



IAPD Report

WILLIAM GEORGE HART

CRD# 2063060

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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

WILLIAM GEORGE HART (CRD# 2063060)

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 **03/17/2026**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	HARTLINE INVESTMENT CORPORATION	CRD# 106923	03/18/2026

QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **10** 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	HARTLINE INVESTMENT CORPORATION	106923	WINNETKA, IL	04/29/2010 - 12/31/2025
IA	HARTLINE INVESTMENT CORPORATION	106923	WINNETKA, IL	04/29/2010 - 12/31/2010

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	9



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 **10** jurisdiction(s) and 0 SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **HARTLINE INVESTMENT CORPORATION**
Main Address: 460 WINNETKA AVENUE
SUITE 5
WINNETKA, IL 60093
Firm ID#: 106923

	Regulator	Registration	Status	Date
IA	California	Investment Adviser Representative	Approved	06/04/2026
IA	Colorado	Investment Adviser Representative	Approved	05/01/2026
IA	Florida	Investment Adviser Representative	Approved	04/28/2026
IA	Illinois	Investment Adviser Representative	Approved	04/23/2026
IA	Michigan	Investment Adviser Representative	Approved	04/30/2026
IA	North Carolina	Investment Adviser Representative	Approved	05/14/2026
IA	Pennsylvania	Investment Adviser Representative	Approved	03/18/2026
IA	Texas	Investment Adviser Representative	Restricted Approval	03/18/2026
IA	Washington	Investment Adviser Representative	Approved	05/15/2026
IA	West Virginia	Investment Adviser Representative	Approved	04/24/2026

Branch Office Locations

HARTLINE INVESTMENT CORPORATION
460 WINNETKA AVENUE
SUITE 5
WINNETKA, IL 60093



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

05/25/1990



PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **1** professional designation(s).

Chartered Financial Analyst

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	04/29/2010 - 12/31/2025	HARTLINE INVESTMENT CORPORATION	CRD# 106923	WINNETKA, IL
IA	04/29/2010 - 12/31/2010	HARTLINE INVESTMENT CORPORATION	CRD# 106923	WINNETKA, IL

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
03/1990 - Present	HARTLINE INVESTMENT CORP.	Founder and Managing Director, Chief Compliance Officer	Y	CHICAGO, IL, 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.

No information reported.



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	9

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 9

Reporting Source:	Individual
Employing firm when activities occurred which led to the complaint:	HARTLINE INVESTMENT CORP..
Allegations:	BREACH OF FIDUCIARY DUTY, NEGLIGENCE, NEGLIGENT MISREPRESENTATION, RELATED TO THEIR PURCHASE OF THE STABLE VALUE FUND IN OCT, 2008. THIS WAS FILED BEYOND STATUES OF LIMITATION BUT WAS INCLUDED IN A GLOBAL SETTLEMENT DISCUSSION WITH OTHER PLAINTIFFS RELATED TO THE SAME FUND ISSUES.
Product Type:	Other: HEDGED FUND/FUND OF FUNDS MEDICAL RECEIVABLES
Alleged Damages:	\$1,036,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	CIRCUIT COURT OF COOK COUNTY, ILLINOIS
Docket/Case #:	2012L009533
Filing date of arbitration/CFTC reparation or civil litigation:	08/22/2012

Customer Complaint Information

Date Complaint Received:	08/24/2012
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Complaint Pending? No
Status: Settled
Status Date: 11/06/2013
Settlement Amount: \$117,420.00
Individual Contribution Amount: \$117,420.00

Civil Litigation Information

Type of Court: State Court
Name of Court: CIRCUIT COURT OF COOK COUNTY
Location of Court: COOK COUNTY, IL
Docket/Case #: 2012L009533
Date Notice/Process Served: 08/24/2012
Litigation Pending? No
Disposition: Settled
Disposition Date: 11/06/2013
Monetary Compensation Amount: \$117,420.00
Individual Contribution Amount: \$117,420.00

