



IAPD Report

MARTIN ALEXANDER SMITH

CRD# 2677840

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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

MARTIN ALEXANDER SMITH (CRD# 2677840)

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 **02/23/2026**.

CURRENT EMPLOYERS

| | Firm | CRD# | Registered Since |
|----|----------------------------------|-------------|------------------|
| IA | WEALTHCARE FINANCIAL GROUP, INC. | CRD# 284650 | 10/21/2016 |
| IA | LPL FINANCIAL LLC | CRD# 6413 | 02/23/2026 |

QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **9** 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 | KOVACK ADVISORS, INC. | 140808 | BETHESDA, MD | 01/24/2012 - 10/20/2016 |
| B | KOVACK SECURITIES INC. | 44848 | Bethesda, MD | 01/24/2012 - 10/20/2016 |
| IA | KINGDOMTRUST CAPITAL MANAGEMENT, INC. | 150650 | BOWIE, MD | 02/04/2010 - 01/23/2012 |

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

DISCLOSURE INFORMATION

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

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

The following types of events are disclosed about this representative:

| Type | Count |
|------------------|-------|
| Customer Dispute | 2 |
| Financial | 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 **9** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

Employment 1 of 2

Firm Name: **LPL FINANCIAL LLC**
Main Address: 1055 LPL WAY
FORT MILL, SC 29715
Firm ID#: 6413

| Regulator | Registration | Status | Date |
|------------|-----------------------------------|---------------------|------------|
| IA Georgia | Investment Adviser Representative | Approved | 03/03/2026 |
| IA Texas | Investment Adviser Representative | Restricted Approval | 02/23/2026 |

Branch Office Locations

LPL FINANCIAL LLC
21 Eastbrook Bend Suite 118
Peachtree City, GA 30269

Employment 2 of 2

Firm Name: **WEALTHCARE FINANCIAL GROUP, INC.**
Main Address: 21 EASTBROOK BEND, SUITE 118
PEACHTREE CITY, GA 30269
Firm ID#: 284650

| Regulator | Registration | Status | Date |
|-------------------------|-----------------------------------|----------|------------|
| IA California | Investment Adviser Representative | Approved | 08/15/2023 |
| IA District of Columbia | Investment Adviser Representative | Approved | 05/31/2023 |
| IA Georgia | Investment Adviser Representative | Approved | 05/25/2017 |
| IA Louisiana | Investment Adviser Representative | Approved | 11/27/2019 |
| IA Maine | Investment Adviser Representative | Approved | 07/25/2024 |



Qualifications

| Regulator | Registration | Status | Date |
|-------------|-----------------------------------|----------|------------|
| IA Maryland | Investment Adviser Representative | Approved | 10/21/2016 |
| IA New York | Investment Adviser Representative | Approved | 05/03/2023 |
| IA Texas | Investment Adviser Representative | Approved | 01/04/2021 |
| IA Virginia | Investment Adviser Representative | Approved | 03/04/2023 |

Branch Office Locations

WEALTHCARE FINANCIAL GROUP, INC.
21 EASTBROOK BEND, SUITE 118
PEACHTREE CITY, GA 30269

WEALTHCARE FINANCIAL GROUP, INC.
4800 Hampden Lane
Suite 200
Bethesda, MD 20814

WEALTHCARE FINANCIAL GROUP, INC.
3355 Lenox Road
Suite 750
Atlanta, GA 30326





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




Principal/Supervisory Exams

| Exam | Category | Date |
|--|-----------|------------|
|  General Securities Sales Supervisor - General Module Examination (S10) | Series 10 | 12/30/2002 |
|  General Securities Sales Supervisor - Options Module Examination (S9) | Series 9 | 10/21/2002 |

General Industry/Product Exams

| Exam | Category | Date |
|--|----------|------------|
|  Securities Industry Essentials Examination (SIE) | SIE | 10/20/2016 |
|  General Securities Representative Examination (S7) | Series 7 | 10/08/1999 |
|  Investment Company Products/Variable Contracts Representative Examination (S6) | Series 6 | 12/05/1995 |

State Securities Law Exams

| Exam | Category | Date |
|---|-----------|------------|
|   Uniform Combined State Law Examination (S66) | Series 66 | 06/28/2000 |
|  Uniform Securities Agent State Law Examination (S63) | Series 63 | 01/23/1996 |

