



## IAPD Report

# MIGUEL R CORREA CESTERO

CRD# 2765420

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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

### MIGUEL R CORREA CESTERO (CRD# 2765420)

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 **02/11/2026**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
<b>B</b>	POPULAR SECURITIES, LLC	CRD# 8096	07/28/1997
<b>IA</b>	POPULAR SECURITIES, LLC	CRD# 8096	06/10/2013

### QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **8** 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>	POPULAR SECURITIES, INC.	8096	SAN JUAN, PR	08/09/2011 - 01/31/2012
<b>B</b>	MARKETING ONE SECURITIES, INC.	16611	PORTLAND, OR	07/18/1996 - 09/10/1996

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

### DISCLOSURE INFORMATION

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

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

The following types of events are disclosed about this representative:

Type	Count
Customer Dispute	13



## Qualifications

### REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works. This individual is currently registered with 8 jurisdiction(s) and 1 SRO(s) through his or her employer(s).

### Employment 1 of 1

Firm Name: **POPULAR SECURITIES, LLC**  
Main Address: POPULAR CENTER, 208 PONCE DE LEON SUITE 1200 HATO REY, PR 00918  
Firm ID#: 8096

Regulator	Registration	Status	Date
B FINRA	General Securities Representative	Approved	07/28/1997
B Connecticut	Agent	Approved	02/06/2024
B Delaware	Agent	Approved	09/29/2023
B Florida	Agent	Approved	02/11/2000
B Illinois	Agent	Approved	06/01/2023
B Michigan	Agent	Approved	02/13/2026
B New York	Agent	Approved	06/02/2003
B Puerto Rico	Agent	Approved	07/28/1997
IA Puerto Rico	Investment Adviser Representative	Approved	06/10/2013
B South Carolina	Agent	Approved	08/25/2010

### Branch Office Locations

**POPULAR SECURITIES, LLC**  
209 PONCE DE LEON AVENUE  
PLAZA LEVEL  
SAN JUAN, PR 00918

**POPULAR SECURITIES, LLC**  
SAN PATRICIO GALLERY  
AVENIDA GONZÁLEZ GIUSTI BLOQUE 9  
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, 2 general industry/product exams, and 1 state securities law exam.**

#### Principal/Supervisory Exams

Exam	Category	Date
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No information reported.

#### General Industry/Product Exams

Exam	Category	Date
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Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
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General Securities Representative Examination (S7)	Series 7	07/13/1996
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#### State Securities Law Exams

Exam	Category	Date
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Uniform Combined State Law Examination (S66)	Series 66	12/27/1999
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### 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	08/09/2011 - 01/31/2012	POPULAR SECURITIES, INC.	CRD# 8096	SAN JUAN, PR
B	07/18/1996 - 09/10/1996	MARKETING ONE SECURITIES, INC.	CRD# 16611	PORTLAND, OR

#### 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
07/1997 - Present	BANCO POPULAR DE PUERTO RICO	PRIVATE BANKER	N	HATO REY, PR, United States
07/1997 - Present	POPULAR SECURITIES, INC.	INVESTMENT REPRESENTATIVE	Y	HATO REY, PR, 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.

CORREACOSTA Investments, LLC (Administrator) -  
 Urb. Estancias de Torrimar  
 B-60 Calle Ridgewood  
 Guaynabo PR 00966 -  
 No Compensation -  
 Investment Related -  
 Nature of the business = Investment Portfolio Management -  
 Start Date = 07/12/2021



## Disclosure Summary

### Disclosure Information

#### What you should know about reported disclosure events:

##### (1) Certain thresholds must be met before an event is reported to IARD, for example:

- A law enforcement agency must file formal charges before an Investment Adviser Representative is required to report a particular criminal event.;
- A customer dispute must involve allegations that an Investment Adviser Representative engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.

##### (2) Disclosure events in IAPD reports come from different sources:

As mentioned in the "About IAPD" section on page 1 of this report, information contained in IAPD comes from Investment Adviser Representatives, firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the IAPD report. The different versions will be separated by a solid line with the reporting source labeled.

##### (3) There are different statuses and dispositions for disclosure events:

- A disclosure event may have a status of *pending*, *on appeal*, or *final*.
  - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
  - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
  - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
  - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
  - A "settled" matter generally represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
  - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

##### (4) You may wish to contact the Investment Adviser Representatives to obtain further information regarding any of the disclosure events contained in this IAPD report.