Broker Statement

CLIENT ENTERED INTO THE SUBSCRIPTION AGREEMENT, ACKNOWLEDGING UNDERSTANDING AND SUITABILITY. FUND ISSUER, FOUNDING PARTNERS CAPITAL MANAGEMENT AND [THIRD PARTY] MISREPRESENTED THE FUNDS INVESTMENTS IN REGULAR COMMUNICATIONS AND ERNST & YOUNG PROVIDED AUDITS AND "AGREED UPON PROCEDURES" AUDITS FOR THE PERIOD THROUGH 2007. WHILE THE FUND PERFORMED AS EXPECTED FOR OVER 7 YEARS, THE FINANCIAL CRISIS CAUSED A DEMAND FOR MONEY FROM THE FUND WHICH WAS PERCEIVED AS LIQUID, BUT THE DEMAND EXCEEDED THE AVAILABLE FUNDS DUE TO THE LESS LIQUID INVESTMENTS MISREPRESENTED BY THE SVF, AND SVF II. WHEN INVESTORS FOUND THAT THEY WERE NOT ABLE TO RECEIVE DISTRIBUTIONS, THEY LOOKED TO ALL PARTIES CONNECTED TO THEIR INVESTMENT, INCLUDING THEIR OWN MANAGER AND HIS FIRM FOR REIMBURSEMENT. HARTLINE AND WILLIAM HART CONTEST THE CLAIMS VIGOROUSLY AND CONTEND THEY WERE ALSO VICTIMS OF THE MISREPRESENTATION BY FOUNDING PARTNERS AND [THIRD PARTY].

Disclosure 2 of 9

Reporting Source: Individual
Employing firm when activities occurred which led to the complaint: HARTLINE INVESTMENT CORP.

Allegations: CLIENTS ALLEGE BREACH OF FIDUCIARY DUTY, NEGLIGENT MISREPRESENTATION, AND FRAUD. HARTLINE AND HART VIGOROUSLY CONTEST THE COMPLAINT BELIEVING THAT IT WAS PROVIDED MISLEADING AND MISREPRESENTED INFORMATION REGARDING THE



ASSETS OF THE FUNDS AND THE DISPOSITION OF THE AUDITS AND OTHER DOCUMENTS AND CONVERSATIONS PROVIDING THE SUPPORT FOR ITS INITIAL AND MAINTAINED RECOMMENDATIONS OF THE FUND. HARTLINE WAS THE CLIENT'S AGENT AND NOT AN AGENT OF THE STABLE VALUE FUNDS OR FOUNDING PARTNERS CAPITAL MANAGEMENT. HARTLINE ALSO BELIEVES THE TIMING OF INFORMATION UNCOVERED BY OR PROVIDED TO IT, DID NOT CONFLICT WITH ITS RECOMMENDATIONS AND THAT IT AT ALL TIMES PUT ITS CLIENT'S INTERESTS AHEAD OF ITS OWN.