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 | 01/24/2012 - 10/20/2016 | KOVACK ADVISORS, INC. | CRD# 140808 | BETHESDA, MD |
| B | 01/24/2012 - 10/20/2016 | KOVACK SECURITIES INC. | CRD# 44848 | Bethesda, MD |
| IA | 02/04/2010 - 01/23/2012 | KINGDOMTRUST CAPITAL MANAGEMENT, INC. | CRD# 150650 | BOWIE, MD |
| B | 09/15/2009 - 12/16/2010 | H. BECK, INC. | CRD# 1763 | BOWIE, MD |
| IA | 08/03/2009 - 12/31/2009 | KINGDOMTRUST CAPITAL MANAGEMENT, INC. | CRD# 150650 | BOWIE, MD |
| B | 06/20/2008 - 06/19/2009 | AXA ADVISORS, LLC | CRD# 6627 | COLUMBIA, MD |
| IA | 06/20/2008 - 06/19/2009 | AXA ADVISORS, LLC | CRD# 6627 | COLUMBIA, MD |
| B | 12/05/2007 - 06/25/2008 | AMERIPRISE FINANCIAL SERVICES, INC. | CRD# 6363 | COLUMBIA, MD |
| IA | 12/05/2007 - 06/25/2008 | AMERIPRISE FINANCIAL SERVICES, INC. | CRD# 6363 | COLUMBIA, MD |
| B | 03/06/2006 - 12/12/2007 | LINSCO/PRIVATE LEDGER CORP. | CRD# 6413 | BOWIE, MD |
| IA | 03/06/2006 - 12/12/2007 | LINSCO/PRIVATE LEDGER CORP. | CRD# 6413 | BOWIE, MD |
| IA | 01/11/2006 - 03/13/2006 | METLIFE SECURITIES INC. | CRD# 14251 | GREENBELT, MD |
| B | 01/10/2006 - 03/13/2006 | METLIFE SECURITIES INC. | CRD# 14251 | GREENBELT, MD |
| B | 01/10/2006 - 03/13/2006 | METROPOLITAN LIFE INSURANCE COMPANY | CRD# 4095 | GREENBELT, MD |
| IA | 07/14/2003 - 01/09/2006 | RAYMOND JAMES FINANCIAL SERVICES | CRD# 6694 | LANDOVER, MD |
| B | 07/07/2003 - 01/09/2006 | RAYMOND JAMES FINANCIAL SERVICES, INC. | CRD# 6694 | LANDOVER, MD |
| IA | 03/19/2003 - 07/21/2003 | MERRILL LYNCH PIERCE FENNER & SMITH INC. | CRD# 7691 | ROCKVILLE, MD |



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 | 03/19/2003 - 07/21/2003 | MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED | CRD# 7691 | NEW YORK, NY |
| IA | 07/12/2000 - 03/26/2003 | A. G. EDWARDS & SONS, INC. | CRD# 4 | COLUMBIA, MD |
| B | 08/24/1999 - 03/26/2003 | A. G. EDWARDS & SONS, INC. | CRD# 4 | ST. LOUIS, MO |
| B | 01/18/1996 - 08/26/1999 | PFS INVESTMENTS INC. | CRD# 10111 | DULUTH, GA |

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 |
|-------------------|----------------------------------|---|--------------------|-----------------------------------|
| 02/2026 - Present | LPL Financial LLC | Investment Advisor Representative | Y | Peachtree City, GA, United States |
| 10/2016 - Present | Wealthcare Financial Group, Inc. | President, Retirement Planning Financial Advisor | Y | Peachtree City, GA, United States |
| 12/2020 - 02/2026 | HBCU Legacy, LLC | Managing Member | Y | Peachtree City, GA, United States |
| 01/2012 - 10/2016 | KOVACK ADVISORS | INVESTMENT ADVISOR | Y | FT. LAUDERDALE, FL, United States |
| 01/2012 - 10/2016 | KOVACK SECURITIES, INC. | DBA: Wealthcare Financial Group, Inc., President, Retirement Planning Financial Advisor | Y | FT, 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.

