



## IAPD Report

# DAVID LEE SHAFRANEK

CRD# 2919901

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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

### DAVID LEE SHAFRANEK (CRD# 2919901)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **03/13/2025**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
<b>B</b>	PROSPERA FINANCIAL SERVICES, INC.	CRD# 10740	04/15/2014
<b>IA</b>	PROSPERA FINANCIAL SERVICES, INC.	CRD# 10740	04/21/2014

### QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **10** jurisdiction(s).

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

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

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

### REGISTRATION HISTORY

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

	FIRM	CRD#	LOCATION	REGISTRATION DATES
<b>B</b>	CITIGROUP GLOBAL MARKETS INC.	7059	BRONX, NY	05/29/2007 - 04/03/2014
<b>IA</b>	CITIGROUP GLOBAL MARKETS INC.	7059	BRONX, NY	05/29/2007 - 04/03/2014
<b>IA</b>	CITICORP INVESTMENT SERVICES	23988	BRONX, NY	01/06/2005 - 05/29/2007

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

### DISCLOSURE INFORMATION

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

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

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	3
Customer Dispute	1
Termination	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 **10** jurisdiction(s) and 1 SRO(s) through his or her employer(s).

### Employment 1 of 1

Firm Name: **PROSPERA FINANCIAL SERVICES, INC.**  
Main Address: 5429 LBJ FREEWAY  
SUITE 750  
DALLAS, TX 75240  
Firm ID#: 10740

	Regulator	Registration	Status	Date
<b>B</b>	FINRA	General Securities Representative	Approved	04/15/2014
<b>B</b>	Alabama	Agent	Approved	06/22/2016
<b>B</b>	California	Agent	Restricted Approval	07/14/2015
<b>B</b>	Connecticut	Agent	Approved	09/21/2016
<b>B</b>	Florida	Agent	Approved	11/09/2017
<b>B</b>	Georgia	Agent	Approved	04/25/2014
<b>B</b>	New Jersey	Agent	Approved	04/17/2015
<b>IA</b>	New Jersey	Investment Adviser Representative	Approved	04/17/2015
<b>B</b>	New York	Agent	Approved	04/15/2014
<b>B</b>	Pennsylvania	Agent	Approved	04/15/2014
<b>B</b>	Puerto Rico	Agent	Approved	10/27/2014
<b>B</b>	Tennessee	Agent	Approved	03/17/2015



## Qualifications

### Branch Office Locations

**PROSPERA FINANCIAL SERVICES, INC.**

Livingston, NJ



## Qualifications

### PASSED INDUSTRY EXAMS

This section includes all industry exams that the representative has passed. Under limited circumstances, a representative may attain registration after receiving an exam waiver based on a combination of exams the representative has passed and qualifying work experience. Likewise a new exam requirement may be grandfathered based on a representative's specific qualifying work experience. Exam waivers and grandfathering are not included below.

**This individual has passed 0 principal/supervisory exams, 2 general industry/product exams, and 2 state securities law exams.**

#### Principal/Supervisory Exams

Exam	Category	Date
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No information reported.

#### General Industry/Product Exams

Exam	Category	Date
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<b>B</b> Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
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<b>B</b> General Securities Representative Examination (S7)	Series 7	08/23/1997
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#### State Securities Law Exams

Exam	Category	Date
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<b>IA</b> Uniform Investment Adviser Law Examination (S65)	Series 65	12/29/2004
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<b>B</b> Uniform Securities Agent State Law Examination (S63)	Series 63	09/02/1997
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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
B	05/29/2007 - 04/03/2014	CITIGROUP GLOBAL MARKETS INC.	CRD# 7059	BRONX, NY
IA	05/29/2007 - 04/03/2014	CITIGROUP GLOBAL MARKETS INC.	CRD# 7059	BRONX, NY
IA	01/06/2005 - 05/29/2007	CITICORP INVESTMENT SERVICES	CRD# 23988	BRONX, NY
B	05/25/2004 - 05/29/2007	CITICORP INVESTMENT SERVICES	CRD# 23988	BRONX, NY
B	02/12/2003 - 04/30/2004	BANC ONE SECURITIES CORPORATION	CRD# 16999	CHICAGO, IL
B	12/01/1999 - 01/29/2003	CITICORP INVESTMENT SERVICES	CRD# 23988	LONG ISLAND CITY, NY
B	10/08/1998 - 11/19/1999	MAY, DAVIS GROUP INC.	CRD# 35622	NEW YORK, NY
B	01/07/1998 - 10/05/1998	H.J. MEYERS & CO., INC.	CRD# 15609	ROCHESTER, NY
B	08/25/1997 - 12/31/1997	FIRST UNITED EQUITIES CORPORATION	CRD# 36398	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
04/2014 - Present	PROSPERA FINANCIAL SERVICES, INC.	REGISTERED REP & INVESTMENT ADVISOR REP	Y	DALLAS, TX, 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.