Product Type: Other: HEDGED FUND INVESTED IN MEDICAL RECEIVABLES

Alleged Damages: \$11,576,327.23

Civil Litigation Information

Type of Court: CIRCUIT COURT OF COOK COUNTY, IL

Name of Court: CIRCUIT COURT OF COOK COUNTY, ILLINOIS

Location of Court: COOK COUNTY, IL

Docket/Case #: 2012-L-000087

Date Notice/Process Served: 01/06/2012

Litigation Pending? No

Disposition: Settled

Disposition Date: 11/06/2013

Monetary Compensation Amount: \$606,155.00

Individual Contribution Amount: \$606,155.00

Broker Statement

HARTLINE AND HART RECOMMENDED SVF AND SVF II FOR APPROPRIATE INDIVIDUALS (BASED ON THEIR SUBSCRIPTION AGREEMENTS AND SIGNED SUITABILITY DOCUMENTS). THE FUND HAD PERFORMED WELL FOR VARIOUS CLIENTS FOR OVER 7 YEARS DURING WHICH WILLIAM HART HAD MET WITH AND VISITED THE OFFICES OF FOUNDING PARTNERS AND ITS PRINCIPAL, [THIRD PARTY]. HART HAD KNOWN [THIRD PARTY] FOR 25 YEARS, ON AND OFF, FIRST FROM [THIRD PARTY'S] POSITION AS EXECUTIVE V.P. AT CONTINENTAL BANK IN CHICAGO. HIS REPUTATION AS HEARD BY HART WAS GOOD. BECAUSE THE INFORMATION PROVIDED TO HARTLINE FROM FOUNDING PARTNERS, MAYER BROWN, AND ERNST AND YOUNG WAS PASSED ALONG TO CLIENTS, THEY IN TURN WERE ALSO SURPRISED WHEN ALLEGATIONS OF FRAUD AT FOUNDING PARTNERS SURFACED. HARTLINE WAS THOUGHT BY SOME CLIENTS TO HAVE CONTRIBUTED TO THEIR POTENTIAL, BUT AS YET UNDETERMINED LOSS, IF ANY. HARTLINE VIGOROUSLY CONTESTS THE ALLEGATIONS AGAINST IT AND BELIEVES IT, TOO, WAS DUPED AT A MINIMUM BY UNDISCLOSED INVESTMENTS AND LIQUIDITY POSITIONS OF THE FUNDS.

Disclosure 3 of 9

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: HARTLINE INVESTMENT CORP.

Allegations: CLIENT ALLEGES FRAUD, CONSTRUCTIVE FRAUD, NEGLIGENT



MISREPRESENTATION/OMISSION, NEGLIGENCE, VIOLATION OF ILLINOIS SECURITIES LAW OF 1953, VIOLATION OF THE ILLINOIS CONSUMER FRAUD AND DECEPTIVE BUSINESS PRACTICES ACT AND BREACH OF FIDUCIARY DUTY. CLIENT SOUGHT FINRA ARBITRATION WHEN THE FUND WAS SHUTTERED BY THE SEC AND A RECEIVER APPOINTED ON APRIL 20, 2009. THE COURT DISMISSED THE MOTION TO FORCE ARBITRATION. THE RECEIVER IS NEGOTIATING WITH THE HOSPITALS AND INVESTORS TO OBTAIN A REPAYMENT OF THE FUND'S LOAN TO THE HOSPITALS DUE ON 2013 OR OTHER SETTLEMENT. THE HOSPITALS ARE OPERATING AND THE SETTLEMENT WILL DETERMINE IF INVESTORS WERE DAMAGED. THE CLIENT HAS NOW SUED HART AND HARTLINE SINCE THE MOTION FOR ARBITRATION WAS DISMISSED.

Product Type: Other: HEDGED FUND/FUND OF FUNDS - MEDICAL RECEIVABLES

Alleged Damages: \$2,000,000.00

Civil Litigation Information

Type of Court: State Court

Name of Court: CIRCUIT COURT OF COOK COUNTY, ILLINOIS LAW DIVISION

Location of Court: ILLINOIS

Docket/Case #: 2011L007543

Date Notice/Process Served: 07/26/2011

Litigation Pending? Yes

Disposition:

Disposition Date: 11/06/2013

Monetary Compensation Amount: \$309,000.00

Individual Contribution Amount: \$309,000.00

Broker Statement

THE CLIENT ENTERED INTO THE STABLE VALUE FUND SUBSCRIPTION AGREEMENT, ACKNOWLEDGING UNDERSTANDING AND SUITABILITY. FUND ISSUER, FOUNDING PARTNERS CAPITAL MANAGEMENT MISREPRESENTED THE FUND'S INVESTMENTS IN REGULAR COMMUNICATIONS AND ERNST & YOUNG PROVIDED AUDITS AND "AGREED UPON PROCEDURES" AUDITS FOR THE PERIOD THROUGH 2007. WHILE THE FUND PERFORMED AS SUGGESTED FOR OVER 7 YEARS, THE FINANCIAL CRISIS CAUSED WITHDRAWAL DEMANDS FROM INVESTORS WHO PERCEIVED THE FUND AS LIQUID. DEMAND EXCEEDED LIQUIDITY IN PART BECAUSE INVESTMENTS WERE LESS LIQUID THAN REPRESENTED. WHEN INVESTORS FOUND THEY COULD NOT WITHDRAW, THEY LOOKED TO ALL PARTIES CONNECTED TO THEIR INVESTMENT, INCLUDING THEIR OWN MANAGER AND HIS FIRM FOR REIMBURSEMENT. HARTLINE AND WILLIAM HART CONTEST THE CLAIMS VIGOROUSLY CONTENDING THEY WERE ALSO VICTIMS OF THE MISREPRESENTATION BY FOUNDING PARTNERS AND ITS REPRESENTATIVES.

Disclosure 4 of 9

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: HARTLINE INVESTMENT CORP.



Allegations: NEGLIGENCE, BREACH OF FIDUCIARY DUTY, VIOLATION OF THE ILLINOIS CONSUMER FRAUD ACT, VIOLATION OF THE ILLINOIS SECURITIES ACT. CLIENT INVESTED IN THE STABLE VALUE FUND II IN HIS PORTION OF HIS PROFIT SHARING PLAN AFTER SIGNING THE SUBSCRIPTION AGREEMENT INDICATING QUALIFICATION AND SUITABILITY. FOUNDING PARTNERS CAPITAL MANAGEMENT WAS PUT INTO RECEIVERSHIP BY THE SEC ON APRIL 20, 2009 AND THE CLIENT SOUGHT REIMBURSEMENT FROM ALL POTENTIAL SOURCES, INCLUDING HIS MANAGER. THE RECEIVER IS NEGOTIATING WITH THE 22 HOSPITALS THAT ARE STILL OPERATING IN ORDER TO RETREIVE REPAYMENT OF THE LOAN DUE IN 2013. THE SETTLEMENT NEGOTIATIONS ARE ONGOING AND WILL DETERMINE IF THERE ARE ACTUAL DAMAGES. HARTLINE AND HART WERE PROVIDED MISREPRESENTED DESCRIPTIONS OF THE FUND HOLDINGS WHICH WERE LESS LIQUID AND LOWER QUALITY THAN THE REPORTS RECEIVED BY CLIENTS AND HARTLINE INDICATED.

Product Type: Other: HEDGEDFUND/FUND OF FUND -MEDICAL RECEIVABLES

Alleged Damages: \$250,000.00

Civil Litigation Information

Type of Court: State Court

Name of Court: CIRCUIT COURT OF COOK COUNTY, ILLINOIS

Location of Court: CHICAGO, ILLINOIS

Docket/Case #: 2011 L 000096

Date Notice/Process Served: 01/07/2011

Litigation Pending? Yes

Disposition:

Disposition Date: 11/06/2013

Monetary Compensation Amount: \$61,800.00

Individual Contribution Amount: \$61,800.00

Broker Statement CLIENT ENTERED INTO THE SUBSCRIPTION AGREEMENT, ACKNOWLEDGING UNDERSTANDING AND SUITABILITY. FUND ISSUER, FOUNDING PARTNERS CAPITAL MANAGEMENT AND [THIRD PARTY] MISREPRESENTED THE FUNDS INVESTMENTS IN REGULAR COMMUNICATIONS AND ERNST & YOUNG PROVIDED AUDITS AND "AGREED UPON PROCEDURES" AUDITS FOR THE PERIOD THROUGH 2007. WHILE THE FUND PERFORMED AS EXPECTED FOR OVER 7 YEARS, THE FINANCIAL CRISIS CAUSED A DEMAND FOR MONEY FROM THE FUND WHICH WAS PERCEIVED AS LIQUID, BUT THE DEMAND EXCEEDED THE AVAILABLE FUNDS DUE TO THE LESS LIQUID INVESTMENTS MISREPRESENTED BY THE SVF, AND SVF II. WHEN INVESTORS FOUND THAT THEY WERE NOT ABLE TO RECEIVE DISTRIBUTIONS, THEY LOOKED TO ALL PARTIES CONNECTED TO THEIR INVESTMENT, INCLUDING THEIR OWN MANAGER AND HIS FIRM FOR REIMBURSEMENT. HARTLINE AND WILLIAM HART CONTEST THE CLAIMS VIGOROUSLY AND CONTEND THEY WERE ALSO VICTIMS OF THE MISREPRESENTATION BY FOUNDING PARTNERS AND [THIRD PARTY].



Reporting Source:	Individual
Employing firm when activities occurred which led to the complaint:	HARTLINE INVESTMENT CORP.
Allegations:	BREACH OF FIDUCIARY DUTY, AND NEGLIGENCE. CLIENT SIGNED THE SUBSCRIPTION AGREEMENT REPRESENTING HIS ACCOUNT'S QUALIFICATION AND SUITABILITY FOR THE INVESTMENT. WHEN THE SEC SHUTTERED THE FUND ON APRIL 20, 2009, CLIENT SOUGHT REIMBURSEMENT FROM ALL POTENTIAL SOURCES, INCLUDING HIS OWN MANAGER. THE RECEIVER IS NEGOTIATING THE PAYMENT OR OTHER SETTLEMENT OF THE LOAN DUE IN 2013 TO REPAY THE FUND. THE HOSPITALS ARE STILL OPERATING AND SETTLEMENT DISCUSSIONS ARE ONGOING WHICH WILL DETERMINE IF THERE IS ANY POTENTIAL DAMAGE. HARTLINE AND ITS CLIENTS WERE PRESENTED WITH WHAT WERE ALLEGEDLY MISREPRESENTED DOCUMENTS REGARDING THE HOLDINGS IN THE FUND.
Product Type:	Other: HEDGED FUND/FUND OF FUNDS- MEDICAL RECEIVABLES
Alleged Damages:	\$1,200,000.00
Alleged Damages Amount Explanation (if amount not exact):	PLUS INTEREST AND LITIGATION EXPENSES.
Civil Litigation Information	
Type of Court:	State Court
Name of Court:	CIRCUIT COURT OF COOK COUNTY, ILLINOIS
Location of Court:	CHICAGO, ILLINOIS
Docket/Case #:	2011 L 004096
Date Notice/Process Served:	04/22/2011
Litigation Pending?	Yes
Disposition:	
Disposition Date:	11/06/2013
Monetary Compensation Amount:	\$207,030.00
Individual Contribution Amount:	\$207,030.00
Broker Statement	CLIENT ENTERED INTO THE SUBSCRIPTION AGREEMENT, ACKNOWLEDGING UNDERSTANDING AND SUITABILITY. FUND ISSUER, FOUNDING PARTNERS CAPITAL MANAGEMENT AND [THIRD PARTY] MISREPRESENTED THE FUNDS INVESTMENTS IN REGULAR COMMUNICATIONS AND ERNST & YOUNG PROVIDED AUDITS AND "AGREED UPON PROCEDURES" AUDITS FOR THE PERIOD THROUGH 2007. WHILE THE FUND PERFORMED AS EXPECTED FOR OVER 7 YEARS, THE FINANCIAL CRISIS CAUSED A DEMAND FOR MONEY FROM THE FUND WHICH WAS PERCEIVED AS LIQUID, BUT THE DEMAND EXCEEDED THE AVAILABLE FUNDS DUE TO THE LESS LIQUID INVESTMENTS MISREPRESENTED BY THE SVF, AND SVF II. WHEN INVESTORS FOUND THAT THEY WERE NOT ABLE TO RECEIVE DISTRIBUTIONS, THEY LOOKED TO ALL PARTIES CONNECTED TO THEIR INVESTMENT, INCLUDING THEIR OWN MANAGER AND HIS FIRM FOR REIMBURSEMENT. HARTLINE AND



WILLIAM HART CONTEST THE CLAIMS VIGOROUSLY AND CONTEND THEY WERE ALSO VICTIMS OF THE MISREPRESENTATION BY FOUNDING PARTNERS AND [THIRD PARTY].

