



## IAPD Report

### HECTOR A MARTINEZ

CRD# 2533545

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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

### HECTOR A MARTINEZ (CRD# 2533545)

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 **12/24/2025**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
<b>B</b>	FIRST SOUTHERN, LLC	CRD# 282756	06/22/2019
<b>IA</b>	FSAM LLC	CRD# 287851	07/24/2019

### QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **4** jurisdiction(s).

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

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

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

### REGISTRATION HISTORY

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

	FIRM	CRD#	LOCATION	REGISTRATION DATES
<b>IA</b>	FSAM LLC	287851	ALPHARETTA, GA	06/20/2019 - 07/08/2019
<b>IA</b>	KOVACK ADVISORS, INC.	140808	SAN JUAN, PR	05/14/2015 - 06/17/2019
<b>B</b>	KOVACK SECURITIES INC.	44848	San Juan, PR	04/10/2015 - 06/17/2019

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

### DISCLOSURE INFORMATION

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

Are there events disclosed about this representative? **Yes**

The following types of events are disclosed about this representative:

Type	Count
Customer Dispute	17
Judgment/Lien	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 4 jurisdiction(s) and 1 SRO(s) through his or her employer(s).

#### Employment 1 of 2

Firm Name: **FIRST SOUTHERN, LLC**  
Main Address: 2 TABONUCO STREET, SUITE 200  
GUAYNABO, PR 00968-1772  
Firm ID#: 282756

Regulator	Registration	Status	Date
 FINRA	General Securities Representative	Approved	06/22/2019
 FINRA	Invest. Co and Variable Contracts	Approved	06/22/2019
 Florida	Agent	Approved	09/06/2019
 Maryland	Agent	Approved	01/26/2022
 New York	Agent	Approved	09/17/2019
 Puerto Rico	Agent	Approved	07/24/2019

#### Branch Office Locations

GAM Tower  
2 Tabonuco Street, Suite 200  
GUAYNABO, PR 00968

#### Employment 2 of 2

Firm Name: **FSAM LLC**  
Main Address: 1720 WINDWARD CONCOURSE  
SUITE 115  
ALPHARETTA, GA 30005  
Firm ID#: 287851

Regulator	Registration	Status	Date
 Puerto Rico	Investment Adviser Representative	Approved	07/24/2019



## Qualifications

Regulator	Registration	Status	Date
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### Branch Office Locations

**FSAM LLC**

GAM Tower  
2 Tabonuco Street, Suite 200  
Guaynabo, PR 00968



## 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
B Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
B General Securities Representative Examination (S7)	Series 7	12/14/1999
B Investment Company Products/Variable Contracts Representative Examination (S6)	Series 6	06/07/1997

#### State Securities Law Exams

Exam	Category	Date
B Uniform Securities Agent State Law Examination (S63)	Series 63	03/10/2000
IA Uniform Investment Adviser Law Examination (S65)	Series 65	06/02/1999

### PROFESSIONAL DESIGNATIONS

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

No information reported.



## Registration & Employment History

### PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
IA	06/20/2019 - 07/08/2019	FSAM LLC	CRD# 287851	ALPHARETTA, GA
IA	05/14/2015 - 06/17/2019	KOVACK ADVISORS, INC.	CRD# 140808	SAN JUAN, PR
B	04/10/2015 - 06/17/2019	KOVACK SECURITIES INC.	CRD# 44848	San Juan, PR
B	08/16/2007 - 04/22/2015	UBS FINANCIAL SERVICES INC.	CRD# 8174	SAN JUAN, PR
B	08/16/2007 - 04/22/2015	UBS FINANCIAL SERVICES INCORPORATED OF PUERTO RICO	CRD# 13042	SAN JUAN, PR
B	03/03/2000 - 08/22/2007	CITIGROUP GLOBAL MARKETS INC.	CRD# 7059	SAN JUAN, PR
B	06/11/1997 - 02/02/2000	AXA ADVISORS, LLC	CRD# 6627	NEW YORK, NY
B	06/11/1997 - 01/05/2000	THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES	CRD# 4039	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
06/2019 - Present	FSAM LLC	Investment Advisor Representative	Y	GUAYNABO, PR, United States
06/2019 - Present	First Southern, LLC	Registered Representative	Y	GUAYNABO, PR, United States
04/2015 - 06/2019	KOVACK SECURITIES, INC.	REGISTERED REPRESENTATIVE	Y	FORT LAUDERDALE, FL, 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) DBA: OVERTURE INC. - 644 FERNANDEZ JUNCOS AVE., SUITE 301 SAN JUAN, PR 00907; FINANCIAL SERVICES; INVESTMENT RELATED; SENIOR PARTNER; FINANCIAL SALES; 80% OF TIME SPENT 2) AOM DIGITAL, SPORT &



