horse's mouth, Jonathan Gruber telling you that the architects of Obamacare think you're stupid and most importantly, they are absolutely counting on your lack of economic understanding. They aren't the only villains in this story though. They are also depending on the liberal media to help them cover up the truth. So far NBC, ABC, The L.A. Times" and Associated Press and others, have been only too happy to comply. Those outlets have not even mentioned the video evidence, from Jonathan Gruber. It is shocking." ...

The Wall Street Journal reports on areas in the country populated by investment brokers with issues.

DELRAY BEACH, Fla.—At Burt & Max's Bar and Grille one day this summer, stockbroker Rafael Golan gave a group of elderly people a financial seminar. After his hourlong talk on topics from real estate to annuities, the free food arrived.

Dinners like this have landed him clients before. Some later lodged complaints against him, making him part of a cluster of brokers with troubled regulatory records that a Wall Street Journal analysis identified in this corner of Florida.

Among those clients were Pinny and Rebecca Slotnick, octogenarians who became Mr. Golan's customers in 2003 after a dinner and later filed a complaint with regulators alleging he mishandled their accounts. He paid them a $125,000 settlement this year. He denies any wrongdoing in this or any other case.

A Wall Street Journal investigation, analyzing the records of about 550,000 stockbrokers, identified 16 U.S. hot spots like this one where troubled brokers tend to concentrate. Parts of New York's

Long Island and South Florida, long notorious for "boiler room" operators, made the list. But so did areas around Detroit, Las Vegas and California cities not known for problem brokers.

Within 10 miles of Mr. Golan's office here were about 3,000 brokers. One in 17 had three or more disciplinary red flags over their careers that they are required by regulators to report—an industry measure of a troubled broker. That is three times the national average.

Mr. Golan, whose record has five such flags, is what some in the industry call a "plate-licker," a broker who trolls for clients with dinners in a tactic Wall Street's self-regulator has warned can involve excessive sales pressure. ...

Commentary

The Repudiation of Barack Obama

by John Podhoretz

Barack Obama began the press conference he held the day after his party was crushed in the 2014 midterm elections by implying that the results were of questionable legitimacy because turnout had been so low—by some accounts, the lowest since 1942. "To everyone who voted, I want you to know that I hear you," he said. "To the two-thirds of voters who chose not to participate in the process yesterday, I hear you, too."

The contention was ridiculous on its face. You cannot hear people who deliberately choose not to speak. Even so, Obama suggested that, had those non-voters voted, they would have done so in support of him and his party:

One of the things that I'm very proud of in 2008 and 2012, when I ran for office, was we got people involved who hadn't been involved before. We got folks to vote who hadn't voted before, particularly young people. And that was part of the promise. The excitement was, if you get involved, if you participate, if you embrace that sense of citizenship, then things change. And not just in abstract ways, in concrete ways. Somebody gets a job who didn't have it before. Somebody gets health care who didn't have it before. Or a student is able to go to college who couldn't afford it before.

Obama believes that he and his party have done all these things—that they have helped someone get a job, get health care, go to college. If that were so, why on earth wouldn't those very people go to the polls to reward the party that had done such wonderful things for them? Well, he explained, "sustaining that excitement, especially in midterm elections, has proven difficult—that sense of if you get involved, then you know, if you vote, then there's going to be a big change out there."

That is one way to look at it. The wrong way.

The voters to whom Obama was referring obliquely are between the ages of 18 and 29. That demographic group's voting pattern since 2008 shows the error in the president's analysis.

In 2008, Obama won under-30s by a margin of 2 to 1. That same cohort favored Democrats in 2010, but by a margin of 58 to 42—which is a drop of 11 percent. In his 2012 reelection, Obama brought the under-30 number up a little; they went for him 3 to 2. But that was still a 10 percent decline for him compared with 2008.

And in 2014? Under-30s voted 53 to 43 for the Democrats. So consider this pattern: Overall, from 2008 to 2014, the Obama-Democrat share of the youth vote fell by 20 percent.

Now, it is true that under-30s comprised 19 percent of the electorate in 2012 but only 13 percent in 2014. So let us be insanely generous and assume that those missing voters would have broken 3 to 2 for the Democrats as they did for Obama in 2012. By my calculation, those extra votes still wouldn't have added enough to change the outcome in any of the eight Senate races in which Republicans took control of Democratic seats on election night. (Even in North Carolina, the closest of the races, Republican Thom Tillis would have edged out Democratic incumbent Kay Hagan by about 18,000 votes.) In other words, give Obama his lost voters, and the 2014 wave would have broken in almost exactly the same way.

