



## IAPD Report

# PHILIP ALAN GOLDSTEIN

CRD# 1031460

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Please contact FINRA with any concerns.



## IAPD Information About Representatives

IAPD offers information on all current-and many former representatives. Investors are strongly encouraged to use IAPD to check the background of representatives before deciding to conduct, or continue to conduct, business with them.

### What is included in a IAPD report?

IAPD reports for individual representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.

It is important to note that the information contained in an IAPD report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

### Where did this information come from?

The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD, (see more on CRD below) and is a combination of:

- information the states require representatives and firms to submit as part of the registration and licensing process, and
- information that state regulators report regarding disciplinary actions or allegations against representatives.

### How current is this information?

Generally, representatives are required to update their professional and disciplinary information in IARD within 30 days.

### Need help interpreting this report?

For help understanding how to read this report, please consult NASAA's IAPD Tips page <http://www.nasaa.org/IAPD/IARReports.cfm>

### What if I want to check the background of an Individual Broker or Brokerage Firm?

To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.

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

It is recommended that you learn as much as possible about an individual representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association <http://www.nasaa.org>



## Report Summary

### PHILIP ALAN GOLDSTEIN (CRD# 1031460)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **01/06/2026**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	1ST FINANCIAL INVESTMENT, INC.	CRD# 283072	05/06/2016

### QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **1** jurisdiction(s).

Is this representative currently Inactive or Suspended with any regulator? **No**

**Note:** Not all jurisdictions require IAR registration or may have an exemption from registration.

Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

### REGISTRATION HISTORY

This representative was previously registered with the following firm(s):

	FIRM	CRD#	LOCATION	REGISTRATION DATES
IA	VERE GLOBAL WEALTH MANAGEMENT	154312	Clark's Summit, PA	04/14/2016 - 08/11/2025
B	KALOS CAPITAL, INC.	44337	CLARK'S SUMMIT, PA	06/06/2011 - 02/14/2014
IA	KALOS MANAGEMENT	133025	CLARKS SUMMIT, PA	06/03/2011 - 02/14/2014

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

### DISCLOSURE INFORMATION

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

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

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	2
Customer Dispute	16
Judgment/Lien	5



## Qualifications

### REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works. This individual is currently registered with **1** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

### Employment 1 of 1

Firm Name: **1ST FINANCIAL INVESTMENT, INC.**  
Main Address: 116 NORTH STATE STREET  
1ST FLOOR  
CLARK'S SUMMIT, PA 18411-1056  
Firm ID#: 283072

Regulator	Registration	Status	Date
<b>IA</b> Pennsylvania	Investment Adviser Representative	Approved	05/06/2016

### Branch Office Locations

**1ST FINANCIAL INVESTMENT, INC.**  
116 North State Street  
1st Floor  
Clark's Summit, PA 18411-1056




## Qualifications

### PASSED INDUSTRY EXAMS




This section includes all industry exams that the representative has passed. Under limited circumstances, a representative may attain registration after receiving an exam waiver based on a combination of exams the representative has passed and qualifying work experience. Likewise a new exam requirement may be grandfathered based on a representative's specific qualifying work experience. Exam waivers and grandfathering are not included below.

**This individual has passed 1 principal/supervisory exam, 3 general industry/product exams, and 2 state securities law exams.**



#### Principal/Supervisory Exams

Exam	Category	Date
 General Securities Principal Examination (S24)	Series 24	07/28/2003

#### General Industry/Product Exams

Exam	Category	Date
 Foreign Currency Options Examination (S15)	Series 15	03/07/1983
 Interest Rate Options Examination (S5)	Series 5	05/05/1982
 General Securities Representative Examination (S7)	Series 7	02/20/1982

#### State Securities Law Exams

Exam	Category	Date
 Uniform Investment Adviser Law Examination (S65)	Series 65	02/19/1993
 Uniform Securities Agent State Law Examination (S63)	Series 63	02/23/1982

### PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **0** professional designation(s).

No information reported.



## Registration & Employment History

### PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
IA	04/14/2016 - 08/11/2025	VERE GLOBAL WEALTH MANAGEMENT	CRD# 154312	Clark's Summit, PA
B	06/06/2011 - 02/14/2014	KALOS CAPITAL, INC.	CRD# 44337	CLARK'S SUMMIT, PA
IA	06/03/2011 - 02/14/2014	KALOS MANAGEMENT	CRD# 133025	CLARKS SUMMIT, PA
B	03/17/2011 - 07/07/2011	WFG INVESTMENTS, INC.	CRD# 22704	CLARKS SUMMIT, PA
IA	03/07/2011 - 07/07/2011	WFG ADVISORS, LP	CRD# 125073	CLARKS SUMMIT, PA
IA	10/08/2004 - 03/08/2011	BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC.	CRD# 13609	CLARK'S SUMMIT, PA
B	10/06/2004 - 03/08/2011	BERTHEL, FISHER & COMPANY FINANCIAL SERVICES, INC.	CRD# 13609	CLARK'S SUMMIT, PA
B	02/25/2002 - 09/29/2004	MIDSOUTH CAPITAL, INC.	CRD# 35039	ATLANTA, GA
B	04/21/1995 - 02/22/2002	FIRST MONTAUK SECURITIES CORP.	CRD# 13755	RED BANK, NJ
B	07/24/1993 - 04/24/1995	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	CRD# 7691	NEW YORK, NY
B	03/01/1982 - 07/15/1993	PRUDENTIAL SECURITIES INCORPORATED	CRD# 7471	NEW YORK, NY

### EMPLOYMENT HISTORY

Below is the representative's employment history for up to the last 10 years.

Employment Dates	Employer Name	Position	Investment Related	Employer Location
08/2021 - Present	Lifetime Income 4 You, Inc.	Consultant	Y	Clark's Summit, PA, United States
01/2021 - Present	Simplicity Group Insurance	Independent Insurance Advisor	Y	Scottsdale, AZ, United States
07/2019 - Present	Society for Financial Awareness	Consultant & Educator	Y	San Diego, CA, United States



## Registration & Employment History

### EMPLOYMENT HISTORY

Employment Dates	Employer Name	Position	Investment Related	Employer Location
03/2018 - Present	1st Financial Safeguard, Co.	President	Y	Clark's Summit, PA, United States
02/2018 - Present	1st Financial Tax Services, LLC	Indirect Passive Owner & Vice-President	N	Clark's Summit, PA, United States
01/2017 - Present	NE PA Financial Group, G.P.	Indirect Passive Owner -- Holding Company	Y	Clark's Summit, PA, United States
04/2016 - Present	1st Financial Investment, Inc	President	Y	CLARK'S SUMMIT, PA, United States
11/2015 - Present	Bariatric Solutions for Life	CONSULTANT	Y	Clark's Summit, PA, United States
05/2013 - Present	SOCIAL SECURITY CONSULTANTS, INC	CONSULTANT	Y	CLARK'S SUMMIT, PA, United States
06/2005 - Present	COLLEGE PLANNING SERVICES, INC.	CONSULTANT	Y	CLARK'S SUMMIT, PA, United States
10/2004 - Present	1ST FINANCIAL INVESTMENTS INC.	PRESIDENT	Y	CLARK'S SUMMIT, PA, United States
02/2016 - 08/2025	VERE ASSET MANAGEMENT, INC.	Independant Investment Advisor Representative	Y	Clark's Summit, PA, United States
02/2016 - 08/2025	Vere Global Private Asset Management	Independant Advisor	Y	Colliersville, TN, United States
06/2018 - 12/2020	ECA Marketing, Inc.	Independant Insurance Advisor	Y	Eden Prairie, MN, United States
08/2018 - 06/2019	Financial Education Partnership	Consulant & Educator	Y	Washington, DC, United States
11/2014 - 06/2018	The Revolution FMO	Independant Insurance Advisor	Y	Henderson, NV, United States

### OTHER BUSINESS ACTIVITIES

This section includes information, if any, as provided by the representative regarding other business activities the representative is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious, or fraternal and is recognized as tax exempt.

1ST FINANCIAL INVESTMENT, INC.  
PRESIDENT. COMPANY IS A REGISTERED INVESTMENT ADVISOR. NUMBER OF HOURS CAN VARY AND ARE MOSTLY DURING TRADING HOURS. I AM ALSO AN INDIRECT PASSIVE OWNER THROUGH THE HOLDING COMPANY.

1ST FINANCIAL INVESTMENTS, INC.  
PRESIDENT. IN SOME STATES THIS ENTITY IS ALSO KNOWN AS PENNSYLVANIA 1ST FINANCIAL INVESTMENTS, INC. NUMBER OF HOURS CAN VARY AND CAN BE DURING BOTH TRADING AND NON-TRADING HOURS. I AM ALSO AN



## Registration & Employment History



### OTHER BUSINESS ACTIVITIES

INDIRECT PASSIVE OWNER THROUGH THE HOLDING COMPANY

SOCIAL SECURITY CONSULTANTS, INC.

CONSULTANT ON SOCIAL SECURITY. THIS IS A SEPARATE FICTITIOUS D/B/A NAME UNDER 1ST FINANCIAL INVESTMENTS, INC. FOR CONSULTING AND MARKETING ON SOCIAL SECURITY. NUMBER OF HOURS VARIOUS AND CAN BE BOTH DURING TRADING HOURS AND NON TRADING HOURS

College Planning Services.

Consulting on College Planning and assisting on FASFA form. Number of Hours varies and can be during both trading and non trading hours. This is a separate Fictitious d/b/a Name under 1st Financial Investments, Inc. and used for marketing purposes.

Bariatric Solutions for Life

This is a fictitious d/b/a name under 1st Financial Investments, Inc. Consulting and Marketing tool to offer and sell Life Insurance to those who have had some sort of Bariatric & Weight Loss surgery. Number of hours vary during both trading and non-trading hours.

Simplicity Group & Advisor's Choice Insurance Brokerage Services, LLC

Independent Insurance Advisor. Affiliated with both companies as they are the Managing General Agent / FMO / IMO for Fixed Annuity & Insurance Business. Number of hours vary during both trading and non-trading hours.

Lifetime Income 4 You, Inc.

This is a fictitious d/b/a under 1st Financial Investments, Inc merely used for marketing purposes. Number of hours varies and can be both during trading and non-trading hours.

NEPA Financial Group, G.P.

This is the holding company for my various business entities. Various trust accounts are the owners and partners. I am an indirect Passive owner as beneficiary of one of the trusts.

1st Financial Tax Services, LLC.

This entity is a tax preparation company. I am not involved in the normal day to day operations nor do I do any of the tax prep. I am an indirect passive owner through the Holding company and am also the Vice-President.

1st Financial Safeguard, Co.

This entity is an Insurance General Agency for Fixed Insurance & Annuities. I am the president and an indirect owner through the holding company. Activity can take place during trading hours and number of hours vary.

Society for Financial Awareness (SOFA)

I am affiliated as a consultant and educator. I receive no direct compensation from this company. Number of hours vary during both trading and non-trading hours.



## Disclosure Summary

### Disclosure Information

#### What you should know about reported disclosure events:

##### (1) Certain thresholds must be met before an event is reported to IARD, for example:

- A law enforcement agency must file formal charges before an Investment Adviser Representative is required to report a particular criminal event.;
- A customer dispute must involve allegations that an Investment Adviser Representative engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.

##### (2) Disclosure events in IAPD reports come from different sources:

As mentioned in the "About IAPD" section on page 1 of this report, information contained in IAPD comes from Investment Adviser Representatives, firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the IAPD report. The different versions will be separated by a solid line with the reporting source labeled.

##### (3) There are different statuses and dispositions for disclosure events:

- A disclosure event may have a status of *pending*, *on appeal*, or *final*.
  - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
  - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
  - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
  - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
  - A "settled" matter generally represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
  - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

##### (4) You may wish to contact the Investment Adviser Representatives to obtain further information regarding any of the disclosure events contained in this IAPD report.



## DISCLOSURE EVENT DETAILS

When evaluating this information, please keep in mind that some items may involve pending actions or allegations that may be contested and have not been resolved or proven. The event may, in the end, be withdrawn, dismissed, resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to the Investment Adviser Registration Depository. Some of the specific data fields contained in the report may be blank if the information was not provided.

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	2
Customer Dispute	16
Judgment/Lien	5

### Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative's authority to act as an attorney, accountant or federal contractor.