## Registration & Employment History

### OTHER BUSINESS ACTIVITIES

ENTERTAINMENT MARKETING - MC LEARY 1800 PH1, SAN JUAN, PR 00911; MARKETING FOR BUSINESS OWNERS, ARTISTS, ATHLETES; PARTNER; NOT INVESTMENT RELATED; PARTNER; CONSULTING; 10% OF TIME SPENT

2) Naven Investment Group, First Floor, 1506 Ponce de Leon Ave. San Juan PR 00907, Business is investment related, started 4/2020, Title: Investment Advisor, Nature of business: Private equity fund/Venture Capital by the act 185-2014 PR law, Devote 16 hours/month, duties oversee the investment in the portfolio meet the requirements by law.



## 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	17
Judgment/Lien	1

### 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 17

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	UBS Financial Services, Inc.
<b>Allegations:</b>	Time frame: Unspecified.  Allegations: Claimant alleges the recommendation to invest and hold PR Closed-End Funds was unsuitable and that his account was over-concentrated in these investments. Claimant also alleges that the risk of investing in and concentration in Puerto Rico investments was misrepresented.
<b>Product Type:</b>	Other: Puerto Rico Closed End Funds
<b>Alleged Damages:</b>	\$147,000.00
<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>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA Arbitration
<b>Docket/Case #:</b>	20-02382
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	07/29/2020



## Customer Complaint Information

**Date Complaint Received:** 07/29/2020

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 01/11/2022

**Settlement Amount:** \$53,250.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** UBS Financial Services, Inc.

**Allegations:** Time frame: Unspecified. Allegations: Claimant alleges the recommendation to invest and hold PR Closed-End Funds was unsuitable and that his account was over-concentrated in these investments. Claimant also alleges that the risk of investing in and concentration in Puerto Rico investments was misrepresented.

**Product Type:** Other: Puerto Rico Closed End Funds

**Alleged Damages:** \$147,000.00

**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:** FINRA Arbitration

**Docket/Case #:** 20-02382

**Filing date of arbitration/CFTC reparation or civil litigation:** 07/29/2020

## Customer Complaint Information

**Date Complaint Received:** 08/28/2020

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 01/11/2022

**Settlement Amount:** \$53,250.00

**Individual Contribution Amount:** \$0.00

## Disclosure 2 of 17

**Reporting Source:** Firm



<b>Employing firm when activities occurred which led to the complaint:</b>	UBS Financial Services Inc.
<b>Allegations:</b>	Time frame: Unspecified Allegations: Claimants allege their investments in Puerto Rico closed-end funds were unsuitable, over-concentrated, and misrepresented as safe investments.
<b>Product Type:</b>	Other: Puerto Rico CEFs
<b>Alleged Damages:</b>	\$90,000.00
<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>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA Arbitration
<b>Docket/Case #:</b>	19-01248
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	05/08/2019

### Customer Complaint Information

<b>Date Complaint Received:</b>	05/08/2019
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	08/18/2020
<b>Settlement Amount:</b>	\$45,000.00
<b>Individual Contribution Amount:</b>	\$0.00

<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	UBS Financial Services Inc.
<b>Allegations:</b>	Time frame: Unspecified Allegations: Claimants allege their investments in Puerto Rico closed-end funds were unsuitable, over-concentrated, and misrepresented as safe investments.
<b>Product Type:</b>	Other: Puerto Rico CEFs
<b>Alleged Damages:</b>	\$90,000.00
<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>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA Arbitration



**Docket/Case #:** 19-01248

**Filing date of arbitration/CFTC reparation or civil litigation:** 05/08/2019

### Customer Complaint Information

**Date Complaint Received:** 06/06/2019

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 08/18/2020

**Settlement Amount:** \$45,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement**  
Representative vehemently denies the allegations made by the claimants. Representative maintains that the PR bond funds were part of a well diversified portfolio that also included US positions.