That is why these numbers suggest something very different from what the president thinks. They suggest that young people were wildly enthusiastic about Barack Obama in 2008, considerably less enthusiastic about him in 2012, and not enthusiastic at all about the Democratic Party he leads in 2014. The president described their failure to turn out thus: "When they look at Washington, they say nothing's working and it's not making a difference and there's just a constant slew of bad news coming over the TV screen." Not really. They lost their enthusiasm because of him.

That is even more apparent once you note that in several states, there was a substantial difference between the behavior of voters ages 25 to 29 and voters ages 18 to 24. In North Carolina, 25- to 29-year-olds voted for Democrat Kay Hagan by a margin of 59 to 34—while 18- to 24-year-olds only went 47 to 44 for Hagan. In Kentucky, the split was even more stark: The younger cohort favored Republican Mitch McConnell 53 to 42, while the slightly older group went for his Democratic challenger 52 to 43.

Putintate gives barry the stink eye

This older group went to the polls for the first time during Obama's rock-star "hope and change" moment in 2008. The younger group came to political consciousness when Barack Obama was already serving as president. Perhaps for the 2008 voter, in these states, and in others, those who have participated only in Obama-era elections are considerably more likely to vote Republican than their older siblings. And again, due to gridlock, or disappointment, or because the GOP is very appealing to them. It, too, is because of him.

The Democrats running for the Senate knew this. It is why they did not want him to campaign for them, and why one of them steadfastly refused even to acknowledge having voted for Obama despite the fact that she had been a delegate at the 2012 Democratic convention. Behaving in this fashion actually ran counter to the conventional wisdom about the highly polarized American electorate that followed Obama's reelection. According to this new wisdom, campaigns should no longer be dedicated to winning undecided voters, who are supposedly very few in number, but to turning out persuadable voters.

The term *persuadable* describes a person who is probably generally sympathetic to a candidate but doesn't feel any drive to go out and vote for him. Getting these "persuadables" to the polls in 2012 was the key to Obama's reelection triumph. For the first time, pollsters report, the Obama campaign was able to drag people to the ballot box who said they basically preferred Obama but measured their own eagerness to vote at 2 or 3 on a scale of 10. (It had been an axiom for decades that no matter whom voters claimed to support, only those who scored themselves at 4 or above would actually turn out.) The key persuadable constituency in 2012 was voters between the ages of 18 and 29. So despite Obama's low approval rating, one might have thought he would have remained valuable on the campaign trail as a lure to the persuadable voters who had pulled him across the finish line. That is clearly what he believes. But those campaigns were not run by stupid people. They were run by professionals desperate to win—professionals who probably admire Barack Obama. They kept their distance because they had to. They knew the persuadables weren't going to be persuaded this time. He had lost them.

The Republicans running against Democratic incumbents knew it, too. Every one of them highlighted the degree to which his Democratic rival was an Obama catspaw. As the *Washington Post* noted after the election, "Republicans had a simple plan: Don't make mistakes, and make it all about Obama, Obama, Obama. Every new White House crisis would bring a new Republican ad. And every Democratic incumbent would be attacked relentlessly for voting with the president 97 or 98 or 99 percent of the time."

Making the election a national referendum on the president hadn't worked in 2012, and many of the wisest and most intellectually serious people on the right were concerned that it wasn't going to work this time either—that the Republican candidates needed to set a positive and coherent agenda because, without one, they would not inspire enough people. But those campaigns weren't run by stupid people either. They saw what the Democratic campaigns saw.

So why did the anti-Obama focus fail in 2012 but win in 2014? The president wants to believe it's because he's being blamed for Washington's dysfunction. But consider just a partial list of horribles the American people have had to face since 2012.

ObamaCare went live in October 2013, and the billion-dollar website that was supposed to guide people through their choices died. Americans learned that the Veteran's Administration had been falsifying data to hide its dreadful record of failed care. Border states were flooded with tens of thousands of children who had been led to believe that they (and eventually their parents) would be legalized after their horrific journeys. The Internal Revenue Service acknowledged that it had targeted groups hostile to the president, then denied it, and then claimed the emails detailing the actual events had somehow vanished. Americans were given contradictory and confusing details about how authorities were going to prevent the spread of Ebola inside the United States. After we were told the war on jihadist terror was basically a thing of the past, there came the rise of ISIS. The president erased his own "red line" when it came to Syria's use of chemical weapons. Vladimir Putin took a bite out of a neighboring country and is getting ready to take another. That is quite a record to take to the electorate.

