



IAPD Report

DARREN MICHAEL KUBIAK

CRD# 1239086

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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

DARREN MICHAEL KUBIAK (CRD# 1239086)

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 **02/22/2024**.

CURRENT EMPLOYERS

This individual is not currently registered as an Investment Adviser Representative.

QUALIFICATIONS

This individual is not currently registered as an Investment Adviser Representative.

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	ADAIR FINANCIAL PRIVATE CLIENT GROUP	306300	Johns Creek, GA	06/23/2020 - 05/28/2021
IA	KALOS MANAGEMENT	133025	Alpharetta, GA	01/25/2008 - 10/10/2019

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	12



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 not currently registered as an Investment Adviser Representative.



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 0 principal/supervisory exams, 0 general industry/product exams, and 1 state securities law exam.

Principal/Supervisory Exams

Exam	Category	Date
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No information reported.

General Industry/Product Exams

Exam	Category	Date
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No information reported.

State Securities Law Exams

Exam	Category	Date
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IA

Uniform Investment Adviser Law Examination (S65)

Series 65

01/22/2008



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	06/23/2020 - 05/28/2021	ADAIR FINANCIAL PRIVATE CLIENT GROUP	CRD# 306300	Johns Creek, GA
IA	01/25/2008 - 10/10/2019	KALOS MANAGEMENT	CRD# 133025	Alpharetta, GA

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
03/2020 - Present	ADAIR FINANCIAL PRIVATE CLIENT GROUP, LLC	INVESTMENT ADVISER REPRESENTATIVE	Y	WEST CHESTER, PA, United States
01/2014 - Present	KUBIAK FINANCIAL SERVICES	INSURANCE AGENT	Y	LAWRENCEVILLE, GA, United States
01/2007 - 10/2019	KALOS CAPITAL	FINANCIAL ADVISOR	Y	ALPHARETTA, GA, 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.

KUBIAK FINANCIAL SERVICES, LLC

POSITION: PRESIDENT NATURE: INVESTMENT AND INSURANCE SERVICES INVESTMENT RELATED: YES NUMBER OF HOURS: 40 INVESTMENT RELATED HOURS: 20 START DATE: 01/02/2014

ADDRESS: 1755 NORTH BROWN RD, SUITE 200, LAWRENCEVILLE GA 30043

DESCRIPTION: CLIENT SERVICE



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	12

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

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	07/27/2023
Docket/Case Number:	2018060897302
Employing firm when activity occurred which led to the regulatory action:	Kalos Capital, Inc.
Product Type:	No Product
Allegations:	Kubiak was named a respondent in a FINRA complaint alleging that he failed to appear for on-the-record testimony requested by FINRA in connection with its investigation into the suitability of Kubiak's recommendations to at least ten of his customers, two of which were seniors, to invest in limited partnerships. The complaint alleges that Kubiak's testimony was material to FINRA's investigation and was necessary to complete its investigation. Failing to appear for testimony has impeded FINRA's investigation into Kubiak's conduct.
Current Status:	Final
Resolution:	Order



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:

02/20/2024

Sanctions Ordered:

Bar (Permanent)

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: Bar (Permanent)

Capacities Affected: All capacities

Duration: Indefinite

Start Date: 02/20/2024

End Date:

Regulator Statement

Default decision rendered January 23, 2024 wherein Kubiak is barred from association with any FINRA member in all capacities. The sanction is based on findings that Kubiak failed to appear for on-the-record testimony. The findings stated that FINRA requested Kubiak's testimony to determine whether, in violation of FINRA rules, he made unsuitable recommendations to customers that they invest in certain limited partnerships. In addition, FINRA sought Kubiak's explanations about how he considered the customers' investment profile information when making recommendations in alternative investments, and whether his recommendations were consistent with the investment profiles. The decision is final on February 20, 2024.

Disclosure 2 of 2

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Other: N/A

Date Initiated: 09/06/2019

Docket/Case Number: 2016048196801

Employing firm when activity occurred which led to the regulatory action: Kalos Capital, Inc.

Product Type: Other: Leveraged and Inverse Exchange Traded Funds (LIETFs)

Allegations: Without admitting or denying the findings, Kubiak consented to the sanctions and to the entry of findings that he recommended the purchase of leveraged and inverse exchange traded funds (LIETFs) to customers without having a sufficient



understanding of the risks and features associated with the LIETFs. The findings stated that Kubiak thereby failed to have a reasonable basis to make these recommendations. Kubiak recommended these customers purchase LIETFs, which the customers then held for an average of 722 days. These extended holding periods caused Kubiak's customers to incur approximately \$98,000 in losses. Kubiak failed to perform reasonable due diligence. Moreover, Kubiak did not understand that LIETFs are generally expected to lose value over time and that losses are compounded because of how the LIETFs' valuations are reset each day.