### Disclosure 3 of 17

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** UBS Financial Services, Inc.

**Allegations:** Time frame: Unspecified

Allegations: Claimants allege that the recommendation to invest in and hold Puerto Rico Closed-End Funds and Puerto Rico Government Bonds was unsuitable and that the account was over-concentrated in those investments. They further allege that their investments were misrepresented as safe and low-risk and that the leverage and liquidity risks of the PR investments were not disclosed.

**Product Type:** Other: Puerto Rico Government Bonds; Puerto Rico Closed-End Funds

**Alleged Damages:** \$770,000.00

**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:** FINRA

**Docket/Case #:** 19-00235

**Filing date of arbitration/CFTC reparation or civil litigation:** 01/18/2019

### Customer Complaint Information

**Date Complaint Received:** 03/01/2019

**Complaint Pending?** No



<b>Status:</b>	Settled
<b>Status Date:</b>	07/06/2022
<b>Settlement Amount:</b>	\$200,000.00
<b>Individual Contribution Amount:</b>	\$0.00
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<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	UBS Financial Services, Inc.
<b>Allegations:</b>	Time frame: Unspecified Allegations: Claimants allege that the recommendation to invest in and hold Puerto Rico Closed-End Funds and Puerto Rico Government Bonds was unsuitable and that the account was over-concentrated in those investments. They further allege that their investments were misrepresented as safe and low-risk and that the leverage and liquidity risks of the PR investments were not disclosed.
<b>Product Type:</b>	Other: Puerto Rico Government Bonds; Puerto Rico Closed-End Funds
<b>Alleged Damages:</b>	\$770,000.00
<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>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	19-00235
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	01/18/2019
<h2>Customer Complaint Information</h2>	
<b>Date Complaint Received:</b>	03/21/2019
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	07/06/2022
<b>Settlement Amount:</b>	\$200,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	Representative is not named in this arbitration. Representative vehemently denies the allegations and claims that the PR bonds and funds were part of a diversified portfolio.

## Disclosure 4 of 17

<b>Reporting Source:</b>	Firm
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<b>Employing firm when activities occurred which led to the complaint:</b>	UBS Financial Services Inc
<b>Allegations:</b>	Time frame: Unspecified  Allegations: Claimant alleges the recommendation to invest in and hold Puerto Rico closed-end funds and municipal bonds was unsuitable, and his account was unsuitably over concentrated in Puerto Rico investments. He also alleges that the risk of investing in and concentration in Puerto Rico investments was misrepresented.
<b>Product Type:</b>	Other: Puerto Rico Closed-End Bond Funds & Puerto Rico Municipal Bonds
<b>Alleged Damages:</b>	\$1,000,000.00
<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>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA Arbitration
<b>Docket/Case #:</b>	19-00240
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	01/24/2019

## Customer Complaint Information

**Date Complaint Received:** 01/24/2019

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 05/21/2020

**Settlement Amount:** \$450,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** UBS Financial Services Inc

**Allegations:** Time frame: Unspecified Allegations: Claimant alleges the recommendation to invest in and hold Puerto Rico closed-end funds and municipal bonds was unsuitable, and his account was unsuitably over concentrated in Puerto Rico investments. He also alleges that the risk of investing in and concentration in Puerto Rico investments was misrepresented.

**Product Type:** Other: Puerto Rico Closed-End Bond Funds & Puerto Rico Municipal Bonds

**Alleged Damages:** \$1,000,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes



<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA Arbitration
<b>Docket/Case #:</b>	19-00240
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	01/24/2019

### Customer Complaint Information

<b>Date Complaint Received:</b>	01/24/2019
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	05/21/2020
<b>Settlement Amount:</b>	\$450,000.00
<b>Individual Contribution Amount:</b>	\$0.00

<b>Broker Statement</b>	Representative vehemently denies all allegations. Representative maintains that the PR funds were part of a well diversified portfolio of stocks, bonds, CDs, and alternative investments.
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### Disclosure 5 of 17