#### Disclosure 1 of 2

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	11/05/2012
<b>Docket/Case Number:</b>	2011028546801
<b>Employing firm when activity occurred which led to the regulatory action:</b>	BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC.; WFG INVESTMENTS, INC.
<b>Product Type:</b>	No Product
<b>Allegations:</b>	FINRA RULES 1122, 2010, NASD RULE 2110, INTERPRETATIVE MATERIAL 1001-1: GOLDSTEIN WILLFULLY FAILED TO TIMELY AMEND HIS FORM U4 TO DISCLOSE MATERIAL INFORMATION.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	11/05/2012



**Sanctions Ordered:**

Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?**

No

**(1) 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 to have been unable to comply with any provision of such Act, rule or regulation?**

**(2) 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? or**



**(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such 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 such Acts, or any of the rules of the Municipal Securities Rulemaking Board?**

**Sanction 1 of 1**

**Sanction Type:** Suspension  
**Capacities Affected:** ANY CAPACITY  
**Duration:** FOUR MONTHS  
**Start Date:** 12/03/2012  
**End Date:** 04/02/2013

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)  
**Total Amount:** \$5,000.00  
**Portion Levied against individual:** \$5,000.00  
**Payment Plan:**  
**Is Payment Plan Current:**  
**Date Paid by individual:** 08/05/2013  
**Was any portion of penalty waived?** No

**Amount Waived:**

**Regulator Statement**

WITHOUT ADMITTING OR DENYING THE FINDINGS, GOLDSTEIN CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE HE IS FINED \$5,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR FOUR MONTHS. GOLDSTEIN UNDERSTANDS THAT THIS SETTLEMENT INCLUDES A FINDING THAT HE WILLFULLY OMITTED TO STATE A MATERIAL FACT ON A FORM U4, AND THAT UNDER SECTION 3(A)(39)(F) OF THE SECURITIES EXCHANGE ACT OF 1934 AND ARTICLE III, SECTION 4 OF FINRA'S BY-LAWS, THIS OMISSION MAKES HIM SUBJECT TO STATUTORY DISQUALIFICATION WITH RESPECT TO ASSOCIATION WITH A MEMBER. THE SUSPENSION IS IN EFFECT DECEMBER 3, 2012 THROUGH APRIL 2, 2013. FINE PAID.

**Reporting Source:** Individual



<b>Regulatory Action Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY
<b>Sanction(s) Sought:</b>	Bar Civil and Administrative Penalty(ies)/Fine(s) Suspension
<b>Date Initiated:</b>	07/29/2011
<b>Docket/Case Number:</b>	20110285468
<b>Employing firm when activity occurred which led to the regulatory action:</b>	BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC. AND WFG INVESTMENTS, INC., WFG ADVISORS L.P., WILLIAM FINANCIAL GROUP, AND 1ST FINANCIAL INVESTMENTS, INC.
<b>Product Type:</b>	No Product
<b>Allegations:</b>	FINRA ALLEDGED VIOLATION OF FINRA RULES 1122, 2010, NASD RULES 2110, AND NASD IM-1001-1. WILFULLY FAILED TO AMEND U4 TO DISCLOSE TAX LEINS BETWEEN DECEMBER 2005 AND MARCH, 2011, AND A REGULATORY ACTION FILED BY THE COMMONWEALTH OF PENNSYLVANIA INSURANCE DEPARTMENT WHILE ASSOCIATED WITH BERTHEL FISHER AND 1ST FINANCIAL INVESTMENTS INC. AND CONTINUING UNTIL THE COMMENCEMENT OF ASSOCIATION WITH WFG INVESTMENTS INC, WFG ADVISORS, LP & WILLIAMS FINANCIAL GROUP
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	11/05/2012
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	ALL CAPACITIES
<b>Duration:</b>	FOUR MONTHS
<b>Start Date:</b>	12/03/2012
<b>End Date:</b>	04/02/2013
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$5,000.00
<b>Portion Levied against individual:</b>	\$5,000.00
<b>Payment Plan:</b>	TO BE PAID IN INSTALLMENTS BEGINING AT THE END OF SUSPENSION
<b>Is Payment Plan Current:</b>	Yes
<b>Date Paid by individual:</b>	08/05/2013



**Was any portion of penalty waived?**

No

**Amount Waived:**

**Broker Statement**

I DISAGREE WITH THE SANCTIONS ISSUED BY FINRA. 2 TAX LIENS AND THE INSURANCE REGULATORY ACTIONS INFORMATION WAS GIVEN TO MY FORMER B/D BERTHEL FISHER TIMELY TO AMEND MY U4. I WAS UNAWARE THAT THEY NEVER AMENDED IT AND THEY ARE USING THE TACTIC THAT THEY NEVER RECEIVED IT WHEN I HAD PROOF THAT IT WAS SENT & THAT THEY RECEIVED IT. BERTHEL FISHER NEVER HAD ME REVIEW MY U4 DURING ANY OF THEIR YEARLY COMPLIANCE AUDITS. HAD THEY REVIEWED THIS WITH ME, I WOULD THEN HAVE NOTICED THAT THESE WERE MISSING MY FROM U4 AND WOULD HAVE BROUGHT THIS TO THEIR ATTENTION AT THAT TIME. IN ADDITION THERE WERE 4 TAX LEINS THAT I WAS UNAWARE THAT WAS FILED AGAINST ME. I DID NOT BECAME AWARE THAT BERTHEL FISHER DIDN'T AMEND MY U4 OR THE OTHER TAX LEINS AND THE INSURANCE REGULATORY ACTION UNTIL I MOVED TO WFG & DURING THE DUE DILLEGENT PROCESS TO JOIN THEIR FIRM. AT THE TIME WHEN I BECAME AWARE THAT THESE ITEMS WERE NOT ON MY U4, I IMMEDIATELY UPDATED MY U4 TO DISCLOSE THESE ITEMS. IT WAS NEVER MY INTENT TO WILFULY NOT DISCLOSE THESE ITEMS. I BELEIVED THAT WHEN THESE ITENS WERE SENT TO BERTHEL FISHER AND THE PROOF THAT I HAD THAT THEY RECEIVED IT THAT IT HAD BEEN TAKEN CARE OF AND MY U4 UPDATED. IN ADDITION IF I WAS NOT NOTIFIED ON A TAX LEIN FILED AGAINST ME, I WAS NOT ABLE TO DISCLOSE IT. IN ORDER TO AVOID ANY ADDITIONAL LAWYER FEES, TRAVEL EXPENSES, AND OTHER COSTS, TO LITIGATE THIS WITH FINRA, I AGREED TO SETTLE WITH AN AWC

**Disclosure 2 of 2**

**Reporting Source:**

Individual

**Regulatory Action Initiated By:**

COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF INSURANCE

**Sanction(s) Sought:**

Bar  
Cease and Desist  
Civil and Administrative Penalty(ies)/Fine(s)  
Restitution  
Revocation  
Suspension

**Date Initiated:**

10/17/2009

**Docket/Case Number:**

C010-02-008

**Employing firm when activity occurred which led to the regulatory action:**

1ST FINANCIAL INVESTMENTS, INC.

**Product Type:**

Insurance

**Allegations:**

VIOLATION OF PENNSYLVANIA STATUTES SECTION 310.11(7); AND 310.11(20) OF THE COMMONWEALTH OF PENNSYLVANIA INSURANCE LAW.

**Current Status:**

Final

**Resolution:**

Order



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	Yes
<b>Resolution Date:</b>	08/17/2010
<b>Sanctions Ordered:</b>	Cease and Desist Civil and Administrative Penalty(ies)/Fine(s) Restitution Other: ANY FURTHER VIOLATIONS OF STATUTES AND/OR REGULATIONS PERTAINING TO COMMONWEALTH OF PENNSYLVANIA INSURANCE LAWS WITHIN TEN (10) YEARS OF ORDER WILL RESULT IN IMMEDIATE SUSPENSION OF INSURANCE LICENSES.
<b>Monetary Sanction 1 of 2</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$5,000.00
<b>Portion Levied against individual:</b>	\$5,000.00
<b>Payment Plan:</b>	NONE
<b>Is Payment Plan Current:</b>	
<b>Date Paid by individual:</b>	10/17/2010
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	
<b>Monetary Sanction 2 of 2</b>	
<b>Monetary Related Sanction:</b>	Restitution
<b>Total Amount:</b>	\$828.65
<b>Portion Levied against individual:</b>	\$828.65
<b>Payment Plan:</b>	NONE
<b>Is Payment Plan Current:</b>	
<b>Date Paid by individual:</b>	10/11/2010
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	
<b>Broker Statement</b>	THIS ACTION RESULTED FROM AN FORMER INSURANCE AGENT WHO WAS WORKING AND OPERATING UNDER '1ST FINANCIAL INVESTMENTS, INC.' CORPORATE INSURANCE LICENSURE, THAT I WAS THE DESIGNEE AND SUPERVISORY INSURANCE AGENT FOR. I DEFENDED MYSELF AND THE CORPORATION, BUT TO AVOID ADDITIONAL ATTORNEY & LITIGATION COSTS, AND TRAVEL EXPENSES, AND WITHOUT ANY ADMITTING TO THE ALLEGATIONS, A SETTLEMENT OFFER WAS MADE WITH THE COMMONWEALTH OF PENNSYLVANIA. THERE WERE NEVER ANY SUSPENSION OR ANY REVOCATION OF INSURANCE LICENSES OF MYSELF OR 1ST FINANCIAL INVESTMENTS, INC AND ARE CURRENTLY ACTIVE. THE



CIVIL FINE AND RESTITUTION WERE ASSESSED AS JOINTLY AND SEVERLY AGAINST MYSELF AND 1ST FINANCIAL INVESTMENTS, INC., BUT WERE SOLELY PAID BY 1ST FINANCIAL INVESTMENTS, INC. I DID NOT CONTRIBUTE ANY PERSONAL FUNDS, NOR REIMBURSE 1ST FINANCIAL INVESTMENTS, INC. FOR ANY OF THE FINES AND/OR RESTITUTIONS.



## Customer Dispute

This section provides information regarding a customer dispute that was reported to the Investment Adviser Registration Depository (IARD) by the Investment Adviser Representative (IAR), an investment adviser and/or securities firm, and/or a securities regulator. The event may include a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit that contains allegations of sales practice violations against the individual.

The customer dispute may be pending or may have resulted in a civil judgment, arbitration award, monetary settlement, closure without action, withdrawal, dismissal, denial, or other outcome.

### Disclosure 1 of 16

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** 1st Financial Investments Inc.; 1st Financial Safeguard Co

**Allegations:**

- 1) rescission, benefit of the bargain damages and/or compensatory damages;
- 2) breach of written contract pursuant to the customer agreements;
- 3) breach of fiduciary duty of failing to act in Claimant's best interests, to deal fairly and honestly with the Claimant, to observe fair business practices and equitable principles of trade as embodied in the standards of the securities industry, FINRA Rules, and Respondents' own internal policies, to make only suitable investments and not to knowingly or negligently make material misrepresentations and omissions to Claimant;
- 4) failure to supervise; by neglecting its duty to properly supervise and control its agents pursuant, but not limited, to Section 20(a) of the 1934 Securities and Exchange Act, FINRA Rule 3111, and Section 342 of the NYSE Rules;
- 5) negligence and gross negligence;
- 6) misrepresentations and omissions;
- 7) violation of FINRA Rules;
- 8) violations of the Pennsylvania Securities Act;
- 9) violation of the federal securities laws; and
- 10) violation of the Best Interest Obligations (Reg B1).

**Product Type:** Annuity-Fixed  
Debt-Corporate  
Direct Investment-DPP & LP Interests

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** Requesting Damages between \$100,000.01 and \$500,000.00;  
Punitive damages;  
Interest;  
Attorney Costs;  
Under-Performance Damages;  
Rescission; and  
Any other relief the panel deems just

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 23-3588

**Filing date of arbitration/CFTC reparation or civil litigation:** 12/20/2023



### Customer Complaint Information

**Date Complaint Received:** 12/27/2023

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 11/08/2024

**Settlement Amount:** \$18,000.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

This complaint is the result of an Investment by the Registered Representative in my office that sold a product that unfortunately filed for chapter 11 bankruptcy but has since emerged. Complaint also complains about an annuity that I sold. Client attended a seminar workshop that I conducted on Equity Index Annuities. Met with both client and spouse who is now deceased. Gave them illustration and sales material on the annuity. Client was also given a free look period to review the policy pursuant to the Commonwealth of Pennsylvania Insurance laws. Client did not have any questions during the free look and accepted the policy. Any questions and/or issues the client had, the client should have asked and/or addressed during the free look period, and not now. Client could have turned back in the policy during the free look and rejected the policy and gotten their money back without any penalty from the company. Further if there is any disputes, on the annuity, the proper venue should be the Commonwealth of Pennsylvania Department of Insurance and not this Forum. Further the annuity company reviewed the application and found the client suitable for the product, otherwise they wouldn't approve the product.

