



## IAPD Report

# CARMINE CLAUDIO CAPONE

CRD# 1124455

<b><u>Section Title</u></b>	<b><u>Page(s)</u></b>
Report Summary	1
Qualifications	2 - 5
Registration and Employment History	7
Disclosure Information	8

**i** When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.  
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

### CARMINE CLAUDIO CAPONE (CRD# 1124455)

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 **02/11/2026**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
<b>B</b>	GMS GROUP	CRD# 8000	11/29/1988
<b>IA</b>	GMS GROUP	CRD# 8000	02/12/2026

### QUALIFICATIONS

This representative is currently registered in **2** SRO(s) and **25** 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
<b>B</b>	MOORE & SCHLEY, CAMERON & CO.	6917	LOCATION	08/15/1985 - 12/31/1988
<b>B</b>	MOORE & SCHLEY MUNICIPALS, INC.	8000	LOCATION	08/15/1985 - 01/28/1988
<b>B</b>	E. F. HUTTON & COMPANY INC	235	LOCATION	03/20/1985 - 08/19/1985

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	1
Customer Dispute	3



## 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 **25** jurisdiction(s) and 2 SRO(s) through his or her employer(s).

### Employment 1 of 1

Firm Name: **GMS GROUP**  
Main Address: 120 EAGLE ROCK AVE  
SUITE 300  
EAST HANOVER, NJ 07936  
Firm ID#: 8000

	Regulator	Registration	Status	Date
<b>B</b>	FINRA	General Securities Representative	Approved	11/29/1988
<b>B</b>	FINRA	General Securities Sales Supervisor	Approved	05/22/1990
<b>B</b>	FINRA	Municipal Securities Representative	Approved	08/06/1990
<b>B</b>	FINRA	Municipal Securities Principal	Approved	11/01/1990
<b>B</b>	FINRA	Operations Professional	Approved	10/20/2011
<b>B</b>	Nasdaq Stock Market	General Securities Representative	Approved	07/12/2006
<b>B</b>	Nasdaq Stock Market	General Securities Sales Supervisor	Approved	07/12/2006
<b>B</b>	Alabama	Agent	Approved	01/31/2007
<b>B</b>	Arizona	Agent	Approved	03/10/2005
<b>B</b>	California	Agent	Approved	05/08/2007
<b>B</b>	Colorado	Agent	Approved	09/23/2008
<b>B</b>	Connecticut	Agent	Approved	01/06/2003
<b>B</b>	Florida	Agent	Approved	12/05/1988



## Qualifications

Regulator	Registration	Status	Date
IA Florida	Investment Adviser Representative	Approved	02/12/2026
B Georgia	Agent	Approved	06/20/2005
B Illinois	Agent	Approved	05/14/2004
B Iowa	Agent	Approved	04/27/2005
B Kansas	Agent	Approved	01/30/2006
B Kentucky	Agent	Approved	05/08/2007
B Louisiana	Agent	Approved	01/08/2003
B Maryland	Agent	Approved	06/29/2004
B Massachusetts	Agent	Approved	10/03/2007
B Michigan	Agent	Approved	01/15/1999
B Minnesota	Agent	Approved	11/12/2008
B Missouri	Agent	Approved	08/31/2004
B Nevada	Agent	Approved	04/01/2004
B New Jersey	Agent	Approved	01/06/2003
B New York	Agent	Approved	03/14/2000
B North Carolina	Agent	Approved	09/22/2004
B Pennsylvania	Agent	Approved	08/30/2007
B South Carolina	Agent	Approved	04/01/2008
B Texas	Agent	Approved	01/17/2003



## Qualifications

Regulator	Registration	Status	Date
<b>B</b> Virginia	Agent	Approved	09/24/2008

## Branch Office Locations

### GMS GROUP

2600 N Military Trail  
Suite 400  
BOCA RATON, FL 33431







## 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 4 principal/supervisory exams, 4 general industry/product exams, and 2 state securities law exams.**




#### Principal/Supervisory Exams

Exam	Category	Date
 General Securities Sales Supervisor - General Module Examination (S10)	Series 10	01/02/2023
 General Securities Sales Supervisor - Options Module Examination (S9)	Series 9	01/02/2023
 Municipal Securities Principal Examination (S53)	Series 53	10/30/1990
 General Securities Sales Supervisor Examination (Options Module & General Module) (S8)	Series 8	05/14/1990

