



## IAPD Report

# DWAYNE HOWARD KAPPELL

CRD# 2159603

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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

### DWAYNE HOWARD KAPPELL (CRD# 2159603)

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 **12/08/2025**.

### CURRENT EMPLOYERS

|           | Firm                      | CRD#       | Registered Since |
|-----------|---------------------------|------------|------------------|
| <b>B</b>  | CENTAURUS FINANCIAL, INC. | CRD# 30833 | 08/20/2014       |
| <b>IA</b> | CENTAURUS FINANCIAL, INC. | CRD# 30833 | 01/04/2016       |

### QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **6** jurisdiction(s).

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

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

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

### REGISTRATION HISTORY

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

|          | FIRM                                 | CRD#   | LOCATION       | REGISTRATION DATES      |
|----------|--------------------------------------|--------|----------------|-------------------------|
| <b>B</b> | MIDAMERICA FINANCIAL SERVICES, INC.  | 47351  | EVANSVILLE, IN | 01/05/2010 - 08/18/2014 |
| <b>B</b> | METLIFE SECURITIES INC.              | 14251  | EVANSVILLE, IN | 12/13/2007 - 07/06/2009 |
| <b>B</b> | USA FINANCIAL SECURITIES CORPORATION | 103857 | EVANSVILLE, IN | 01/03/2006 - 12/14/2007 |

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     |



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

### Employment 1 of 1

Firm Name: **CENTAURUS FINANCIAL, INC.**  
Main Address: 2300 EAST KATELLA AVE  
SUITE 200  
ANAHEIM, CA 92806  
Firm ID#: 30833

|    | Regulator      | Registration                      | Status   | Date       |
|----|----------------|-----------------------------------|----------|------------|
| B  | FINRA          | Invest. Co and Variable Contracts | Approved | 08/20/2014 |
| B  | Florida        | Agent                             | Approved | 02/16/2015 |
| IA | Florida        | Investment Adviser Representative | Approved | 01/05/2016 |
| B  | Georgia        | Agent                             | Approved | 09/24/2024 |
| IA | Illinois       | Investment Adviser Representative | Approved | 08/19/2022 |
| B  | Illinois       | Agent                             | Approved | 09/06/2022 |
| B  | Indiana        | Agent                             | Approved | 08/26/2014 |
| IA | Indiana        | Investment Adviser Representative | Approved | 01/05/2016 |
| B  | Kentucky       | Agent                             | Approved | 08/20/2014 |
| IA | Kentucky       | Investment Adviser Representative | Approved | 01/05/2016 |
| B  | North Carolina | Agent                             | Approved | 07/09/2019 |

### Branch Office Locations

**CENTAURUS FINANCIAL, INC.**  
123 NW 4TH STREET



## Qualifications

SUITE #301  
EVANSVILLE, IN 47708



## 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, 2 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 |
|------|----------|------|
|------|----------|------|

|   |     |            |
|---|-----|------------|
| <b>B</b> Securities Industry Essentials Examination (SIE) | SIE | 10/01/2018 |
|---|-----|------------|

|   |          |            |
|---|----------|------------|
| <b>B</b> Investment Company Products/Variable Contracts Representative Examination (S6) | Series 6 | 08/19/1991 |
|---|----------|------------|

#### State Securities Law Exams

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

|  |           |            |
|--|-----------|------------|
| <b>IA</b> Uniform Investment Adviser Law Examination (S65) | Series 65 | 11/11/2015 |
|--|-----------|------------|

|   |           |            |
|---|-----------|------------|
| <b>B</b> Uniform Securities Agent State Law Examination (S63) | Series 63 | 08/19/1991 |
|---|-----------|------------|

### PROFESSIONAL DESIGNATIONS

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

No information reported.