- 2/2026 - Wealthcare Financial Group, Inc. - Non-Variable Insurance - Investment Related - 30 Hour(s)/Month - 30 Hour(s) During Trading - Peachtree City GA 30269 - OBA Start date: 01/12/2012
- 2/2026 - Wealthcare Financial Group, Inc. - DBA for LPL Business (entity for LPL business) - Investment Related - 160 Hour(s)/Month - 160 Hour(s) During Trading - At Reported Business Location (s) - OBA Start date: 2/23/2026
- 2/2026 - Wealthcare Financial Group, Inc. - Business Entity For Tax/Investment Purposes Only - Investment Related - 160 Hour(s)/Month - 160 Hour(s) During Trading - Peachtree City GA 30269 - OBA Start date: 01/12/2012



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 | 2 |
| Financial | 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 2

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: A. G. EDWARDS & SONS, INC.

Allegations: ALLEGED NEGLIGENCE AND MISMANAGEMENT. ALLEGES LOSSES, NOT SPECIFIED, BUT BELIEVED TO EXCEED \$5,000.

Product Type: No Product

Alleged Damages:

Customer Complaint Information

Date Complaint Received: 05/01/2003

Complaint Pending? No

Status: Closed/No Action

Status Date: 06/09/2004

Settlement Amount:

Individual Contribution Amount:

.....

Reporting Source: Individual



Employing firm when activities occurred which led to the complaint: A.G. EDWARDS & SONS, INC.

Allegations: ALLEGES NEGLIGENCE AND MISMANAGEMENT. ALLEGES LOSSES, NOT SPECIFIED, BUT BELIEVED TO EXCEED \$5000.

Product Type: No Product

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): A.G. EDWARDS DENIED THIS CLIENTS REQUEST BECAUSE 1) SHE DID NOT SPECIFY AN AMOUNT WHICH WAS LOST 2) HER REQUEST WAS DENIED BECAUSE SHE HAD WRITTEN AN EXCESSIVE NUMBER OF BAD CHECKS FROM HER BROKERAGE ACCOUNT AND 3) A.G. EDWARDS DETERMINED THAT [CUSTOMER'S] COMPLAINT WAS FRIVOLOUS.

Is this an oral complaint? Yes

Is this a written complaint? No

Is this an arbitration/CFTC reparation or civil litigation? No

Customer Complaint Information

Date Complaint Received: 05/01/2003

Complaint Pending? No

Status: Closed/No Action

Status Date: 06/09/2004

Settlement Amount:

Individual Contribution Amount:

Broker Statement FINRA'S COMMENT: COMPLAINT NO LONGER REPORTABLE BECAUSE FILED MORE THAN 24 MONTHS AGO. PLEASE ARCHIVE.

=====

MARTIN A. SMITH'S COMMENT:

[CUSTOMER] OPENED A BROKERAGE ACCOUNT WITH ME DURING THE SUMMER OF 2000. SHE INITIALLY DEPOSITED APPROXIMATELY \$30,000 AND INSTRUCTED ME TO PLACE A SERIES OF TRADES (BUY AND SELL) ON HER BEHALF IN A STOCK WHICH SHE HAD REQUESTED, WHICH WAS FRONTIER AIRLINES. IN ADDITION TO [CUSTOMER'S] STOCK REQUEST, I RECOMMENDED THAT SHE DIVERSIFY HER PORTFOLIO IN A NUMBER OF MUTUAL FUNDS, REPRESENTING VARIOUS ASSET CLASSES IN ORDER TO ACHIEVE HER STATED RISK TOLERANCE AND INVESTMENT OBJECTIVES. THEREFORE, [CUSTOMER] HAD AGREED WITH MY RECOMMENDATION THAT SHE PURCHASE AN ASSORTMENT OF FUNDS REPRESENTING THE FOLLOWING ASSET CLASSES: SMALL CAP, MID CAP, LARGE CAP VALUE, REAL ESTATE, INTERNATIONAL AND BONDS. IN ADDITION, I RECOMMENDED THAT SHE PURCHASE SOME SHARES OF XEROX STOCK. WITHIN 90 DAYS, WE SOLD THE XEROX STOCK WHICH RESULTED IN A 100% RATE OF RETURN WITHIN HER PORTFOLIO, MINUS THE COMMISSION COST OF PURCHASING AND SELLING XEROX.