#### General Industry/Product Exams

Exam	Category	Date
 Operations Professional Examination (S99TO)	Series 99TO	01/02/2023
 Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
 General Securities Representative Examination (S7)	Series 7	10/20/1984
 Municipal Securities Representative Examination (S52)	Series 52	12/08/1983

#### State Securities Law Exams

Exam	Category	Date
  Uniform Combined State Law Examination (S66)	Series 66	02/11/2026
 Uniform Securities Agent State Law Examination (S63)	Series 63	06/07/1985



## 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
B	08/15/1985 - 12/31/1988	MOORE & SCHLEY, CAMERON & CO.	CRD# 6917	
B	08/15/1985 - 01/28/1988	MOORE & SCHLEY MUNICIPALS, INC.	CRD# 8000	
B	03/20/1985 - 08/19/1985	E. F. HUTTON & COMPANY INC	CRD# 235	
B	10/12/1984 - 05/10/1985	DONALD SHELDON & CO., INC.	CRD# 6966	
B	07/16/1984 - 09/28/1984	HALPERT, OBERST AND COMPANY	CRD# 7094	
B	12/09/1983 - 06/25/1984	WILLIAM M. CADDEN & CO., INC.	CRD# 7361	

### 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
01/2026 - Present	THE GMS GROUP LLC	Executive Vice President / Director	Y	BOCA RATON, FL, United States
08/1985 - Present	THE GMS GROUP LLC	Not Provided	Y	BOCA RATON, FL, 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.

GMS Group Holdings Corp;120 Eagle Rock Ave, Suite 300 East Hanover NJ 07936; Broker Dealer Holding Corp; Board Member; Offer advice to better the organization; Devote a few hours every quarter; No activity during trading hours; Do not receive compensation



## 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	1
Customer Dispute	3

### 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 1

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:**

**Date Initiated:** 10/20/2015

**Docket/Case Number:** [2013038756502](#)

**Employing firm when activity occurred which led to the regulatory action:** The GMS Group, LLC

**Product Type:** Other: Nontraditional exchange traded funds

**Allegations:** Without admitting or denying the findings Capone consented to the sanctions and to the entry of findings that his member firm, acting through him, failed to adequately supervise the sales practices of a registered representative who recommended and engaged in unsuitable trading in nontraditional exchange traded funds in four customer accounts, and exercised discretion without having obtained prior written authorization in fourteen customer accounts. Capone was assigned by the firm to supervise the representative's activities as a registered representative acting on behalf of the firm. The findings stated that specifically, the firm failed to establish and maintain a supervisory system designed to achieve compliance with applicable NASD and/or FINRA rules in connection with the sale of nontraditional exchange traded funds. The firm allowed the representative to recommend and sell nontraditional exchange traded funds, but did not adopt any supervisory controls to properly supervise these transactions. In addition, the firm did not provide any training to the representative regarding nontraditional exchange traded funds. Further, the firm and Capone allowed the representative to execute 173 purchases of non-traditional exchange traded funds, even though the



representative did not have a reasonable basis to recommend these securities and they were unsuitable from a customer-specific perspective. The findings also stated that the firm and Capone were on notice of numerous red flags that the representative had a propensity to engage in unsuitable trading on behalf of his customers. Despite the red flags, the firm, acting through Capone, failed to take adequate steps to supervise the representative's sales activities. Indeed, Capone only contacted one of the customers at issue. During this conversation, Capone did not ascertain whether the representative was exercising discretion in the customer's account, did not discuss the amount of commissions being generated, and did not communicate the unique and substantial risks associated with trading nontraditional exchange traded funds. Capone never spoke with the other customers about the activity in their accounts, including a retired and unsophisticated 70 year old investor who endured more than \$92,000 in realized losses. The findings also included that the firm, acting through Capone, did not take any steps, other than speaking with the representative, to ascertain whether he was exercising discretion without written authorization in any of the fourteen accounts at issue. For instance, Capone did not contact any of the customers involved, and he did not review phone records to ensure that each transaction in these active accounts was being approved on the same business day as the trade. FINRA found that the firm and Capone failed to enforce the firm's written supervisory procedures, including ensuring that customers' investment objectives and risk tolerance were consistent with the transactions in their accounts and were updated when there was a change in status, including exchange traded funds in training and adequate supervisory reviews for transactions in nontraditional exchange traded funds, and reviewing for suitability for transactions in nontraditional exchange traded funds.