## Registration & Employment History

### PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

|   | Registration Dates      | Firm Name                            | ID#            | Branch Location  |
|---|-------------------------|--------------------------------------|----------------|------------------|
| B | 01/05/2010 - 08/18/2014 | MIDAMERICA FINANCIAL SERVICES, INC.  | CRD#<br>47351  | EVANSVILLE, IN   |
| B | 12/13/2007 - 07/06/2009 | METLIFE SECURITIES INC.              | CRD#<br>14251  | EVANSVILLE, IN   |
| B | 01/03/2006 - 12/14/2007 | USA FINANCIAL SECURITIES CORPORATION | CRD#<br>103857 | EVANSVILLE, IN   |
| B | 04/01/2004 - 01/13/2006 | INVESTORS CAPITAL CORP.              | CRD#<br>30613  | LYNNFIELD, MA    |
| B | 03/10/2003 - 04/07/2004 | INTERSECURITIES, INC.                | CRD#<br>16164  | PHILADELPHIA, PA |
| B | 10/25/1995 - 04/01/2003 | WALNUT STREET SECURITIES, INC.       | CRD#<br>15840  | EL SEGUNDO, CA   |
| B | 08/20/1991 - 09/29/1995 | MONY SECURITIES CORP.                | CRD# 4386      | NEW YORK, NY     |

### 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             |
|-------------------|----------------------------------|---------------------------|--------------------|-------------------------------|
| 08/2014 - Present | CENTAURUS FINANCIAL INC.         | REGISTERED REPRESENTATIVE | Y                  | ANAHEIM, CA, United States    |
| 12/1986 - Present | KAPPELL INSURANCE SERVICES, INC. | INSURANCE SALES           | Y                  | EVANSVILLE, IN, 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. KAPPELL INSURANCE SERVICES, NON-INVESTMENT RELATED, 123 N.W. 4TH STREET, SUITE #301, EVANSVILLE, IN 47708, PRESIDENT, SINCE 11/1986, DEVOTED TIME IS 40 HRS A MONTH, SALES AND SERVICE OF LIFE INSURANCE, GROUP HEALTH, ANNUITIES, DENTAL, GROUP LIFE, LTD, AND STD.
2. KAPPELL INSURANCE SERVICES  
POSITION: Agent NATURE: Sales and service of life insurance; fixed annuities; group health, life, STD, LTD, dental and LTC since 1986. INVESTMENT RELATED: Yes NUMBER OF HOURS: 10 SECURITIES TRADING HOURS: 1 START DATE:



## Registration & Employment History



### OTHER BUSINESS ACTIVITIES

11/01/1986

ADDRESS: 123 NW 4th ; Suite 301, Evansville IN 47708, United States

DESCRIPTION: Sales and service of life insurance; fixed annuities; group health, life, STD, LTD, dental and LTC since 1986. This now represents approximately 15% of my annual revenue. Referrals to Estate Planning Docs for a fee. This is expected to be approximately 5% of my income.



## 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     |

### 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>  | 01/15/2010  |
| <b>Docket/Case Number:</b>  | <a href="#">2009016709005</a>   |
| <b>Employing firm when activity occurred which led to the regulatory action:</b>  | WALNUT STREET SECURITIES, INC.  |
| <b>Product Type:</b>  | Other: UNIVERSAL LEASE PROGRAMS   |
| <b>Allegations:</b>   | NASD RULES 2110, 3040 - DWAYNE H. KAPPELL PARTICIPATED IN THE SALE OF UNIVERSAL LEASE PROGRAMS (ULPS) TO MEMBERS OF THE PUBLIC AND FAILED TO PROVIDE HIS MEMBER FIRM WITH PRIOR WRITTEN NOTICE ABOUT THE SALES AND FAILED TO OBTAIN PRIOR APPROVAL FROM THE FIRM. KAPPELL RECEIVED APPROXIMATELY \$14,733.03 IN COMMISSIONS FROM THE SALES. |
| <b>Current Status:</b>  | Final   |
| <b>Resolution:</b>  | Acceptance, Waiver & Consent(AWC)   |
| <b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b> | No  |



**Resolution Date:** 01/15/2010  
**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?** No

**(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?**

**(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or**



**(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?**

**Sanction 1 of 1**

|                             |              |
|-----------------------------|--------------|
| <b>Sanction Type:</b>       | Suspension   |
| <b>Capacities Affected:</b> | ANY CAPACITY |
| <b>Duration:</b>            | THREE MONTHS |
| <b>Start Date:</b>          | 02/16/2010   |
| <b>End Date:</b>            | 05/15/2010   |