No one believes that the Republican Party is popular. And yet, on Election Day, Republicans won eight new Senate seats (with a ninth on the way). The party will have its largest majority in the House of Representatives since 1946. Republicans reside in 31 of the nation's 50 governor's mansions, by far the highest number in modern times. In 24 states, the GOP holds the governorship and both houses of the state legislature; Democrats are in the same position in only six states. Republicans will now control 67 of the nation's 98 state legislative chambers, up from 59. And all this despite the fact that no one believes that the Republican Party is popular.

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NY Times

The Great Immigration Betrayal

Will Obama Disgrace Himself?

by Ross Douthat

IN the months since President Obama first seem poised — as he now seems poised again — to issue a sweeping executive amnesty for millions of illegal immigrants, we've learned two important things about how this administration approaches its constitutional obligations.

First, we now have a clear sense of the legal arguments that will be used to justify the kind of move Obama himself previously described as a betrayal of our political order. They are, as expected, lawyerly in the worst sense, persuasive only if abstracted from any sense of precedent or proportion or political normality.

Second, we now have a clearer sense of just how anti-democratically this president may be willing to proceed.

The legal issues first. The White House's case is straightforward: It has "prosecutorial discretion" in which illegal immigrants it deports, it has precedent-grounded power to protect particular groups from deportation, and it has statutory authority to grant work permits to those protected. Therefore, there can be no legal bar to applying discretion, granting protections and issuing work permits to roughly half the illegal-immigrant population.

This argument's logic, at once consistent and deliberately obtuse, raises one obvious question: Why stop at half? (Activists are already asking.) After all, under this theory of what counts as faithfully executing the law, all that matters is that somebody, somewhere, is being deported; anyone and everyone else can be allowed to work and stay. So the president could "temporarily" legalize 99.9 percent of illegal immigrants and direct the Border Patrol to hand out work visas to every subsequent border crosser, so long as a few thousand aliens were deported for felonies every year.

The reality is there is no agreed-upon limit to the scope of prosecutorial discretion in immigration law because no president has attempted anything remotely like what Obama is contemplating. In past cases, presidents used the powers he's invoking to grant work permits to modest, clearly defined populations facing some obvious impediment (war, persecution, natural disaster) to returning home. None of those moves even approached this plan's scale, none attempted to transform a major public policy debate, and none were deployed as blackmail against a Congress unwilling to work the president's will.

And none of them had major applications outside immigration law. No defender of Obama's proposed move has successfully explained why it wouldn't be a model for a future president interested in unilateral rewrites of other areas of public policy (the tax code, for instance) where sweeping applications of "discretion" could achieve partisan victories by fiat. No liberal has persuasively explained how, after spending the last Republican administration complaining about presidential "signing statements," it makes sense for the left to begin applying Cheneyite theories of executive power on domestic policy debates.

Especially debates in which the executive branch is effectively acting in direct defiance of the electoral process. This is where the administration has entered extraordinarily brazen territory, since part of its original case for taking these steps was that they supposedly serve the public will, which only yahoos and congressional Republicans oppose.

This argument was specious before; now it looks ridiculous. The election just past was not, of course, a formal referendum on the president's proposed amnesty, but it was conducted with the promise of unilateral action in the background, and with immigration as one of the more hotly debated issues. The result was a devastating defeat for Obama and his party, and most polling on unilateral action is pretty terrible for the president.

So there is no public will at work here. There is only the will to power of this White House.

Which is why the thinking liberal's move, if this action goes forward, will be to invoke structural forces, flaws inherent in our constitutional order, to justify Obama's unilateralism. This won't be a completely fallacious argument: Presidential systems like ours have a long record, especially in Latin America, of producing standoffs between executive and legislative branches, which tends to make executive power grabs more likely. In the United States this tendency has been less dangerous — our imperial presidency has grown on us gradually; the worst overreaches have often been rolled back. But we do seem to be in an era whose various forces — our open-ended post-9/11 wars, the ideological uniformity of the parties — are making a kind of creeping caudillismo more likely.

