



## IAPD Report

# JOEL REID BLUMENSCHEN

CRD# 1372334

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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

### JOEL REID BLUMENSCHN (CRD# 1372334)

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 **04/25/2024**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
<b>B</b>	KCD FINANCIAL, INC.	CRD# 127473	04/29/2010
<b>IA</b>	KCD FINANCIAL, INC.	CRD# 127473	05/19/2010

### QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **7** 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>IA</b>	FREEDOM INVESTORS CORP.	23714	Brookfield, WI	02/19/2013 - 12/31/2020
<b>B</b>	FREEDOM INVESTORS CORP.	23714	BROOKFIELD, WI	11/04/2002 - 08/28/2017
<b>B</b>	EZ STOCKS, INC.	103866	BROOKFIELD, WI	11/24/2000 - 09/23/2012

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	1
Judgment/Lien	2



## 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 7 jurisdiction(s) and 1 SRO(s) through his or her employer(s).

### Employment 1 of 1

Firm Name: **KCD FINANCIAL, INC.**  
Main Address: 3061 ALLIED STREET  
SUITE B  
GREEN BAY, WI 54304  
Firm ID#: 127473

	Regulator	Registration	Status	Date
B	FINRA	General Securities Principal	Approved	04/29/2010
B	FINRA	General Securities Representative	Approved	04/29/2010
B	FINRA	Investment Banking Representative	Approved	04/29/2010
B	FINRA	Registered Options Principal	Approved	04/29/2010
B	FINRA	Operations Professional	Approved	10/25/2011
B	FINRA	Investment Banking Principal	Approved	10/01/2018
B	FINRA	Introducing BD/Finan Operation Principal	Approved	02/04/2019
B	California	Agent	Approved	06/12/2017
IA	California	Investment Adviser Representative	Approved - Pending IAR CE	01/01/2026
B	Florida	Agent	Approved	07/18/2017
IA	Florida	Investment Adviser Representative	Approved - Pending IAR CE	01/01/2026
B	Illinois	Agent	Approved	02/18/2020



## Qualifications

	Regulator	Registration	Status	Date
B	Indiana	Agent	Approved	08/09/2017
B	Texas	Agent	Approved	05/19/2010
IA	Texas	Investment Adviser Representative	Approved	05/19/2010
IA	Washington	Investment Adviser Representative	Approved	05/25/2010
B	Washington	Agent	Approved	09/27/2017
B	Wisconsin	Agent	Approved	07/18/2017
IA	Wisconsin	Investment Adviser Representative	Approved - Pending IAR CE	01/01/2026

## Branch Office Locations

**KCD FINANCIAL, INC.**  
2717 N Grandview Blvd, Suite 203  
Waukesha, WI 53188



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

#### Principal/Supervisory Exams

	Exam	Category	Date
B	Introducing Broker/Dealer Financial Operations Principal Examination (S28)	Series 28	02/04/2019
B	Registered Options Principal Examination (S4)	Series 4	08/11/1987
B	General Securities Principal Examination (S24)	Series 24	01/28/1987

#### General Industry/Product Exams

	Exam	Category	Date
B	Operations Professional Examination (S99TO)	Series 99TO	01/02/2023
B	Investment Banking Registered Representative Examination (S79TO)	Series 79TO	01/02/2023
B	Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
B	General Securities Representative Examination (S7)	Series 7	06/15/1985

#### State Securities Law Exams

	Exam	Category	Date
IA	Uniform Investment Adviser Law Examination (S65)	Series 65	07/22/1996
B	Uniform Securities Agent State Law Examination (S63)	Series 63	06/25/1985