OVER THE COURSE OF TWO YEARS, [CUSTOMER] HAD WITHDREW MORE THAN \$110,000.00 FROM HER BROKERAGE ACCOUNT, AS A RESULT OF MAKING ADDITIONAL DEPOSITS TO COVER THE CHECKS WHICH SHE WAS



WRITING TO PAY HER MONTHLY EXPENSES, INCLUDING THE NEW BMW AUTOMOBILE WHICH SHE HAD PURCHASED...DESPITE THE FACT THAT I SPECIFICALLY ADVISED HER NOT TO PURCHASE A BRAND NEW BMW BECAUSE HER HONDA ACCORD WAS ONLY 5 YEARS OLD AND HAD LESS THAN 100,000 MILES ON IT! SHE WOULD LATER CALL ME COMPLAINING THAT SHE COULD NOT AFFORD THE PAYMENTS AND MAINTENANCE ON HER BMW. WHAT CAN I SAY, I TOLD HER NOT TO PURCHASE A BMW!

[CUSTOMER] HAD EVENTUALLY DECIDED TO CASH IN HER BROKERAGE ACCOUNT BECAUSE SHE BEGAN TO REALIZE THAT SHE WAS SPENDING MORE ON MARGIN THAN THE ACTUAL CASH WHICH SHE WAS DEPOSITING, BECAUSE HER SUBSEQUENT WITHDRAWS WAS GREATER OFTEN TWO TIMES GREATER THAN HER PREVIOUS DEPOSITS! WE EVENTUALLY CLOSED [CUSTOMER'S] ACCOUNT AND SHE DECIDED TO TRANSFER HER ACCOUNT TO ONE OF HER SORORITY SISTERS WHO WAS ALSO A FINANCIAL ADVISOR WITH AMERICAN EXPRESS FINANCIAL ADVISORS. [CUSTOMER] WAS LATER INSTRUCTED TO FILE A LETTER OF COMPLAINT AGAINST ME AND A.G. EDWARDS BY HER SORORITY SISTER. I DO NOT UNDERSTAND WHY SHE WAS GIVEN THIS "ADVICE", ESPECIALLY SINCE A.G. EDWARDS HAD GIVEN HER A THOROUGH ACCOUNTING OF HER ACCOUNT ACTIVITY FOR THE PREVIOUS NEARLY THREE YEARS, WHICH REFLECTED THAT [CUSTOMER] WAS SPENDING MORE MONEY THAN WHAT SHE ACTUALLY HAD AVAILABLE IN CASH VS. MARGIN. [CUSTOMER'S] LETTER OF COMPLAINT WAS IMMEDIATELY REJECTED BY A.G. EDWARDS BECAUSE IT WAS FRIVOLOUS AND WITHOUT MERIT. THERE WAS ABSOLUTELY NO EVIDENCE OF NEGLIGENCE OR WRONG DOING ON MY PART. SHE WAS SIMPLY ANGRY WITH HERSELF FOR HAVING WASTED SO MUCH MONEY AND SHE RESENTED ME FOR BRINGING TO HER ATTENTION THAT SHE WAS THE CAUSE OF HER OWN FINANCIAL PROBLEMS.

Disclosure 2 of 2

| | |
|--|--|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | A. G. EDWARDS & SONS, INC. |
| Allegations: | ALLEGES NEGLIGENCE. ALLEGED LOSSES, NOT SPECIFIED, ARE BELIEVED TO EXCEED \$5,000. |
| Product Type: | Other |
| Other Product Type(s): | MISCELLANEOUS |
| Alleged Damages: | |

Customer Complaint Information

| | |
|--|------------|
| Date Complaint Received: | 05/14/2003 |
| Complaint Pending? | No |
| Status: | Settled |
| Status Date: | 06/20/2003 |
| Settlement Amount: | \$7,500.00 |
| Individual Contribution Amount: | \$7,500.00 |



Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: A. G. EDWARDS

Allegations: ALLEGES NEGLIGENCE. ALLEGED LOSSES NOT SPECIFIED. ARE BELIEVED TO EXCEED \$5,000.00

Product Type: Mutual Fund

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): A.G. EDWARDS PAID [CUSTOMER] \$7,500.00. DESPITE THE FACT THAT A.G. EDWARDS BELIEVED THAT HIS COMPLAINT LACKED ANY MERIT, THEY DETERMINED THAT PAYING [CUSTOMER] WAS A GOOD "ECONOMIC DECISION", RATHER THAN SPENDING \$20,000 TO PROVE THAT [CUSTOMER] HAD SUBMITTED A FRIVOLOUS LETTER OF COMPLAINT. FURTHERMORE, A.G. EDWARDS FELT THAT [CUSTOMER] HAD WRITTEN AN EXCESSIVE NUMBER OF "BAD CHECKS" FROM HIS BROKERAGE ACCOUNT. HE FAILED TO SPECIFY AN AMOUNT WHICH HE HAD SUPPOSEDLY LOST.