But if that evil must come, woe to the president who chooses it. And make no mistake, the president is free to choose. No immediate crisis forces his hand; no doom awaits the country if he waits. He once campaigned on constitutionalism and executive restraint; he once abjured exactly this power. There is still time for him to respect the limits of his office, the lines of authority established by the Constitution, the outcome of the last election.

Or he can choose the power grab, and the accompanying disgrace.

The Lid

[Two CNBC Alums Say Network Mgmt. Stopped Them From Telling Truth About Obamacare & Obamanomics]

by Jeff Dunetz

During her Friday program on the "Fox Business Network," Melissa Francis made a truly scandalous revelation. "when I was at CNBC, I pointed out to my viewers that the math of Obamacare simply didn't work. Not the politics by the way; just the basic math. And when I did that, I was silenced." Francis eventually brought on Charlie Gasparino another FBN employee who used to work at CNBC who told of the time the network's anchors where called into Jeff Immelt the head of GE's office (GE owned CNBC at the time) for a discussion whether or not the network was being fair to President Obama and his economic policies.

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Straight from the horse's mouth, Jonathan Gruber telling you that the architects of Obamacare think you're stupid and most importantly, they are absolutely counting on your lack of economic understanding. They aren't the only villains in this story though. They are also depending on the liberal media to help them cover up the truth. So far NBC, ABC, The L.A. Times" and Associated Press and others, have been only too happy to comply. Those outlets have not even mentioned the video evidence, from Jonathan Gruber. It is shocking.

But it actually doesn't surprise me. Because when I was at CNBC, I pointed out to my viewers that the math of Obamacare simply didn't work. Not the politics by the way; just the basic math. And when I did that, I was silenced.

I said on the air, that you couldn't add millions of people to the system and force insurance companies to cover their preexisting conditions without raising the price on everyone else. I pointed out that it couldn't possibly be true that if you like your plan you can keep it. That was a lie. And in fact millions of people had their insurance canceled.

Ms Francis brought in Howard Kurtz who said he wasn't surprised by bias just that it was so blatant.

Finally the host brought in another FBN reporter Charlie Gasparino, who was also a CNBC alumnus, Gasparino told two media bias horror stories:

I quite frankly am surprised. I---listen I'm not surprised by liberal bias. I worked in the mainstream media throughout my career. I'm right of center. I never held back my feelings about, I'm a devote' of the free markets, never held back on that. I seen the way it works, usually as Howard says, a lot more subtle. I will say this though; I know Mark Hoffman runs CNBC. I actually think he is a decent guy. I know Nick Yogan who runs the news, runs news operations, decent guy.

But I will say this, and here is one of chilling aspects working in the mainstream media. Two points. When I was at "Newsweek" when it looked like the exit polls were in and George W. Bush was going to lose to John Kerry, people were doing high fives in the newsroom. I'll tell you that, that's one.

The second thing is, there was a thing, at CNBC, right after the elections when President Obama first took office, the markets were getting crushed. The markets were scared about Obamanomics and his ability to lead. Tim Geithner didn't lend a lot of courage and confidence in the markets. And we as a network started talking about that. No sooner did we talk about that, than Jeff Immelt the head of GE, which owned CNBC at time called a meeting of senior people, including mostly anchors. Didn't call me, thank God. And they basically had a talk, a discussion about whether CNBC was being fair to the president. We should point out that GE got a lot of largess, received a lot of largess from the Obama administration over the years. Now did they tell you during this, did they tell the people during this meeting, go easy on Obama? No. But you know there is a chilling effect when your boss calls you in, says, not just your boss, the head of GE, everybody is sitting around and you're saying, oh, are we being fair to the president by pointing out that his economic theories make no sense or whatever we were doing? And you know that is the mainstream media. You know people attack Fox all the time and we give the other side all the time?

WSJ

How Troubled Brokers Cluster, Often Among Elderly Investors

Hot Spots From California to Florida Show High Rates of Regulatory Red Flags; 'Plate-Licker' Alert

by Jean Eaglesham and Rob Barry

Stockbroker Rafael Golan offers seminars with free dinners to prospective clients at restaurants like Burt & Max's Bar and Grille in Delray Beach, Fla.

DELRAY BEACH, Fla.—At Burt & Max's Bar and Grille one day this summer, stockbroker Rafael Golan gave a group of elderly people a financial seminar. After his hourlong talk on topics from real estate to annuities, the free food arrived.

