



## IAPD Report

# JOSEPH ALFRED FERRON III

CRD# 1432984

| <b><u>Section Title</u></b>         | <b><u>Page(s)</u></b> |
|-------------------------------------|-----------------------|
| Report Summary                      | 1                     |
| Qualifications                      | 2 - 4                 |
| Registration and Employment History | 5                     |
| Disclosure Information              | 6                     |



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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

### JOSEPH ALFRED FERRON III (CRD# 1432984)

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 **12/09/2024**.

### CURRENT EMPLOYERS

|    | Firm                      | CRD#        | Registered Since |
|----|---------------------------|-------------|------------------|
| B  | J.W. COLE FINANCIAL, INC. | CRD# 124583 | 01/11/2017       |
| IA | J. W. COLE ADVISORS, INC. | CRD# 112294 | 01/17/2017       |

### QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **17** jurisdiction(s).

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

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

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

### REGISTRATION HISTORY

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

|    | FIRM                                 | CRD#   | LOCATION        | REGISTRATION DATES      |
|----|--------------------------------------|--------|-----------------|-------------------------|
| IA | FIRST ALLIED ADVISORY SERVICES, INC. | 137888 | GLASTONBURY, CT | 01/03/2007 - 03/09/2017 |
| B  | FIRST ALLIED SECURITIES, INC.        | 32444  | GLASTONBURY, CT | 05/30/2008 - 01/11/2017 |
| B  | FFP SECURITIES, INC.                 | 16337  | GLASTONBURY, CT | 04/04/1995 - 05/30/2008 |

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 |
|------------------|-------|
| Customer Dispute | 13    |



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

### Employment 1 of 2

Firm Name: **J.W. COLE FINANCIAL, INC.**  
Main Address: 4301 ANCHOR PLAZA PARKWAY  
SUITE 450  
TAMPA, FL 33634  
Firm ID#: 124583

|          | Regulator     | Registration                      | Status   | Date       |
|----------|---------------|-----------------------------------|----------|------------|
| <b>B</b> | FINRA         | Direct Participation Programs     | Approved | 01/11/2017 |
| <b>B</b> | FINRA         | Invest. Co and Variable Contracts | Approved | 01/11/2017 |
| <b>B</b> | Arkansas      | Agent                             | Approved | 01/11/2017 |
| <b>B</b> | California    | Agent                             | Approved | 01/11/2017 |
| <b>B</b> | Connecticut   | Agent                             | Approved | 01/17/2017 |
| <b>B</b> | Florida       | Agent                             | Approved | 03/08/2017 |
| <b>B</b> | Georgia       | Agent                             | Approved | 01/11/2017 |
| <b>B</b> | Maine         | Agent                             | Approved | 01/12/2017 |
| <b>B</b> | Maryland      | Agent                             | Approved | 01/13/2017 |
| <b>B</b> | Massachusetts | Agent                             | Approved | 03/06/2017 |
| <b>B</b> | New Hampshire | Agent                             | Approved | 01/11/2017 |
| <b>B</b> | New Jersey    | Agent                             | Approved | 01/11/2017 |
| <b>B</b> | New York      | Agent                             | Approved | 01/11/2017 |



## Qualifications

|   | Regulator      | Registration | Status   | Date       |
|---|----------------|--------------|----------|------------|
| B | North Carolina | Agent        | Approved | 01/11/2017 |
| B | Ohio           | Agent        | Approved | 05/16/2017 |
| B | Rhode Island   | Agent        | Approved | 01/11/2017 |
| B | South Carolina | Agent        | Approved | 01/20/2017 |
| B | Vermont        | Agent        | Approved | 02/23/2021 |
| B | Virginia       | Agent        | Approved | 02/23/2017 |

## Branch Office Locations

115 Glastonbury Boulevard  
Suite 103  
Glastonbury, CT 06033

## Employment 2 of 2

Firm Name: **J. W. COLE ADVISORS, INC.**  
Main Address: 4301 ANCHOR PLAZA PARKWAY  
SUITE 450  
TAMPA, FL 33634  
Firm ID#: 112294

|    | Regulator   | Registration                      | Status   | Date       |
|----|-------------|-----------------------------------|----------|------------|
| IA | Connecticut | Investment Adviser Representative | Approved | 01/17/2017 |

## Branch Office Locations

**J. W. COLE ADVISORS, INC.**  
115 Glastonbury Blvd.  
Suite 103  
Glastonbury, CT 06033



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

#### Principal/Supervisory Exams

| Exam | Category | Date |
|------|----------|------|
|------|----------|------|

No information reported.