<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>	10/20/2015
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension
<b>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?</b>	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**

<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	all principal capacities
<b>Duration:</b>	30 business days
<b>Start Date:</b>	11/16/2015



**End Date:** 12/29/2015

**Monetary Sanction 1 of 1**

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

**Total Amount:** \$10,000.00

**Portion Levied against individual:** \$10,000.00

**Payment Plan:**

**Is Payment Plan Current:** Yes

**Date Paid by individual:** 11/30/2015

**Was any portion of penalty waived?** No

**Amount Waived:**

**Reporting Source:** Individual

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**Date Initiated:** 10/26/2015

**Docket/Case Number:** 2013038756502

**Employing firm when activity occurred which led to the regulatory action:** THE GMS GROUP, L.L.C.

**Product Type:** Other: ETF

**Allegations:** Failure to supervise during the period October 1, 2011 through October 30, 2013

**Current Status:** Final

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Resolution Date:** 10/26/2015

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** PRINCIPAL

**Duration:** 30 DAYS

**Start Date:** 11/16/2015



<b>End Date:</b>	12/29/2015
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$10,000.00
<b>Portion Levied against individual:</b>	\$10,000.00
<b>Payment Plan:</b>	N/A
<b>Is Payment Plan Current:</b>	No
<b>Date Paid by individual:</b>	10/29/2015
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	



## 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 3

<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	THE GMS GROUP, LLC
<b>Allegations:</b>	Client alleges misrepresentation, breach of fiduciary duty, unsuitable recommendations, and negligence from inception of accounts. Allegations regarding me involved negligent supervision
<b>Product Type:</b>	Debt-Municipal
<b>Alleged Damages:</b>	\$1,000,000.00
<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>	18-02748
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	08/03/2018

### Customer Complaint Information

<b>Date Complaint Received:</b>	08/13/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	04/08/2020
<b>Settlement Amount:</b>	\$850,000.00
<b>Individual Contribution Amount:</b>	\$0.00

### Arbitration Information

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	<a href="#">18-02748</a>
<b>Date Notice/Process Served:</b>	08/13/2018
<b>Arbitration Pending?</b>	No



**Disposition:** Settled  
**Disposition Date:** 04/08/2020  
**Monetary Compensation Amount:** \$850,000.00  
**Individual Contribution Amount:** \$0.00

### Disclosure 2 of 3

**Reporting Source:** Individual  
**Employing firm when activities occurred which led to the complaint:** The GMS Group, LLC

**Allegations:** The client alleges negligent supervision during the period October 2011-October 2015.

**Product Type:** Debt-Municipal  
Other: ETFs

**Alleged Damages:** \$750,000.00

### Arbitration Information

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

**Docket/Case #:** [15-03075](#)

**Date Notice/Process Served:** 11/24/2015

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 11/15/2016

**Monetary Compensation Amount:** \$350,000.00

**Individual Contribution Amount:** \$0.00

### Disclosure 3 of 3

**Reporting Source:** Individual  
**Employing firm when activities occurred which led to the complaint:** THE GMS GROUP, LLC

**Allegations:** THE RESPONDENT ALLEGES THAT IN 2007 THE AE FAILED TO RECONFIGURE HER PORTFOLIO TO BE CONSISTENT WITH HER INVESTMENT OBJECTIVES & RISK TOLERANCE. THE CLIENT ALLEGES ALL TRADES WERE UNAUTHORIZED.

**Product Type:** Debt-Corporate  
Debt-Municipal

**Alleged Damages:** \$2,500,000.00

### Arbitration Information



<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	09-02862
<b>Date Notice/Process Served:</b>	06/02/2009
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	05/09/2011
<b>Monetary Compensation Amount:</b>	\$675,000.00
<b>Individual Contribution Amount:</b>	\$0.00



## End of Report

This page is intentionally left blank.