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	UBS Financial Services Inc
<b>Allegations:</b>	Time frame: Unspecified  Allegations: Claimant alleges that the recommendation to invest in and hold Puerto Rico closed-end funds and Puerto Rico municipal bonds was unsuitable, and that her account was unsuitably over concentrated in PR investments. She also alleges that the risks of investing in and concentration in PR investments was misrepresented.
<b>Product Type:</b>	Other: Puerto Rico closed-end bond funds and municipal bonds
<b>Alleged Damages:</b>	\$200,000.00
<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>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA Arbitration
<b>Docket/Case #:</b>	18-04420
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	12/27/2018



## Customer Complaint Information

**Date Complaint Received:** 12/27/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 06/18/2020

**Settlement Amount:** \$130,000.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** UBS Financial Services Inc

**Allegations:** Time frame: Unspecified Allegations: Claimant alleges that the recommendation to invest in and hold Puerto Rico closed-end funds and Puerto Rico municipal bonds was unsuitable, and that her account was unsuitably over concentrated in PR investments. She also alleges that the risks of investing in and concentration in PR investments was misrepresented.

**Product Type:** Other: Puerto Rico closed-end bond funds and municipal bonds

**Alleged Damages:** \$200,000.00

**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:** FINRA

**Docket/Case #:** 18-04420

**Filing date of arbitration/CFTC reparation or civil litigation:** 12/27/2018

## Customer Complaint Information

**Date Complaint Received:** 12/27/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 06/18/2020

**Settlement Amount:** \$130,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** Representative vehemently denies the allegations made by the client. Representative maintains that client had accounts that were diversified and held PR funds for their tax benefits.



## Disclosure 6 of 17

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	UBS Financial Services Inc
<b>Allegations:</b>	Time frame: December 2012 - present  Allegations: Claimant alleges that UBS unsuitably recommended investing in Puerto Rico Closed-End Funds, resulting in overconcentration and inappropriate risk. Claimant also alleges that the financial advisor provided misleading advice and failed to disclose the risks associated with the investments.
<b>Product Type:</b>	Other: Closed-end Funds
<b>Alleged Damages:</b>	\$200,000.00
<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>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	18-03953
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	11/21/2018

## Customer Complaint Information

<b>Date Complaint Received:</b>	11/21/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	11/20/2019
<b>Settlement Amount:</b>	\$70,000.00
<b>Individual Contribution Amount:</b>	\$0.00

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<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	UBS Financial Services Inc
<b>Allegations:</b>	Time frame: December 2012 - present Allegations: Claimant alleges that UBS unsuitably recommended investing in Puerto Rico Closed-End Funds, resulting in overconcentration and inappropriate risk. Claimant also alleges that the financial advisor provided misleading advice and failed to disclose the risks associated with the investments.
<b>Product Type:</b>	Other: Closed-end Funds
<b>Alleged Damages:</b>	\$200,000.00
<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>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	18-03953
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	11/21/2018

### Customer Complaint Information

<b>Date Complaint Received:</b>	11/21/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	11/20/2019
<b>Settlement Amount:</b>	\$70,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	Representative vehemently denies the allegations. Representative maintains that clients sought income and tax free funds in their accounts.

### Disclosure 7 of 17

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	UBS Financial Services Inc.
<b>Allegations:</b>	Time frame: Unspecified Claimants allege their investments in Puerto Rico closed-end funds were unsuitable, over-concentrated, and misrepresented as safe investments.
<b>Product Type:</b>	Other: PR Closed-End Funds
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	\$100,000 to \$500,000
<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>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	18-01462
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	04/23/2018



## Customer Complaint Information

**Date Complaint Received:** 04/23/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 03/06/2020

**Settlement Amount:** \$207,500.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** UBS Financial Services Inc.

**Allegations:** Time frame: Unspecified Claimants allege their investments in Puerto Rico closed-end funds were unsuitable, over-concentrated, and misrepresented as safe investments.

**Product Type:** Other: PR Closed-End Funds

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** \$100,000 to \$500,000

**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:** FINRA

**Docket/Case #:** 18-01462

**Filing date of arbitration/CFTC reparation or civil litigation:** 04/23/2018

## Customer Complaint Information

**Date Complaint Received:** 04/23/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 03/06/2020

**Settlement Amount:** \$207,500.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** Representative was not named in this arbitration, and vehemently denies the allegations. Representative claims that the clients had a well diversified portfolio with managed accounts and other instruments. Further representative maintains



that he advised clients to sell the positions at issue many times, but they refused due to the tax free income generated by the products.