Dinners like this have landed him clients before. Some later lodged complaints against him, making him part of a cluster of brokers with troubled regulatory records that a Wall Street Journal analysis identified in this corner of Florida.

Among those clients were Pinny and Rebecca Slotnick, octogenarians who became Mr. Golan's customers in 2003 after a dinner and later filed a complaint with regulators alleging he mishandled their accounts. He paid them a $125,000 settlement this year. He denies any wrongdoing in this or any other case.

A Wall Street Journal investigation, analyzing the records of about 550,000 stockbrokers, identified 16 U.S. hot spots like this one where troubled brokers tend to concentrate. Parts of New York's Long Island and South Florida, long notorious for "boiler room" operators, made the list. But so did areas around Detroit, Las Vegas and California cities not known for problem brokers.

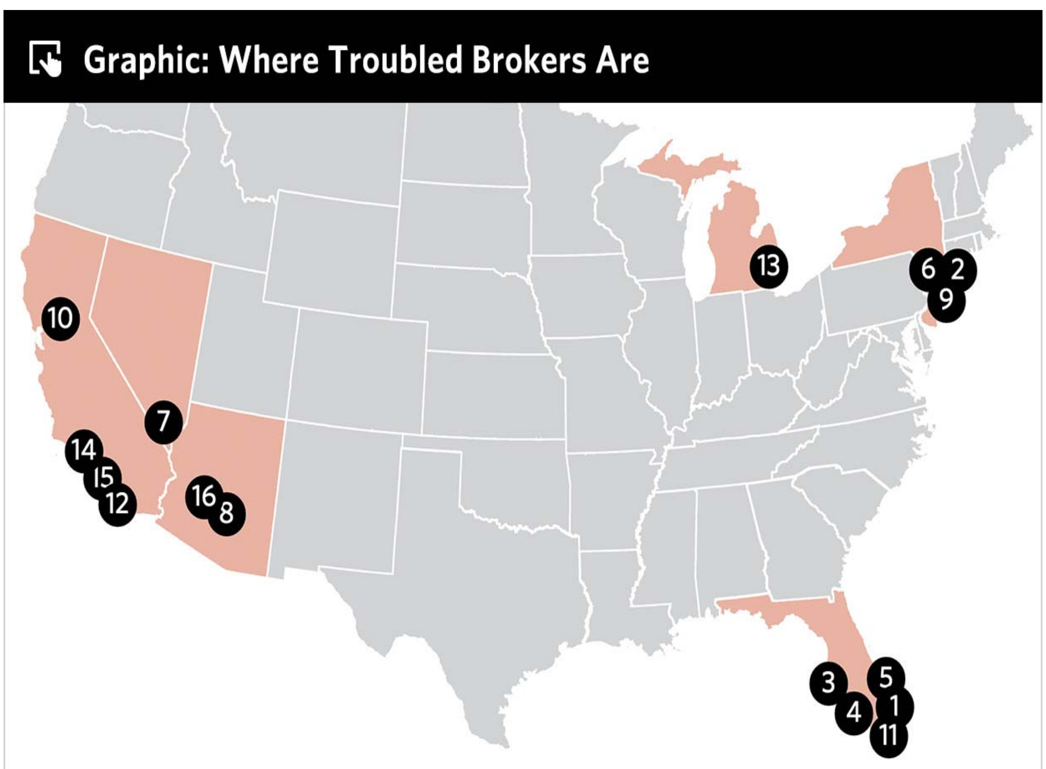
Within 10 miles of Mr. Golan's office here were about 3,000 brokers. One in 17 had three or more disciplinary red flags over their careers that they are required by regulators to report—an industry measure of a troubled broker. That is three times the national average.

Mr. Golan, whose record has five such flags, is what some in the industry call a "plate-licker," a broker who trolls for clients with dinners in [a tactic Wall Street's self-regulator has warned can involve excessive sales pressure].

Why hold this summer's seminar at a strip-mall restaurant? Mr. Golan answers by noting the thief of legend who, asked why he robs banks, replies: That is where the money is.

"I'm a broker," says the 64-year-old Mr. Golan. "Where's the money?"

To identify hot spots, the [Journal analyzed 87% of the nation's 630,000 brokers working in all 50 states], based on data from 27 states for which records were available. The records, compiled in the first half of 2014, include elements that many regulators consider to be red flags, such as regulatory actions, criminal charges, client complaints, recent bankruptcies and terminations. The red-flag tally includes unproven allegations and dropped complaints.



