



## IAPD Report

# PETER CARMINE COVINO III

CRD# 3107080

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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

### PETER CARMINE COVINO III (CRD# 3107080)

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 **10/24/2025**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	LEGACY WEALTH MANAGEMENT, LLC	CRD# 174767	04/28/2015
IA	ANCORATO	CRD# 322695	01/24/2024

### QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **1** 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	LEGACY INVESTMENT SOLUTIONS, LLC	322695	MERIDIAN, ID	11/14/2022 - 12/31/2023
IA	AMERICAN INDEPENDENT SECURITIES GROUP, LLC	135288	Eagle, ID	03/03/2014 - 01/23/2015
B	AMERICAN INDEPENDENT SECURITIES GROUP, LLC	135288	Eagle, ID	10/04/2013 - 01/09/2015

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

### DISCLOSURE INFORMATION

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

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

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1
Customer Dispute	4



## 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 **1** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

#### Employment 1 of 2

Firm Name: **ANCORATO**  
Main Address: 851 N HICKORY STREET SUITE 100  
MERIDIAN, ID 83642  
Firm ID#: 322695

Regulator	Registration	Status	Date
IA Idaho	Investment Adviser Representative	Approved	01/24/2024

#### Branch Office Locations

**ANCORATO**  
851 N HICKORY STREET SUITE 100  
MERIDIAN, ID 83642

#### Employment 2 of 2

Firm Name: **LEGACY WEALTH MANAGEMENT, LLC**  
Main Address: 13965 W. CHINDEN BLVD.  
SUITE 100  
BOISE, ID 83713  
Firm ID#: 174767

Regulator	Registration	Status	Date
IA Idaho	Investment Adviser Representative	Approved	04/28/2015

#### Branch Office Locations

**LEGACY WEALTH MANAGEMENT, LLC**  
13965 W. CHINDEN BLVD.  
SUITE 100  
BOISE, ID 83713



## 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, 4 general industry/product exams, and 2 state securities law exams.**

#### Principal/Supervisory Exams

Exam	Category	Date
 General Securities Principal Examination (S24)	Series 24	03/20/2002
 Investment Company Products/Variable Contracts Principal Examination (S26)	Series 26	02/20/2002

#### General Industry/Product Exams

Exam	Category	Date
 Securities Industry Essentials Examination (SIE)	SIE	01/09/2015
 Futures Managed Funds Examination (S31)	Series 31	03/27/2007
 General Securities Representative Examination (S7)	Series 7	03/05/2002
 Investment Company Products/Variable Contracts Representative Examination (S6)	Series 6	10/08/1998

#### State Securities Law Exams

Exam	Category	Date
 Uniform Investment Adviser Law Examination (S65)	Series 65	12/31/2004
 Uniform Securities Agent State Law Examination (S63)	Series 63	10/01/1998

### 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	11/14/2022 - 12/31/2023	LEGACY INVESTMENT SOLUTIONS, LLC	CRD# 322695	MERIDIAN, ID
IA	03/03/2014 - 01/23/2015	AMERICAN INDEPENDENT SECURITIES GROUP, LLC	CRD# 135288	Eagle, ID
B	10/04/2013 - 01/09/2015	AMERICAN INDEPENDENT SECURITIES GROUP, LLC	CRD# 135288	Eagle, ID
IA	10/12/2010 - 10/07/2013	PROSPERA FINANCIAL SERVICES, INC.	CRD# 10740	BOISE, ID
B	10/08/2010 - 10/07/2013	PROSPERA FINANCIAL SERVICES, INC.	CRD# 10740	BOISE, ID
IA	01/05/2009 - 09/30/2010	VSR ADVISORY SERVICES	CRD# 14503	BOISE, ID
B	01/05/2009 - 09/30/2010	VSR FINANCIAL SERVICES, INC.	CRD# 14503	BOISE, ID
IA	01/05/2005 - 01/02/2009	LPL FINANCIAL CORPORATION	CRD# 6413	PEORIA, AZ
B	12/14/2001 - 01/02/2009	LPL FINANCIAL CORPORATION	CRD# 6413	PEORIA, AZ
B	06/09/1999 - 12/31/2001	EQUITY SERVICES, INC.	CRD# 265	MONTPELIER, VT
B	10/20/1998 - 06/07/1999	MONY SECURITIES CORPORATION	CRD# 4386	NEW YORK, NY

### EMPLOYMENT HISTORY

Below is the representative's employment history for up to the last 10 years.

Employment Dates	Employer Name	Position	Investment Related	Employer Location
11/2024 - Present	ELICA CAPITAL INVESTMENTS, LLC	MANAGING MEMBER	Y	Boise, ID, United States
09/2022 - Present	LEGACY INVESTMENT SOLUTIONS, LLC	FUND MANAGER/MANAGING MEMBER	Y	Boise, ID, United States
08/2021 - Present	LEGACY PEAK INSURANCE SOLUTIONS, LLC	Insurance Agent/Owner	N	Boise, ID, United States



## Registration & Employment History

### EMPLOYMENT HISTORY

Employment Dates	Employer Name	Position	Investment Related	Employer Location
03/2015 - Present	LEGACY WEALTH MANAGEMENT, LLC	INVESTMENT ADVISER REPRESENTATIVE	Y	BOISE, ID, 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.