Mr. Shafranek is the Executor of an Estate. This is not an investment related business. While Mr. Shafranek just helps distribute clients assets to his son or 2 Charities. Spending zero hours during market trading hours. Other than the 3-5% commission fee there is no other compensation.



## Registration & Employment History



### OTHER BUSINESS ACTIVITIES

PROSPERA NY 40 HOURS A WEEK. PROVIDES INVESTMENT SERVICES FOR INDIVIDUALS, BUSINESS OWNERS, AND CORPORATIONS THROUGH PROSPERA FINANCIAL SERVICES.

MR. SHAFRANEK HAS A RENTAL PROPERTY IN WHITE PLAINS, NY. THIS BUSINESS IS NOT INVESTMENT RELATED. SPENDING 1-9% OF HIS WEEKLY TIME NOT DURING MARKET HOURS.

David Shafranek; Investment Related - [No]: 200 Mamaroneck Ave., White Plains, NY 10601; Subletter: Start Date [10/2024] 0 Hours Per Month, 0 During Trading Hours; Subletting a single office in our office suite.



## Disclosure Summary

### Disclosure Information

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

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

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

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

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

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

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

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



## DISCLOSURE EVENT DETAILS

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

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

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	3
Customer Dispute	1
Termination	1

### Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative's authority to act as an attorney, accountant or federal contractor.

#### Disclosure 1 of 3

<b>Reporting Source:</b>	Individual
<b>Regulatory Action Initiated By:</b>	New York Insurance Commissioner
<b>Sanction(s) Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s) Other: Stipulation
<b>Date Initiated:</b>	04/12/2016
<b>Docket/Case Number:</b>	2017-0112-S
<b>Employing firm when activity occurred which led to the regulatory action:</b>	Prospera Financial Services, Inc
<b>Product Type:</b>	No Product
<b>Allegations:</b>	On or about April 12, 2016, Mr. Shafranek failed to disclose on his State of New York insurance license renewal application that the State of California had denied his insurance license application on November 13, 2015, believing his timely prior disclosure of the State of California denial through CRD satisfied his disclosure obligations. The State of New York disagreed and issued a Stipulation, which included a \$1000 fine.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Stipulation and Consent



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Resolution Date:** 09/13/2017

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Other: Monetary penalty of \$1000 to be paid by Mr. Shafranek.

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$1,000.00

**Portion Levied against individual:** \$1,000.00

**Payment Plan:** N/A

**Is Payment Plan Current:**

**Date Paid by individual:** 09/07/2017

**Was any portion of penalty waived?** No

**Amount Waived:**

**Disclosure 2 of 3**

**Reporting Source:** Individual

**Regulatory Action Initiated By:** California Insurance Commissioner

**Sanction(s) Sought:** Denial

**Date Initiated:** 11/20/2015

**Docket/Case Number:** LCB 2180-AP

**Employing firm when activity occurred which led to the regulatory action:** Prospera Financial Services, Inc.

**Product Type:** No Product

**Allegations:** No allegations - Order of Summary Denial of Application issued.

**Current Status:** Final

**Resolution:** Order

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Resolution Date:** 11/13/2015