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:

09/06/2019

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:	All capacities
Duration:	three months
Start Date:	10/07/2019
End Date:	01/06/2020

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:	09/24/2019
Was any portion of penalty waived?	No

**Amount Waived:****Regulator Statement**

Fines paid in full on September 24, 2019.

Reporting Source:

Firm

Regulatory Action Initiated By:

FINRA

Sanction(s) Sought:Disgorgement
Monetary Penalty other than Fines
Suspension**Date Initiated:**

09/06/2019

Docket/Case Number:

2016048196801

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

Kalos Capital, Inc.

Product Type:

Other: Leveraged and Inverse ETFs ("LIETFs")

Allegations:

Between August 2011 and January 2015, Kubiak recommended the purchase of LIETFs to 17 customers without having a sufficient understanding of the risks and features associated with the LIETFs and thereby failing to have a reasonable basis to make these recommendations.

Current Status:

Final

Resolution:

Acceptance, Waiver & Consent(AWC)

Resolution Date:

09/06/2019

Sanctions Ordered:Civil and Administrative Penalty(ies)/Fine(s)
Restitution
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:	All Capacities
Duration:	Three months
Start Date:	10/07/2019
End Date:	01/06/2020

Monetary Sanction 1 of 2

Monetary Related Sanction:	Restitution
Total Amount:	\$86,614.00
Portion Levied against individual:	\$0.00
Payment Plan:	
Is Payment Plan Current:	
Date Paid by individual:	09/04/2019
Was any portion of penalty waived?	No

**Amount Waived:****Monetary Sanction 2 of 2****Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)**Total Amount:** \$35,000.00**Portion Levied against individual:** \$5,000.00**Payment Plan:** None**Is Payment Plan Current:** Yes**Date Paid by individual:** 09/04/2019**Was any portion of penalty waived?** No**Amount Waived:**
.....**Reporting Source:** Individual**Regulatory Action Initiated By:** FINRA**Sanction(s) Sought:** Other: N/A**Date Initiated:** 09/06/2019**Docket/Case Number:** 2016048196801**Employing firm when activity occurred which led to the regulatory action:** Kalos Capital, Inc.**Product Type:** Other: Leveraged and Inverse Exchange Traded Funds (LEITFs)

Allegations: Without admitting or denying the findings, Kubiak consented to the sanctions and to the entry of findings that he recommended the purchase of leveraged and inverse exchange traded funds (LIETFs) to customers without having a sufficient understanding of the risks and features associated with the LIETFs. The findings stated that Kubiak thereby failed to have a reasonable basis to make these recommendations. Kubiak recommended these customers purchase LIETFs, which the customers then held for an average of 722 days. These extended holding periods caused Kubiak's customers to incur approximately \$98,000 in losses. Kubiak failed to perform reasonable due diligence. Moreover, Kubiak did not understand that LIETFs are generally expected to lose value over time and that losses are compounded because of how the LIETFs' valuations are reset each day.

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: 09/06/2019



Sanctions Ordered:	Suspension
Sanction 1 of 1	
Sanction Type:	Suspension
Capacities Affected:	All capacities
Duration:	three months
Start Date:	10/07/2019
End Date:	01/06/2020
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:	
Was any portion of penalty waived?	No
Amount Waived:	



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 12

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Kalos Capital, Inc.
Allegations:	Breach of Contract, breach of fiduciary duty, failure to supervise and violations of state securities statutes.
Product Type:	Direct Investment-DPP & LP Interests Real Estate Security Other: Preferred stock
Alleged Damages:	\$1,000,000.00
Alleged Damages Amount Explanation (if amount not exact):	Amount is between \$500000-1000000

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	21-01917
Date Notice/Process Served:	09/17/2021
Arbitration Pending?	Yes

Disclosure 2 of 12

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Kalos Capital, Inc.
Allegations:	Breach of Contract, breach of fiduciary duty, failure to supervise and violations of state securities statutes.
Product Type:	Direct Investment-DPP & LP Interests Real Estate Security Other: Preferred Stock
Alleged Damages:	\$500,000.00
Alleged Damages Amount Explanation (if amount not exact):	Between \$500,000-1,000,000
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 #: 21-01917

Filing date of arbitration/CFTC reparation or civil litigation: 07/27/2021

Customer Complaint Information

Date Complaint Received: 07/28/2021

Complaint Pending? Yes

Settlement Amount:

Individual Contribution Amount:

Disclosure 3 of 12

Reporting Source: Firm

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

Allegations: Potential claims against Kalos, which claims arise out of or relate to Kalos investment advice and/or handling of Claimant's accounts

Product Type: Direct Investment-DPP & LP Interests
Other: Alternative Investments