**Monetary Sanction 1 of 1**

|   |   |
|---|---|
| <b>Monetary Related Sanction:</b>         | Civil and Administrative Penalty(ies)/Fine(s) |
| <b>Total Amount:</b>                      | \$20,000.00                                   |
| <b>Portion Levied against individual:</b> | \$20,000.00                                   |
| <b>Payment Plan:</b>                      |   |
| <b>Is Payment Plan Current:</b>           | No  |
| <b>Date Paid by individual:</b>           | 05/19/2012                                    |
| <b>Was any portion of penalty waived?</b> | No  |

**Amount Waived:**

**Regulator Statement**

WITHOUT ADMITTING OR DENYING THE FINDINGS, KAPPELL CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, HE IS FINED \$20,000, WHICH INCLUDES DISGORGEMENT OF COMMISSIONS RECEIVED, AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR THREE MONTHS. THE FINE IS DUE AND PAYABLE EITHER IMMEDIATELY UPON REASSOCIATION WITH A MEMBER FIRM FOLLOWING THE SUSPENSION OR PRIOR TO ANY REQUEST FOR RELIEF FROM ANY STATUTORY DISQUALIFICATION RESULTING FROM THIS OR ANY OTHER EVENT OR PROCEEDING, WHICHEVER IS EARLIER. THE SUSPENSION IS IN EFFECT FROM FEBRUARY 16, 2010 THROUGH MAY 15, 2010. FINE PAID IN FULL ON MAY 19, 2012.

**Reporting Source:** Individual



|   |   |
|---|---|
| <b>Regulatory Action Initiated By:</b>  | FINRA   |
| <b>Sanction(s) Sought:</b>  | Other: N/A  |
| <b>Date Initiated:</b>  | 01/15/2010  |
| <b>Docket/Case Number:</b>  | 2099016709005   |
| <b>Employing firm when activity occurred which led to the regulatory action:</b>  | WALNUT STREET SECURITIES, INC.  |
| <b>Product Type:</b>  | Other: UNIVERSAL LEASE PROGRAMS   |
| <b>Allegations:</b>   | NASD RULES 2110, 3040 - DWAYNE H. KAPPELL PARTICIPATED IN THE SALE OF UNIVERSAL LEASE PROGRAMS (ULPS) TO MEMBERS OF THE PUBLIC AND FAILED TO PROVIDE HIS MEMBER FIRM WITH PRIOR WRITTEN NOTICE ABOUT THE SALES AND FAILED TO OBTAIN PRIOR APPROVAL FROM THE FIRM. KAPPELL RECEIVED APPROXIMATELY \$14,733.03 IN COMMISSIONS FROM THE SALES. |
| <b>Current Status:</b>  | Final   |
| <b>Resolution:</b>  | Acceptance, Waiver & Consent(AWC)   |
| <b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b> | No  |
| <b>Resolution Date:</b>   | 01/15/2010  |
| <b>Sanctions Ordered:</b>   | Suspension  |
| <b>Sanction 1 of 1</b>  |   |
| <b>Sanction Type:</b>   | Suspension  |
| <b>Capacities Affected:</b>   | ANY CAPACITY  |
| <b>Duration:</b>  | THREE MONTHS  |
| <b>Start Date:</b>  | 02/16/2010  |
| <b>End Date:</b>  | 05/15/2010  |
| <b>Monetary Sanction 1 of 1</b>   |   |
| <b>Monetary Related Sanction:</b>   | Civil and Administrative Penalty(ies)/Fine(s)   |
| <b>Total Amount:</b>  | \$20,000.00   |
| <b>Portion Levied against individual:</b>   | \$20,000.00   |
| <b>Payment Plan:</b>  |   |
| <b>Is Payment Plan Current:</b>   | No  |
| <b>Date Paid by individual:</b>   | 05/19/2012  |
| <b>Was any portion of penalty waived?</b>   | No  |
| <b>Amount Waived:</b>   |   |



**Broker Statement**

WITHOUT ADMITTING OR DENYING THE FINDINGS, KAPPELL CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, HE IS FINED \$20,000, WHICH INCLUDES DISGORGEMENT OF COMMISSIONS RECEIVED, AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR THREE MONTHS. THE FINE IS DUE AND PAYABLE EITHER IMMEDIATELY UPON REASSOCIATION WITH A MEMBER FIRM FOLLOWING THE SUSPENSION OR PRIOR TO ANY REQUEST FOR RELIEF FROM ANY STATUTORY DISQUALIFICATION RESULTING FROM THIS OR ANY OTHER EVENT OR PROCEEDING, WHICHEVER IS EARLIER. THE SUSPENSION IS IN EFFECT FROM FEBRUARY 16, 2010 THROUGH MAY 15, 2010. FINE PAID IN FULL ON MAY 19, 2012.