#### Disclosure 8 of 17

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	UBS Financial Services Inc.
<b>Allegations:</b>	Time frame: 2010-2013 According to Claimant's Counsel, UBS invested all of his family's life insurance proceeds in Puerto Rico Closed-End Funds, which were high risk, unsuitable investments. As a result, Claimant alleges that he was over-concentrated in this unsuitable investment.
<b>Product Type:</b>	Other: Closed-End Funds
<b>Alleged Damages:</b>	\$150,000.00
<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>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	17-03438
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	12/22/2017

#### Customer Complaint Information

<b>Date Complaint Received:</b>	12/22/2017
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	04/10/2020
<b>Settlement Amount:</b>	\$90,000.00
<b>Individual Contribution Amount:</b>	\$0.00

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<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	UBS Financial Services Inc.
<b>Allegations:</b>	Time frame: 2010-2013 According to Claimant's Counsel, UBS invested all of his family's life insurance proceeds in Puerto Rico Closed-End Funds, which were high risk, unsuitable investments. As a result, Claimant alleges that he was over-concentrated in this unsuitable investment.
<b>Product Type:</b>	Other: Closed-End Funds
<b>Alleged Damages:</b>	\$150,000.00



**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:** FINRA

**Docket/Case #:** 17-03438

**Filing date of arbitration/CFTC reparation or civil litigation:** 12/22/2017

## Customer Complaint Information

**Date Complaint Received:** 12/22/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 04/10/2020

**Settlement Amount:** \$90,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** Mr. Martinez-Lopez is not named in this action. Representative vehemently denies the allegations. Clients sought tax free income and did not follow the representative's advice to diversify.

## Disclosure 9 of 17

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** UBS Financial Services Inc

**Allegations:** Time frame: 2009-2013

Claimants allege that their FA recommended an unsuitable concentration in risky, leveraged closed-end funds.

**Product Type:** Other: Closed End Funds

**Alleged Damages:** \$100,000.00

**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:** FINRA

**Docket/Case #:** 17-02081

**Filing date of arbitration/CFTC reparation or civil litigation:** 08/07/2017



## Customer Complaint Information

**Date Complaint Received:** 08/07/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 10/04/2018

**Settlement Amount:** \$35,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** UBS Financial Services Inc

**Allegations:** Time frame: 2009-2013 Claimants allege that their FA recommended an unsuitable concentration in risky, leveraged closed-end funds.

**Product Type:** Other: Closed End Funds

**Alleged Damages:** \$100,000.00

**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:** FINRA

**Docket/Case #:** 17-02081

**Filing date of arbitration/CFTC reparation or civil litigation:** 08/07/2017

## Customer Complaint Information

**Date Complaint Received:** 08/07/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 10/04/2018

**Settlement Amount:** \$35,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** Representative denies the allegations and believes that client had a diversified portfolio. Representative maintains that at the time of purchase the funds were classified as investment grade.

## Disclosure 10 of 17

**Reporting Source:** Firm



**Employing firm when activities occurred which led to the complaint:** UBS FINANCIAL SERVICES INC

**Allegations:** Claimant alleges his investments in Puerto Rican closed-end bond funds and a Puerto Rico bond were unsuitable, over concentrated and misrepresented. Time frame:2009-2015.

**Product Type:** Other: PR Closed End Funds

**Alleged Damages:** \$500,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 16-00986

**Filing date of arbitration/CFTC reparation or civil litigation:** 04/08/2016

### Customer Complaint Information

**Date Complaint Received:** 04/08/2016

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 03/26/2018

**Settlement Amount:** \$175,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** UBS FINANCIAL SERVICES INC

**Allegations:** Claimant alleges his investments in Puerto Rican closed-end bond funds and a Puerto Rico bond were unsuitable, over concentrated and misrepresented. Time frame:2009-2015.

**Product Type:** Other: PR Closed End Funds

**Alleged Damages:** \$500,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA



**Docket/Case #:** 16-00986

**Filing date of arbitration/CFTC reparation or civil litigation:** 04/08/2016

### Customer Complaint Information

**Date Complaint Received:** 04/08/2016

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 03/26/2018

**Settlement Amount:** \$175,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** [customer] has been my client for many years. His investment accounts at UBS were 80% advisory with mostly US equity and 20% Puerto Rico investments. Most of the PR products were transferred from Westernbank via ACAT. We had a great relationship with frequent meetings, account reviews and financial planning. Most of those meetings were also with his CPA and a former client. Regarding the losses realized in the PR investments, they were discussed and recommended by his CPA as client needed tax relief that tax year. We realized so many gains in the advisory accounts that his CPA advised him to realize losses with the PR investments in order to offset the tax impact for the year. [customer] was always satisfied with our service, as he transferred the account with me to Kovack last year when I left UBS. This claim is false, as client did not lose money with the investment strategy as a whole.