With regard to the Bond Investment, I did not sell the product as I wasn't licensed to sell the product. In my office there was an advertised material, to which both clients saw and inquired. I referred the clients to the registered representative in my office who then sold the product. I was in the room when the product was being presented to them. I also believe that the client attended a seminar workshop sponsored by the product sponsor and the registered rep, to which I did attend. But my only involvement was only the annuity, to which I am properly licensed with the Commonwealth of Pennsylvania.

Neither I, my general agency, or my business was listed as a named respondent or defendant. The Registered Representative and his broker / dealer were listed as a named respondent. I though was listed and named in the merits of the complaint.

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This complaint was settled by the registered representative's broker / dealer in order to avoid any additional costs and the former client signed a release and dismissed the complaint with prejudice. Neither myself or the registered representative participated in any part of the settlement process, nor did with one of us has to contribute any personal funds towards the settlement. I was not a registered representative of the broker / dealer firm, nor was I a named respondent of this lawsuit complaint, I was however listed in the merits of the complaint as initially meeting with the client. The only product that I participated in in the recommendation was the annuity. Which if there was any issues that the client had, should have been brought before the Commonwealth of Pennsylvania Insurance Commission and not through FINRA.

**Disclosure 2 of 16**

<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	1st Financial Investment, Inc; 1st Financial Investments, Inc.; & Vere Global Asset Maangement
<b>Allegations:</b>	<ol style="list-style-type: none"><li>1.) Breach of fiduciary obligations / duties;</li><li>2.) Breach of contract;</li><li>3.) Negligence / professional negligence;</li><li>4.) Failure to supervise;</li><li>5.) Violations of State and Federal rules and regulations;</li><li>6.) Agency, respondent superior and control person liability;</li><li>7.) General equitable principals that apply to arbitration</li></ol>
<b>Product Type:</b>	Debt-Corporate Direct Investment-DPP & LP Interests
<b>Alleged Damages:</b>	\$20,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	In addition to the above damages plus <ol style="list-style-type: none"><li>1.) Pre-Judgment Interest;</li><li>2.) Interest until award id fully paid and satisfied;</li><li>3.) Fees commissions, and compensation earned from investments;</li><li>4.) all reasonable attorney's fees, expenses, and costs, including experts' fees;</li><li>5.) in the alternative, rescission or recessionary measure of damages of an offer of tender of her investment;</li><li>6.) in the alternative, well-managed portfolio theory of damages;</li><li>7.) any additional equitable / injunctive or other relief as deemed appropriate by panel</li></ol>
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA Dispute Resolution
<b>Docket/Case #:</b>	22-2733
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	11/30/2022
<b>Customer Complaint Information</b>	
<b>Date Complaint Received:</b>	12/05/2022
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	04/03/2023
<b>Settlement Amount:</b>	\$12,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	Plaintiff became a client of our firm from attending a workshop on retirement planning and annuities that was presented by myself and a former partner. After the workshop client came to our office and met with the both of us. On another visit to my office by the clients, there was a sales material poster in my office on



the GWG L Bonds. Client expressed an interest. The registered rep in our office presented the product to the client and was interested. After purchase of investment our office did a workshop on the GWG which was sponsored and presented by GWG and their sales rep. Client did bring a friend to that workshop. I believe client made a 2nd investment based on the presentation by GWG. Unfortunately GWG took a turn for the worst, and suspended their interest payment, redemptions, and maturity payments January, 2022 and filed for Chapter 11 Bankruptcy April, 2022. It is to my understanding that GWG filed their plan of reorganization with the Court December, 2022. Instead of waiting client decide to file this lawsuit. It is to my understanding that client signed the subscription documents, and the brokerage firm (respondent) disclosure forms acknowledging that the investment wasn't actively traded on an exchange or bond market, and the risks.

1st Financial Investments, Inc. is the DBA that our firm goes by to the general public for our business. 1st Financial Investment, Inc. and Vere Global Asset Management are the RIA firms that I am affiliated with. Neither myself nor any of the RIA firms were named as a respondent. The Brokerage Firm that our registered Rep in our office was named as a respondent, but my name was named in the merits of the complaint. Neither of the RIA firms were named in any merits of the complaint

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The broker / dealer where the registered representative in my office was affiliated with settled this matter with the Plaintiff / Claimant to avoid any additional costs to defend this matter. In accepting the settlement, the client dismissed the lawsuit complaint with prejudice. I was not affiliated with the broker / dealer, I did not participate nor provide any input in any part of the discussions to reach the settlement. Neither I, nor the registered representative in my office have to contribute any personal funds towards this settlement.

**Disclosure 3 of 16**

**Reporting Source:**

Individual

**Employing firm when activities occurred which led to the complaint:**

1st Financial Investment, Inc and Vere Global Asset Management

**Allegations:**

- 1.) Violations of Sections 10(b) and 20(a) of the 1934 Act [15 U.S.C. 78j(b) and 78t(a)] and Rule 10b-5 Thereunder [17 C.F.R. 240.10b-5];
- 2.) Violations of the Pennsylvania Unfair Trade Practices and Consumer Protection Law [73 P.S. 1-201 et seq.];
- 3.) Violations of the Pennsylvania Securities Act of 1972, [70 P.S. 1-101 et seq.];
- 4.) Breach of Fiduciary Duty;
- 5.) Common Law Fraud;
- 6.) Negligence, Including Negligent Failure to Supervise; and
- 7.) Breach of Contract;

**Product Type:**

Debt-Corporate  
Direct Investment-DPP & LP Interests

**Alleged Damages:**

\$288,280.00

**Alleged Damages Amount Explanation (if amount not exact):**

- In addition to the above about
- 1.) Pre & Post Award Interest;
  - 2.) Lost income under the "well managed portfolio" theory of recovery or the benefit-of-the bargain theory;
  - 3.) Disgorgement of sales commissions;



- 4.) Punitive or exemplary damages;
- 5.) Attorney's fees, filing fees, and other costs incurred in this arbitration; and
- 6.) other and further relief as the Arbitration Panel deems just and proper

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 22-2544

**Filing date of arbitration/CFTC reparation or civil litigation:** 11/09/2022

**Customer Complaint Information**

**Date Complaint Received:** 11/15/2022

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 08/24/2023

**Settlement Amount:** \$81,916.25

**Individual Contribution Amount:** \$0.00

**Broker Statement**

This arbitration lawsuit is against another advisor in my firm and that advisor's broker/ dealer. I am not, nor was ever affiliated with that broker / dealer. In addition, I am not a respondent to the lawsuit, however my name was listed in the merits of the complaint as being involved in the sale of GWG L Bonds for which the majority complaint is about. In January 2022, GWG suspended their interest and maturity payments and in April, 2022 filed for Chapter 11 Bankruptcy. It is believed that the above clients purchased the GWG L Bonds through the other advisor and his broker / dealer. It is believed that the above clients were present at a seminar workshop presented by the salesperson of GWG. My involvement with these clients is I was present at the seminar. In addition, I met with the above clients either to discuss Advisory, Annuity or both. In my office there is a poster sign regarding the GWG product. I would have asked the client is they were possibly interested in the product, but I didn't sell the product. At time I would be in the meeting when the other advisor would be brought in, but the product was mainly sold by the salesman of GWG. My Advisory firm did have a selling agreement with GWG, so I could have if I opted to sell the GWG through the advisory account. However, at the time of the sale it was mentioned that the difference of placing the bond in the advisory account vs brokerage, and client choose brokerage. That is why I had the other advisor who is properly licensed to present the product to be placed in the advisory account.

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In order to avoid any addition out of pocket costs and fees, the other advisor's broker / dealer firm settled with all the clients, and the clients accepted the office. All the clients signed a release and withdrew & dismissed their lawsuit complaint with prejudice. Neither myself, the other advisor, or the Advisory firm was involved



any part of the settlement negotiations, nor was there any individual contribution made towards the settlement.

#### Disclosure 4 of 16

<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	1st Financial Investments, Inc.; 1st Financial Investment, Inc; & 1st Financial Safeguard, Co
<b>Allegations:</b>	Net loss of current investment' loss; loss of potential opportunities; surrender fees; other consequential damages; Violations of Sections 10(b) and 20(a) of the 1934 Act [15 U.S.C. 78j(b) and 78t(a)] and Rule 10b-5 Thereunder [17 C.F.R. 240.10b-5; Violations of the Pennsylvania Unfair Trade Practices and Consumer Protection Law [73 P.S. 1-201 et seq.]; Violations of the Pennsylvania Securities Act of 1972, 70 P.S. 1-101 et seq.; Breach of Fiduciary Duty; Common Law Fraud; Negligence; and Breach of Contract
<b>Product Type:</b>	Annuity-Fixed Equity-OTC
<b>Alleged Damages:</b>	\$129,209.82
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	In addition to damages plus Pre & Post Arbitration interest, filing fee, and attorney fee
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	22-1365
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	06/17/2022

#### Customer Complaint Information

<b>Date Complaint Received:</b>	06/29/2022
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	05/11/2023
<b>Settlement Amount:</b>	\$30,000.00
<b>Individual Contribution Amount:</b>	\$0.00

**Broker Statement** This arbitration lawsuit is of no merit. Client attended a seminar workshop put on by my office on annuities and retirement planning of which myself and another insurance agent. Client also set an appointment and met in my office with both myself and the other insurance agent who has since left my office. Client had a variable annuity and no longer wanted to be subject to much of market risk due to his age. Part of the Variable annuity was 1035 into an Equity Index Annuity. At the time the application was taken it is to my understanding that the client understood



the features of the annuity, including surrender fees, caps, and spreads. In addition client signed the annuity application, which had these disclosures. However, I was not the producer or writing agent of the annuity business, the other agent was who has since left my office. But I was involved in the workshop and meeting with the client. Any questions client asked were answered. If client had any concerns the time to ask was either at the time the application was taken, or the 45 day free look period when the policy was delivered, and not 5 years later. Both myself and the other agent referred the client to the Series 7 Registered Representative in our office who sold GWG L Bonds. Unfortunately GWG filed for chapter 11 bankruptcy. It is my belief this is why the client initiated this lawsuit. It is to my understanding that the client invested in the GWG preferred stock, and that GWG stopped paying cash dividends, but is paying their dividends in stock. I was not listed as a named respondent, but was listed in the merits of the complaint. The broker / dealer, Western International Securities, Inc was the only named respondent, which is who the series 7 registered representative in my office is affiliated with. I am not, nor was I ever affiliated with Western International Securities.

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The broker / dealer on the registered representative in my office that is affiliated with settled this matter with the plaintiff / claimant. I did not participate in, nor provided any input on the settlement of this matter. Nor did I or the registered representative in my office had to personally contribute any funds towards the settlement. In accepting the settlement, the plaintiff / claimant dismissed the lawsuit complaint with prejudice.

**Disclosure 5 of 16**

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** Kalos Capital, Inc.

**Allegations:** client alleges inadequate due diligence and negligence.

**Product Type:** Oil & Gas

**Alleged Damages:** \$25,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 18-03855

**Filing date of arbitration/CFTC reparation or civil litigation:** 11/07/2018

**Customer Complaint Information**

**Date Complaint Received:** 11/12/2018



**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 03/05/2019  
**Settlement Amount:** \$22,000.00  
**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Individual  
**Employing firm when activities occurred which led to the complaint:** Kalos Capital, Inc.; Kalos Management, Inc; Kalos Financial, Inc.; 1st Financial Investments, Inc.  
**Allegations:** Lack of Due Diligent and Negligence  
**Product Type:** Oil & Gas  
**Alleged Damages:** \$25,000.00  
**Is this an oral complaint?** No  
**Is this a written complaint?** No  
**Is this an arbitration/CFTC reparation or civil litigation?** Yes  
**Arbitration/Reparation forum or court name and location:** FINRA  
**Docket/Case #:** 18-3855  
**Filing date of arbitration/CFTC reparation or civil litigation:** 11/07/2018

**Customer Complaint Information**

**Date Complaint Received:** 11/12/2018  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 03/05/2019  
**Settlement Amount:** \$22,000.00  
**Individual Contribution Amount:** \$0.00

**Broker Statement** I was not named as a respondent in this Arbitration Lawsuit, nor was I served a copy of the complaint, so I have no clue as to what the merits of the complaint is. I have also found out that I was not listed in the merits of the lawsuit, however, I was the original registered representative of record that sold the investment that is the subject of this arbitration lawsuit.