## DISCLOSURE EVENT DETAILS

When evaluating this information, please keep in mind that some items may involve pending actions or allegations that may be contested and have not been resolved or proven. The event may, in the end, be withdrawn, dismissed, resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to the Investment Adviser Registration Depository. Some of the specific data fields contained in the report may be blank if the information was not provided.

The following types of events are disclosed about this representative:

Type	Count
Customer Dispute	13

### Customer Dispute

This section provides information regarding a customer dispute that was reported to the Investment Adviser Registration Depository (IARD) by the Investment Adviser Representative (IAR), an investment adviser and/or securities firm, and/or a securities regulator. The event may include a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit that contains allegations of sales practice violations against the individual.

The customer dispute may be pending or may have resulted in a civil judgment, arbitration award, monetary settlement, closure without action, withdrawal, dismissal, denial, or other outcome.

#### Disclosure 1 of 13

<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	POPULAR SECURITIES, LLC
<b>Allegations:</b>	Claimant alleges that Financial Consultant made recommendations to purchase and to hold P.R. closed-end funds and P.R. bonds, resulting in an over concentrated and high risk portfolio, which was unsuitable in light of the client's stated risk tolerance and investment objective.
<b>Product Type:</b>	Debt-Government Other: PR Closed End Funds
<b>Alleged Damages:</b>	\$1,000,000.01
<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>	24-01057
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	05/15/2024

### Customer Complaint Information

<b>Date Complaint Received:</b>	05/21/2024
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**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement** The Financial Consultant denies these allegations and intends to defend them vigorously.

### Disclosure 2 of 13

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** Popular Securities, LLC

**Allegations:** Client alleged that the Firm's investment recommendations to purchase and to hold P.R. securities were unsuitable in light of the clients' risk profile and Puerto Rico's well known deteriorating financial condition.

**Product Type:** Other: Closed end funds

**Alleged Damages:** \$165,000.00

**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:** 01/24/2019

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 05/23/2019

**Settlement Amount:** \$25,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** The Financial Consultant denies any wrong doing as he did not contribute economically in the settlement and was ready to defend the case in front of a hearing panel.

### Disclosure 3 of 13

**Reporting Source:** Individual

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

**Allegations:** Claimant alleges that Financial Consultant investment recommendations to purchase and to hold P.R. securities were unsuitable in light of the clients' risk tolerance. Claimants also allege that recommendations made by the Financial Consultant were particularly egregious in light of Puerto Rico's well known deteriorating financial condition.



**Product Type:** Debt-Government  
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 #:** 18-04294

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 12/19/2018

### Customer Complaint Information

**Date Complaint Received:** 12/26/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 03/19/2021

**Settlement Amount:** \$70,000.00

**Individual Contribution  
Amount:** \$0.00

**Broker Statement** THE FINANCIAL CONSULTANT DENIES THE ALLEGATIONS AND INTENDS TO DEFEND THEM VIGOROUSLY.

### Disclosure 4 of 13

**Reporting Source:** Individual

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

**Allegations:** Claimant alleges that Financial Consultant investment recommendations to purchase and to hold P.R. securities were unsuitable in light of the clients' risk tolerance. Claimants also allege that recommendations made by the Financial Consultant were particularly egregious in light of Puerto Rico's well known deteriorating financial condition.

**Product Type:** Debt-Government

**Alleged Damages:** \$335,000.00

**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 #:** 18-03194



**Filing date of arbitration/CFTC reparation or civil litigation:** 09/10/2018

### Customer Complaint Information

**Date Complaint Received:** 09/13/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 03/19/2021

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

**Individual Contribution Amount:** \$0.00

**Broker Statement** THE FINANCIAL CONSULTANT DENIES THE ALLEGATIONS AND INTENDS TO DEFEND THEM VIGOROUSLY.

### Disclosure 5 of 13

**Reporting Source:** Individual

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

**Allegations:** Claimant alleges that Financial Consultant investment recommendations to purchase and to hold P.R. securities were unsuitable in light of the clients' risk tolerance. Claimants also allege that recommendations made by the Financial Consultant were particularly egregious in light of Puerto Rico's well known deteriorating financial condition.