Many of America's brokers with troubled regulatory records cluster in 16 hot spots identified by a Wall Street Journal analysis.

Delray Beach is in Palm Beach County, which had one of the highest rates of troubled brokers in the analysis. It is a retirement haven, giving it something in common with most other hot spots: the elderly.

The rate of households headed by people 65 and older with incomes over $100,000 was 50% higher in the combined hot spots than the national average. Households with incomes in excess of $100,000 in hot spots were about 22% more likely to be headed by people 65 and older than households nationally.

And most hot spots were better off than the national norm: 13 had above-average numbers of households earning $200,000 or more.

State securities regulators generally do little to flag these hot spots or to concentrate resources on policing them.

“It would be helpful for regulators to pool their resources and focus them on the areas where they can do most good,” says Barbara Roper, director of investor protection at the Consumer Federation of America, “and these hot spots would seem to be a very high priority.”

The North American Securities Administrators Association, which represents state regulators, says it looks forward to reviewing the Journal’s analysis. If there are problem areas, it says, it is confident regulators will respond. A representative says policing brokers is “just a small part” of what state watchdogs do.

Wall Street’s self-regulator, the Financial Industry Regulatory Authority, or Finra, has offices in the hot spots the Journal identified, says Susan Axelrod, its executive vice president of regulatory operations, “which means we have dedicated significant regulatory resources in these geographic locations.”

The Journal used techniques from epidemiology designed to locate clusters of sick individuals, identifying hot spots in seven states: Florida, New York, New Jersey, Arizona, California, Nevada and Michigan. In each spot, the ratio of troubled brokers to total brokers significantly exceeded the national average. They varied in population from 749 to 8,708 total brokers.

More than 54,000 brokers in hot spots the Journal identified have generated 8,981 complaints, or about 20% of complaints in the analysis from under 10% of the brokers. It is impossible to know why hot spots form—whether troubled brokers cluster to seek out vulnerable investors or if characteristics of the areas, such as high numbers of well-off seniors, lead to more complaints.

Not all hot spots are well-off. Michigan has a cluster of troubled brokers in the Detroit metropolitan region. In the 14 years he worked in Troy, Mich., broker Lloyd Mincy Jr. generated 16 red flags, including four customer complaints settled for a total of $339,382 and two pending complaints alleging damages totaling $2 million, his record shows. Eight complaints were rejected or withdrawn.

Mr. Golan gives seminars, like the ones advertised here, offering free dinners to prospective clients.

The complaints alleged he induced the investors, who were close to retirement, to invest in an annuity for which he made misleading claims, says D. Daxton White, a lawyer for several of Mr.

Mincy's former clients. Mr. Mincy agreed to be fined $20,000 and suspended for nine months in 2012 by Finra in relation to his sales of annuities, without admitting the findings.

Mr. Mincy died last year at age 48. His former employer, Centaurus Financial Inc., didn't respond to inquiries.

A spokeswoman for the Michigan Department of Licensing and Regulatory Affairs says a third of its officials who examine firms work solely in the metro-Detroit area. Michigan took enforcement actions against seven registered brokers last year.

Wealthy, elderly enclaves were typical of hot spots. In all but three, households headed by people 65 and over were a greater share of high-income households than the national average.

A Florida Office of Financial Regulation spokeswoman says it is aware the state, which has five hot spots, includes a high rate of seniors. The watchdog "serves as the first line of defense, keeping bad actors out of the securities arena" and continuously evaluates broker disclosures, she says. Florida took actions against 25 registered brokers last year.

Arizona's two hot spots sprawled from Phoenix's edges into Peoria and Glendale to the West, and Scottsdale to the east. A spokeswoman for the Arizona Corporation Commission says that it has an "aggressive, comprehensive" enforcement program and that red flags are only one tool it uses. Arizona didn't take any enforcement actions against registered brokers last year.

Another hot spot, in Long Island, was just down the road from the setting for "The Wolf of Wall Street," the movie based on a brokerage firm in Lake Success.

In nearby Roslyn Heights, Mitchell Kurtz has faced several customer claims. His former employer, Raymond James Financial Inc., paid $1.1 million in 2010 to settle a claim against him that included allegations of churning and unauthorized trades, according to his regulatory filing. Mr. Kurtz said on his filing that the firm chose to settle the complaint and that he wasn't asked to pay toward it.