<b>Sanctions Ordered:</b>	Denial
<b>Broker Statement</b>	Without any notice, the California Insurance Department entered an Order denying my application applying for a non-resident insurance agent's license. The action was based solely on the existence of the 2014 FINRA matter I have previously disclosed. Had I known the California Insurance Commission was considering such action or had they given me the opportunity for a hearing, I would have withdrawn the application because it was no longer needed.
<b>Disclosure 3 of 3</b>	
<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	12/05/2014
<b>Docket/Case Number:</b>	<a href="#">2014040781601</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	CITIGROUP GLOBAL MARKETS INC.
<b>Product Type:</b>	Other: PRIVATE SECURITIES
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, SHAFRANEK CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT HE PARTICIPATED IN PRIVATE SECURITIES TRANSACTIONS BY SOLICITING AT LEAST FOUR OF HIS MEMBER FIRM CUSTOMERS TO INVEST A TOTAL OF APPROXIMATELY \$18,500 IN A DIGITAL MEDIA START-UP COMPANY. THE FINDINGS STATED THAT SHAFRANEK NEVER INFORMED THE FIRM OF HIS PARTICIPATION IN THE CUSTOMERS' INVESTMENTS IN THE COMPANY. THE FIRM'S POLICIES AND PROCEDURES PROHIBITED ITS REGISTERED REPRESENTATIVES FROM PARTICIPATING IN PRIVATE SECURITIES TRANSACTIONS NOT ASSOCIATED WITH THE FIRM.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	12/05/2014
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension
<b>If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?</b>	No



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

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

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

**Sanction 1 of 1**

<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	ALL CAPACITIES
<b>Duration:</b>	20 BUSINESS DAYS
<b>Start Date:</b>	01/05/2015



**End Date:** 02/02/2015

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$10,000.00

**Portion Levied against individual:** \$10,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:** 12/18/2014

**Was any portion of penalty waived?** No

**Amount Waived:**

.....

**Reporting Source:** Individual

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Other: N/A

**Date Initiated:** 12/05/2014

**Docket/Case Number:** [2014040781601](#)

**Employing firm when activity occurred which led to the regulatory action:** CITIGROUP GLOBAL MARKETS INC.

**Product Type:** Other: PRIVATE SECURITIES

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, SHAFRANEK CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT HE PARTICIPATED IN PRIVATE SECURITIES TRANSACTIONS BY SOLICITING AT LEAST FOUR OF HIS MEMBER FIRM CUSTOMERS TO INVEST A TOTAL OF APPROXIMATELY \$18,500 IN A DIGITAL MEDIA START-UP COMPANY. THE FINDINGS STATED THAT SHAFRANEK NEVER INFORMED THE FIRM OF HIS PARTICIPATION IN THE CUSTOMERS' INVESTMENTS IN THE COMPANY. THE FIRM'S POLICIES AND PROCEDURES PROHIBITED ITS REGISTERED REPRESENTATIVES FROM PARTICIPATING IN PRIVATE SECURITIES TRANSACTIONS NOT ASSOCIATED WITH THE FIRM.

**Current Status:** Final

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Resolution Date:** 12/05/2014

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)



Suspension

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** ALL CAPACITIES

**Duration:** 20 BUSINESS DAYS

**Start Date:** 01/05/2015

**End Date:** 02/02/2015

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$10,000.00

**Portion Levied against individual:** \$10,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:**

**Was any portion of penalty waived?** No

**Amount Waived:**



### Customer Dispute

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

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

#### Disclosure 1 of 1

**Reporting Source:** Firm

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

**Allegations:** CLIENT'S ATTORNEY ALLEGES THAT "...[THE CLIENT] MET WITH [THE FINANCIAL ADVISOR] TO INVEST \$100,000 [IN AN ANNUITY]...[THE CLIENT] DECIDED THAT HE WANTED THE MONEY BACK AND MET WITH [THE FINANCIAL ADVISOR] [WHO] THEN SAID THAT THE FUNDS COULD NOT BE TOUCHED UNTIL [THE CLIENT] REACHED THE AGE OF 65. [THE CLIENT] COMPLAINED THAT, AT INCEPTION, HE HAD NOT BEEN ADVISED OF THIS LONG TERM REQUIREMENT." OCCURRENCE DATE: 03/15/2006 DAMAGES UNSPECIFIED.

**Product Type:** Annuity-Variable

**Alleged Damages:** \$0.00

**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:** 05/13/2014

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 11/04/2014

**Settlement Amount:** \$7,500.00

**Individual Contribution Amount:** \$0.00

**Firm Statement** CLAIM SETTLED TO AVOID COSTS AND UNCERTAINTIES ASSOCIATED WITH POTENTIAL LITIGATION OR ARBITRATION.

**Reporting Source:** Individual

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

**Allegations:** ACCORDING TO CITIGROUP, CLIENT'S ATTORNEY ALLEGES THAT "...[THE CLIENT] MET WITH [THE FINANCIAL ADVISOR] TO INVEST \$100,000 [IN AN ANNUITY]...[THE CLIENT] DECIDED THAT HE WANTED THE MONEY BACK AND MET WITH [THE FINANCIAL ADVISOR] [WHO] THEN SAID THAT THE



FUNDS COULD NOT BE TOUCHED UNTIL [THE CLIENT] REACHED THE AGE OF 65. [THE CLIENT] COMPLAINED THAT, AT INCEPTION, HE HAD NOT BEEN ADVISED OF THIS LONG TERM REQUIREMENT." OCCURRENCE DATE: 03/15/2006 DAMAGES UNSPECIFIED.