### Disclosure 11 of 17

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** UBS FINANCIAL SERVICES INC

**Allegations:** Time Frame: 2009-2015  
Claimant alleges unsuitability, overconcentration, and misrepresentations involving the recommendation of closed-end funds.

**Product Type:** Other: CEFs

**Alleged Damages:** \$3,400,000.00

**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:** FINRA

**Docket/Case #:** 15-02222

**Filing date of arbitration/CFTC reparation or civil litigation:** 09/11/2015



## Customer Complaint Information

**Date Complaint Received:** 09/11/2015

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 08/17/2017

**Settlement Amount:** \$490,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Individual

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

**Allegations:** Time Frame: 2009-2015. Claimant alleges unsuitability, overconcentration, and misrepresentations involving the recommendation of closed-end funds.

**Product Type:** Other: CEFs

**Alleged Damages:** \$3,400,000.00

**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:** FINRA

**Docket/Case #:** 15-02222

**Filing date of arbitration/CFTC reparation or civil litigation:** 09/11/2015

## Customer Complaint Information

**Date Complaint Received:** 09/11/2015

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 08/17/2017

**Settlement Amount:** \$490,000.00

**Individual Contribution Amount:** \$0.00

## Disclosure 12 of 17

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** UBS FINANCIAL SERVICES INC



<b>Allegations:</b>	CLAIMANT ALLEGES THAT THEIR INVESTMENTS IN PUERTO RICO CLOSED-END FUNDS WERE UNSUITABLE, OVER CONCENTRATED AND MISREPRESENTED AS SAFE INVESTMENTS. TIME FRAME: 2011-2014.
<b>Product Type:</b>	Other: closed end funds
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	UNSPECIFIED
<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>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	15-00004
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	01/15/2015

### Customer Complaint Information

<b>Date Complaint Received:</b>	01/15/2015
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	06/08/2016
<b>Settlement Amount:</b>	\$64,618.00
<b>Individual Contribution Amount:</b>	\$0.00

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<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	UBS FINANCIAL SERVICES INC.
<b>Allegations:</b>	CLAIMANT ALLEGES THAT THEIR INVESTMENTS IN PUERTO RICO CLOSED-END FUNDS WERE UNSUITABLE, OVER CONCENTRATED AND MISREPRESENTED AS SAFE INVESTMENTS. TIME FRAME: 2011-2014.
<b>Product Type:</b>	Other: CLOSED-END FUNDS
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	UNSPECIFIED
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes



**Is this an arbitration/CFTC reparation or civil litigation?**

Yes

**Arbitration/Reparation forum or court name and location:**

FINRA

**Docket/Case #:** 15-00004  
**Filing date of arbitration/CFTC reparation or civil litigation:** 01/15/2015

### Customer Complaint Information

**Date Complaint Received:** 01/15/2015  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 06/08/2016  
**Settlement Amount:** \$64,618.00  
**Individual Contribution Amount:** \$0.00

### Disclosure 13 of 17

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** UBS FINANCIAL SERVICES INC.  
**Allegations:** CLAIMANT ALLEGES THAT INVESTMENT IN PUERTO RICAN CLOSED-END BOND FUND WAS UNSUITABLE, OVER CONCENTRATED AND MISREPRESENTED AS SAFE INVESTMENTS. TIME FRAME:2013-PRESENT.  
**Product Type:** Other: PR closed end funds  
**Alleged Damages:** \$90,000.00  
**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:** FINRA  
**Docket/Case #:** 14-03695  
**Filing date of arbitration/CFTC reparation or civil litigation:** 12/22/2014

### Customer Complaint Information

**Date Complaint Received:** 12/22/2014  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 10/05/2016



**Settlement Amount:** \$42,500.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** UBS FINANCIAL SERVICES INC.

**Allegations:** CLAIMANT ALLEGES THAT INVESTMENT IN PUERTO RICAN CLOSED-END BOND FUND WAS UNSUITABLE, OVER CONCENTRATED AND MISREPRESENTED AS SAFE INVESTMENTS. TIME FRAME:2013-PRESENT.