#### General Industry/Product Exams

| Exam | Category | Date |
|------|----------|------|
|------|----------|------|

|                                                                                     |                                                                                |           |            |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------|------------|
|  | Securities Industry Essentials Examination (SIE)                               | SIE       | 10/01/2018 |
|  | Direct Participation Programs Representative Examination (S22)                 | Series 22 | 03/15/1988 |
|  | Investment Company Products/Variable Contracts Representative Examination (S6) | Series 6  | 01/06/1986 |

#### State Securities Law Exams

| Exam | Category | Date |
|------|----------|------|
|------|----------|------|

|                                                                                     |                                                      |           |            |
|-------------------------------------------------------------------------------------|------------------------------------------------------|-----------|------------|
|  | Uniform Investment Adviser Law Examination (S65)     | Series 65 | 06/24/2010 |
|  | Uniform Securities Agent State Law Examination (S63) | Series 63 | 12/01/1986 |

### PROFESSIONAL DESIGNATIONS

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

No information reported.

Only professional designations listed in Question 8 of the Form U4 will appear in this section if the appropriate box is checked and verified by the issuing organization at the time of the filing. Learn more about eligible designations at [IARD](#) and [NASAA](#).



## 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 | 01/03/2007 - 03/09/2017 | FIRST ALLIED ADVISORY SERVICES, INC. | CRD# 137888 | GLASTONBURY, CT |
| B  | 05/30/2008 - 01/11/2017 | FIRST ALLIED SECURITIES, INC.        | CRD# 32444  | GLASTONBURY, CT |
| B  | 04/04/1995 - 05/30/2008 | FFP SECURITIES, INC.                 | CRD# 16337  | GLASTONBURY, CT |
| IA | 08/14/1995 - 01/03/2007 | FFP ADVISORY SERVICES INC            | CRD# 110778 | GLASTONBURY, CT |
| B  | 01/08/1986 - 04/04/1995 | ALLMERICA INVESTMENTS, INC.          | CRD# 3960   | WORCESTER, MA   |

### 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              |
|-------------------|-------------------------------------|-----------------------------------|--------------------|--------------------------------|
| 01/2017 - Present | J.W. Cole Advisors, Inc.            | Investment Advisor Representative | Y                  | Tampa, FL, United States       |
| 01/2017 - Present | J.W. Cole Financial, Inc.           | Registered Representative         | Y                  | Tampa, FL, United States       |
| 01/2000 - Present | FERRON FINANCIAL, LLC               | DBA                               | Y                  | GLASTONBURY, CT, United States |
| 05/2008 - 01/2017 | FIRST ALLIED ADVISORY SERVICES, INC | INVESTMENT ADVISOR REPRESENTATIVE | Y                  | GLASTONBURY, CT, United States |
| 05/2008 - 01/2017 | FIRST ALLIED SECURITIES, INC.       | Mass Transfer                     | Y                  | GLASTONBURY, CT, 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.

- 1.)JOSEPH FERRON III; INSURANCE; START DATE:2/7/2008.
- 2.)FERRON FINANCIAL LLC; DBA; START DATE:2/7/2008.



## 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 |
|------------------|-------|
| Customer Dispute | 13    |

### 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 13

|                                                                            |                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Reporting Source:</b>                                                   | Individual                                                                                                                                                                                                                                 |
| <b>Employing firm when activities occurred which led to the complaint:</b> | FFP SECURITIES, INC.                                                                                                                                                                                                                       |
| <b>Allegations:</b>                                                        | CLIENT IS COMPLAINING OF MARKET LOSSES, INAPPROPRIATE RECOMMENDATIONS, EXCESSIVE TRADING, SPREADING INVESTMENTS ACROSS SEVERAL FUND FAMILIES, UNNECESSARY CHARGES AND FEES. SHE ALLEGED ACTIVITY TOOK PLACE FROM APRIL OF 1999-APRIL 2002. |
| <b>Product Type:</b>                                                       | Annuity-Variable                                                                                                                                                                                                                           |
| <b>Alleged Damages:</b>                                                    | \$5,000.00                                                                                                                                                                                                                                 |
| <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>        | 03/23/2004       |
| <b>Complaint Pending?</b>              | No               |
| <b>Status:</b>                         | Closed/No Action |
| <b>Status Date:</b>                    | 06/01/2004       |
| <b>Settlement Amount:</b>              |                  |
| <b>Individual Contribution Amount:</b> |                  |

**Broker Statement**

The clients brought to my attention the negative news about Conseco's AM Best downgrade to B+ with a likelihood of default & bankruptcy due to default of unmet debt obligations. Clients insisted they wanted to transfer their money out of Conseco immediately so we used ING & American Skandia variable annuities. Both products offered bonuses to offset surrender charges. Conseco went bankrupt on December of 2002. Clients wanted "B" share mutual funds and not "A" shares. They did not want to pay up front commissions. Clients opened up three investments, AIM, Putnam & American Skandis Advisor Funds - all "B" shares. The time horizon for investments would be 7 -8 years. I explained in detail the break points and lower annual expenses of "A" shares. Clients still chose "B" shares. "B" shares did not offer any break point.