Disclosure 6 of 9

Reporting Source:

Individual

Employing firm when activities occurred which led to the complaint:

HARTLINE INVESTMENT CORP.

Allegations:

BREACH OF FIDUCIARY DUTY, AND NEGLIGENT MISREPRESENTATION. CLIENT SIGNED THE SUBSCRIPTION AGREEMENTS INDICATING QUALIFICATION AND SUITABILITY. WHEN THE SEC SHUTTERED THE STABLE VALUE FUND II AND FOUNDING PARTNERS CAPITAL MANAGEMENT ON APRIL 20, 2009 AND ASSIGNED A RECEIVER, CLIENTS WERE UNABLE TO WITHDRAW FUNDS AND WOULD NOT QUALIFY FOR WITHDRAWAL FOR 1 YEAR FROM THE DATE OF THE ORIGINAL INVESTMENT. SINCE THE FUND WAS PERCEIVED TO BE LIQUID (AFTER THE HOLDING PERIOD), THEY SEEK REIMBURSEMENT FROM ALL POTENTIAL SOURCES, INCLUDING THEIR OWN MANAGER. THE RECEIVER IS WORKING TO RESOLVE THE ISSUE WITH THE UNDERLYING HOSPITALS WHO OWE THE MONEY TO THE FUND. THE LOAN IS DUE IN THE FIRST QUARTER OF 2013.

Product Type:

Other: HEDGED FUND/FUND OF FUNDS - MEDICAL RECEIVABLES

Alleged Damages:

\$500,000.00

Alleged Damages Amount Explanation (if amount not exact):

PLUS INTEREST AND LITIGATION EXPENSES.

Civil Litigation Information

Type of Court:

State Court

Name of Court:

CIRCUIT COURT OF COOK COUNTY, ILLINOIS

Location of Court:

CHICAGO, IL

Docket/Case #:

10 CH 04356

Date Notice/Process Served:

02/02/2010

Litigation Pending?

No

Disposition:

Settled

Disposition Date:

11/06/2013

Monetary Compensation Amount:

\$152,440.00

Individual Contribution Amount:

\$152,440.00

Broker Statement

CLIENT ENTERED INTO THE SUBSCRIPTION AGREEMENT, ACKNOWLEDGING UNDERSTANDING AND SUITABILITY. FUND ISSUER, FOUNDING PARTNERS CAPITAL MANAGEMENT AND [THIRD PARTY] MISREPRESENTED THE FUNDS INVESTMENTS IN REGULAR COMMUNICATIONS AND ERNST & YOUNG PROVIDED AUDITS AND "AGREED UPON PROCEDURES" AUDITS FOR THE PERIOD THROUGH 2007. WHILE THE FUND PERFORMED AS EXPECTED FOR OVER 7 YEARS, THE FINANCIAL CRISIS CAUSED A DEMAND FOR MONEY FROM THE FUND



WHICH WAS PERCEIVED AS LIQUID, BUT THE DEMAND EXCEEDED THE AVAILABLE FUNDS DUE TO THE LESS LIQUID INVESTMENTS MISREPRESENTED BY THE SVF, AND SVF II. WHEN INVESTORS FOUND THAT THEY WERE NOT ABLE TO RECEIVE DISTRIBUTIONS, THEY LOOKED TO ALL PARTIES CONNECTED TO THEIR INVESTMENT, INCLUDING THEIR OWN MANAGER AND HIS FIRM FOR REIMBURSEMENT. HARTLINE AND WILLIAM HART CONTEST THE CLAIMS VIGOROUSLY AND CONTEND THEY WERE ALSO VICTIMS OF THE MISREPRESENTATION BY FOUNDING PARTNERS AND [THIRD PARTY].