Two other complaints, resulting in payouts totaling $435,000, relate to advice he gave before joining Raymond James. Finra in 2012 fined him $10,000 and suspended him for 45 days for allegedly changing customer information on account forms while at Raymond James.

Mr. Kurtz, 59, in his regulatory filing, didn't admit wrongdoing, saying that he made the changes to correct errors and that no fraud was involved. He declined to comment, as did Raymond James, which filings show fired him in 2009.

The enclave where Mr. Kurtz still works is one of three New York hot spots, along with the southern tip of Manhattan and Staten Island. Responsible for policing them is state Attorney General Eric Schneiderman, who oversees about 95,000 brokers working in the state—the highest for any state regulator—including 11,000 in hot spots, according to the Journal's analysis.

The $5,500 in sanctions New York imposed on individual brokers last year is under 1% of the national total, although about 15% of the nation's registered brokers work in the state, the Journal analysis showed.

Mr. Schneiderman has "brought some of the largest financial cases in American history," a spokesman says, but adds New York's securities law "does not provide the attorney general with review procedures or the authority to regularly examine" brokerage firms, unlike Finra or many other states.

Across the water in New Jersey is a hot spot in Monmouth and Middlesex counties. A New Jersey Bureau of Securities spokesman says the regulator disagrees that the spot has a high problem-broker rate, saying advisers with three or more disclosures aren't necessarily troubled. Last year, the state took enforcement actions against three registered brokers.

Some hot-spot brokers have a broad investor base. Michelle Kern, 36, worked for Ameriprise Financial Inc. in Roseville, Calif., part of a Sacramento hot spot. California prosecutors alleged last year she stole a total of up to $700,000 from clients who regulatory records show were aged 24 to 76.

She pleaded guilty to one criminal count of fraud, and a federal judge sentenced her to 46 months in prison. Ameriprise says it fired her and repaid customers' losses. A lawyer for Ms. Kern declines to comment.

Brokers at the nation's five biggest firms are more than twice as likely to be troubled if they work in a hot spot than elsewhere, the Journal analysis showed.

The regulatory filings of Robert Klein, 54, a J.P. Morgan Chase & Co. broker in Newport Beach, Calif., show that three complaints involving him have been settled for a total of $575,000 and two have been rejected. Mr. Klein, who said in filings about those complaints that his investment strategy was appropriate, didn't respond to inquiries. J.P. Morgan declines to comment.

He also faces five customer complaints outstanding, filed with Finra, alleging mismanagement of investment accounts and claiming damages totaling over $5.35 million, his record shows.

The hot spot where Mr. Klein works, in Orange County, is one of four in California along with the San Fernando Valley area, Northern San Diego and Sacramento. California regulators acted against one registered broker last year. A California Department of Business Oversight spokesman says: "We maintain a robust enforcement posture."

A hot spot in Las Vegas includes its southwestern neighborhoods and portions of Henderson. Nevada's securities administrator says the Journal's analysis overlooks the fact that over a third of red flags brokers in the state report are for advisers' bankruptcies or other financial difficulties. Nevada took enforcement action against one registered broker last year.

Some states without hot spots haven't taken much action, either. Twenty of them last year took no actions against registered brokers, the analysis found.

One tactic seen in hot spots has raised regulators' concerns: "plate-licker" seminars to woo customers. A September Finra alert warned that free-meal pitches can involve hardball sales tactics or problems at follow-ups.

David Lerner, 78, made false claims at seminars in Boca Raton, Fla., Great Neck, N.Y., and Uniondale, N.Y.—each in a hot spot—alleged a Finra complaint settled in 2012.

He agreed to a $250,000 fine and industry suspension. His firm agreed to pay $12 million. Neither admitted wrongdoing, and his industry suspension ended last year. He now helps with marketing and recruiting, says a spokesman for his Long Island firm, David Lerner Associates Inc. It is "insulting and offensive" to investors, the spokesman says, to suggest they would "invest their hard-earned savings for a chicken Parmesan dinner or coffee and cake."

Mr. Golan, who gave the Delray Beach seminar, has disclosed two regulatory events and three complaints.

The Slotnicks invested their retirement funds with him, says their lawyer, who adds that they decline to comment. Mr. Golan agreed to settle their complaint of unsuitable annuity sales but says he "vigorously denies" the allegations.

Joyce and Abraham Pogoda became his clients after a 2003 dinner, court documents show. After Mr. Pogoda died in 2006, Mr. Golan sold unsuitable annuities to his "vulnerable, grieving widow," according to a 2012 Florida regulatory action fining him $10,000.