**Disclosure 2 of 13****Reporting Source:**

Individual

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

FFP SECURITIES, INC.

**Allegations:**

CLIENTS ALLEGE THAT THEY DID NOT FULLY UNDERSTAND THE FEES AND COMMISSIONS INVOLVED IN THE PURCHASE OF TWO ANNUITIES AND REQUESTED A REFUND OF FINANCIAL PLANNING FEES.

**Product Type:**

Annuity-Variable

**Alleged Damages:**

\$8,926.00

**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:**

01/27/2004

**Complaint Pending?**

No

**Status:**

Settled

**Status Date:**

03/01/2004

**Settlement Amount:**

\$8,926.00

**Individual Contribution Amount:**

\$8,926.00

**Broker Statement**

I fully disclosed all fees and commissions received with the sale of the annuities. I developed a comprehensive financial plan outlining all of their goals and revised the plan the following year. I rebalanced their accounts several times as market conditions changed. The clients felt that they did not have to pay fees for a financial plan because I was compensated by the sale of the annuities & long term insurance. They requested a refund of financial planning fees and received a refund of \$8,926.00.

**Disclosure 3 of 13****Reporting Source:**

Individual



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

FFP SECURITIES, INC.

**Allegations:**

CLIENT ALLEGES THAT THEY DID NOT FULLY UNDERSTAND THE PRODUCT AND WERE GIVEN NO EXPLANATION OF THE EXPENSES OR SURRENDER CHARGES.

**Product Type:**

Annuity-Variable

**Alleged Damages:**

\$600,000.00

**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:**

07/10/2002

**Complaint Pending?**

No

**Status:**

Denied

**Status Date:**

06/25/2003

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement**

The clients purchased Variable Annuities and all fees, surrender charges and all disclosures were communicated to them. They were given current prospectuses & brochures from the investment companies. Risk tolerance questionnaires were filled out by the clients and were consistently expressing their risk tolerance as moderate-aggressive. Both clients were experienced investors with stocks, bonds & mutual funds from two other investment firms. The clients changed their retirement ages & income several times and were concerned with stock market declines. Under the ten day free look provision the clients had 100% of their deposit returned. Status closed/denied claim.

### Disclosure 4 of 13

**Reporting Source:**

Individual

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

FFP SECURITIES, INC.

**Allegations:**

ALLEGUE UNSUITABILITY OF VARIABLE ANNUITIES PURCHASED BETWEEN 1997 AND 1999. DAMAGES NOT SPECIFIED.

**Product Type:**

Annuity-Variable

**Alleged Damages:**

\$0.00

**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:** 07/30/2002

**Complaint Pending?** No

**Status:** Closed/No Action

**Status Date:** 10/27/2004

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement**

All the features, contract expenses, administrative fees, withdrawal privileges and deferred sales charges were explained to the clients. The clients were given a copy of current prospectus along with client friendly brochures outlining policy features & cost of policy. He took all the information home to read before our follow-up meeting. The written projections came from a hypothetical rate of return of 8% from a financial plan with inflation rate of 4% and was not specific to any investment product.

**Disclosure 5 of 13**

**Reporting Source:** Firm

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

**Allegations:** [CUSTOMER] ALLEGED THAT HE DIDN'T NEED OR UNDERSTAND THE RATIONALE FOR THE PURCHASE OF A \$300,000 VARIABLE LIFE CONTRACT--WHICH WAS IN ADDITION TO A \$350,000 POLICY PURCHASED IN 1989.

**Product Type:**

**Alleged Damages:**

**Customer Complaint Information**

**Date Complaint Received:** 09/01/1995

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:** \$14,900.00

**Individual Contribution Amount:**

**Firm Statement**

THE COMPANY REFUNDED APPROXIMATELY \$14,900 TO THE CLIENT AND, AT THE CLIENTS DIRECTION, ADDED THAT AMOUNT TO AN EXISTING POLICY.  
THE COMPANY HAS PROVIDED NASD DISTRICT NO. 11 STAFF WITH FULL DOCUMENTATION IN ACCORDANCE WITH THEIR REQUESTS AND INVESTIGATION OF THIS MATTER.