It is to my understanding that only my former broker / dealer Kalos Capital Inc. was the only named respondent. Kalos Management, Inc. was the RIA affiliate of the broker / dealer, and I do not believe that entity was named as a respondent. Kalos Financial, Inc. is the parent company of both Kalos Capital, Inc. and Kalos Management, Inc. and I do not believe that entity was not listed as a named respondent as well. 1st Financial Investments, Inc. was the d/b/a name that I used



for my business and is also to my understanding that it was not named as a party to this action

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Kalos Capital Settled this action with the client. I was not involved with any part of the settlement to this client. I was never served a copy of this arbitration complaint. I was advised by FINRA Arbitration that I was not a respondent nor a party to this complaint, and was also advised that nor was I ever mentioned in the merits of this complaint. I was the registered representative of record for this client, and the rep that sold the oil & gas program, but it seems that if I wasn't a respondent, a party, or in the merits of the arbitration lawsuit that the complaint was solely and only on Kalos Capital

**Disclosure 6 of 16**

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** Berthel Fisher and Company Financial Services Inc., Kalos Capital Inc. and Calton & Associates, Inc

**Allegations:** The client alleges the investment she purchased between 2009-2012 were unsuitable and misrepresented to her by the representative. The client also alleges the firm failed to supervise the actions of the representative.

**Product Type:** Oil & Gas

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** The firm has made a good faith determination that the damages from the alleged conduct would be more than \$5,000.00.

**Arbitration Information**

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA

**Docket/Case #:** [18-00411](#)

**Date Notice/Process Served:** 02/20/2018

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 06/27/2018

**Monetary Compensation Amount:** \$51,500.00

**Individual Contribution Amount:** \$0.00

**Firm Statement** The firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimant.

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**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** Berthel Fisher and Kalos Capital



**Allegations:** Unsuitable investments, breach of fiduciary duty, negligence, breach of contract

**Product Type:** Oil & Gas

**Alleged Damages:** \$100,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 18-00411

**Filing date of arbitration/CFTC reparation or civil litigation:** 02/13/2018

**Customer Complaint Information**

**Date Complaint Received:** 02/20/2018

**Complaint Pending?** No

**Status:** Evolved into Arbitration/CFTC reparation (the individual is a named party)

**Status Date:** 02/20/2018

**Settlement Amount:**

**Individual Contribution Amount:**

**Arbitration Information**

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA

**Docket/Case #:** [18-00411](#)

**Date Notice/Process Served:** 02/20/2018

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 06/21/2018

**Monetary Compensation Amount:** \$51,000.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** Berthel Financial & Company Financial Services, Inc.; Kalos Capital, Inc.; Kalos Management, Inc.; Kalos Financial, Inc.; 1st Financial Investment, Inc; 1st Financial Investments, Inc.

**Allegations:** Violations of Sections 10(b) and 20(a) of the 1934 Act [15 U.S.C. 78j(b) and 78t(a)] and Rule 10b-5 Thereunder [17 C.F.R. 240.10b-5; Violations of the Pennsylvania Unfair Trade Practices and Consumer Protection Law [73 P.S. 1-201 et seq.];



**Product Type:** Violations of the Pennsylvania Securities Act of 1972, 70 P.S. 1-101 et seq.; Breach of Fiduciary Duty; Common Law Fraud; Negligence; Breach of Contract; Punitive Damages;

**Alleged Damages:** Direct Investment-DPP & LP Interests  
Oil & Gas

**Alleged Damages Amount:** \$100,000.00

**Alleged Damages Amount Explanation (if amount not exact):** No Less than \$100,000 as determined by panel plus Punitive or exemplary damages; Attorney's Fees, filing fees, and all other costs

### Arbitration Information

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA

**Docket/Case #:** 18-411

**Date Notice/Process Served:** 02/16/2018

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 06/21/2018

**Monetary Compensation Amount:** \$51,000.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

I deny all the allegations claimant is making against me. Client was suitable for this investment. Client received monies for leasing the mineral rights on their land and was concerned about taxes. The program provided them with a tax write off. Considerable amount of time was spent with claimant and her late husband at the time he was alive along with their tax professional and they both understood the program. After claimant's husband passed away claimant inquired about more oil & gas write off programs as I believe she got more money from the lease of the mineral rights of their land and needed write off. Because oil and gas prices are down the income she was receiving declined as well.

My former broker / dealer Kalos Capital and Berthel Fisher and my current RIA 1st Financial Investment, Inc. were also named as a respondent in this matter. Kalos Management though not named as a respondent or in the claim, was the RIA company that I also was affiliated with. Kalos Financial Inc. though also not named as a respondent or in the claim is the parent company of Kalos Capital and Kalos Management. Claimant named 1st Financial Investments, Inc. as a respondent, but lists my RIA 1st Financial Investment, Inc. in the statement of claim, which is a similar name. 1st Financial Investments, Inc. is the DBA name that was used for my securities business. Claimant is not and never became a client of the RIA, so it is unknown which party is part of this claim

Berthel Fisher and Kalos Capital Settled the matter with the client and the settlement agreement client signed also withdrew the matter against 1st Financial Investment Inc and myself with prejudice. The Amount of the settlement also includes the Settlement amount from Calton & Associates which was settled on 2/28/18. However I was not associated or affiliated with Calton & Associates. Client moved her account to Calton & Associates after I left Kalos.



**Disclosure 7 of 16**

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** Kalos Capital, Inc.

**Allegations:** Client seeks Alleged Compensatory Amount plus Pre & Post Arbitration Award Interest. Reimbursement of all surrender charges to liquidate the 2 current Fixed Annuity products, attorney costs, and filing fees

**Product Type:** Annuity-Fixed  
Annuity-Variable  
Direct Investment-DPP & LP Interests  
Insurance  
Oil & Gas

**Alleged Damages:** \$80,579.00

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 17-01829

**Filing date of arbitration/CFTC reparation or civil litigation:** 08/24/2017

**Customer Complaint Information**

**Date Complaint Received:** 08/30/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 02/20/2018

**Settlement Amount:** \$45,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** Kalos Capital, Inc.; Kalos Management, Inc; Kalos Financial Inc.; Palomar Financial Services; 1st Financial Investments, Inc.

**Allegations:** 12/2011 & 6/2014 Unnecessary Surrender Charges of Annuity  
12/2001 Unsuitability of Oil & Gas Program

**Product Type:** Annuity-Fixed  
Annuity-Variable  
Direct Investment-DPP & LP Interests  
Insurance  
Oil & Gas

**Alleged Damages:** \$80,579.00



**Alleged Damages Amount Explanation (if amount not exact):** In addition to Alleged Compensatory plus Pre & Post Arbitration Award Interest, Reimbursement of surrender charges of 2 current annuities, loss of income, Punitive or exemplary damages, attorney fees, filing fees, and other costs

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 17-01829

**Filing date of arbitration/CFTC reparation or civil litigation:** 07/12/2017

**Customer Complaint Information**

**Date Complaint Received:** 08/29/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 02/23/2018

**Settlement Amount:** \$45,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** I was not officially served the arbitration statement of claim, but received a copy from one of the respondents in this matter. I was not named as a respondent in this matter, but was named in the merits of the complaint as having various communications with the client.

Kalos Capital, Inc. was a named Party in the arbitration complaint. Kalos Management is a sister company to Kalos Capital as I was affiliated as an Investment Advisor Rep when these allegations occurred. Kalos Financial Inc. though not a named party in this arbitration complaint is the Parent Company to both Kalos Capital and Kalos Management. Palomar Financial Service, though not a named party in the complaint was the FMO/IMO/MGA on part of the allegations in this arbitration complaint. 1st Financial Investments, Inc. though not a named party in this complaint, it the General Insurance Agency for part of the allegations of this complaint, and also was the DBA name that I used for my securities business.

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Kalos Capital and the other broker / dealer that I was not affiliated with choose to settle this matter in order to avoid additional costs of attorney's fees, arbitrations fee, travel expenses, etc. I did not participate in any decision of the settlement, nor did I contribute any amount towards the settlement. Client signed a full release, releasing and discharging me from this matter, and the client withdrew his arbitration claim with prejudice against all parties



**Employing firm when activities occurred which led to the complaint:** KALOS CAPITAL, INC

**Allegations:** COMPLAINT ALLEGES UNSUITABILITY

**Product Type:** Oil & Gas

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** THE EXACT AMOUNT OF DAMAGES CANNOT BE DETERMINE BUT BASED UP ON THE SECONDARY MARKETS FOR THESE SECURITIES, WE ESTIMATE THAT THE DAMAGES WOULD EXCEED \$5000.

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 03/02/2012

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 05/21/2012

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement**

THIS WRITTEN COMPLAINT IS FROM THE CLIENT'S ATTORNEY BUT SIGNED/ACKNOWLEDGED BY THE CLIENT. CLIENT CLAIMS THAT INVESTMENTS WAS UNSUITABLE AND DID NOT PROVIDE SAFETY OF PRINCIPAL. INFORMATION IN THE COMPLAINT IS CONTRARY TO WHAT WAS DISCUSSED WITH THE CLIENT. A SIGNIFICANT AMOUNT OF TIME WAS SPENT WITH THIS CLIENT IN PERSON AND ON THE PHONE AND CLIENT INITIALLY STATED THAT HE UNDERSTOOD THE VARIOUS INVESTMENTS BASE UPON HIS INVESTMENT GOALS AND OBJECTIVES. \*\*AFTER FIRM REVIEW, CLAIM WAS DENIED.\*\*

### Disclosure 9 of 16

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** PRUDENTIAL SECURITIES INCORPORATED

**Allegations:** THE ABOVE CLIENT(S) SUBMITTED CLAIM FORM(S) TO THE CLAIMS RESOLUTION PROCESS RELATING TO LIMITED PARTNERSHIP PURCHASE(S) DURING THE PERIOD: 8/86-11/89. THE ABOVE MENTIONED REGISTERED REPRESENTATIVE WAS THE BROKER OF RECORD AT THE TIME OF THE PURCHASE(S). NO DAMAGES WERE ALLEGED BUT THE AMOUNT(S) OF ACTUAL LOSS (OUT-OF-POCKET) IS/ARE APPROXIMATELY: \$8,292

**Product Type:**



**Alleged Damages:** \$8,292.00

### Customer Complaint Information

**Date Complaint Received:** 10/21/1993

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:** \$31,654.00

**Individual Contribution Amount:**

**Firm Statement**

SETTLEMENT(S) WITH THE ABOVE CLIENT(S) HAS/HAVE BEEN REACHED IN THE CLAIMS RESOLUTION PROCESS. THE DOLLAR AMOUNT(S) OF THE SETTLEMENT(S) IS/ARE APPROXIMATELY: \$31,654 THIS MATTER RESULTED FROM THE UNPRECEDENTED, UNSOLICITED MAILING OF CLAIM FORMS BY PSI TO OVER 340,000 INVESTORS WHO PURCHASED LIMITED PARTNERSHIPS THROUGH PSI FROM JANUARY 1, 1980 TO JANUARY 1, 1991. THE ABOVE REFERENCED CLIENT(S) SUBMITTED CLAIM FORM(S) IN RESPONSE TO THIS MAILING. THE CLAIM FORM(S) WAS/WERE EVALUATED BY PSI IN ACCORDANCE WITH THE STANDARDS ESTABLISHED UNDER THE SETTLEMENT BETWEEN PSI, THE SEC, NASD AND THE STATE SECURITIES ADMINISTRATORS. THE REPORTED SETTLEMENT(S) AROSE OUT OF THIS UNIQUE PROCESS.