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: 05/14/2003

Complaint Pending? No

Status: Settled

Status Date: 06/20/2003

Settlement Amount: \$7,500.00

Individual Contribution Amount: \$3,750.00

Broker Statement FINRA'S COMMENT: COMPLAINT NO LONGER REPORTABLE BECAUSE FILED MORE THAN 24 MONTHS AGO. PLEASE ARCHIVE.

MARTIN A. SMITH'S COMMENT:
DURING THE SUMMER OF 2000 I ACCEPTED AN INQUIRY FROM A GENTLEMAN NAMED [CUSTOMER]. HE LEARNED ABOUT MY BY VIEWING A FINANCIAL TALK SHOW WHERE I WAS THE CO-HOST AND "FINANCIAL EXPERT". [CUSTOMER] CONTACTED ME AND STATED, "I SAW YOU ON TELEVISION, YOU APPEAR TO BE VERY KNOWLEDGEABLE AND I WOULD LIKE FOR YOU TO MANAGE MY BROKERAGE ACCOUNT THAT IS CURRENTLY HELD AT FIRST UNION SECURITIES." HE FURTHER STATED, "THE MARKET IS WAY UP?AS I WATCH CNBC I SEE THAT SOME PEOPLE ARE GETTING 100% TO 400% RETURNS ON THEIR PORTFOLIOS AND I'M ONLY GETTING 25% TO 40% AND I DON'T FEEL THAT THE RATE OF RETURN THAT I AM RECEIVING IS ENOUGH?ALL I OWN ARE MUTUAL FUNDS WITH EVERGREEN FUNDS, I WANT SOME STOCK AND TO BE MORE AGGRESSIVE."
I LISTENED CAREFULLY TO [CUSTOMER] AND INFORMED HIM THAT THE DOW WAS PERFORMING THE WAY THAT IT WAS BECAUSE OF THE SURGE



OF BUYING AND INVESTING IN TECHNOLOGY STOCKS. HE PERSISTED WITH HIS REQUEST THAT I TAKE OVER HIS ACCOUNT AND DO SOME "STOCK BUYING" FOR HIM. I PERSONALLY NOTED THAT HIS RISK TOLERANCE WAS NOT "AGGRESSIVE", BUT "GROWTH WITH INCOME", DESPITE HIS INSISTENCE ON BEING "MORE AGGRESSIVE". THEREFORE, RATHER THAN PURCHASING A BASKET OF STOCKS FOR [CUSTOMER], I SIMPLY REALLOCATED HIS PORTFOLIO BY PURCHASING SOME ADDITIONAL MUTUAL FUNDS, TO WHICH HE HAD AGREED. HIS REVISED PORTFOLIO HAD CONSISTED OF MUTUAL FUNDS REPRESENTING SMALL CAPS, MID CAPS AND LARGE CAPS, INCLUDING BOND FUNDS. IN ADDITION, I RECOMMENDED THAT HE PURCHASE SOME SHARES OF XEROX STOCK, WHICH WE SOLD APPROXIMATELY THREE MONTHS LATER, REALIZING A SHORT TERM GAIN OF 100% FOR HIM. UNFORTUNATELY, HE FAILED TO MENTION THIS FACT IN THE LETTER OF COMPLAINT WHICH HE WROTE AGAINST ME.

AFTER I HAD REALLOCATED [CUSTOMER'S] ACCOUNT, HE BEGAN WRITING A SERIES OF CHECKS FROM HIS BROKERAGE ACCOUNT. HE DID NOT HAVE ANY AVAILABLE CASH IN HIS ACCOUNT TO COVER THE THOUSANDS OF DOLLARS IN PURCHASES WHICH HE WAS MAKING. APPROXIMATELY TWO YEARS AFTER [CUSTOMER] HAD BECOME MY CLIENT, HE MANAGED TO WRITE MORE THAN \$10,000 WORTH OF CHECKS FROM A BROKERAGE ACCOUNT WITH A ZERO CASH BALANCE! AS THE RECESSION WHICH BEGAN IN MARCH OF 2000 CARRIED ON, [CUSTOMER'S] PORTFOLIO BEGAN TO DECLINE. HIS BALANCE DROPPED APPROXIMATELY 10% PER YEAR AND HE WAS RUNNING OUT OF OPTIONS, BUT HE ALSO CONTINUED TO WRITE CHECKS, PURCHASING MERCHANDISE FROM HIS EMPLOYER, SEARS.