**Reporting Source:** Individual

**Employing firm when** ALLMERICA FINANCIAL

**activities occurred which led to the complaint:****Allegations:**

[CUSTOMER] PURCHASED A SECOND VARIABLE UNIVERSAL POLICY IDENTICAL TO THE ONE HE NOW OWNED. [CUSTOMER] BELIEVED THAT THE SURRENDER CHARGE WOULD END WITHIN FIVE YEARS. [CUSTOMER] DID NOT SUBMIT A COMPLAINT BUT A REQUEST TO TRANSFER HIS SECOND POLICY INTO HIS FIRST POLICY BECAUSE THE SURRENDER CHARGE WAS LONGER THAN 5 YEARS

**Product Type:****Alleged Damages:****Customer Complaint Information**

**Date Complaint Received:** 09/01/1995

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:** \$14,900.00

**Individual Contribution Amount:****Broker Statement**

ALLMERICA FINANCIAL ALLOWED [CUSTOMER] TO CLOSE HIS SECOND VARIABLE UNIVERSAL LIFE POLICY AND ROLL THE CASH VALUE INTO HIS FIRST POLICY.  
NO PENALTIES, FINES ETC ---  
[CUSTOMER] PURCHASED A VARIABLE UNIVERSAL POLICY IN 1989 AND WAS HAPPY WITH IT. [CUSTOMER] RECEIVED AN INHERITANCE FROM HIS MOM'S ESTATE AND WANTED TO FUND A SECOND VARIABLE UNIVERSAL POLICY WITH THIS MONEY FOR TAX DEFERRED GROWTH WITH MUTUAL FUNDS WITHIN THE POLICY ENSURING THAT IF HE DIED THE INVESTMENT GAIN WOULD BE FORGIVEN AND HIS WIFE WOULD RECEIVE THE DEATH BENEFIT. [CUSTOMER] DID NOT MAKE ANY COMPLAINT BUT HE REQUESTED TO HAVE THE SECOND POLICY TRANSFERRED INTO HIS FIRST POLICY BECAUSE THE SURRENDER CHARGE WAS LONGER THAN 5 YEARS.

**Disclosure 6 of 13**

**Reporting Source:** Individual

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

[CUSTOMER] CLAIMED HE WAS SOLD TOO MUCH INSURANCE TO MAXIMIZE HIS PENSION, TO INSURE IT.

**Product Type:****Alleged Damages:****Customer Complaint Information**



**Date Complaint Received:** 08/20/1995

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement**

ALLMERICA ADJUSTED [CUSTOMER'S] POLICY TO A SMALLER LIFE INSURANCE BENEFIT FROM 350,000 TO 250,000 WITHOUT ANY SURRENDER CHARGES. I MET WITH [CUSTOMER] IN 1991 [CUSTOMER] AND HIS WIFE WERE CONSIDERING A DIVORCE. THEIR GOAL WAS TO BUY A LIFE INS POLICY LARGE ENOUGH TO REPLACE [CUSTOMERS] PENSION OF 35,000 IF HE DIED. AND TO HAVE THE PRINCIPAL PASSED ON TO HIS CHILDREN. IN 1993 THE [CUSTOMERS] INDICATED THEY WERE NOT GETTING A DIVROCE AND WANTED TO REVIEW THEIR NEEDS OF SURVIVORSHIP INCOME BASED ON THEIR CHANGED SITUATION. THE [CUSTOMERS] REALIZED RETIREMENT WAS COSTING MORE THAN THEY ANTICIPATED AND WANTED TO REDUCE THEIR POLICY & PREMIUM AND WAS UNHAPPY ABOUT THE PARTICAL SURRENDER CHARGES THEY WOULD INCUR TO DO THIS.

#### Disclosure 7 of 13

**Reporting Source:** Individual

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

**Allegations:** [CUSTOMER] CLAIMED HE DID NOT KNOW HE WAS BUYING A LIFE INSURANCE POLICY

**Product Type:**

**Alleged Damages:**

#### Customer Complaint Information

**Date Complaint Received:** 08/16/1995

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement**

ALLMERICA ALLOWED [CUSTOMER] TO ROLLOVER THE CASH VALUES OF HIS LIFE INS POLICY INTO A VARIABLE ANNUITY WITHOUT ANY SURRENDER CHARGES TO THE CLIENT. NO, PENALTIES, FINES ETC --- IN 1992 [CUSTOMER] PURCHASED A FIXED UNIVERSAL



LIFE INS POLICY FOR PENSION MAX OR TO INSURE HIS PENSION. BASED ON HIS GOALS AT AGE 51 [CUSTOMER] WOULD PAY A MONTHLY PREMIUM OF \$454 FOR A 350,000 POLICY. FOR RETIREMENT AT AGE 60. UNFORTUNATELY [CUSTOMER] WAS LAID OFF FROM HIS COMPANY IN 1993 WITH A YEAR OF SEVERENCE PAY. DURING THE SALES PRESENTATION AND OUR YEARLY REVIEWS [CUSTOMER] CLEARLY KNEW HE WAS BUYING LIFE INS. WHICH WAS DOCUMENTED IN MY CASE HISTORY NOTES AND HIS YEARLY STATEMENTS. I BELIEVE [CUSTOMER] COULD NOT FUND HIS LIFE INS POLICY WITH NO JOB AND SAW A WAY TO GET OUT.

**Disclosure 8 of 13**

**Reporting Source:** Firm

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

**Allegations:** THE COMPLAINANTS ALLEGED THAT THEY WERE NOT ADVISED OF APPLICABLE SURRENDER CHARGES FOR SYSTEMATIC WITHDRAWALS FROM THEIR ANNUITIES TO THE AIM VALUE FUND-B SHARES.