Disclosure 7 of 9

Reporting Source:

Individual

Employing firm when activities occurred which led to the complaint:

HARTLINE INVESTMENT CORP.

Allegations:

BREACH OF FIDUCIARY DUTY, VIOLATION OF ILLINOIS SECURITIES LAW OF 1953, VIOLATION OF ILLINOIS CONSUMER FRAUD AND DECEPTIVE BUSINESS PRACTICES ACT, FRAUDULENT MISREPRESENTATIONS AND OMISSIONS, AND NEGLIGENCE. CLIENT WAS UNABLE TO OBTAIN DISTRIBUTIONS WHEN THE SEC SHUTTERED THE FUND AND APPOINTED A RECEIVER ON APRIL 20, 2009 THE FUND INVESTMENTS WERE NOT MOSTLY THE LIQUID MEDICAL RECEIVABLES CLAIMED BY FOUNDING PARTNERS CAPITAL MANAGEMENT, THE GENERAL PARTNER AND THIS WAS MISRPRESENTED TO HARTLINE AND HART WHO WERE VICTIMS AS WELL.

Product Type:

Other: HEDGED FUND/FUND OF FUNDS - MEDICAL RECEIVABLES

Alleged Damages:

\$1,900,000.00

Alleged Damages Amount Explanation (if amount not exact):

PLUS INTEREST AND LITIGATION EXPENSES.

Civil Litigation Information

Type of Court:

State Court

Name of Court:

CIRCUIT COURT OF COOK COUNTY, ILLINOIS

Location of Court:

CHICAGO, IL

Docket/Case #:

2011 L 003924

Date Notice/Process Served:

04/18/2011

Litigation Pending?

No

Disposition:

Settled

Disposition Date:

11/06/2013

Monetary Compensation Amount:

\$606,155.00

Individual Contribution Amount:

\$606,155.00

Broker Statement

CLIENT ENTERED INTO THE SUBSCRIPTION AGREEMENT, ACKNOWLEDGING UNDERSTANDING AND SUITABILITY. FUND ISSUER, FOUNDING PARTNERS CAPITAL MANAGEMENT AND [THIRD PARTY] MISREPRESENTED THE FUNDS INVESTMENTS IN REGULAR



COMMUNICATIONS AND ERNST & YOUNG PROVIDED AUDITS AND "AGREED UPON PROCEDURES" AUDITS FOR THE PERIOD THROUGH 2007. WHILE THE FUND PERFORMED AS EXPECTED FOR OVER 7 YEARS, THE FINANCIAL CRISIS CAUSED A DEMAND FOR MONEY FROM THE FUND WHICH WAS PERCEIVED AS LIQUID, BUT THE DEMAND EXCEEDED THE AVAILABLE FUNDS DUE TO THE LESS LIQUID INVESTMENTS MISREPRESENTED BY THE SVF, AND SVF II. WHEN INVESTORS FOUND THAT THEY WERE NOT ABLE TO RECEIVE DISTRIBUTIONS, THEY LOOKED TO ALL PARTIES CONNECTED TO THEIR INVESTMENT, INCLUDING THEIR OWN MANAGER AND HIS FIRM FOR REIMBURSEMENT. HARTLINE AND WILLIAM HART CONTEST THE CLAIMS VIGOROUSLY AND CONTEND THEY WERE ALSO VICTIMS OF THE MISREPRESENTATION BY FOUNDING PARTNERS AND [THIRD PARTY].