## 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
IA	02/19/2013 - 12/31/2020	FREEDOM INVESTORS CORP.	CRD# 23714	Brookfield, WI
B	11/04/2002 - 08/28/2017	FREEDOM INVESTORS CORP.	CRD# 23714	BROOKFIELD, WI
B	11/24/2000 - 09/23/2012	EZ STOCKS, INC.	CRD# 103866	BROOKFIELD, WI
B	09/06/1996 - 11/28/2000	LISS FINANCIAL SERVICES	CRD# 21950	MILWAUKEE, WI
B	09/01/1994 - 09/06/1996	PRINCIPAL FINANCIAL SECURITIES, INC.	CRD# 260	DALLAS, TX
B	01/11/1991 - 09/01/1994	HAMILTON INVESTMENTS, INC.	CRD# 821	
B	09/11/1990 - 01/09/1991	WHITEHOUSE & MOORE INVESTMENTS, INC.	CRD# 24738	
B	06/19/1985 - 10/18/1990	BLINDER, ROBINSON & CO., INC.	CRD# 5096	

### 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
04/2010 - Present	KCD FINANCIAL INC	OWNER/PRINCIPAL	Y	Green Bay, WI, United States
09/2002 - 12/2020	FREEDOM INVESTORS CORP (RIA)	GENERAL SECURITIES PRINCIPAL	Y	HARTLAND, WI, United States
09/2002 - 08/2017	FREEDOM INVESTORS CORP	GENERAL SECURITIES PRINCIPAL	Y	HARTLAND, WI, United States





## Registration & Employment History



### 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.

BUSINESS NAME: FREEDOM SECURITIES, INC.  
INVESTMENT RELATED: NO,  
ADDRESS - 2717 N Grandview Blvd, Suite 203, Waukesha, WI 53188  
NATURE: PARENT COMPANY,  
POSITION OR TITLE: PRESIDENT AND DIRECTOR,  
START DATE: 2002,  
# OF HOURS: 0 HOURS PER WEEK, (5 HOURS PER WEEK DURING TRADING),  
DUTIES: OFFICER RELATED DUTIES.

BUSINESS NAME: KCD FINANCIAL, INC.  
INVESTMENT RELATED: YES,  
ADDRESS - 3061 Allied St. Suite B Green Bay, WI 54304,  
NATURE AND POSITION: BROKER/DEALER-CEO,  
POSITION OR TITLE: GENERAL SECURITIES PRINCIPAL,  
START DATE: APRIL, 2010,  
# OF HOURS: 200+HOURS PER MONTH, (100 HOUR PER MONTH DURING TRADING),  
DUTIES: OFFICER AND EXECUTIVE FUNCTIONS.



## 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	1
Judgment/Lien	2

### 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

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	04/03/2012
<b>Docket/Case Number:</b>	<a href="#">2010025132201</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	FREEDOM INVESTORS CORP.
<b>Product Type:</b>	Penny Stock
<b>Allegations:</b>	FINRA RULE 2010, NASD RULE 3010 - JOEL BLUMENSCHNEIN WAS DESIGNATED IN HIS MEMBER FIRM'S WRITTEN SUPERVISORY PROCEDURES AS A REGISTERED PRINCIPAL'S SUPERVISOR AND ACTING ON BEHALF OF THE FIRM, WAS RESPONSIBLE FOR REVIEWING HER ACTIVITY. THE PRINCIPAL, ON BEHALF OF THE FIRM SENT CORRESPONDENCE TO A CUSTOMER REGARDING A COMPLAINT PROPOSING A SETTLEMENT ALTHOUGH SHE IS NOT AN ATTORNEY AND HAD NO PRIOR EXPERIENCE NEGOTIATING SETTLEMENTS. BLUMENSCHNEIN DID NOT REVIEW HER LETTERS NOR DID HE REVIEW HER LETTER TO THE CUSTOMER INCORPORATING THE FORMAL SETTLEMENT AGREEMENT. AFTER SHE WAS TOLD BY FINRA THAT THE SETTLEMENT AGREEMENT VIOLATED FINRA RULES, SHE NEGOTIATED A REVISED AGREEMENT WITH THE CUSTOMER WHICH ELIMINATED THE VIOLATIVE PROVISIONS; BLUMENSCHNEIN ALLOWED HER TO DRAFT AND SIGN THE