**Product Type:**

**Alleged Damages:**

**Customer Complaint Information**

**Date Complaint Received:** 10/26/1995

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:**

**Individual Contribution Amount:**

**Firm Statement** THE FIRM ARRANGED FOR A REVERSAL OF THE TRANSFER OF \$35,000 FROM THEIR ALLMERICA ANNUITY TO THE AIM VALUE FUND B SHARES -- AND WAIVED NORMAL SURRENDER CHARGES. THE FIRM IS REPORTING THIS SETTLEMENT TO COMPLY WITH NASD REQUIREMENTS. BY THIS FILING, THE FIRM MAKES NO ALLEGATIONS REGARDING THE ACTIONS OF THE REGISTERED REPRESENTATIVE. HOWEVER, THE FIRM NOTES THAT MR. FERRON PROVIDED THIS ADVICE TO THE [CUSTOMERS] AFTER HIS RESIGNATION FROM ALLMERICA INVESTMENTS, INC.

**Reporting Source:** Individual

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

**Allegations:** NOT AWARE OF THE SURRENDER CHARGES FOR A PARTIAL TRANSFER FROM AN ANNUTIY INTO MUTUAL FDS.



**Product Type:**

**Alleged Damages:**

### **Customer Complaint Information**

**Date Complaint Received:** 10/26/1995

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:**

**Individual Contribution  
Amount:**

**Broker Statement**

THE COMPLAINT FILED BY ALLMERICA WAS WITHOUT MERIT AND UNJUSTIFIED. THE [CUSTOMERS] DID NOT INTEND TO FILE A COMPLAINT AND WERE UPSET THAT ALLMERICA HAD FILED A COMPLAINT WITHOUT THEIR KNOWLEDGE OR PERMISSION. NO PENALTIES, FINES, ETC...

I MET WITH THE [CUSTOMER'S] IN AUG 95 AFTER LEAVING ALLMERICA FINANCIAL. THE [CUSTOMER'S] TRANSFERRED \$35,000 FROM THEIR ALLMERICA IRA ANNUITY INTO AIM MUTUAL FDS. ALL SURRENDER CHARGES AND RISKS WERE FULL EXPLAINED TO THE CLIENTS. IN NOV 95 ALLMERICA GAVE THEM A EXCEPTIONAL OFFER TO TRANSFER THE \$35,000 BACK TO ALLMERICA FINANCIAL. WHEN I WAS INFORMED THAT A COMPLAINT WAS MADE AGAINST ME BY THE [CUSTOMERS] I CONTACTED THEM AND THEY SAID; THEY DID NOT FILE A COMPLAINT AND WERE UPSET THAT ALLMERICA FINANCIAL HAD FILED A COMPLAINT WITHOUT THEIR KNOWLEDGE OR PERMISSION. THE COMPLAINT IS UNJUSTIFIED AND SHOULD BE REMOVED FROM THE CRD SYSTEM.

### **Disclosure 9 of 13**

**Reporting Source:** Firm

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

**Allegations:** [CUSTOMERS] ALLEGED THAT THEY WERE NOT INFORMED BY MR. FERRON OF THE MONTHLY COSTS AND SURRENDER CHARGES ASSOCIATED WITH THE VARIABLE LIFE INSURANCE POLICY THEY PURCHASED.

**Product Type:**

**Alleged Damages:**

### **Customer Complaint Information**

**Date Complaint Received:** 11/25/1995

**Complaint Pending?** No

**Status:** Settled

**Status Date:**



**Settlement Amount:** \$20,865.16

**Individual Contribution Amount:**

**Firm Statement**

THE FIRM REFUNDED ALL PREMIUMS PAID INTO THE POLICY--\$20,865.16.  
THE FIRM IS REPORTING THE SETTLEMENT TO COMPLY WITH NASD REQUIREMENTS. BY THIS FILING, THE FIRM MAKES NO ALLEGATIONS REGARDING THE ACTIONS OF THE REGISTERED REPRESENTATIVE.

.....