## 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

**Reporting Source:** Firm

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

**Allegations:** THE [CUSTOMERS] CONTACTED MR. KAPPELL TO RESTRUCTURE THEIR ASSETS. MR. KAPPELL SUGGESTED DIVERSIFYING THEIR ASSETS (ALL OF THEIR ASSETS WERE HELD IN BONDS OR CDS AT FIFTH THIRD BANK). THE [CUSTOMERS] INITIATED TRANSFERS FROM FIFTH THIRD TO ING, AMERICAN NATIONAL, US ALLIANZ, AND MUTUAL OF OMAHA. THE [CUSTOMERS] SUBSEQUENTLY RECEIVED A CALL FROM THEIR FIFTH THIRD FINANCIAL ADVISER, WHO CONVINCED THEM TO STOP THE TRANSFERS. ON MAY 22, 2006, THE [CUSTOMERS] MET WITH MR. KAPPELL AND SIGNED MULTIPLE LETTERS AIMED AT STOPPING THE TRANSFERS. ON MAY 23, 2006, MR. KAPPELL FAXED THE SIGNED LETTERS TO ALL COMPANIES TO STOP THE TRANSFERS. MR. KAPPELL ALSO TOLD THE [CUSTOMERS] TO CONTACT FIFTH THIRD AND VERBALLY INSTRUCT THEM TO STOP THE TRANSFERS, SINCE MR. KAPPELL WAS NOT LISTED AS THE REP OF RECORD ON THE FIFTH THIRD ACCOUNT. THE [CUSTOMER'S] ALLEGED THAT MR. KAPPELL INVESTED THEIR ASSETS WITH THE RECIPIENT COMPANIES WITHOUT THEIR AUTHORIZATION. HOWEVER, ALL OF THE COMPANIES INVOLVED VERIFIED THAT THE TRANSFERS WERE CANCELED BEFORE THEY WERE INITIATED, OR IF INITIATED, THAT THE FUNDS WERE RETURNED TO THEIR POSITIONS. NO FUNDS WERE RECEIVED BY USA FINANCIAL AND WE COULD FIND NO APPARENT WRONGDOING BY MR. KAPPELL. MR. KAPPELL WAS NEVER THE REPRESENTATIVE OF RECORD FOR ANY OF THE [CUSTOMER'S] ACCOUNTS.

**Product Type:** CD

**Alleged Damages:** \$5,525.38

## Customer Complaint Information

**Date Complaint Received:** 08/29/2006

**Complaint Pending?** No

**Status:** Closed/No Action

**Status Date:** 03/30/2009

**Settlement Amount:**

**Individual Contribution Amount:**

**Firm Statement** THE [CUSTOMERS] CONTACTED DWAYNE KAPPELL, OUR REPRESENTATIVE, TO RESTRUCTURE THEIR ASSETS. MR. KAPPELL SUGGESTED DIVERSIFYING THEIR ASSETS (ALL OF THEIR ASSETS WERE HELD IN BONDS OR CDS AT FIFTH THIRD BANK). THE [CUSTOMERS]