Alleged Damages: \$60,422.00

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: 12/01/2020

Complaint Pending? No

Status: Settled

Status Date: 01/18/2021

Settlement Amount: \$60,422.00

Individual Contribution Amount: \$0.00

Disclosure 4 of 12

Reporting Source: Firm



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

Allegations: BREACH OF FIDUCIARY DUTY, VIOLATION OF TENNESSEE'S SECURITIES ACT, COMMON LAW FRAUD, BREACH OF CONTRACT, NEGLIGENCE/NEGLIGENT MISREPRESENTATION/OMISSION, NEGLIGENT SUPERVISION

Product Type: Direct Investment-DPP & LP Interests
Real Estate Security
Other: Alternative Investments

Alleged Damages: \$650,000.00

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 #: # 20-02799

Filing date of arbitration/CFTC reparation or civil litigation: 08/26/2020

Customer Complaint Information

Date Complaint Received: 10/27/2020

Complaint Pending? No

Status: Settled

Status Date: 01/18/2021

Settlement Amount: \$160,093.00

Individual Contribution Amount: \$0.00

Disclosure 5 of 12

Reporting Source: Firm

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

Allegations: Client claims that investment was unsuitable, and Firm did not conduct its proper due diligence prior to selling GPB to its clients.

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$100,000.00

Alleged Damages Amount Explanation (if amount not exact): Attorney is asking for damages in an amount of \$50,000 to \$100,000 plus interest, rescission, underperformance damages, attorney fees and punitive damages.

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 #: 20-00411

Filing date of arbitration/CFTC reparation or civil litigation: 02/05/2020

Customer Complaint Information

Date Complaint Received: 04/16/2020

Complaint Pending? No

Status: Settled

Status Date: 01/18/2021

Settlement Amount: \$19,783.00

Individual Contribution Amount: \$0.00

Firm Statement Client was solicited by a claimants' law firm due to a currently poor performing investment to bring action against Kalos Capital and the registered representative. The claimants understood the risks, and the investment recommendations were suitable for their stated goals, objectives, and risk profiles. Kalos Capital and registered representative vehemently deny the allegations.

Disclosure 6 of 12

Reporting Source: Firm

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

Allegations: Unsuitable investments, breach of fiduciary duty, and breach of contract.

Product Type: Direct Investment-DPP & LP Interests
Real Estate Security

Alleged Damages: \$500,000.00

Alleged Damages Amount Explanation (if amount not exact): Damages in an amount to be determined at a final hearing but between \$500,000-\$1,000,000

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 #: 20-00313



Filing date of arbitration/CFTC reparation or civil litigation: 01/29/2020

Customer Complaint Information

Date Complaint Received: 04/16/2020
Complaint Pending? No
Status: Settled
Status Date: 04/14/2021
Settlement Amount: \$150,000.00
Individual Contribution Amount: \$0.00

Firm Statement Client was solicited by a claimants' law firm due to a currently poor performing investment to bring action against Kalos Capital and the registered representative. The claimants understood the risks, and the investment recommendations were suitable for their stated goals, objectives, and risk profiles. Kalos Capital and registered representative vehemently deny the allegations.

Disclosure 7 of 12

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

Allegations: Claimant alleges that investments were unsuitable, failure to conduct a reasonable due diligence and the recommendations were made with material misrepresentations and omissions.

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$250,000.00

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 #: 20-01532

Filing date of arbitration/CFTC reparation or civil litigation: 05/14/2020

Customer Complaint Information

Date Complaint Received: 06/23/2020
Complaint Pending? No
Status: Settled
Status Date: 01/18/2021
Settlement Amount: \$47,047.00



Individual Contribution Amount: \$0.00

Firm Statement Client was solicited by a claimants' law firm due to a currently poor performing investment to bring action against me and Kalos Capital. The claimants understood the risks, and the investment recommendations were suitable for their stated goals, objectives, and risk profiles.

Disclosure 8 of 12

Reporting Source: Firm

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

Allegations: Client claims that the investments were unsuitable, overconcentrated, failure to supervise and Kalos did not conduct its proper due diligence prior to selling GPB to its clients.

Product Type: Direct Investment-DPP & LP Interests
Real Estate Security

Alleged Damages: \$389,000.00

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 #: 20-01310

Filing date of arbitration/CFTC reparation or civil litigation: 04/27/2020

Customer Complaint Information

Date Complaint Received: 04/29/2020

Complaint Pending? No

Status: Settled

Status Date: 01/18/2021

Settlement Amount: \$72,209.00

Individual Contribution Amount: \$0.00

Firm Statement Client was solicited by a claimants' law firm due to a currently poor performing investment to bring action against me and Kalos Capital. The claimants understood the risks, and the investment recommendations were suitable for their stated goals, objectives, and risk profiles.