**Reporting Source:** Individual

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

**Allegations:** WAS A 2ND TO DIE INSURANCE POLICY SUITABLE FOR THE [CUSTOMER'S] ESTATE AND LONG TERM SAVINGS FOR CHILDRENS COLLEGE. JAN 95 INVESTMENT REQUEST SUBMITTED TO [THIRD PARTY] AT ALLMERICA WAS NOT HONORED UNTIL DEC 95

**Product Type:**

**Alleged Damages:**

### Customer Complaint Information

**Date Complaint Received:** 11/25/1995

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:** \$20,865.16

**Individual Contribution Amount:**

**Broker Statement**

A MUTUAL AGREEMENT WAS REACHED WITH ALLMERICA AND THE [CUSTOMER'S] NO FINES, PENALTIES, ETC...  
WHEN I MET WITH THE [CUSTOMER'S] THEIR GOAL WAS TO SAVE FOR THEIR CHILDREN'S COLLEGE EDUCATION WITH TAX DEFERRAL IF POSSIBLE. AFTER EXPLAINING ALL OF THE INVESTMENT OPTIONS (MUTUAL FUNDS, TAX FREE BOND FDS, ANNUITIES, ETC...) THE [CUSTOMER'S] CHOSE THE 2ND TO DIE POLICY THAT OFFERED FLEXABILITY OF PREMIUMS, INTEREST RATES COMPETITIVE TO BANK CD'S WITH TAX DEFERRAL. ALLMERCIA ALLOWED THE [CUSTOMER'S] TO TRANSFER INTO A VARIABLE 2ND TO DIE POLICY WITH MUTUAL FUNDS INV. OPTIONS AT NO COST. THIS WAS SOLD TO THE [CUSTOMERS] BY ANOTHER AGENT, [THIRD PARTY] WHO MET WITH THE CLIENTS IN JAN 95 TO ALLOCATE THEIR PREMIUM IN MUTUAL FDS. WITHIN THEIR POLICY. DUE TO AN ALLMERICA ERROR THE REQUEST WAS NOT DONE UNTIL DEC 95  
(I LEFT ALLMERICA APRIL 95) IF ALLMERICA HAD HONORED THE REQUEST IN JAN 95 WE WOULD NOT SEE A COMPLAINT FROM THE CLIENT.



**Reporting Source:** Firm

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

**Allegations:** [CUSTOMER] ALLEGED THAT HER UNIVERSAL LIFE INSURANCE POLICY WAS ILLUSTRATED WITHOUT A GUARANTEED RATE, AND THAT SHE WAS NOT INFORMED OF FEES AND CHARGES IN THE POLICY.

**Product Type:**

**Alleged Damages:** \$15,313.47

### Customer Complaint Information

**Date Complaint Received:** 03/29/1994

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:** \$15,313.47

**Individual Contribution Amount:**

**Firm Statement** THE FIRM AGREED WITH THE CLIENT'S REQUEST TO TRANSFER THE POLICY'S CASH VALUE OF \$15,313.47 INTO AN ANNUITY CONTRACT WITHOUT APPLYING NORMAL SURRENDER CHARGES. THE FIRM IS REPORTING THIS SETTLEMENT TO COMPLY WITH NASD REQUIREMENTS. THROUGH AN OVERSIGHT, THE SETTLEMENT WAS NOT REPORTED EARLIER. BY THIS FILING, THE FIRM MAKES NO ALLEGATIONS REGARDING THE ACTIONS OF THE REGISTERED REPRESENTATIVE.

.....

**Reporting Source:** Individual

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

**Allegations:** UNHAPPY THAT A UNIVERSAL LIFE POLICY DID NOT PROVIDE FOR A GUARANTEED DEATH BENEFIT OR GUARANTEED CASH VALUE. WAIVER OF PREMIUM RIDER WAS NOT ADVISED WITH THIS POLICY.

**Product Type:**

**Alleged Damages:** \$15,313.47

### Customer Complaint Information

**Date Complaint Received:** 03/29/1994

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:** \$15,313.47

**Individual Contribution**

**Amount:****Broker Statement**

[CUSTOMER] WAS NOT ALLOWED TO GET A REFUND OF HER CASH VALUE FROM THE POLICY WITHOUT SURRENDER CHARGES. WAS ALLOWED TO TRANSFER CASH VALUE INTO A VARIABLE ANNUITY WITH ALLMERICA AT NO COST TO THE CLIENT NO PENALITIES, FINES, ETC... IN 1991 [THIRD PARTY] AND I SOLD A FIXED UNIVERSAL LIFE POLICY TO [CUSTOMER]. WE DELIVERED THE POLICY GOING OVER ALL THE FEATURES TO INCLUDE PREMIUMS, POLICY COSTS, WITHDRAWALS AND LOAN FEATURES. [CUSTOMER] WAS SATISFIED WITH HER POLICY FOR 3 YEARS UNTIL AN AGENT FROM PRUDENTIAL CONVINCED HER THAT A WHOLE LIFE POLICY WAS A BETTER INSURANCE CONTRACT THAN UNIVERSAL LIFE. THE AGENTS NEEDED HER TO GET OUT OF HER POLICY WITHOUT ANY SURRENDER CHARGES TO USE THE CASH VALUE TO BUY THEIR POLICY. THERE WAS NO IMPROPER CONDUCT IN THE SALE OF [CUSTOMER'S] LIFE POLICY AND [CUSTOMER] WAS DENIED BY ALLMERICA TO HAVE HER MONEY REFUNDED FROM HER POLICY WITHOUT SURRENDER CHARGES.