**Product Type:** Debt-Government

**Alleged Damages:** \$300,000.00

**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 #:** 18-02670

**Filing date of arbitration/CFTC reparation or civil litigation:** 07/26/2018

### Customer Complaint Information

**Date Complaint Received:** 07/30/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 01/27/2022

**Settlement Amount:** \$55,000.00



<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	The Financial Consultant denies the allegations and intends to defend them vigorously.
<b>Disclosure 6 of 13</b>	
<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	Popular Securities LLC
<b>Allegations:</b>	Claimant alleges that Financial Consultant investment recommendations to purchase and to hold P.R. securities were unsuitable in light of the clients' risk tolerance. Claimants also allege that recommendations made by the Financial Consultant were particularly egregious in light of Puerto Rico's well known deteriorating financial condition.
<b>Product Type:</b>	Debt-Government Other: Closed End Funds
<b>Alleged Damages:</b>	\$302,000.00
<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>	18-01969
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	05/23/2018

### Customer Complaint Information

<b>Date Complaint Received:</b>	05/29/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	11/04/2019
<b>Settlement Amount:</b>	\$62,500.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	The Financial Consultant denies the allegations and intends to defend them vigorously.

### Disclosure 7 of 13

<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	Popular Securities



**Allegations:** Claimant alleges that Financial Consultant investment recommendations to purchase and to hold P.R. securities were unsuitable in light of the clients' risk tolerance. Claimants also allege that recommendations made by the Financial Consultant were particularly egregious in light of Puerto Rico's well known deteriorating financial condition.

**Product Type:** Debt-Government  
Other: Closed End Funds

**Alleged Damages:** \$5,652,111.42

**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 #:** 18-01837

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 05/14/2018

### Customer Complaint Information

**Date Complaint Received:** 05/15/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 09/01/2022

**Settlement Amount:** \$150,000.00

**Individual Contribution  
Amount:** \$0.00

**Broker Statement** The Financial Consultant denies the allegations and intends to defend them vigorously.

### Disclosure 8 of 13

**Reporting Source:** Individual

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

**Allegations:** Claimant alleges that Financial Consultant investment recommendations to purchase and to hold P.R. securities were unsuitable in light of the clients' risk tolerance. Claimants also allege that recommendations made by the Financial Consultant were particularly egregious in light of Puerto Rico's well known deteriorating financial condition.

**Product Type:** Debt-Government

**Alleged Damages:** \$3,991,556.59

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC** Yes



## reparation or civil litigation?

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

**Docket/Case #:** 18-00547

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 02/09/2018

**Customer Complaint Information**

**Date Complaint Received:** 02/14/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 06/24/2022

**Settlement Amount:** \$290,000.00

**Individual Contribution  
Amount:** \$0.00

**Broker Statement** THE FINANCIAL CONSULTANT DENIES THE ALLEGATIONS AND INTENDS TO DEFEND THEM VIGOROUSLY.

**Disclosure 9 of 13**

**Reporting Source:** Individual

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

**Allegations:** Claimant alleges that Financial Consultant investment recommendations to purchase and to hold P.R. securities were unsuitable in light of the clients' risk tolerance. Claimants also allege that recommendations made by the Financial Consultant were particularly egregious in light of Puerto Rico's well known deteriorating financial condition.

**Product Type:** Debt-Government

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

**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 #:** 18-00339

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 01/29/2018

**Customer Complaint Information**

**Date Complaint Received:** 02/01/2018

**Complaint Pending?** No



**Status:** Settled  
**Status Date:** 10/20/2022  
**Settlement Amount:** \$260,000.00  
**Individual Contribution Amount:** \$0.00  
**Broker Statement** The Financial Consultant continues to deny the allegations and is not in agreement with the settlement made. The FA did not participate in this settlement and was prepared and would have preferred to defend the case in front of the hearing panel.

### Disclosure 10 of 13

**Reporting Source:** Individual  
**Employing firm when activities occurred which led to the complaint:** Popular Securities, LLC  
**Allegations:** Claimants allege that Financial Consultant made recommendations to purchase and to hold P.R. closed-end funds and P.R. bonds, P.R. Conv.Trust resulting in an over concentrated and high risk portfolio, which was unsuitable in light of the client's stated risk tolerance and investment objective.  
**Product Type:** Debt-Corporate  
Debt-Government  
Other: Closed End Funds  
**Alleged Damages:** \$2,173,866.00  
**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 #:** 15-03316  
**Filing date of arbitration/CFTC reparation or civil litigation:** 12/04/2015

### Customer Complaint Information

**Date Complaint Received:** 12/21/2015  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 04/18/2019  
**Settlement Amount:** \$112,500.00  
**Individual Contribution Amount:** \$0.00  
**Broker Statement** The Financial Consultant denies the allegations and intends to defend them vigorously.