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**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** PRUDENTIAL SECURITIES INC (NOW KNOWN AS WELLS FARGO ADVISORS BY MERGER)

**Allegations:** THE ABOVE CLIENT SUBMITTED CLAIMS FORM TO THE CLAIMS RESOLUTION PROCESS RELATING TO LIMITED PARTNERHIP PURCHASES. ALLEGATIONS WERE MADE AGAINST PSI AND NOT REP

**Product Type:** Direct Investment-DPP & LP Interests

**Alleged Damages:** \$8,292.00

**Alleged Damages Amount Explanation (if amount not exact):** UNKNOWN OF EXACT AMOUNT OF DAMAGES. INFORMATION TAKEN ON U5 OR LEGACY SYSTEM DOES NOT INDICATE AMOUNT AS EXACT AND NO FURTHER EXPLANATION

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 10/31/1993

**Complaint Pending?** No

**Status:** Settled



**Status Date:** 12/15/1994

**Settlement Amount:** \$31,654.00

**Individual Contribution Amount:** \$0.00

**Broker Statement**

A SETTLEMENT FOR EACH OF THE ABOVE CLIENT(S) HAS BEEN REACHED IN THE CLAIMS RESOLUTION PROCESS THAT OCCURED IN 1993 AND RESOLVED ALL OF THESE CLAIMS AT THAT TIME. THE MATTER RESULTED FROM THE UNPRECEDENTED, UNSOLICITED MAILING AND FILING OF CLAIMS FORMS BY PRUDENTIAL SECURITIES (PSI) (NOW KNOWN AS WELLS FARGO ADVISORS BY MERGER) TO OVER 340,000 INVESTORS WHO BOUGHT LIMITED PARTNERSHIPS THROUGH PSI FROM 1/1/1980 THROUGH 12/31/1990. I SOLD THESE INVESTMENTS BASED ON INFORMATION PROVIDED TO ME BY PSI. APPROX IN 1993 PSI PLEADED GUILTY TO CRIMINAL WRONGDOING WHEREIN THEY ADMITTED THAT THROUGH THEIR UNIFORM SALES LITERATURE AND ORAL PRESENTATIONS THEY FALSELY INSTRUCTED ME THAT THESE INVESTMENTS WERE SAFE, LOW RISK, AND SUITABLE FOR INVESTORS WHOSE OBJECTIVES WERE SAFETY OF PRINCIPAL. (SEE DOCKET US DISTRICT COURT FOR DISTRICT OF COLUMBIA 93-CV-2164 U.S SECURITIES EXCHANGE COMMISSION VS PRUDENTIAL SECURITIES INC.) THE ABOVE REFERENCE CLIENT(S) SUBMITTED CLAIM FORMS IN RESPONSE TO THE MAILING, AND THE CLAIM FORMS WERE EVALUATED BY PSI IN ACCORDANCE WITH THE STANDARDS ESTABLISHED UNDER THE SETTLEMENT AGREEMENT BETWEEN PSI, FINRA (F/K/A NASD), THE SEC, AND VARIOUS STATE SECURITIES ADMINISTRATORS. THE REPORTED SETTLEMENT AROSE OUT OF THIS UNIQUE PROCESS. I AS REP DID NOT PARTICIPATE IN ANY PART OF THE SETTLEMENT REVIEW PROCESS, NOR DID I CONTRIBUTE PERSONALLY TO ANY OF THE SETTLEMENT MADE BY PSI TO THE ABOVE REFERENCED CLIENT(S). THE INDUSTRY HAS GENERALLY CLASSIFIED ALL OF THE CLAIMS MADE BY THE CLIENTS AND THE PUBLIC (DRP) DISCLOSURES ASSOCIATED WITH THEM AS ONE (1) EVENT. AFTER I LEFT PSI, THE CLIENTS TRANSFERRED THEIR ACCOUNT WHEN I WAS EMPLOYED BY MERRILL LYNCH.

**Disclosure 10 of 16**

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** PRUDENTIAL SECURITIES INCORPORATED

**Allegations:** THE ABOVE CLIENTS SUBMITTED CLAIM FORMS TO THE CLAIMS RESOLUTION PROCESS RELATING TO LIMITED PARTNERSHIP PURCHASES DURING THE PERIOD : 09/85-11/90. THE ABOVE MENTIONED REGISTERED REPRESENTATIVE WAS THE BROKER OF RECORD AT THE TIME OF THE PURCHASES NO DAMAGES WERE ALLEGED BUT THE AMOUNTS OF ACTUAL LOSS (OUT OF POCKET) IS/ARE APPROX \$28,237

**Product Type:**

**Alleged Damages:** \$28,237.00

**Customer Complaint Information**

**Date Complaint Received:** 10/21/1993



**Complaint Pending?** No  
**Status:** Settled  
**Status Date:**  
**Settlement Amount:** \$88,026.00

**Individual Contribution Amount:**

**Firm Statement**

SETTLEMENTS WITH THE ABOVE CLIENTS HAS/HAVE BEEN REACHED IN THE CLAIMS RESOLUTION PROCESS. THE DOLLAR AMOUNTS OF THE SETTLEMENTS IS/ARE APPROX \$88,026 THIS MATTER RESULTED FROM THE UNPRECEDENTED, UNSOLICITED MAILING OF CLAIM FORMS BY PSI TO OVER 340,000 INVESTORS WHO PURCHASED LIMITED PARTNERSHIPS THROUGH PSI FROM JAN 1, 1980 TO JAN 1 1991. THE ABOVE REFERENCED CLIENTS SUBMITTED CLAIM FORMS IN RESPONSE TO THIS MAILING. THE CLAIM FORMS WAS/WERE EVALUATED BY PSI IN ACCORDANCE WITH THE STANDARDS ESTABLISHED UNDER THE SETTLEMENT BETWEEN PSI, THE SEC, NASD AND THE STATE SECURITIES ADMINISTRATORS. THE REPORTED SETTLEMENTS AROSE OUT OF THIS UNIQUE PROCESS.

**Reporting Source:** Individual  
**Employing firm when activities occurred which led to the complaint:** PRUDENTIAL SECURITIES INC (NOW KNOWN AS WELLS FARGO ADVISORS BY MERGER)

**Allegations:** THE ABOVE CLINT SUBMITTED CLAIMS FORM TO THE CLAIMS RESOLUTION PROCESS RELATING TO LIMITED PARTNERSHIP PURCHASES. ALLEGATIONS ARE AGAINST PSI AND NOT REP

**Product Type:** Direct Investment-DPP & LP Interests

**Alleged Damages:** \$28,237.00

**Alleged Damages Amount Explanation (if amount not exact):** UNKNOWN ON ACTUAL ALLEGED DAMAGE AMOUNT. INFORMATION ON U-5 AND LEGACY SYSTEM INDICATE AMOUNT AS APPROX

**Is this an oral complaint?** No  
**Is this a written complaint?** Yes  
**Is this an arbitration/CFTC reparation or civil litigation?** No

**Customer Complaint Information**

**Date Complaint Received:** 10/21/1993  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 12/15/1994  
**Settlement Amount:** \$88,026.00



**Individual Contribution Amount:** \$0.00

**Broker Statement**

A SETTLEMENT FOR EACH OF THE ABOVE CLIENT(S) HAS BEEN REACHED IN THE CLAIMS RESOLUTION PROCESS THAT OCCURED IN 1993 AND RESOLVED ALL OF THESE CLAIMS AT THAT TIME. THE MATTER RESULTED FROM THE UNPRECEDENTED, UNSOLICITATED MAILING AND FILING OF CLAIMS FORMS BY PRUDENTIAL SECURITIES (PSI) (NOW KNOWN AS WELLS FARGO ADVISORS BY MERGER) TO OVER 340,000 INVESTORS WHO BOUGHT LIMITED PARTNERSHIPS THROUGH PSI FROM 1/1/1980 THROUGH 12/31/1990. I SOLD THESE INVESTMENTS BASED ON INFORMATION PROVIDED TO ME BY PSI. APPROX IN 1993 PSI PLEADED GUILTY TO CRIMINAL WRONGDOING WHEREIN THEY ADMITTED THAT THROUGH THEIR UNIFORM SALES LITERATURE AND ORAL PRESENTATIONS THEY FALSELY INSTRUCTED ME THAT THESE INVESTMENTS WERE SAFE, LOW RISK, AND SUITABLE FOR INVESTORS WHOSE OBJECTIVES WERE SAFETY OF PRINCIPAL. (SEE DOCKET US DISTRICT COURT FOR DISTRICT OF COLUMBIA 93-CV-2164 U.S SECURITIES EXCHANGE COMMISSION VS PRUDENTIAL SECURITIES INC.) THE ABOVE REFERENCE CLIENT(S) SUBMITTED CLAIM FORMS IN RESPONSE TO THE MAILING, AND THE CLAIM FORMS WERE EVALUATED BY PSI IN ACCORDANCE WITH THE STANDARDS ESTABLISHED UNDER THE SETTLEMENT AGREEMENT BETWEEN PSI, FINRA (F/K/A NASD), THE SEC, AND VARIOUS STATE SECURITIES ADMINISTRATORS. THE REPORTED SETTLEMENT AROSE OUT OF THIS UNIQUE PROCESS. I AS REP DID NOT PARTICIPATE IN ANY PART OF THE SETTLEMENT REVIEW PROCESS, NOR DID I CONTRIBUTE PERSONALLY TO ANY OF THE SETTLEMENT MADE BY PSI TO THE ABOVE REFERENCED CLIENT(S). THE INDUSTRY HAS GENERALLY CLASSIFIED ALL OF THE CLAIMS MADE BY THE CLIENTS AND THE PUBLIC (DRP) DISCLOSURES ASSOCIATED WITH THEM AS ONE (1) EVENT. AFTER I LEFT PSI THE CLIENT TRANSFERRED HER ACCOUNT WITH ME TO MERRILL LYNCH. THE CLIENT HAS SINCE PASSED AWAY

**Disclosure 11 of 16**

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** PRUDENTIAL SECURITIES INCORPORATED

**Allegations:** THE ABOVE CLIENTS SUBMITTED CLAIM FORMS TO THE CLAIMS RESOLUTION PROCESS RELATING TO LIMITED PARTNERSHIP PURCHASES DURING THE PERIOD 10/88 - 11/90 THE ABOVE MENTIONED REGISTERED REPRESENTATIVE WAS THE BROKER OF RECORD AT THE TIME OF THE PURCHASES. NO DAMAGES WERE ALLEGED BUT THE AMOUNTS OF ACTUAL LOSS (OUT OF POCKET) IS/ARE APPROX \$24,880

**Product Type:**

**Alleged Damages:** \$24,880.00

**Customer Complaint Information**

**Date Complaint Received:** 10/21/1993

**Complaint Pending?** No

**Status:** Settled



**Status Date:**

**Settlement Amount:** \$51,839.00

**Individual Contribution Amount:**

**Firm Statement** SETTLEMENTS WITH THE ABOVE CLIENTS HAS/HAVE BEEN REACHED IN THE CLAIMS RESOLUTION PROCESS. THE DOLLAR AMOUNTS OF THE SETTLEMENTS IS/ARE APPROX \$51,839 THIS MATTER RESULTED FROM THE UNPRECEDENTED, UNSOLICITED MAILING OF CLAIM FORMS BY PSI TO OVER 340,000 INVESTORS WHO PURCHASED LIMITED PARTNERSHIPS THROUGH PSI FROM JAN 1 1980 TO JAN 1 1991 THE ABOVE REFERENCED CLIENTS SUBMITTED CLAIM FORMS IN RESPONSE TO THIS MAILING THE CLAIM FORMS WAS/WERE EVALUATED BY PSI IN ACCORDANCE WITH THE STANDARDS ESTABLISHED UNDER THE SETTLEMENT BETWEEN PSI THE SEC NASD AND THE STATE SECURITIES ADMINISTRATORS THE REPORTED SETTLEMENTS AROSE OUT OF THIS UNIQUE PROCESS.

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**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** PRUDENTIAL SECURITIES INC (NOW KNOWN AS WELLS FARGO ADVISORS BY MERGER)

**Allegations:** THE ABOVE CLIENT SUBMITTED CLAIMS FORM TO THE CLAIMS RESOLUTION PROCESS RELATING TO LIMITED PARTNERSHIP PURCHASES. ALLEGATIONS ARE AGAINST PSI AND NOT REP

**Product Type:** Direct Investment-DPP & LP Interests

**Alleged Damages:** \$24,880.00

**Alleged Damages Amount Explanation (if amount not exact):** UNKNOWN ON ACTUAL ALLEGED DAMAGE AMOUNT. INFORMATION TAKEN FROM U-5 AND LEGACY INDICATE AMOUNT IS AN APPROX

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** No

**Customer Complaint Information**

**Date Complaint Received:** 10/21/1993

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 12/15/1994

**Settlement Amount:** \$51,839.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** A SETTLEMENT FOR EACH OF THE ABOVE CLIENT(S) HAS BEEN REACHED IN THE CLAIMS RESOLUTION PROCESS THAT OCCURED IN 1993 AND