**Disclosure 11 of 13****Reporting Source:**

Firm

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

[CUSTOMERS] ALLEGED THAT MR. FERRON MISREPRESENTED THE PROVISIONS AND FEATURES OF TWO (2) INSURANCE POLICIES.

**Product Type:****Alleged Damages:****Customer Complaint Information****Date Complaint Received:** 01/18/1995**Complaint Pending?** No**Status:** Settled**Status Date:****Settlement Amount:** \$72,000.00**Individual Contribution Amount:****Firm Statement**

THE COMPANY REFUNDED APPROXIMATELY \$37,000 TO [CUSTOMER] AND, AT HIS REQUEST, DEPOSITED THAT AMOUNT IN HIS OLD INSURANCE CONTRACT. IN ACCORDANCE WITH HER AGREEMENT, [SPOUSE] WAS PROVIDED WITH A PAID-UP \$35,000 POLICY. THE COMPANY HAS PROVIDED NASD DISTRICT NO. 11 STAFF WITH FULL DOCUMENTATION IN ACCORDANCE WITH THEIR REQUESTS AND INVESTIGATION OF THIS MATTER.

.....



**Reporting Source:** Individual

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

**Allegations:** [CUSTOMER] BELIEVED THAT A 1ST YEAR PREMIUM OF 6,144 AND MONTHLY PREMIUMS OF 180 THEREAFTER WOULD KEEP HIS UNIVERSAL POLICY IN FORCE

**Product Type:**

**Alleged Damages:**

### Customer Complaint Information

**Date Complaint Received:** 01/18/1995

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:** \$72,000.00

**Individual Contribution Amount:**

**Broker Statement**

ALLMERICA RECOGNIZED THAT THERE MAY HAVE BEEN A MISUNDERSTANDING IN COMMUNICATION WITH THE CLIENT WITH REGARDS TO IMPORTANCE OF THE 1ST YEAR PREMIUM NOT PAID BY CLIENT. NO ACKNOWLEDGEMENT TO ANY WRONGDOING. ALLMERICA DEPOSITED ADDITIONAL MONIES IN THE [CUSTOMER] POLICY TO KEEP THE POLICY IN FORCE WITH 180 MONTHLY REQUIRED TO BE PAID BY [CUSTOMER] EVERY YEAR. THE ADDITIONAL PREMIUM PAID INTO THE POLICY IS NOT KNOWN. [THIRD PARTY] AND I SOLD A UNIVERSAL POLICY TO [CUSTOMER] AND [CUSTOMER] IN 1990 WITH AN ILLUSTRATION SHOWING A LUMP SUM PREMIUM OF 14,000 THE FIRST YEAR AND 180 MONTHLY THEREAFTER. UPON ISSUE [CUSTOMER] WAS RATED 200% DUE TO MEDICAL HISTORY. WHEN THE POLICY WAS DELIVERED [CUSTOMER] WAS INFORMED OF HIS RATING AND SIGNED AN AMENDMENT. BECAUSE [CUSTOMER] ONLY PAID 6,144 PREMIUM THE FIRST YEAR AND NOT 14,600 AS ORIGINALLY PROMISED. RESULTED IN [CUSTOMER] HAVING TO PAY ADDITIONAL PREMIUMS ABOVE THE 180 MONTHLY TO KEEP THE POLICY IN FORCE IN YEAR 5. [CUSTOMER] DID NOT TAKE SERIOUSLY THE IMPACT OF NOT PAYING THE ADDITIONAL PREMIUM THE 1ST YEAR AND WAS UPSET TO FIND NOW HE HAS TO PAY MORE THAN THE 180 MONTHLY TO KEEP THE POLICY IN FORCE.

### Disclosure 12 of 13

**Reporting Source:** Firm

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

**Allegations:** [CUSTOMER] ALLEGED MISREPRESENTATION OF A



UNIVERSAL LIFE POLICY SOLD BY MR. FERRON IN THAT A ONE-TIME PREMIUM PAYMENT OF \$30,000 WAS SUPPOSED TO PROVIDE \$300,000 OF BENEFIT UNTILL HER AGE 95.

**Product Type:**

**Alleged Damages:**

### **Customer Complaint Information**

**Date Complaint Received:** 06/06/1995

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:**

**Individual Contribution Amount:**

**Firm Statement** [CUSTOMER] ACCEPTED THE COMPANY'S OFFER TO FUND HER \$300,000 POLICY UNTIL HER AGE 95 AT NO COST TO HER. THE COMPANY HASD\_1 PROVIDED NASD DISTRICT NO. 11 STAFF WITH FULL DOCUMENTATION IN ACCORDANCE WITH THEIR REQUESTS AND INVESTIGATION OF THIS MATTER.

.....