**Product Type:** Other: PR CLOSED END FUNDS

**Alleged Damages:** \$90,000.00

**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:** FINRA

**Docket/Case #:** 14-03695

**Filing date of arbitration/CFTC reparation or civil litigation:** 12/22/2014

### Customer Complaint Information

**Date Complaint Received:** 12/22/2014

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 10/05/2016

**Settlement Amount:** \$42,500.00

**Individual Contribution Amount:** \$0.00

### Disclosure 14 of 17

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** UBS Financial Services Inc

**Allegations:** TIME FRAME: 2004-PRESENT. CLAIMANT ALLEGES MISREPRESENTATIONS AND UNSUITABILITY IN CONNECTION WITH HER PURCHASES OF BONDS AND CLOSED-END BOND FUNDS.

**Product Type:** Other: BONDS AND CLOSED END FUNDS

**Alleged Damages:** \$200,000.00

**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:** FINRA

**Docket/Case #:** 14-02867

**Filing date of arbitration/CFTC reparation or civil litigation:** 09/22/2014

### **Customer Complaint Information**

**Date Complaint Received:** 09/22/2014

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 03/08/2017

**Settlement Amount:** \$75,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** UBS FINANCIAL SERVICES INC

**Allegations:** TIME FRAME: 2004-PRESENT.  
CLAIMANT ALLEGES MISREPRESENTATIONS AND UNSUITABILITY IN CONNECTION WITH HER PURCHASES OF BONDS AND CLOSED-END BOND FUNDS.

**Product Type:** Other: BONDS AND CLOSED END FUNDS

**Alleged Damages:** \$200,000.00

**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:** FINRA

**Docket/Case #:** 14-02867

**Filing date of arbitration/CFTC reparation or civil litigation:** 09/22/2014

### **Customer Complaint Information**

**Date Complaint Received:** 09/22/2014

**Complaint Pending?** No

**Status:** Settled



**Status Date:** 03/08/2017

**Settlement Amount:** \$75,000.00

**Individual Contribution Amount:** \$0.00

#### Disclosure 15 of 17

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** UBS FINANCIAL SERVICES INC

**Allegations:** TIME FRAME: 2009-2013. CLAIMANTS ALLEGE UNSUITABLE RECOMMENDATIONS AND MISREPRESENTATIONS IN CONNECTION WITH THEIR PURCHASES OF CLOSED-END PUERTO RICO MUNICIPAL BOND FUNDS.

**Product Type:** Other: CLOSED END FUNDS

**Alleged Damages:** \$250,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 14-02332

**Filing date of arbitration/CFTC reparation or civil litigation:** 07/29/2014

#### Customer Complaint Information

**Date Complaint Received:** 07/29/2014

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 02/22/2016

**Settlement Amount:** \$50,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** UBS FINANCIAL SERVICES INC

**Allegations:** TIME FRAME: 2009-2013. CLAIMANTS ALLEGE UNSUITABLE RECOMMENDATIONS AND MISREPRESENTATIONS IN CONNECTION WITH THEIR PURCHASES OF CLOSED-END PUERTO RICO MUNICIPAL BOND FUNDS.



<b>Product Type:</b>	Other: CLOSED END FUNDS
<b>Alleged Damages:</b>	\$250,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	14-02332
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	07/29/2014

### Customer Complaint Information

<b>Date Complaint Received:</b>	07/29/2014
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	02/22/2016
<b>Settlement Amount:</b>	\$50,000.00
<b>Individual Contribution Amount:</b>	\$0.00

<b>Broker Statement</b>	[Redacted] was a client since 2000 while I was working with Smith Barney. He transferred his managed account held in Smith Barney to UBS when I started working with the firm because he trusted my service. In 2009 he needed the funds in the investment account for his business and account was liquidated and disbursed. Later, he contacted me to rollover his 401K as the retirement plan account was 100% allocated in stock JNJ. We discussed our two options for PR qualified IRAs: 1) PR Closed End Funds with UBS Trust as they were approved by the OCIF for IRA accounts. 2) Universal VIA Annuity with investment options outside Puerto Rico. I gave him written information on both alternatives. The client selected the CEFs due to their historical returns and the yield based on UBS' aggressive advertising policy. He decided to invest in this product due to the limited invested options for PR IRAs account and he knew that the investment was long term as his objective was to save for retirement (approx. 11 years of time horizon).
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### Disclosure 16 of 17