REVISED AGREEMENT WITHOUT REVIEWING THE DOCUMENT. BECAUSE OF PRIOR CUSTOMER COMPLAINTS AND THE CONCERNS OF A STATE REGULATOR, BLUMENSCHN'S FIRM PLACED A REGISTERED REPRESENTATIVE ON HEIGHTENED SUPERVISION WHEN HE JOINED THE FIRM; BLUMENSCHN WAS RESPONSIBLE FOR REVIEWING AND SUPERVISING THE REPRESENTATIVE'S ACTIVITY, INCLUDING A DAILY REVIEW AND APPROVAL OF ALL TRANSACTIONS AND NEW ACCOUNT DOCUMENTS. BLUMENSCHN DID NOT REVIEW TRANSACTIONS IN A CUSTOMER'S ACCOUNT IN RELATION TO THE CUSTOMER'S FINANCIAL SITUATION OR INVESTMENT OBJECTIVES, MADE NO CUSTOMER-SPECIFIC SUITABILITY ANALYSIS, AND DID NOT IDENTIFY ANY TRANSACTION IN THE ACCOUNT AS CAUSE FOR HEIGHTENED SECURITY. BLUMENSCHN CONCEDED DURING A FINRA INVESTIGATION THAT CERTAIN PENNY STOCKS WERE NOT SUITABLE FOR THE CUSTOMER. WHILE THE REGISTERED REPRESENTATIVE WAS EFFECTING TRADES IN THE CUSTOMER'S ACCOUNT, BLUMENSCHN NEVER QUESTIONED OR DOCUMENTED ANY CONCERNS ABOUT ANY TRANSACTIONS IN THE ACCOUNT. THE MEMBER FIRM, ACTING THROUGH BLUMENSCHN, FAILED TO DESIGN AND IMPLEMENT A SYSTEM TO REASONABLY SUPERVISE CUSTOMER TRANSACTIONS EFFECTED BY THE FIRM'S REGISTERED REPRESENTATIVES. THE FIRM SUPERVISED TRANSACTIONS PRIMARILY BY MEANS OF BLUMENSCHN'S PERIODIC REVIEW OF A DAILY ORDER ACTIVITY REPORT SUPPLIED BY THE FIRM'S CLEARING FIRM. BLUMENSCHN USED THE REPORT TO IDENTIFY TRANSACTIONS HE CALLED OUTLIERS, INCLUDING TRANSACTIONS IN STOCKS UNFAMILIAR TO HIM, USUALLY LARGE PURCHASES AND TRADES AWAY FROM THE MARKET, AND DEALT WITH THEM, IF AT ALL, IN AN AD HOC FASHION, WITHOUT DOCUMENTING EITHER THE IDENTIFIED TRANSACTIONS OR THE RESOLUTION, IF ANY, OF HIS CONCERNS. AFTER PROVIDING CONTRADICTORY TESTIMONY, BLUMENSCHN TOLD FINRA THAT HE DID NOT ACCESS THE PENNY STOCK TRANSACTION REPORT THAT COULD ASSIST A SUITABILITY ANALYSIS OF PENNY STOCK TRANSACTIONS BECAUSE IT INCLUDED CUSTOMER'S NAMES, INVESTMENT PROFILES AND WHETHER TRADES WERE SOLICITED OR UNSOLICITED.

<b>Current Status:</b>	Final
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<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>	04/23/2012
<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

Sanction Type:	Suspension
Capacities Affected:	ANY PRINCIPAL CAPACITY
Duration:	THREE MONTHS
Start Date:	05/21/2012



**End Date:** 08/20/2012

**Monetary Sanction 1 of 1**

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

**Total Amount:** \$30,000.00

**Portion Levied against individual:** \$30,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:** 05/13/2014

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

**Amount Waived:**

**Regulator Statement** COMPLAINT FILED: SEPTEMBER 22, 2011  
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, BLUMENSCHIN  
CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF  
FINDINGS; THEREFORE, HE IS FINED \$30,000, JOINTLY AND SEVERALLY,  
AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY  
PRINCIPAL CAPACITY FOR THREE MONTHS. THE SUSPENSION IS IN  
EFFECT FROM MAY 21, 2012 THROUGH AUGUST 20, 2012. FINE PAID IN  
FULL ON MAY 13, 2014.

.....