**Reporting Source:** Individual

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

**Allegations:** [CUSTOMER] CLAIMED SHE PURCHASED A FIXED UNIVERSAL POLICY WITH THE UNDERSTANDING THAT A ONE TIME PREMIUM PAYMENT OF \$30,000 WOULD KEEP THE POLICY IN FORCE AT RETIREMENT.

**Product Type:**

**Alleged Damages:**

### **Customer Complaint Information**

**Date Complaint Received:** 06/06/1995

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement** ALLMERICA SETTLED WITH [CUSTOMER] I DO NOT KNOW ANY INFORMATION WITH REGARDS TO THE FINAL OUTCOME OTHER THAN BEING SETTLED.  
NO FINES, PENALTIES ETC ---  
THE POLICY [CUSTOMER] PURCHASED WAS FOR PENSION MAX. THIS POLICY ALLOWED [CUSTOMER] TO ELECT THE LARGER



PENSION  
PAYOUT AND PROVIDE A REPLACEMENT INCOME TO HER HUSBAND IN THE  
EVENT THAT SHE DIED. I SHOWED [SPOUSE]& [CUSTOMER] A POLICY  
ILLUSTRATION WITH A INITIAL PREMIUM OF 30,000 THE FIRST YEAR  
AND 3,000 YEAR THEREAFTER. [SPOUSE] MADE ALL THE FAMILY  
FINANCIAL DECISIONS. HE DIED 2 YEARS AFTER THE POLICY WAS  
ISSUED. IN OUR ANNUAL REVIEW MEETING [CUSTOMER] HAD THE ABOVE  
MENTIONED ILLUSTRATION WITH PREMIUM SCHEDULES. AT NO TIME DID  
PROMISE THAT A ONE TIME PAYMENT OF 30,000 WOULD PAID UP THE  
POLICY

**Disclosure 13 of 13**

**Reporting Source:** Firm

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

**Allegations:** [CUSTOMER] ALLEGED THAT MR. FERRON  
MISREPRESENTED A VARIABLE LIFE INSURANCE POLICY AS AN  
INVESTMENT AND SAVINGS VEHICLE.

**Product Type:**

**Alleged Damages:**

**Customer Complaint Information**

**Date Complaint Received:** 05/25/1995

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:**

**Individual Contribution  
Amount:**

**Firm Statement** THE COMPANY AGREED WITH [CUSTOMER'S]  
REQUEST TO TRANSFER HER CASH VALUE INTO AN ANNUITY.  
THE COMPANY HAS PROVIDED NASD DISTRICT NO. 11  
STAFF WITH FULL DOCUMENTATION IN ACCORDANCE WITH THEIR  
REQUESTS  
AND INVESTIGATION OF THIS MATTER.

.....

**Reporting Source:** Individual

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

**Allegations:** CLIENT FELT THAT FUNDING A VARIABLE UNIVERSAL  
LIFE POLICY USING MAXIMUM 7 PAY PREMIUM GUIDELINES WAS NOT  
SUITABLE AS A RETIREMENT PLAN FOR HER.

**Product Type:**

**Alleged Damages:**

**Customer Complaint Information**



**Date Complaint Received:** 05/25/1995

**Complaint Pending?** No

**Status:** Settled

**Status Date:**

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement**

ALLMERICA ALLOWED CLIENT TO ROLLOVER THE CASH VALUES OF HER POLICY INTO A VARIABLE ANNUITY.

NO FINES PENALTIES ETC ---

WHEN I MET WITH [CUSTOMER] AT OUR FAIRFIELD, CT OFFICE WE SPENT OVER TWO HOURS AT THIS FIRST MEETING DISCUSSING HER GOALS. I EXPLAINED IN DETAIL ALL THE DIFFERENT TYPES OF INVESTMENT OPTIONS WHICH INCLUDED THEIR ADVANTAGES, DISADVANTAGES AND RISKS THAT WERE AVAILABLE TO HER FOR RETIREMENT; SUCH AS IRAS, ANNUITIES, MUTUAL FUNDS, TAX-FREE MUNICIPAL BONDS AND VARIABLE UNIVERSAL LIFE PRODUCTS. OF THE OPTIONS WE DISCUSSED [CUSTOMER] LIKED THE VARIABLE UNIVERSAL LIFE

ACCOUNT THE BEST BECAUSE OF THE PREMIUM FLEXABILITY, TAX DEFFERAL OF INVESTING WITHIN THE SUBACCOUNTS, ACCESS TO HER CASH VALUES BY LOANS OR WITHDRAWALS BEFORE AGE FIFTY NINE AND A

HALF, AND THE INSURANCE BENEFIT THAT WOULD COVER HER OUTSTANDING MORTGAGES AND DEBTS. SHE WANTED THE INSURANCE BENEFITS PASSED ONTO HER SON IF SHE DIED BEFORE RETIREMENT WHICH MADE THE VARIABLE UL SUITABLE FOR HER GOALS.



## End of Report

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