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	UBS FINANCIAL SERVICES INC
<b>Allegations:</b>	CLAIMANTS ALLEGUE UNSUITABLE RECOMMENDATIONS (INCLUDING ALLEGED UNSUITABLE RECOMMENDATIONS TO UTILIZE LEVERAGE) AND UNAUTHORIZED TRADING IN CONNECTION WITH THEIR PURCHASE OF CLOSED-END PUERTO RICO MUNICIPAL BOND FUNDS. TIME FRAME: 2013
<b>Product Type:</b>	Other: CLOSED END FUNDS
<b>Alleged Damages:</b>	\$4,000,000.00



**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:** 10/22/2013

**Complaint Pending?** No

**Status:** Evolved into Arbitration/CFTC reparation (the individual is a named party)

**Status Date:** 04/15/2014

**Settlement Amount:**

**Individual Contribution**

**Amount:**

### **Arbitration Information**

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

**Docket/Case #:** 14-01094

**Date Notice/Process Served:** 04/15/2014

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 07/15/2015

**Monetary Compensation Amount:** \$600,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** UBS FINANCIAL SERVICES INC

**Allegations:** CLAIMANTS ALLEGE UNSUITABLE RECOMMENDATIONS (INCLUDING ALLEGED UNSUITABLE RECOMMENDATIONS TO UTILIZE LEVERAGE) AND UNAUTHORIZED TRADING IN CONNECTION WITH THEIR PURCHASE OF CLOSED-END PUERTO RICO MUNICIPAL BOND FUNDS. TIME FRAME: 2013

**Product Type:** Other: CLOSED END FUNDS

**Alleged Damages:** \$4,000,000.00

**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:** 10/22/2013

**Complaint Pending?** No

**Status:** Evolved into Arbitration/CFTC reparation (the individual is a named party)

**Status Date:** 04/15/2014

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 14-01094

**Date Notice/Process Served:** 04/15/2014

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 07/15/2015

**Monetary Compensation Amount:** \$600,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** THE CLIENTS' ASSETS WERE IN A WELL DIVERSIFIED PORTFOLIO WHICH MET THEIR INVESTMENT OBJECTIVE OF INCOME. THE CLIENTS WERE FULLY INFORMED OF THE INVESTMENTS IN THEIR ACCOUNT AND THE RISKS IN CONNECTION WITH THEIR INVESTMENT STRATEGY. CLIENTS WERE ALSO PRESENTED WITH A FINANCIAL PLAN WHICH, FOR THE MOST PART, THEY ELECTED NOT TO FOLLOW.

### Disclosure 17 of 17

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** CITIGROUP GLOBAL MARKETS, INC.

**Allegations:** CLIENTS ALLEGED THAT THEY DID NOT AUTHORIZE THE SALES OF THEIR CLOSED END FUNDS AND THE PURCHASES OF GNMAS WITH THE PROCEEDS FROM THE SALES. SEPTEMBER 2006. DAMAGES UNSPECIFIED.

**Product Type:** Equity - OTC

**Alleged Damages:** \$0.00

### Customer Complaint Information

**Date Complaint Received:** 09/26/2006

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 11/27/2006



**Settlement Amount:**

**Individual Contribution**

**Amount:**

**Broker Statement**

CLAIM DENIED.



## Judgment/Lien

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

### Disclosure 1 of 1

<b>Reporting Source:</b>	Individual
<b>Judgment/Lien Holder:</b>	Puerto Rico Department of the Treasury (Hacienda)
<b>Judgment/Lien Amount:</b>	\$127,055.85
<b>Judgment/Lien Type:</b>	Tax
<b>Date Filed with Court:</b>	08/26/2022
<b>Date Individual Learned:</b>	08/26/2022
<b>Type of Court:</b>	State Court
<b>Name of Court:</b>	Government of Puerto Rico, Department of the Treasury
<b>Location of Court:</b>	San Juan, PR
<b>Docket/Case #:</b>	SJN-22-1862
<b>Judgment/Lien Outstanding?</b>	Yes



## End of Report

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