INITIATED TRANSFERS FROM FIFTH THIRD TO ING, AMERICAN NATIONAL, US ALLIANZ, AND MUTUAL OF OMAHA. THE [CUSTOMERS] SUBSEQUENTLY RECEIVED A CALL FROM THEIR FIFTH THIRD FINANCIAL ADVISER, WHO CONVINCED THEM TO STOP THE TRANSFERS. ON MAY 22, 2006, THE [CUSTOMERS] MET WITH MR. KAPPELL AND SIGNED MULTIPLE LETTERS AIMED AT STOPPING THE TRANSFERS. ON MAY 23, 2006, MR. KAPPELL FAXED THE SIGNED LETTERS TO ALL COMPANIES TO STOP THE TRANSFERS. MR. KAPPELL ALSO TOLD THE [CUSTOMERS] TO CONTACT FIFTH THIRD AND VERBALLY INSTRUCT THEM TO STOP THE TRANSFERS, SINCE MR. KAPPELL WAS NOT LISTED AS THE REP OF RECORD ON THE FIFTH THIRD ACCOUNT. THE [CUSTOMER'S] ALLEGED THAT MR. KAPPELL INVESTED THEIR ASSETS WITH THE RECIPIENT COMPANIES WITHOUT THEIR AUTHORIZATION. HOWEVER, ALL OF THE COMPANIES INVOLVED VERIFIED THAT THE TRANSFERS WERE CANCELED BEFORE THEY WERE INITIATED, OR IF INITIATED, THAT THE FUNDS WERE RETURNED TO THEIR POSITIONS. NO FUNDS WERE RECEIVED BY USA FINANCIAL AND WE COULD FIND NO APPARENT WRONGDOING BY MR. KAPPELL. MR. KAPPELL WAS NEVER THE REPRESENTATIVE OF RECORD FOR ANY OF THE [CUSTOMER'S] ACCOUNTS. HE ASSISTED THEM IN STOPPING THE TRANSFERS, AND USA FINANCIAL SECURITIES RECEIVED DETAILED CONFIRMATION THAT ALL OF THE TRANSFERS WERE EITHER STOPPED OR, IF THEY HAD ALREADY PROCESSED, WERE REVERSED AND THE FUNDS RETURNED TO THE [CUSTOMER'S] ORIGINAL POSITIONS. NO TRANSACTIONS WERE EFFECTED AND NO SALES PRACTICE VIOLATIONS OCCURRED. THEREFORE, BECAUSE MR. KAPPELL DID NOT ENGAGE IN ANY INAPPROPRIATE BEHAVIOR, USA FINANCIAL SECURITIES CONCLUDED THAT THE COMPLAINT WAS NOT REPORTABLE ON MR. KAPPELL'S FORM U4. HOWEVER, AFTER USA FINANCIAL SECURITIES' 2008 ROUTINE FINRA EXAMINATION, FINRA REQUESTED THAT THE COMPLAINT BE FILED ON MR. KAPPELL'S FORM U4.

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**Reporting Source:**

Individual

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

USA FINANCIAL SECURITIES

**Allegations:**

THE [CUSTOMERS] CONTACTED MR. KAPPELL TO RESTRUCTURE THEIR ASSETS. MR. KAPPELL SUGGESTED DIVERSIFYING THEIR ASSETS (ALL OF THEIR ASSETS WERE HELD IN BONDS OR CDS AT FIFTH THIRD BANK). THE [CUSTOMERS] INITIATED TRANSFERS FROM FIFTH THIRD TO ING, AMERICAN NATIONAL, US ALLIANZ, AND MUTUAL OF OMAHA. THE [CUSTOMERS] SUBSEQUENTLY RECEIVED A CALL FROM THEIR FIFTH THIRD FINANCIAL ADVISER, WHO CONVINCED THEM TO STOP THE TRANSFERS. ON MAY 22, 2006, THE [CUSTOMERS] MET WITH MR. KAPPELL AND SIGNED MULTIPLE LETTERS AIMED AT STOPPING THE TRANSFERS. ON MAY 23, 2006, MR. KAPPELL FAXED THE SIGNED LETTERS TO ALL COMPANIES TO STOP THE TRANSFERS. MR. KAPPELL ALSO TOLD THE [CUSTOMERS] TO CONTACT FIFTH THIRD AND VERBALLY INSTRUCT THEM TO STOP THE TRANSFERS, SINCE MR. KAPPELL WAS NOT LISTED AS THE REP OF RECORD ON THE FIFTH THIRD ACCOUNT. THE [CUSTOMER'S] ALLEGED THAT MR. KAPPELL INVESTED THEIR ASSETS WITH THE RECIPIENT COMPANIES WITHOUT THEIR AUTHORIZATION. HOWEVER, ALL OF THE COMPANIES INVOLVED VERIFIED THAT THE TRANSFERS WERE CANCELED BEFORE THEY WERE INITIATED, OR IF INITIATED, THAT THE FUNDS WERE RETURNED TO THEIR POSITIONS. NO FUNDS WERE RECEIVED BY USA FINANCIAL AND WE COULD FIND NO APPARENT WRONGDOING BY MR. KAPPELL. MR. KAPPELL WAS NEVER THE



REPRESENTATIVE OF RECORD FOR ANY OF THE [CUSTOMER'S] ACCOUNTS.