RESOLVED ALL OF THESE CLAIMS AT THAT TIME. THE MATTER RESULTED FROM THE UNPRECEDENTED, UNSOLICITED MAILING AND FILING OF CLAIMS FORMS BY PRUDENTIAL SECURITIES (PSI) (NOW KNOWN AS WELLS FARGO ADVISORS BY MERGER) TO OVER 340,000 INVESTORS WHO BOUGHT LIMITED PARTNERSHIPS THROUGH PSI FROM 1/1/1980 THROUGH 12/31/1990. I SOLD THESE INVESTMENTS BASED ON INFORMATION PROVIDED TO ME BY PSI. APPROX IN 1993 PSI PLEADED GUILTY TO CRIMINAL WRONGDOING WHEREIN THEY ADMITTED THAT THROUGH THEIR UNIFORM SALES LITERATURE AND ORAL PRESENTATIONS THEY FALSELY INSTRUCTED ME THAT THESE INVESTMENTS WERE SAFE, LOW RISK, AND SUITABLE FOR INVESTORS WHOSE OBJECTIVES WERE SAFETY OF PRINCIPAL. (SEE DOCKET US DISTRICT COURT FOR DISTRICT OF COLUMBIA 93-CV-2164 U.S SECURITIES EXCHANGE COMMISSION VS PRUDENTIAL SECURITIES INC.) THE ABOVE REFERENCE CLIENT(S) SUBMITTED CLAIM FORMS IN RESPONSE TO THE MAILING, AND THE CLAIM FORMS WERE EVALUATED BY PSI IN ACCORDANCE WITH THE STANDARDS ESTABLISHED UNDER THE SETTLEMENT AGREEMENT BETWEEN PSI, FINRA (F/K/A NASD), THE SEC, AND VARIOUS STATE SECURITIES ADMINISTRATORS. THE REPORTED SETTLEMENT AROSE OUT OF THIS UNIQUE PROCESS. I AS REP DID NOT PARTICIPATE IN ANY PART OF THE SETTLEMENT REVIEW PROCESS, NOR DID I CONTRIBUTE PERSONALLY TO ANY OF THE SETTLEMENT MADE BY PSI TO THE ABOVE REFERENCED CLIENT(S). THE INDUSTRY HAS GENERALLY CLASSIFIED ALL OF THE CLAIMS MADE BY THE CLIENTS AND THE PUBLIC (DRP) DISCLOSURE ASSOCIATED WITH THEM AS ONE (1) EVENT. AFTER I LEFT PSI, THE CLIENTS TRANSFERRED THEIR ACCOUNT WHEN I WAS AFFILIATED WITH MERRILL LYNCH, FIRST MONTAUK SECURITIES, MIDSOUTH CAPITAL, AND BERTHEL FISHER & CO

#### Disclosure 12 of 16

<b>Reporting Source:</b>	Regulator
<b>Employing firm when activities occurred which led to the complaint:</b>	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
<b>Allegations:</b>	MISREPRESENTATION; OMISSION OF FACTS; SUITABILITY; ACCOUNT RELATED - FAILURE TO SUPERVISE
<b>Product Type:</b>	
<b>Alleged Damages:</b>	\$22,500.00
<b>Arbitration Information</b>	
<b>Arbitration/Reparation Claim filed with and Docket/Case No.:</b>	UNKNOWN - CASE #95-05247
<b>Date Notice/Process Served:</b>	11/08/1995
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	03/21/1996
<b>Disposition Detail:</b>	CASE CLOSED, SETTLED/OTHER ACTUAL/COMPENSATORY DAMAGES, RELIEF REQUEST IS WITHDRAWN/SETTLED/ETC, AWARD AMOUNT JOINTLY AND SEVERALLY; PUNITIVE/EXEMPLARY DAMAGES, RELIEF REQUEST IS WITHDRAWN/SETTLED/ETC, AWARD AMOUNT JOINTLY AND SEVERALLY;



INTEREST, RELIEF REQUEST IS WITHDRAWN/SETTLED/ETC, AWARD AMOUNT JOINTLY AND SEVERALLY; OTHER COSTS, RELIEF REQUEST IS WITHDRAWN/SETTLED/ETC, AWARD AMOUNT JOINTLY AND SEVERALLY; ATTORNEY'S FEES, RELIEF REQUEST IS WITHDRAWN/SETTLED/ETC, AWARD AMOUNT JOINTLY AND SEVERALLY; OTHER MONETARY RELIEF, RELIEF REQUEST IS WITHDRAWN/SETTLED/ETC, AWARD AMOUNT JOINTLY AND SEVERALLY

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

**Allegations:** DAMAGES OF \$20,000 CLAIMED.

**Product Type:**

**Alleged Damages:** \$22,500.00

**Customer Complaint Information**

**Date Complaint Received:**

**Complaint Pending?** No

**Status:** Arbitration/Reparation

**Status Date:**

**Settlement Amount:**

**Individual Contribution Amount:**

**Arbitration Information**

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NATIONAL ASSOC. OF SECURITIES DEALERS; 95-05247

**Date Notice/Process Served:** 11/08/1995

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 03/21/1996

**Monetary Compensation Amount:** \$17,500.00

**Individual Contribution Amount:** \$0.00

**Firm Statement** MERRILL LYNCH AGREED TO PAY [CUSTOMER] \$17,500 TO AVOID THE COSTS AND UNCERTAINTIES OF LITIGATION. NOT PROVIDED

**Reporting Source:** Individual



**Employing firm when activities occurred which led to the complaint:** MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

**Allegations:** UNSUITABLE INVESTMENTS.

**Product Type:** Debt-Government  
Mutual Fund

**Alleged Damages:** \$22,500.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 11/08/1995

**Complaint Pending?** No

**Status:** Evolved into Arbitration/CFTC reparation (the individual is a named party)

**Status Date:** 11/08/1995

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA (F/K/A/ NASD)

**Docket/Case #:** 95-05247

**Date Notice/Process Served:** 11/08/1995

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 03/21/1996

**Monetary Compensation Amount:** \$17,500.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** THIS COMPLAINT WAS RECEIVED AFTER I LEFT MERILL LYNCH (M/L). I BELIEVED THAT BECAUSE I WAS NO LONGER EMPLOYED BY M/L THEY CHOOSE TO SETTLE TO AVOID ARBITRATION. THIS CLAIM RESULTED FROM A PRODUCT FAILURE AND TO MY KNOWLEDGE, WAS NOT AN ISSUE OF SITUABILITY. I DID NOT PARTICIPATE IN ANY PART OF THE SETTLEMENT DECISION, NOR DID I PERSONALLY CONTRIBUTE TO ANY PART OF THE SETTLEMENT AMOUNT PAID BY M/L. THE CLIENT HAS SINCE PASSD AWAY

### Disclosure 13 of 16

**Reporting Source:** Firm



**Employing firm when activities occurred which led to the complaint:** PRUDENTIAL SECURITIES

**Allegations:** ALLEGATIONS OF MISREPRESENTATION AND UNSUITABILITY REGARDING LIMITED PARTNERSHIP PRODUCTS PURCHASED 1/25/88-4/19/91 CAUSING DAMAGES IN THE AMOUNT OF \$281,250.

**Product Type:**

**Alleged Damages:** \$280,250.00

**Customer Complaint Information**

**Date Complaint Received:**

**Complaint Pending?** No

**Status:** Arbitration/Reparation

**Status Date:**

**Settlement Amount:**

**Individual Contribution Amount:**

**Arbitration Information**

**Arbitration/Reparation Claim filed with and Docket/Case No.:** 94-01961

**Date Notice/Process Served:** 09/08/1994

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 01/17/1996

**Monetary Compensation Amount:** \$19,000.00

**Individual Contribution Amount:**

**Firm Statement** ALLEGATIONS WERE SETTLED IN THE AMOUNT OF \$19,000 WITH NO INDIVIDUAL CONTRIBUTION. FA'S FORMER FIRM WAS FOCUS OF THE COMPLAINT. FA DID NOT PARTICIPATE IN SETTLEMENT DISCUSSIONS. CASE WAS SETTLED AS A PRODUCT RELATED MATTER AND NO WRONG DOING WAS ADMITTED ON BEHALF OF FA.  
Not Provided

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**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** PRUDENTIAL SECURITIES INC (NOW KNOWS AS WELLS FARGO ADVISORS BY MERGER)

**Allegations:** UNSUITABLE RECOMMENDATIONS IN LTD PARTNERSHIP INVESTMENTS. THESE ALLEGATIONS WERE MADE AGAINST PRUDENTIAL SECURITIES AND NOT REP. (SEE COMMENTS BELOW)

**Product Type:** Direct Investment-DPP & LP Interests



**Alleged Damages:** \$280,250.00

**Alleged Damages Amount Explanation (if amount not exact):** UNKNOWN ON ACTUAL ALLEGED DAMAGED AMOUNT. INFORMATION TAKEN FROM U-5 AND LEGACY SYSTEM DOES NOT INDICATE AS EXACT OR ANY FURTHER EXPLANATION

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA (F/K/A/ NASD)

**Docket/Case #:** 94-01961

**Filing date of arbitration/CFTC reparation or civil litigation:** 09/08/1994

**Customer Complaint Information**

**Date Complaint Received:** 09/08/1994

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 01/17/1996

**Settlement Amount:** \$19,000.00

**Individual Contribution Amount:** \$0.00

**Arbitration Information**

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA

**Docket/Case #:** 94-01961

**Date Notice/Process Served:** 09/08/1994

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 01/17/1996

**Monetary Compensation Amount:** \$19,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement**

A SETTLEMENT FOR EACH OF THE ABOVE CLIENT(S) HAS BEEN REACHED IN THE CLAIMS RESOLUTION PROCESS THAT OCCURED IN 1993 AND RESOLVED ALL OF THESE CLAIMS AT THAT TIME. THE MATTER RESULTED FROM THE UNPRECEDENTED, UNSOLICITATED MAILING AND FILING OF CLAIMS FORMS BY PRUDENTIAL SECURITIES (PSI) (NOW KNOWN AS WELLS FARGO ADVISORS BY MERGER) TO OVER 340,000 INVESTORS WHO BOUGHT LIMITED PARTNERSHIPS THROUGH PSI FROM 1/1/1980 THROUGH 12/31/1990. I SOLD THESE INVESTMENTS BASED ON INFORMATION PROVIDED TO ME BY PSI. APPROX IN 1993 PSI PLEADED GUILTY TO



CRIMINAL WRONGDOING WHEREIN THEY ADMITTED THAT THROUGH THEIR UNIFORM SALES LITERATURE AND ORAL PRESENTATIONS THEY FALSELY INSTRUCTED ME THAT THESE INVESTMENTS WERE SAFE, LOW RISK, AND SUITABLE FOR INVESTORS WHOSE OBJECTIVES WERE SAFETY OF PRINCIPAL. (SEE DOCKET US DISTRICT COURT FOR DISTRICT OF COLUMBIA 93-CV-2164 U.S SECURITIES EXCHANGE COMMISSION VS PRUDENTIAL SECURITIES INC.) THE ABOVE CLIENTS ORIGINALLY SUBMITTED ARBITRATION CLAIMS PRIOR TO THE MAILING OF THE CLAIM FORMS. THE ABOVE REFERENCE CLIENT(S) DISMISSED & WITHDREW THEIR ARBITRATION CLAIM AND SUBMITTED CLAIM FORMS IN RESPONSE TO THE MAILING, AND THE CLAIM FORMS WERE EVALUATED BY PSI IN ACCORDANCE WITH THE STANDARDS ESTABLISHED UNDER THE SETTLEMENT AGREEMENT BETWEEN PSI, FINRA (F/K/A NASD), THE SEC, AND VARIOUS STATE SECURITIES ADMINISTRATORS. THE REPORTED SETTLEMENT AROSE OUT OF THIS UNIQUE PROCESS. I AS REP DID NOT PARTICIPATE IN ANY PART OF THE SETTLEMENT REVIEW PROCESS, NOR DID I CONTRIBUTE PERSONALLY TO ANY OF THE SETTLEMENT MADE BY PSI TO THE ABOVE REFERENCED CLIENT(S). THE INDUSTRY HAS GENERALLY CLASSIFIED ALL OF THE CLAIMS MADE BY THE CLIENTS AND THE PUBLIC (DRP) DISCLOSURE ASSOCIATED WITH THEM AS ONE (1) EVENT. AFTER I LEFT PSI, THE CLIENTS TRANSFERRED THEIR ACCOUNT WHEN I WAS EMPLOYED BY MERRILL LYNCH. BOTH CLIENTS HAVE SINCE PASSED AWAY.

#### Disclosure 14 of 16

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** PRUDENTIAL SECURITIES

**Allegations:** CUSTOMER ALLEGES THAT FA MADE MISREPRESENTATIONS AND RECOMMENDED UNSUITABLE INVESTMENTS. ALLEGED DAMAGES ARE IN EXCESS OF \$100,000.