**Reporting Source:** Individual

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Other: N/A

**Date Initiated:** 04/03/2012

**Docket/Case Number:** [2010025132201](#)

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

**Product Type:** Penny Stock

**Allegations:** FINRA RULE 2010, NASD RULE 3010 - JOEL BLUMENSCHIN WAS DESIGNATED IN HIS MEMBER FIRM'S WRITTEN SUPERVISORY PROCEDURES AS A REGISTERED PRINCIPAL'S SUPERVISOR AND ACTING ON BEHALF OF THE FIRM, WAS RESPONSIBLE FOR REVIEWING HER ACTIVITY. THE PRINCIPAL, ON BEHALF OF THE FIRM SENT CORRESPONDENCE TO A CUSTOMER REGARDING A COMPLAINT PROPOSING A SETTLEMENT ALTHOUGH SHE IS NOT AN ATTORNEY AND HAD NO PRIOR EXPERIENCE NEGOTIATING SETTLEMENTS. BLUMENSCHIN DID NOT REVIEW HER LETTERS NOR DID HE REVIEW HER LETTER TO THE CUSTOMER INCORPORATING THE FORMAL SETTLEMENT AGREEMENT. AFTER SHE WAS TOLD BY FINRA THAT THE SETTLEMENT AGREEMENT VIOLATED FINRA RULES, SHE NEGOTIATED A REVISED AGREEMENT WITH THE CUSTOMER WHICH ELIMINATED THE VIOLATIVE PROVISIONS; BLUMENSCHIN ALLOWED HER TO DRAFT AND SIGN THE REVISED AGREEMENT WITHOUT REVIEWING THE DOCUMENT. BECAUSE



OF PRIOR CUSTOMER COMPLAINTS AND THE CONCERNS OF A STATE REGULATOR, BLUMENSCHIN'S FIRM PLACED A REGISTERED REPRESENTATIVE ON HEIGHTENED SUPERVISION WHEN HE JOINED THE FIRM; BLUMENSCHIN WAS RESPONSIBLE FOR REVIEWING AND SUPERVISING THE REPRESENTATIVE'S ACTIVITY, INCLUDING A DAILY REVIEW AND APPROVAL OF ALL TRANSACTIONS AND NEW ACCOUNT DOCUMENTS. BLUMENSCHIN DID NOT REVIEW TRANSACTIONS IN A CUSTOMER'S ACCOUNT IN RELATION TO THE CUSTOMER'S FINANCIAL SITUATION OR INVESTMENT OBJECTIVES, MADE NO CUSTOMER-SPECIFIC SUITABILITY ANALYSIS, AND DID NOT IDENTIFY ANY TRANSACTION IN THE ACCOUNT AS CAUSE FOR HEIGHTENED SECURITY. BLUMENSCHIN CONCEDED DURING A FINRA INVESTIGATION THAT CERTAIN PENNY STOCKS WERE NOT SUITABLE FOR THE CUSTOMER. WHILE THE REGISTERED REPRESENTATIVE WAS EFFECTING TRADES IN THE CUSTOMER'S ACCOUNT, BLUMENSCHIN NEVER QUESTIONED OR DOCUMENTED ANY CONCERNS ABOUT ANY TRANSACTIONS IN THE ACCOUNT. THE MEMBER FIRM, ACTING THROUGH BLUMENSCHIN, FAILED TO DESIGN AND IMPLEMENT A SYSTEM TO REASONABLY SUPERVISE CUSTOMER TRANSACTIONS EFFECTED BY THE FIRM'S REGISTERED REPRESENTATIVES. THE FIRM SUPERVISED TRANSACTIONS PRIMARILY BY MEANS OF BLUMENSCHIN'S PERIODIC REVIEW OF A DAILY ORDER ACTIVITY REPORT SUPPLIED BY THE FIRM'S CLEARING FIRM. BLUMENSCHIN USED THE REPORT TO IDENTIFY TRANSACTIONS HE CALLED OUTLIERS, INCLUDING TRANSACTIONS IN STOCKS UNFAMILIAR TO HIM, USUALLY LARGE PURCHASES AND TRADES AWAY FROM THE MARKET, AND DEALT WITH THEM, IF AT ALL, IN AN AD HOC FASHION, WITHOUT DOCUMENTING EITHER THE IDENTIFIED TRANSACTIONS OR THE RESOLUTION, IF ANY, OF HIS CONCERNS. AFTER PROVIDING CONTRADICTORY TESTIMONY, BLUMENSCHIN TOLD FINRA THAT HE DID NOT ACCESS THE PENNY STOCK TRANSACTION REPORT THAT COULD ASSIST A SUITABILITY ANALYSIS OF PENNY STOCK TRANSACTIONS BECAUSE IT INCLUDED CUSTOMER'S NAMES, INVESTMENT PROFILES AND WHETHER TRADES WERE SOLICITED OR UNSOLICITED.