**Product Type:** Annuity-Variable  
**Alleged Damages:** \$0.00  
**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:** 06/02/2014  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 12/04/2014  
**Settlement Amount:** \$7,500.00  
**Individual Contribution Amount:** \$0.00

**Broker Statement**

In June 2014 and after I left Citigroup, [Customer] (the same one mentioned above) had his attorney again write a letter to Citigroup, this time indicating that I had met with the client at least eight years earlier about getting his \$100,000 back out of an annuity and that I allegedly told him the funds couldn't be touched until he reached age 65. He complained to Citigroup that he had not been advised of this long term requirement. I deny ever making such a statement. If I recall correctly, I believe I sold the annuity in about 2006 when the client was 57 and the contract only had a 3 year surrender. The client was advised on several occasions of the short surrender period and that he could withdraw the money at any time, subject to normal taxation and the 10% early withdrawal penalty if made while he was under age 59½. He cashed out of the contract in about 2010 or 2011 and when he did so, the contract was profitable to the client. Even though the complaint was aged and the client had made a profit on the transaction, Citigroup apparently elected to settle the matter for \$7,500 in June 2014 "to avoid costs and uncertainties associated with potential litigation or arbitration." I do not have any copies of either the original complaint letter or the settlement agreement because this event occurred after I left Citigroup.



### Termination

This disclosure event involves a situation where the Investment Adviser Representative voluntarily resigned, was discharged or was permitted to resign after allegations were made that accused the Investment Adviser Representative of violating investment-related statutes, regulations, rules or industry standards of conduct; fraud or the wrongful taking of property; or failure to supervise in connection with investment-related statutes, regulations, rules or industry standards of conduct.

#### Disclosure 1 of 1

**Reporting Source:** Firm

**Firm Name:** CITIGROUP GLOBAL MARKETS INC.

**Termination Type:** Discharged

**Termination Date:** 03/28/2014

**Allegations:** A CUSTOMER COMPLAINED THAT RR ASKED HIM TO PARTICIPATE IN A SIDE BUSINESS OPPORTUNITY NOT RELATED TO CITI. FOLLOWING THAT COMPLAINT, OTHER CUSTOMERS TO WHOM EQUITY AND BRIDGE LOAN AGREEMENTS WERE PROVIDED WERE DISCOVERED.  
5. PRODUCT TYPES: OTHER: EQUITY SUBSCRIPTIONS AND BRIDGE LOANS.

**Product Type:** Other: EQUITY SUBSCRIPTIONS AND BRIDGE LOANS.

**Reporting Source:** Individual

**Firm Name:** CITIGROUP

**Termination Type:** Discharged

**Termination Date:** 03/28/2014

**Allegations:** CITIGROUP CLAIMS THAT I "SOLICITED EQUITY AND BRIDGE LOAN AGREEMENTS THAT WERE NOT OFFERED OR AUTHORIZED BY THE FIRM TO CLIENTS OF THE FIRM." AS SHOWN IN THE COMMENTS BELOW, I DISPUTE THIS ALLEGATION.

**Product Type:** Direct Investment-DPP & LP Interests

**Broker Statement** I DIDN'T SOLICIT ANY CLIENT FOR OR SELL ANY PRODUCT NOT OFFERED ON CITIGROUP'S PLATFORM. WHEN A FEW OF MY BEST CLIENTS ASKED IF I HAD SEEN ANYTHING "NEW AND EXCITING" I PUT THEM IN CONTACT WITH AN INDIVIDUAL THEY COULD TALK TO IF THEY SO CHOSE. I DID NOT PARTICIPATE IN THE CLIENT'S DUE DILIGENCE OR DECISION MAKING NOR DID I OFFER MY OPINION OR HELP WITH ANY SUBSCRIPTION PAPERWORK OR RECEIVE ANY COMPENSATION OF ANY KIND. I GAVE THEM AN IDEA, NOT ADVICE OR A RECOMMENDATION.



## End of Report

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