**Product Type:** Direct Investment-DPP & LP Interests

**Alleged Damages:** \$100,000.00

**Alleged Damages Amount Explanation (if amount not exact):** UNKNOWN ON ACTUAL ALLEGED DAMAGE AMOUNT

#### Customer Complaint Information

**Date Complaint Received:**

**Complaint Pending?** No

**Settlement Amount:**

**Individual Contribution Amount:**

#### Civil Litigation Information

**Type of Court:**

**Name of Court:** 45TH JUDICIAL DISTRICT LACKAWANNA COUNTY COURT OF COMMON PLEAS

**Location of Court:** COMMONWEALTH OF PENNSYLVANIA

**Docket/Case #:** 93-CIV-426



**Date Notice/Process Served:** 08/30/1993  
**Litigation Pending?** No  
**Disposition:** Settled  
**Disposition Date:** 12/15/1994  
**Monetary Compensation Amount:** \$10,000.00  
**Individual Contribution Amount:** \$0.00  
**Firm Statement** Not Provided  
Not Provided

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**Reporting Source:** Individual  
**Employing firm when activities occurred which led to the complaint:** PRUDENTIAL SECURITIES  
**Allegations:** ALLEGES MADE MISREPRESENTATIONS AND RECOMMENDED UNSUITABLE INVESTMENTS. ALLEGATIONS WERE MADE AGAINST PSI AND NOT REP  
**Product Type:** Direct Investment-DPP & LP Interests  
**Alleged Damages:** \$100,000.00  
**Alleged Damages Amount Explanation (if amount not exact):** UNKNOWN ON ACTUAL ALLEGED DAMAGE AMOUNT. INFORMATION TAKEN FROM U-5 AND LEGACY SYSTEM INDICATE ALLEGED AMOUNT IS IN EXCESS.  
**Is this an oral complaint?** No  
**Is this a written complaint?** No  
**Is this an arbitration/CFTC reparation or civil litigation?** Yes  
**Arbitration/Reparation forum or court name and location:** COMMONWEALTH OF PENNSYLVANIA 45TH JUDICIAL DISTRICT LACKAWANNA COUNTY COURT OF COMMON PLEAS  
**Docket/Case #:** 93-CV-426  
**Filing date of arbitration/CFTC reparation or civil litigation:** 08/30/1993

### Customer Complaint Information

**Date Complaint Received:** 10/21/1993  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 12/15/1994  
**Settlement Amount:** \$10,000.00  
**Individual Contribution Amount:** \$0.00

### Arbitration Information



<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	LACKAWANNA COUNTY COURT OF COMMON PLEAS, 45TH JUDICIAL DISTRICT OF THE COMMONWEALTH OF PENNSYLVANIA
<b>Docket/Case #:</b>	93-CIV-426
<b>Date Notice/Process Served:</b>	10/21/1993
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	12/15/1994
<b>Monetary Compensation Amount:</b>	\$10,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	<p>A SETTLEMENT FOR EACH OF THE ABOVE CLIENT(S) HAS BEEN REACHED IN THE CLAIMS RESOLUTION PROCESS THAT OCCURED IN 1993 AND RESOLVED ALL OF THESE CLAIMS AT THAT TIME. THE MATTER RESULTED FROM THE UNPRECEDENTED, UNSOLICITED MAILING AND FILING OF CLAIMS FORMS BY PRUDENTIAL SECURITIES (PSI) (NOW KNOWN AS WELLS FARGO ADVISORS BY MERGER) TO OVER 340,000 INVESTORS WHO BOUGHT LIMITED PARTNERSHIPS THROUGH PSI FROM 1/1/1980 THROUGH 12/31/1990. I SOLD THESE INVESTMENTS BASED ON INFORMATION PROVIDED TO ME BY PSI. APPROX IN 1993 PSI PLEADED GUILTY TO CRIMINAL WRONGDOING WHEREIN THEY ADMITTED THAT THROUGH THEIR UNIFORM SALES LITERATURE AND ORAL PRESENTATIONS THEY FALSELY INSTRUCTED ME THAT THESE INVESTMENTS WERE SAFE, LOW RISK, AND SUITABLE FOR INVESTORS WHOSE OBJECTIVES WERE SAFETY OF PRINCIPAL. (SEE DOCKET US DISTRICT COURT FOR DISTRICT OF COLUMBIA 93-CV-2164 U.S SECURITIES EXCHANGE COMMISSION VS PRUDENTIAL SECURITIES INC.) THE ABOVE CLIENTS ORIGINALLY SUBMITTED CIVIL ACTION COMPLAINT BEFORE THE COURTS PRIOR TO THE MAILING OF THE CLAIM FORMS. THE ABOVE REFERENCE CLIENT(S)DISMISSED &amp; WITHDREW THEIR CIVIL ACTION COMPLAINT AND SUBMITTED CLAIM FORMS IN RESPONSE TO THE MAILING, AND THE CLAIM FORMS WERE EVALUATED BY PSI IN ACCORDANCE WITH THE STANDARDS ESTABLISHED UNDER THE SETTLEMENT AGREEMENT BETWEEN PSI, FINRA (F/K/A NASD), THE SEC, AND VARIOUS STATE SECURITIES ADMINISTRATORS. THE REPORTED SETTLEMENT AROSE OUT OF THIS UNIQUE PROCESS. I AS REP DID NOT PARTICIPATE IN ANY PART OF THE SETTLEMENT REVIEW PROCESS, NOR DID I CONTRIBUTE PERSONALLY TO ANY OF THE SETTLEMENT MADE BY PSI TO THE ABOVE REFERENCED CLIENT(S). THE INDUSTRY HAS GENERALLY CLASSIFIED ALL CLAIMS BY THE CLIENT AND THE PUBLIC (DRP) DISCLOSURES ASSOCIATED WITH THEM AS ONE (1) EVENT. IN ADDITION IT SEEMS THAT THE COURT NAME AND DOCKET NUMBER IS INCORRECT. ACCORDING TO THE ABOVE COURT, THE CLIENT IS NOT AS THE PLAINTIFF, NOR IS MYSELF OR PSI LISTED AS DEFENDANTS ON THE ABOVE DOCKET NUMBER. FURTHER THE ABOVE COURT HAS NO RECORDS OR ANY CASES LISTING CLIENT AS PLAINTIFF, AND MYSELF AND/OR PSI AS DEFENDANT. THE ABOVE INFORMATION IS FROM WHAT PSI DISCLOSED AT THE TIME THE ORIGINAL COMPLAINT WAS RECEIVED. IN RESEARCHING TO FIND OUT THE CORRECT COURT AND CORRECT DOCKET NUMBER TO WHERE THE CIVIL ACTION COMPLAINT WAS ORIGINALLY FILED, DUE TO THE AMOUNT OF TIME THAT HAS PASSED, AND SINCE PSI HAS MERGED WITH WELLS FARGO ADVISORS, UNABLE TO DETERMINE THE CORRECT COURT NAME AND/OR DOCKET NUMBER WHERE THE CIVIL ACTION COMPLAINT WAS</p>



ORIGINALLY FILED. AFTER I LEFT PSI, THE CLIENT TRANSFERRED HER ACCOUNT DURING MY EMPLOYMENT AT MERRILL LYNCH. THE CLIENT HAS SINCE PASSED AWAY

**Disclosure 15 of 16**

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** PRUDENTIAL SECURITIES INC.

**Allegations:** THE ABOVE CLIENTS HAVE SUBMITTED CLAIM FORMS TO THE CLAIMS RESOLUTION PROCESS RELATING TO THE PURCHASES OF VARIOUS LIMITED PARTNERSHIPS DURING THE PERIOD DAMAGES WERE ALLEGED BUT THE RESPECTIVE AMOUNTS OF ACTUAL LOSS (OUT-OF-POCKET) ARE APPROXIMATELY: \$16,670;\$16,573

**Product Type:**  
**Alleged Damages:** \$16,573.00

**Customer Complaint Information**

**Date Complaint Received:**  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:**  
**Settlement Amount:** \$39,782.00

**Individual Contribution Amount:**

**Firm Statement** A SETTLEMENT FOR EACH OF THE ABOVE CLIENTS HAS BEEN REACHED IN THE CLAIMS RESOLUTION PROCESS. THE RESPECTIVE DOLLAR AMOUNTS OF THE SETTLEMENTS ARE APPROXIMATELY AS FOLLOWS:  
\$23,417;\$39,782  
THE MATTER RESULTED FROM THE UNPRECEDENTED, UNSOLICITED MAILING OF CLAIM FORMS BY PSI TO OVER 340,000 INVESTORS WHO PURCHASED LIMITED PARTNERSHIPS THROUGH PSI FROM JANUARY 1 1980 TO JANUARY 1 1991. THE ABOVE REFERENCED CLIENTS SUBMITTED CLAIM FORMS IN RESPONSE TO THIS MAILING. THE CLAIM FORMS WERE EVALUATED BY PSI IN ACCORDANCE WITH THE STANDARDS ESTABLISHED UNDER THE SETTLEMENT BETWEEN PSI, THE SEC, NASD AND THE STATE SECURITIES ADMINISTRATORS. THE REPORTED SETTLEMENTS AROSE OUT OF THIS UNIQUE PROCESS.

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**Reporting Source:** Individual  
**Employing firm when activities occurred which led to the complaint:** PRUDENTIAL SECURITIES INC. (NOW KNOWN AS WELLS FARGO ADVISORS BY MERGER)  
**Allegations:** ABOVE CLIENTS SUBMITTED CLAIM FORMS TO THE CLAIMS ESOLUTION PROCESS RELATING TO THE PURCHASES OF VARIOUS LTD



PARTNERSHIPS. ALLEGATIONS WERE AGAINST PSI AND NOT REP (SEE COMMENTS BELOW)

**Product Type:** Direct Investment-DPP & LP Interests

**Alleged Damages:** \$16,573.00

**Alleged Damages Amount Explanation (if amount not exact):** UNKNOWN ON ACTUAL ALLEGED DAMAGED AMOUNT. INFORMATION FROM U-5 ON LEGACY SYSTEM

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 07/06/1999

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/07/1999

**Settlement Amount:** \$39,782.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

A SETTLEMENT FOR EACH OF THE ABOVE CLIENT(S) HAS BEEN REACHED IN THE CLAIMS RESOLUTION PROCESS THAT OCCURED IN 1993 AND RESOLVED ALL OF THESE CLAIMS AT THAT TIME. THE MATTER RESULTED FROM THE UNPRECEDENTED, UNSOLICITED MAILING AND FILING OF CLAIMS FORMS BY PRUDENTIAL SECURITIES (PSI) (NOW KNOWN AS WELLS FARGO ADVISORS BY MERGER) TO OVER 340,000 INVESTORS WHO BOUGHT LIMITED PARTNERSHIPS THROUGH PSI FROM 1/1/1980 THROUGH 12/31/1990. I SOLD THESE INVESTMENTS BASED ON INFORMATION PROVIDED TO ME BY PSI. APPROX IN 1993 PSI PLEADED GUILTY TO CRIMINAL WRONGDOING WHEREIN THEY ADMITTED THAT THROUGH THEIR UNIFORM SALES LITERATURE AND ORAL PRESENTATIONS THEY FALSELY INSTRUCTED ME THAT THESE INVESTMENTS WERE SAFE, LOW RISK, AND SUITABLE FOR INVESTORS WHOSE OBJECTIVES WERE SAFETY OF PRINCIPAL. (SEE DOCKET US DISTRICT COURT FOR DISTRICT OF COLUMBIA 93-CV-2164 U.S SECURITIES EXCHANGE COMMISSION VS PRUDENTIAL SECURITIES INC.) THE ABOVE REFERENCE CLIENT(S) SUBMITTED CLAIM FORMS IN RESPONSE TO THE MAILING. THE CLAIM FORMS WERE EVALUATED BY PSI IN ACCORDANCE WITH THE STANDARDS ESTABLISHED UNDER THE SETTLEMENT AGREEMENT BETWEEN PSI, FINRA (F/K/A NASD), THE SEC, AND VARIOUS STATE SECURITIES ADMINISTRATORS. THE REPORTED SETTLEMENT AROSE OUT OF THIS UNIQUE PROCESS. I AS REP DID NOT PARTICIPATE IN ANY PART OF THE SETTLEMENT REVIEW PROCESS, NOR DID I CONTRIBUTE PERSONALLY TO ANY OF THE SETTLEMENT MADE BY PSI TO THE ABOVE REFERENCED CLIENT(S). THE INDUSTRY HAS GENERALLY CLASSIFIED ALL OF THE CLAIMS MADE BY THE CLIENTS AND THE PUBLIC (DRP) DISCLOSURE ASSOCIATED WITH THEM AS ONE (1) EVENT. AFTER I LEFT PSI, THE CLIENT TRANSFERED ACCOUNT DURING MY EMPLOYMENT WITH MERRILL LYNCH. THE CLIENT HAS SINCE PASSED AWAY

**Disclosure 16 of 16**

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** PRUDENTIAL SECURITIES INC.