Mr. Golan, who settled without admitting the allegations, says the regulator brought the case after "no investigating." A spokeswoman for the regulator says his "notion is simply false."

A state court in 2010 awarded $240,000 to Mrs. Pogoda, who died this year. Mr. Golan says the Pogodas "didn't lose a nickel" and the jury "just made up some numbers."

Mr. Golan says dinners attract clients. "It's called prospecting," he says, "just like you do for gold."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dancing WITH THE star


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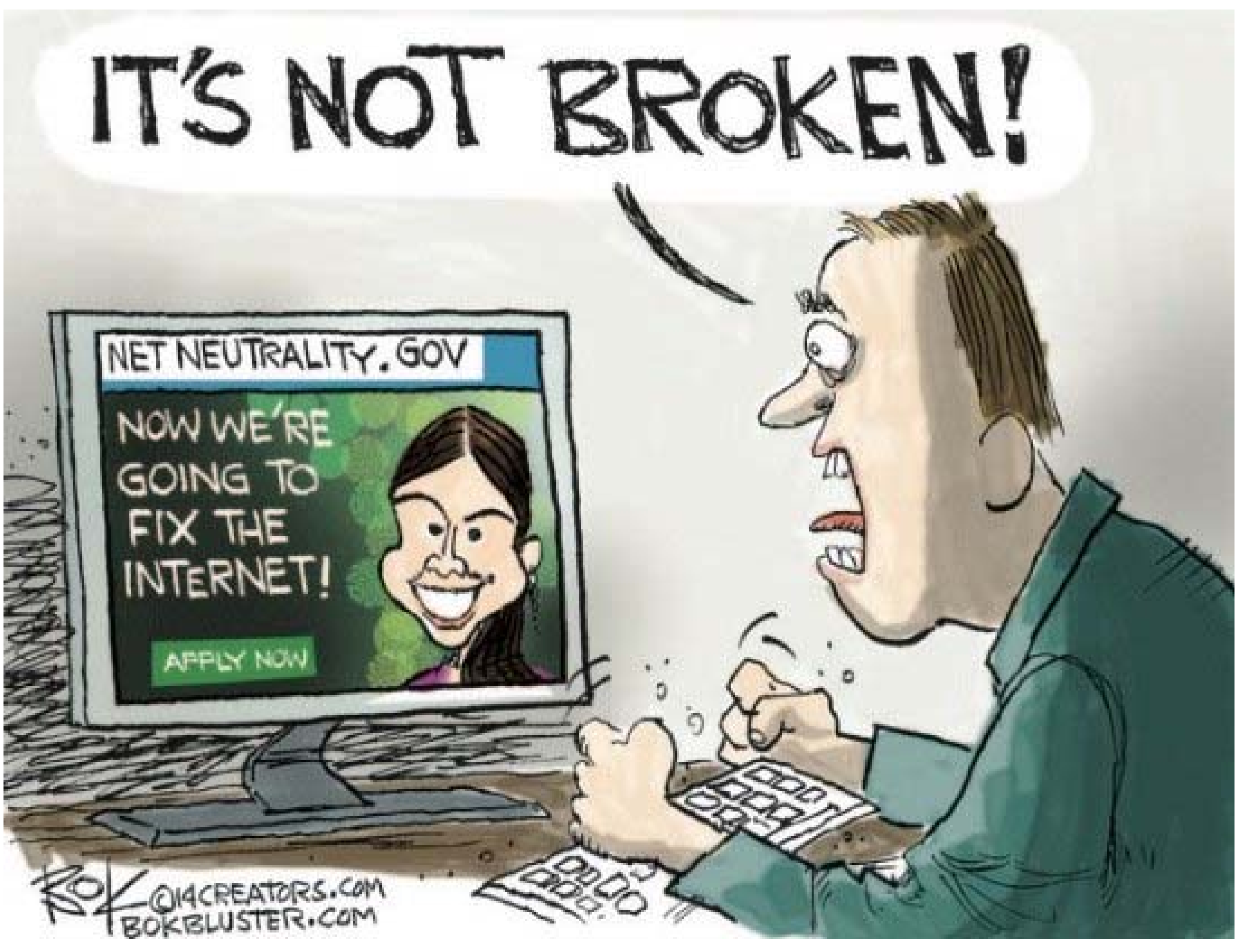
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