**Disclosure 11 of 13**

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** POPULAR SECURITIES, LLC

**Allegations:** Claimant alleges that Financial Consultant made recommendations to purchase and to hold P.R. closed-end funds and P.R. bonds, resulting in an over concentrated and high risk portfolio, which was unsuitable in light of the client's stated risk tolerance and investment objective.

**Product Type:** Debt-Government  
Other: CLOSED END FUNDS

**Alleged Damages:** \$5,300,000.00

**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 #:** 21-00598

**Filing date of arbitration/CFTC reparation or civil litigation:** 03/04/2021

**Customer Complaint Information**

**Date Complaint Received:** 03/05/2021

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 02/07/2022

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

FINRA CASE 15-02565 was dismissed and re-submitted on March 4th, 2021 under FINRA CASE 21-00598. Both occurrences involve the same exact parties, time period, conduct, activity, and allegations from claimants. The Financial Consultant denies the allegations and intends to defend them vigorously.

After considering the pleadings, the testimony and evidence presented at the hearing, and any post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows: (1) Claimants' claims are dismissed in their entirety pursuant to Rule 12206 of the Code, and (2) Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, exemplary damages, and attorneys' fees, are dismissed.

**Disclosure 12 of 13**



**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** POPULAR SECURITIES, LLC

**Allegations:** Claimant alleges that Financial Consultant made recommendations to purchase and to hold P.R. closed-end funds and P.R. bonds, resulting in an over concentrated and high risk portfolio, which was unsuitable in light of the client's stated risk tolerance and investment objective.

**Product Type:** Debt-Government  
Other: CLOSED END FUNDS

**Alleged Damages:** \$1,300,000.00

**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 #:** 15-02560

**Filing date of arbitration/CFTC reparation or civil litigation:** 09/22/2015

### Customer Complaint Information

**Date Complaint Received:** 11/02/2015

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 12/08/2023

**Settlement Amount:** \$550,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** The Financial Consultant denies the allegations and intends to defend them vigorously.

### Disclosure 13 of 13

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** POPULAR SECURITIES, LLC

**Allegations:** CLIENT ALLEGE THAT FINANCIAL CONSULTANT INVESTMENT RECOMMENDATIONS TO PURCHASE AND TO HOLD P.R. CLOSE-END FUNDS AND P.R. BONDS RESULTED IN AN OVER CONCENTRATED AND HIGH RISK PORTFOLIO, WHICH WERE UNSUITABLE POSITIONS IN LIGHT OF THE CLIENT'S RISK TOLERANCE. CLAIMANTS ALSO ALLEGE THAT FINANCIAL CONSULTANT MADE MISLEADING REPRESENTATIONS REGARDING THE PRODUCTS RISKS AND LIQUIDITY. CLAIMANT ALSO STATES THAT THE FINANCIAL CONSULTANT ARRANGED TO HAVE THE



CLAIMANT BORROW IN EXCESS OF \$300,000 USING MARGIN LOAN AND FAILED TO DISCLOSED THE RISKS ATTENDANT TO THE USE OF LEVERAGE.

**Product Type:**

Debt-Government  
Other: CLOSED END FUNDS

**Alleged Damages:**

\$100,000.00

**Alleged Damages Amount Explanation (if amount not exact):**

NOT SPECIFIED. ALLEGED LOSS BETWEEN \$100,000-\$500,000

**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 #:**

15-00380

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

02/11/2015

**Customer Complaint Information****Date Complaint Received:**

02/26/2015

**Complaint Pending?**

No

**Status:**

Settled

**Status Date:**

05/17/2016

**Settlement Amount:**

\$60,000.00

**Individual Contribution Amount:**

\$0.00

**Broker Statement**

THE AFOREMENTIONED SECURITIES AT THE TIME OF PURCHASE WERE RATED AT LEAST "INVESTMENT GRADE". SECURITIES WERE PURCHASED BY THE CLAIMANT TWO YEARS PRIOR TO RESPONDENT'S ACQUISITION OF ACCOUNT. ALSO, THE RESPONDENT ENCOURAGED CLIENT TO DIVERSIFY AWAY FROM PR BONDS. THE CLAIMANT REQUESTED A MARGIN CREDIT FACILITY FROM THE BROKER/DEALER. THE RISKS OF LEVERAGE WERE DISCLOSED TO CLIENT AT ALL TIMES, IN THE MARGIN AGREEMENT THAT HE SIGNED AND EVERY TIME CLAIMANT'S CREDIT AVAILABILITY WAS CONFIRMED IN WRITING.



## End of Report

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