EVENTUALLY, HIS PORTFOLIO VALUE HAD DECLINED TO THE POINT WHERE HIS ONLY OPTIONS WERE TO 1) SELL HIS SECURITIES TO PAY FOR THE OUTSTANDING MARGIN DEBIT WHICH HE HAD ACCUMULATED OR 2) DEPOSIT ADDITIONAL CASH INTO HIS BROKERAGE ACCOUNT. [CUSTOMER] WOULD NOT COMPLY WITH EITHER OPTION, BELIEVING THAT THE MARKET WOULD SOON 'REBOUND' IN HIS FAVOR. IN THE FIRST QUARTER OF 2003, [CUSTOMER] HAD RECEIVED A NUMBER OF "MARGIN CALLS" FROM A.G. EDWARDS. HE REFUSED TO DEPOSIT ADDITIONAL CASH IN HIS ACCOUNT AND FINALLY AGREED TO SELL HIS MUTUAL FUNDS IN ORDER TO PAY OFF HIS MARGIN DEBIT.

APPROXIMATELY TWO MONTHS LATER, [CUSTOMER] WROTE A COMPLAINT AGAINST ME AND ACCUSED ME AN UNSPECIFIED LOSS IN HIS PORTFOLIO VALUE. HIS COMPLAINT FAILED TO NAME A SPECIFIC DOLLAR AMOUNT WHICH HE HAD LOST. A.G. EDWARDS TOLD ME THAT, "ALTHOUGH WE DO NOT BELIEVE THAT HIS COMPLAINT HAD ANY MERIT TO IT AND IT LACKED ANY PROOF OF NEGLIGENCE ON YOUR PART, WE HAVE DECIDED THAT IT WOULD BE BETTER TO SIMPLY GIVE [CUSTOMER] \$7,500.00 TO 'GO AWAY', INSTEAD OF SPENDING \$20,000 TO DEFEAT HIM IN A FINRA ARBITRATION HEARING. I DISAGREED WITH A.G. EDWARDS'S DECISION TO PAY [CUSTOMER] BECAUSE I FELT THAT HE WAS "GAMING THE SYSTEM" BY CLAIMING TOTAL IGNORANCE OF HOW TO MANAGE HIS PERSONAL CHECKING ACCOUNT. EVENTUALLY, I WAS ONLY ORDER TO PAY \$3,750, WHICH I BELIEVE WAS VERY UNFAIR TO ME SINCE I DID NOT WRITE THOSE BOUNCED CHECKS FOR HIM AND RUN UP A LARGE MARGIN DEBIT ON HIS BEHALF. [CUSTOMER] DID THOSE THINGS TO HIMSELF



Financial

This disclosure event involves a final bankruptcy, compromise with one or more creditors, or Securities Investor Protection Corporation liquidation that occurred within the last 10 years and that involved the Investment Adviser Representative or an organization/investment adviser that the Investment Adviser Representative controlled that occurred within the last 10 years.

Disclosure 1 of 1

Reporting Source: Individual
Action Type: Compromise
Action Date: 07/13/2016

Organization Investment-Related?

Action Pending? No

Disposition: Satisfied/Released

Disposition Date: 07/13/2016

If a compromise with creditor, provide:

Name of Creditor: Select Portfolio Servicing Inc.

Original Amount Owed: \$595,513.62

Terms Reached with Creditor: Original mortgage loan was for \$358,927.79 + \$236,585.83 in interest and late fees. The property was sold and all liens were released for \$288,065.42.

Broker Statement

I purchased a house in 2003 and wasn't aware that I was a victim of "redatory lending." In 2008, I was notified by the Consumer Financial Protection Bureau (CFPB) that I was named as a Plaintiff in a class action lawsuit that the CFPB filed against my former mortgage company for committing a civil rights violation, known as "Redlining." The law suit allowed me to reach a settlement with my mortgage company to "short sell" my house, which I was able to accomplish on July 13, 2016.



End of Report

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