Disclosure 9 of 12

Reporting Source: Firm



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

Allegations: unsuitable investments

Product Type: Other: Alternative investments

Alleged Damages: \$500,000.00

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 #: 20-00037

Filing date of arbitration/CFTC reparation or civil litigation: 01/03/2020

Customer Complaint Information

Date Complaint Received: 01/09/2020

Complaint Pending? No

Status: Settled

Status Date: 01/18/2021

Settlement Amount: \$59,174.00

Individual Contribution Amount: \$0.00

Disclosure 10 of 12

Reporting Source: Firm

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

Allegations: Unsuitable recommendations, Negligence and breach of fiduciary duty, Negligent supervision, Breach of contract

Product Type: Direct Investment-DPP & LP Interests
Other: Private Equity and alternative investments

Alleged Damages: \$250,000.00

Arbitration Information

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

Docket/Case #: 19-02629

Date Notice/Process Served: 09/03/2019

Arbitration Pending? No



Disposition: Settled

Disposition Date: 06/15/2020

Monetary Compensation Amount: \$250,000.00

Individual Contribution Amount: \$0.00

Firm Statement Kalos Capital, Inc. determined as a business judgment that it was in the firm's best interests to resolve the dispute rather than incur the time, disruption, and legal expenses associated with a protracted arbitration proceeding.

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Reporting Source: Individual

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

Allegations: Unsuitable recommendations, Negligence and breach of fiduciary duty, Negligent supervision, Breach of contract

Product Type: Real Estate Security

Alleged Damages: \$500,000.00

Arbitration Information

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

Docket/Case #: 19-02629

Date Notice/Process Served: 09/10/2019

Arbitration Pending? Yes

Disclosure 11 of 12

Reporting Source: Firm

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

Allegations: Client alleges unsuitable investments

Product Type: Other: Alternative investments

Alleged Damages: \$400,000.00

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 #: 19-03471



Filing date of arbitration/CFTC reparation or civil litigation: 11/20/2019

Customer Complaint Information

Date Complaint Received: 12/02/2019
Complaint Pending? No
Status: Settled
Status Date: 04/14/2021
Settlement Amount: \$125,000.00
Individual Contribution Amount: \$0.00

Firm Statement

This claim was solicited via the internet by a law firm claiming they were investigating fraud by an issuer. Kalos and I deny any and all wrongdoing and I would have preferred to vigorously defend our actions in a fair venue. As confident as I am that I would be exonerated of any wrongdoing, Kalos determined as a business judgment that it was in the firm's best interests to resolve the dispute rather than incur the time, business disruption, and legal expenses associated with a protracted arbitration proceeding. The matter was settled by the Firm on my behalf and I was not required to contribute to the amount awarded to the client. While this deprives me of due process, I understand the claim has nuisance value for settlement from a business standpoint for Kalos.

.....

Reporting Source: Individual
Employing firm when activities occurred which led to the complaint: Kalos Capital, Inc.
Allegations: unsuitable investments; sales commenced in 2012 and continued for approximately 5 years.
Product Type: Real Estate Security
Other: Private debt/BDC
Alleged Damages: \$495,368.50
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: 07/12/2019
Complaint Pending? Yes
Settlement Amount:
Individual Contribution Amount:

Disclosure 12 of 12

Reporting Source: Firm

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

Kalos Capital, Inc.

Allegations:

Unsuitable recommendations, Negligence and breach of fiduciary duty, Negligent supervision, Breach of contract

Product Type:Direct Investment-DPP & LP Interests
Real Estate Security
Other: Private Equity and alternative investments**Alleged Damages:**

\$500,000.00

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 #:

19-01396

Filing date of arbitration/CFTC reparation or civil litigation:

05/20/2020

Customer Complaint Information**Date Complaint Received:**

07/11/2019

Complaint Pending?

No

Status:

Settled

Status Date:

05/13/2020

Settlement Amount:

\$152,500.00

Individual Contribution Amount:

\$0.00

Firm Statement

Kalos Capital, Inc. determined as a business judgment that it was in the firm's best interests to resolve the dispute rather than incur the time, disruption, and legal expenses associated with a protracted arbitration proceeding.

Reporting Source:

Individual

Employing firm when activities occurred which led to the complaint:

Kalos Capital, Inc.

Allegations:

Between 2014 and 2018, claimants invested about \$170,000 in GPB Funds which they claim were unsuitable despite providing suitability info that indicated otherwise.

Product Type:

Other: Alternative investments

Alleged Damages:

\$500,000.00

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 #: 19-01396

Filing date of arbitration/CFTC reparation or civil litigation: 05/20/2019

Customer Complaint Information

Date Complaint Received: 06/17/2019

Complaint Pending? Yes

Settlement Amount:

Individual Contribution Amount:

Broker Statement The firm and broker deny all claims and will vigorously defend



End of Report

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