<b>Current Status:</b>	Final
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<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>	04/23/2012
<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>	ANY PRINCIPAL CAPACITY
<b>Duration:</b>	THREE MONTHS
<b>Start Date:</b>	05/21/2012
<b>End Date:</b>	08/20/2012
<b>Monetary Sanction 1 of 1</b>	



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

**Total Amount:** \$30,000.00

**Portion Levied against individual:** \$30,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:**

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

**Amount Waived:**

**Broker Statement** BLUMENSCHIN AGREED TO THE AWC AS STATED TO BRING CLOSURE TO AN ALMOST 2 YEAR INVESTIGATION. SETTLED WITHOUT ADMITTING OR DENYING THE ALLEGATIONS AND CHARGES.





## 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 1

<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	Freedom Investors Corporation
<b>Allegations:</b>	Alleged churning and unsuitable investments throughout the account existence 2013-2016.
<b>Product Type:</b>	Debt-Corporate Debt-Municipal Equity-OTC Equity Listed (Common & Preferred Stock) Money Market Fund Mutual Fund Options Promissory Note
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	No damage amount has been alleged
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

## Customer Complaint Information

<b>Date Complaint Received:</b>	12/29/2016
<b>Complaint Pending?</b>	No
<b>Status:</b>	Denied
<b>Status Date:</b>	11/28/2018
<b>Settlement Amount:</b>	\$0.00

**Individual Contribution Amount:**

## Arbitration Information

<b>Disposition:</b>	Denied
<b>Disposition Date:</b>	11/28/2018

**Broker Statement** Long term accredited client who knew exactly everything in her trust account, passed away. New trustee who also knew everything in the trust, is now trying to see if he can stir up problems and justify his fees to the trust. I categorically deny all accusations.



Emails directing the Rep to complete these transactions were reviewed from the Trustee. Claim denied.



## Judgment/Lien

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

### Disclosure 1 of 2

<b>Reporting Source:</b>	Individual
<b>Judgment/Lien Holder:</b>	Emergency Medical Associates LLP
<b>Judgment/Lien Amount:</b>	\$773.49
<b>Judgment/Lien Type:</b>	Civil
<b>Date Filed with Court:</b>	04/13/2022
<b>Date Individual Learned:</b>	05/23/2022
<b>Type of Court:</b>	State Court
<b>Name of Court:</b>	WISCONSIN CIRCUIT COURT
<b>Location of Court:</b>	Waukesha County WI
<b>Docket/Case #:</b>	2022SC000653
<b>Judgment/Lien Outstanding?</b>	Yes

### Disclosure 2 of 2

<b>Reporting Source:</b>	Individual
<b>Judgment/Lien Holder:</b>	IRS
<b>Judgment/Lien Amount:</b>	\$106,083.14
<b>Judgment/Lien Type:</b>	Tax
<b>Date Filed with Court:</b>	08/16/2017
<b>Date Individual Learned:</b>	09/12/2018
<b>Type of Court:</b>	County Court
<b>Name of Court:</b>	Waukesha County
<b>Location of Court:</b>	Waukesha County, WI
<b>Docket/Case #:</b>	4294421
<b>Judgment/Lien Outstanding?</b>	Yes
<b>Broker Statement</b>	This lien is dispute with the IRS.



## End of Report

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