**Allegations:** THE ABOVE CLIENTS HAVE SUBMITTED CLAIM FORMS TO THE CLAIMS RESOLUTION PROCESS RELATING TO THE PURCHASES OF VARIOUS LIMITED PARTNERSHIPS DURING THE PERIOD DAMAGES WERE ALLEGED BUT THE RESPECTIVE AMOUNTS OF ACTUAL LOSS (OUT-OF-POCKET) ARE APPROXIMATELY: \$16,670;\$16,573

**Product Type:**

**Alleged Damages:** \$16,670.00

**Customer Complaint Information**

**Date Complaint Received:**

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:** \$23,417.00

**Individual Contribution Amount:**

**Firm Statement**

A SETTLEMENT FOR EACH OF THE ABOVE CLIENTS HAS BEEN REACHED IN THE CLAIMS RESOLUTION PROCESS. THE RESPECTIVE DOLLAR AMOUNTS OF THE SETTLEMENTS ARE APPROXIMATELY AS FOLLOWS:  
\$23,417;\$39,782  
THE MATTER RESULTED FROM THE UNPRECEDENTED, UNSOLICITED MAILING OF CLAIM FORMS BY PSI TO OVER 340,000 INVESTORS WHO PURCHASED LIMITED PARTNERSHIPS THROUGH PSI FROM JANUARY 1 1980 TO JANUARY 1 1991. THE ABOVE REFERENCED CLIENTS SUBMITTED CLAIM FORMS IN RESPONSE TO THIS MAILING. THE CLAIM FORMS WERE EVALUATED BY PSI IN ACCORDANCE WITH THE STANDARDS ESTABLISHED UNDER THE SETTLEMENT BETWEEN PSI, THE SEC, NASD AND THE STATE SECURITIES ADMINISTRATORS. THE REPORTED SETTLEMENTS AROSE OUT OF THIS UNIQUE PROCESS.

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**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** PRUDENTIAL SECURITIES INC. (NOW KNOWN AS WELLS FARGO ADVISORS BY MERGER)

**Allegations:** ABOVE CLIENTS SUBMITTED CLAIM FORMS TO THE CLAIMS RESOLUTION PROCESS RELATING TO THE PURCHASES OF VARIOUS LTD PARTNERSHIPS. ALLEGATIONS WERE AGAINST PSI AND NOT REP(SEE COMMENTS BELOW)

**Product Type:** Direct Investment-DPP & LP Interests

**Alleged Damages:** \$16,670.00



**Alleged Damages Amount Explanation (if amount not exact):** UNKNOWN ON ACTUAL ALLEGED DAMAGED AMOUNT. INFORMATION FROM U5 AND LEGACY SYSTEM.

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 07/06/1999

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 01/11/1995

**Settlement Amount:** \$23,417.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

A SETTLEMENT FOR EACH OF THE ABOVE CLIENT(S) HAS BEEN REACHED IN THE CLAIMS RESOLUTION PROCESS THAT OCCURED IN 1993 AND RESOLVED ALL OF THESE CLAIMS AT THAT TIME. THE MATTER RESULTED FROM THE UNPRECEDENTED, UNSOLICITED MAILING AND FILING OF CLAIMS FORMS BY PRUDENTIAL SECURITIES (PSI) (NOW KNOWN AS WELLS FARGO ADVISORS BY MERGER) TO OVER 340,000 INVESTORS WHO BOUGHT LIMITED PARTNERSHIPS THROUGH PSI FROM 1/1/1980 THROUGH 12/31/1990. I SOLD THESE INVESTMENTS BASED ON INFORMATION PROVIDED TO ME BY PSI. APPROX IN 1993 PSI PLEADED GUILTY TO CRIMINAL WRONGDOING WHEREIN THEY ADMITTED THAT THROUGH THEIR UNIFORM SALES LITERATURE AND ORAL PRESENTATIONS THEY FALSELY INSTRUCTED ME THAT THESE INVESTMENTS WERE SAFE, LOW RISK, AND SUITABLE FOR INVESTORS WHOSE OBJECTIVES WERE SAFETY OF PRINCIPAL. (SEE DOCKET US DISTRICT COURT FOR DISTRICT OF COLUMBIA 93-CV-2164 U.S SECURITIES EXCHANGE COMMISSION VS PRUDENTIAL SECURITIES INC.) THE ABOVE REFERENCE CLIENT(S) SUBMITTED CLAIM FORMS IN RESPONSE TO THE MAILING. THE CLAIM FORMS WERE EVALUATED BY PSI IN ACCORDANCE WITH THE STANDARDS ESTABLISHED UNDER THE SETTLEMENT AGREEMENT BETWEEN PSI, FINRA (F/K/A NASD), THE SEC, AND VARIOUS STATE SECURITIES ADMINISTRATORS. THE REPORTED SETTLEMENT AROSE OUT OF THIS UNIQUE PROCESS. I AS REP DID NOT PARTICIPATE IN ANY PART OF THE SETTLEMENT REVIEW PROCESS, NOR DID I CONTRIBUTE PERSONALLY TO ANY OF THE SETTLEMENT MADE BY PSI TO THE ABOVE REFERENCED CLIENT(S). THE INDUSTRY HAS GENERALLY CLASSIFIED ALL OF THESE CLAIMS MADE BY THE CLIENTS AND THE PUBLIC DISCLOSURE (DRP) ASSOCIATED WITH THEM AS ONE (1) EVENT. AFTER I LEFT PSI, CLIENT TRANSFERRED HIS ACCOUNT DURING MY EMPLOYMENT AT MERRILL LYNCH. CLIENT HAS SINCE PASSED AWAY



## Judgment/Lien

This disclosure event involves an unsatisfied and outstanding judgment or lien against the Investment Adviser Representative.

### Disclosure 1 of 5

**Reporting Source:** Individual

**Judgment/Lien Holder:** United States of America, Department of the Treasury, Internal Revenue Service

**Judgment/Lien Amount:** \$66,314.02

**Judgment/Lien Type:** Tax

**Date Filed with Court:** 10/15/2024

**Date Individual Learned:** 12/20/2024

**Type of Court:** State Court

**Name of Court:** Lackawanna County Court of Common Pleas of the Commonwealth of Pennsylvania 45th Judicial District

**Location of Court:** City of Scranton, Lackawanna County, Commonwealth of Pennsylvania, United States of America

**Docket/Case #:** 2024-CV-6992

**Judgment/Lien Outstanding?** Yes

**Broker Statement** THIS IS A RE-FILING OF A PRIOR LIEN AND RECORDED UNDER A NEW DOCKET NUMBER. THERE IS NO FORMAL INSTALL AGREEMENT ON FILE, HOWEVER MAKING VOLUNTARILY PAYMENTS MONTHLY TOWARDS THIS OUTSTANDING AMOUNT. AM CURRENTLY WORKING WITH AN ENROLLED AGENT IN AN ATTEMPT TO SETTLE THIS DEBT UNDER THE IRS FRESH START PROGRAM.

### Disclosure 2 of 5

**Reporting Source:** Individual

**Judgment/Lien Holder:** United States of America, Department of the Treasury, Internal Revenue Service

**Judgment/Lien Amount:** \$83,370.76

**Judgment/Lien Type:** Tax

**Date Filed with Court:** 12/29/2023

**Date Individual Learned:** 01/08/2024

**Type of Court:** State Court

**Name of Court:** Commonwealth of Pennsylvania 45th Judicial District Court of Common Pleas of Lackawanna County

**Location of Court:** City of Scranton, Lackawanna County, Commonwealth of Pennsylvania, United States of America

**Docket/Case #:** 2023-CV-5549

**Judgment/Lien Outstanding?** Yes

**Broker Statement** The IRS sought to re-file this lien prior to the last re-file date of the previous lien, Making payments to the IRS along to settle this Debt along with the other liens

### Disclosure 3 of 5



**Reporting Source:** Individual  
**Judgment/Lien Holder:** UNITED STATE OF AMERICA  
**Judgment/Lien Amount:** \$264,443.48  
**Judgment/Lien Type:** Civil  
**Date Filed with Court:** 05/23/2013  
**Date Individual Learned:** 05/28/2013  
**Type of Court:** State Court  
**Name of Court:** LACKAWANNA COUNTY COURT OF COMMON PLEAS, 45TH JUDICIAL DISTRICT OF THE COMMONWEALTH OF PENNSYLVANIA  
**Location of Court:** CITY OF SCRANTON, LACKAWANNA COUNTY, COMMONWEALTH OF PENNSYLVANIA, UNITED STATES OF AMERICA  
**Docket/Case #:** 2013-CV-2715  
**Judgment/Lien Outstanding?** Yes  
**Broker Statement** THE FEDERAL GOVERNMENT SOUGHT TO HAVE THE JUDGMENT THAT WAS ENTERED IN THE US DISTRICT COURT ON 11/21/2012 AT DOCKET NUMBER 3-11-CV-2177 TO BE FILED AND ENTERED IN THE STATE COURT SYSTEM. THE AMOUNT LISTED IN THIS PUBLIC DRP DISCLOSURE IS PART OF THE DRP DISCLOSURE ON 11/21/2012. THIS JUDGMENT IS INCLUDED IN THE CHAPTER 13 BANKRUPTCY CASE. BANKRUPTCY HAS DISCHARGED THE JUDGMENT AND DEBT, AWAITING FOR FORMAL NOTICE FROM THE COURT WHERE THE JUDGMENT WAS FILED THAT IS HAS BEEN REMOVED

**Disclosure 4 of 5**

**Reporting Source:** Individual  
**Judgment/Lien Holder:** UNITED STATES OF AMERICA  
**Judgment/Lien Amount:** \$288,138.75  
**Judgment/Lien Type:** Civil  
**Date Filed with Court:** 03/21/2013  
**Date Individual Learned:** 04/08/2013  
**Type of Court:** State Court  
**Name of Court:** LACKAWANNA COUNTY COURT OF COMMON PLEAS, 45TH JUDICIAL DISTRICT OF THE COMMONWEALTH OF PENNSYLVANIA  
**Location of Court:** CITY OF SCRANTON, LACKAWANNA COUNTY, COMMONWEALTH OF PENNSYLVANIA, UNITED STATES OF AMERICA  
**Docket/Case #:** 2012-CV-1321  
**Judgment/Lien Outstanding?** Yes  
**Broker Statement** THE FEDERAL GOVERNMENT SOUGHT TO HAVE THE JUDGMENT THAT WAS ENTERED IN THE US DISTRICT COURT ON 11/21/2012 AT DOCKET 3-11-CV-2177 TO BE FILED AND ENTERED IN THE STATE COURT SYSTEM. THIS PUBLIC DRP DISCLOSURE IS PART FROM THE DRP DISCLOSURE ON 11/21/2012. THIS JUDGMENT IS JOINTLY BETWEEN ME AND MY WIFE. THIS JUDGMENT IS INCLUDED IN THE CHAPTER 13 BANKRUPTCY CASE. JUDGMENT AND DEBT HAS BEEN DISCHARGED BY THE BANKRUPTCY COURT. AWAITING FOR FORMAL NOTICE FROM THE COURT WHERE THE



JUDGMENT HAS BEEN FILED THAT THE DEBT HAS BEEN DISCHARGED AND REMOVED FROM THEIR RECORD.

**Disclosure 5 of 5**

**Reporting Source:** Individual

**Judgment/Lien Holder:** UNITED STATES OF AMERICA

**Judgment/Lien Amount:** \$552,582.23

**Judgment/Lien Type:** Civil

**Date Filed with Court:** 11/21/2012

**Date Individual Learned:** 11/27/2012

**Type of Court:** Federal Court

**Name of Court:** UNITED STATES OF AMERICA DISTRICT COURT, PENNSYLVANIA MIDDLE DISTRICT

**Location of Court:** CITY OF SCRANTON, LACKAWANNA COUNTY, COMMONWEALTH OF PENNSYLVANIA, UNITED STATES OF AMERICA

**Docket/Case #:** 3-11-CV-2177

**Judgment/Lien Outstanding?** Yes

**Broker Statement** \$288, 183.74 ENTERED JOINTLY BETWEEN ME AND MY WIFE. \$264,443.48 ENTERED AGAINST ME ONLY. THE FEDERAL GOVERNMENT SOUGHT TO HAVE THE EXISTING TAX LIENS REDUCED TO A JUDGEMENT OF OUTSTANDING TAXES PLUS ACCRUING INTEREST UNTIL PAID. THE AMOUNTS IN THIS PUBLIC DRP DISCLOSURE INCLUDES ALL THE PRIOR IRS TAX LIENS DRP STILL BEING DISCLOSED. THE FEDERAL GOVERNMENT ALSO SOUGHT TO HAVE THIS JUDGMENT FILED IN THE LACKWANNA COUNTY COURT OF COMMON PLEAS AS THE COURT OF RECORDS. THIS JUDGMENT IS ALSO INCLUDED IN THE CHAPTER 13 BANKRUPTCY CASE. HOWEVER, THE BANKRUPTCY CASE HAS BEEN DISCHARGED. AWAITING FORMAL NOTIFICATION FROM THE COURT WHERE THE JUDGMENT HAS BEEN RECORDED THAT THE JUDGMENT HAS BEEN MARKED DISCHARGED AND REMOVED FROM THEIR RECORDS



## End of Report

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