Disclosure 8 of 9

Reporting Source:	Individual
Employing firm when activities occurred which led to the complaint:	HARTLINE INVESTMENT CORP.
Allegations:	CLIENTS ALLEGE BREACH OF CONTRACT, BREACH OF FIDUCIARY DUTY, AND MISREPRESENTATION IN THEIR COMPLAINT. THEY HAVE SIGNED A TOLLING AGREEMENT TO WAIT FOR MORE INFORMATION ON THE DISPOSITION OF THE ASSETS OF SUN CAPITAL HEALTHCARE IN POTENTIALLY RETURNING THEIR FUNDS. HARTLINE VIGOROUSLY CONTESTS THEIR COMPLAINT BELIEVING THAT IT WAS PROVIDED MISLEADING AND MISREPRESENTATIVE INFORMATION REGARDING THE ASSETS OF THE FUNDS AND THE DISPOSITION OF AUDITS AND OTHER DOCUMENTS PROVIDING THE SUPPORT FOR MAINTAINING ITS RECOMMENDATIONS. HARTLINE WAS THE CLIENT'S AGENT AND NOT AN AGENT OF THE STABLE VALUE FUND OR FOUNDING PARTNERS CAPITAL MANAGEMENT.
Product Type:	Other: HEDGED FUND - MEDICAL RECEIVABLES
Alleged Damages:	\$1,900,000.00
Alleged Damages Amount Explanation (if amount not exact):	CLIENTS SEEK AN AMOUNT EQUAL TO THEIR CONTRIBUTION TO THE INVESTMENT. INTEREST MAY ALSO BE OWED BY SUN CAPITAL HEALTHCARE AND SVF.
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	11/16/2009
Complaint Pending?	Yes
Settlement Amount:	
Individual Contribution Amount:	
Broker Statement	PLEASE DELETE THIS DRP BECAUSE INFORMATION WAS MISTAKENLY ENTERED INTO ITEM 7 AND 8 WHEN IT SHOULD HAVE BEEN ENTERED INTO ITEM 17-19. A NEW CORRECTED DRP IS BEING SUBMITTED.

**Disclosure 9 of 9****Reporting Source:** Individual**Employing firm when activities occurred which led to the complaint:** HARTLINE INVESTMENT CORP.**Allegations:** CLIENTS ALLEGE BREACH OF FIDUCIARY DUTY, AND NEGLIGENT MISREPRESENTATION IN CONJUNCTION WITH THE RECOMMENDATION OF FOUNDING PARTNERS STABLE VALUE FUND II, LP IN OCT, 2008. THE FUND WAS SEIZED BY THE SEC AND A RECIEVER APPOINTED. IT IS UNUSUAL IN THAT THE ASSETS ARE STILL HELD BY SUN CAPITAL HEALTHCARE AND ITS HOSPITALS ACCORDING TO DEPOSITIONS BY SUN CAPITAL HEALTHCARE PRINCIPALS. THE FUND WAS FROZEN AND CLIENTS ARE SEEKING REMEDY BY ALL THEY CONSIDER POTENTIAL SOURCES OF REIMBURSEMENT. HARTLINE AND WILLIAM HART VIGOROUSLY CONTESTS THE CLAIMS.**Product Type:** Other: HEDGED FUNDS - MEDICAL RECEIVABLES**Alleged Damages:** \$500,000.00**Alleged Damages Amount Explanation (if amount not exact):** CLIENTS SEEK RETURN OF THEIR ORIGINAL INVESTMENT. HARTLINE IS THE AGENT FOR THE CLIENT AND NOT THE FUND.**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:** 02/10/2010**Complaint Pending?** Yes**Settlement Amount:****Individual Contribution Amount:****Broker Statement** PLEASE DELETE THIS DRP AS INFORMATION WAS MISTAKENLY ENTERED INTO ITEM 7 AND 8 WHEN IT SHOULD HAVE BEEN IN 17-19. A NEW CORRECTED AND UPDATED DRP IS ALSO BEING SUBMITTED.



End of Report

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