**Product Type:** CD

**Alleged Damages:** \$5,525.38

### Customer Complaint Information

**Date Complaint Received:** 08/29/2006

**Complaint Pending?** No

**Status:** Closed/No Action

**Status Date:** 03/30/2009

**Settlement Amount:**

**Individual Contribution Amount:**

### Broker Statement

THE [CUSTOMERS]CONTACTED DWAYNE KAPPELL, OUR REPRESENTATIVE, TO RESTRUCTURE THEIR ASSETS. MR. KAPPELL SUGGESTED DIVERSIFYING THEIR ASSETS (ALL OF THEIR ASSETS WERE HELD IN BONDS OR CDS AT FIFTH THIRD BANK). THE [CUSTOMERS]INITIATED TRANSFERS FROM FIFTH THIRD TO ING, AMERICAN NATIONAL, US ALLIANZ, AND MUTUAL OF OMAHA. THE [CUSTOMERS] SUBSEQUENTLY RECEIVED A CALL FROM THEIR FIFTH THIRD FINANCIAL ADVISER, WHO CONVINCED THEM TO STOP THE TRANSFERS. ON MAY 22, 2006, THE [CUSTOMERS]MET WITH MR. KAPPELL AND SIGNED MULTIPLE LETTERS AIMED AT STOPPING THE TRANSFERS. ON MAY 23, 2006, MR. KAPPELL FAXED THE SIGNED LETTERS TO ALL COMPANIES TO STOP THE TRANSFERS. MR. KAPPELL ALSO TOLD THE [CUSTOMERS]O CONTACT FIFTH THIRD AND VERBALLY INSTRUCT THEM TO STOP THE TRANSFERS, SINCE MR. KAPPELL WAS NOT LISTED AS THE REP OF RECORD ON THE FIFTH THIRD ACCOUNT. THE [CUSTOMER'S]ALLEGED THAT MR. KAPPELL INVESTED THEIR ASSETS WITH THE RECIPIENT COMPANIES WITHOUT THEIR AUTHORIZATION. HOWEVER, ALL OF THE COMPANIES INVOLVED VERIFIED THAT THE TRANSFERS WERE CANCELED BEFORE THEY WERE INITIATED, OR IF INITIATED, THAT THE FUNDS WERE RETURNED TO THEIR POSITIONS. NO FUNDS WERE RECEIVED BY USA FINANCIAL AND WE COULD FIND NO APPARENT WRONGDOING BY MR. KAPPELL. MR. KAPPELL WAS NEVER THE REPRESENTATIVE OF RECORD FOR ANY OF THE [CUSTOMER'S]ACCOUNTS. HE ASSISTED THEM IN STOPPING THE TRANSFERS, AND USA FINANCIAL SECURITIES RECEIVED DETAILED CONFIRMATION THAT ALL OF THE TRANSFERS WERE EITHER STOPPED OR, IF THEY HAD ALREADY PROCESSED, WERE REVERSED AND THE FUNDS RETURNED TO THE [CUSTOMER'S]ORIGINAL POSITIONS. NO TRANSACTIONS WERE EFFECTED AND NO SALES PRACTICE VIOLATIONS OCCURRED. THEREFORE, BECAUSE MR. KAPPELL DID NOT ENGAGE IN ANY INAPPROPRIATE BEHAVIOR, USA FINANCIAL SECURITIES CONCLUDED THAT THE COMPLAINT WAS NOT REPORTABLE ON MR. KAPPELL'S FORM U4. HOWEVER, AFTER USA FINANCIAL SECURITIES' 2008 ROUTINE FINRA EXAMINATION, FINRA REQUESTED THAT THE COMPLAINT BE FILED ON MR. KAPPELL'S FORM U4.



## End of Report

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