Blue Sky Tax Advisory, LLC - Not Investment Related, 13965 W. Chinden, BLVD. #100, Boise, ID 83713, CPA Practice, Owner, Owner, December 12, 2024, 3 hours a month, 3 hours, Board Meetings and Decisions

Legacy Integrated, LLC - Is investment Related, 13965 W. Chinden, Blvd. #100, Boise, ID 83713, Wealth Advisory Firm, Owner, Owner, July 24, 2019, 10 hours a month, 5 hours during trading hours,

Legacy Wealth Advisors, LLC - Not Investment Related itself, but does engage in consulting for a number of investment related businesses, 13965 W. Chinden Blvd. #100, Boise, ID 83713, Pass through entity for a number of different business activities (Elica, Legacy Investment Solutions) and the Insurance Agency Obligations for Legacy Peak Insurance are conducted through Legacy Wealth Advisors, LLC. Further, has provided consultation services for publicly traded companies like Streamex, formerly known as Biosig, Lucent formerly known as tipmefast, Sentinel formerly known as James Maritime, Neovolta and International Land Alliance and has also provided consulting services for nonpublic companies like Tradebacked and U.S. Energy, Owner and Contractor, Owner, July 14, 2022, 15 hours a month, 15 hours a month during trading hours, as indicated, this is a pass through entity through which I conduct the other business activities indicated

Legacy Portfolio Management, LLC - Is investment Related, 13965 W. Chinden Blvd. #100, Boise, ID 83713, This is the business entity where my advisory business is conducted. The Owners of Legacy Portfolio Management, operate under the SEC Registration of Legacy Wealth Management, LLC, Legacy Portfolio Management also provides the HR and Compliance services to Legacy Wealth Management and Legacy Investment Solutions. Legacy Portfolio Management also provides HR support to Blue Sky Tax. Owner, Owner. Started in December 20, 2017, the amount of time I spend is accounted for under Legacy Wealth Management, which I would say I spend 90 hours, with 80 hours during trading hours.



## Disclosure Summary

### Disclosure Information

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

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

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

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

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

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

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

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



## DISCLOSURE EVENT DETAILS

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

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

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1
Customer Dispute	4

### Regulatory Event

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

#### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	IDAHO
<b>Sanction(s) Sought:</b>	Denial
<b>Date Initiated:</b>	01/28/2014
<b>Docket/Case Number:</b>	2013-7-15
<b>URL for Regulatory Action:</b>	
<b>Employing firm when activity occurred which led to the regulatory action:</b>	LPL FINANCIAL LLC
<b>Product Type:</b>	Promissory Note
<b>Allegations:</b>	THE STATE ALLEGES THAT COVINO WAS AN ACTIVE PARTNER IN A VACATION REAL ESTATE DEVELOPMENT CALLED TIMBERCREST AND THAT COVINO'S BROKERAGE CLIENT LOANED MONEY TO TIMBERCREST IN VIOLATION OF IDAHO UNIFORM SECURITIES ACT (2004), RULE 104.21. COVINO ALSO FAILED TO NOTIFY HIS BROKER-DEALER IN WRITING REGARDING HIS OUTSIDE BUSINESS ACTIVITY WITH TIMBERCREST IN VIOLATION OF IDAHO RULE 104.46. FINALLY, COVINO GUARANTEED A CLIENT ACCOUNT AGAINST LOSS IN VIOLATION OF IDAHO RULE 104.38.
<b>Current Status:</b>	Final
<b>Resolution:</b>	ORDER OF DENIAL VACATED AB INITIO - NEW CONSENT ORDER OF SUSPENSION



<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>	05/28/2014
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Restitution Suspension Other: AS PART OF SETTLEMENT AGREEMENT, ORDER OF DENIAL WAS VACATED AB INITIO AND THE DEPT ISSUED A NEW CONSENT ORDER OF SUSPENSION ON 05/28/2014.
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	ALL
<b>Duration:</b>	30 DAYS
<b>Start Date:</b>	02/01/2014
<b>End Date:</b>	03/02/2014
<b>Monetary Sanction 1 of 2</b>	
<b>Monetary Related Sanction:</b>	Restitution
<b>Total Amount:</b>	\$6,040.00
<b>Portion Levied against individual:</b>	\$6,040.00
<b>Payment Plan:</b>	\$2,500 DUE 30 DAYS AFTER DATE OF THE ORDER. BALANCE DUE NO LATER THAN 18 MONTHS AFTER DATE OF ORDER
<b>Is Payment Plan Current:</b>	
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	
<b>Monetary Sanction 2 of 2</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$3,960.00
<b>Portion Levied against individual:</b>	\$3,960.00
<b>Payment Plan:</b>	\$2,500 WITHIN 30 DAYS OF THE ORDER, BALANCE DUE WITHIN 18 MONTHS
<b>Is Payment Plan Current:</b>	Yes
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	
<b>Regulator Statement</b>	THE DEPT. ORDER OF DENIAL WAS VACATED AB INITIO. THE DEPT. ISSUED



A NEW CONSENT ORDER OF SUSPENSION ON 5/28/14 REPLACING THE DENIAL ORDER. COVINO'S APPLICATIONS FOR REGISTRATION WERE APPROVED AND BACKDATED TO FEBRUARY 1, 2014. BOTH REGISTRATIONS AS B/D AGENT AND IAR WERE SUSPENDED FOR 30 DAYS ENDING MARCH 2, 2014. COVINO ORDERED TO PAY \$10,000. \$6,040 IN RESTITUTION AND \$3,960 AS A PENALTY.

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<b>Reporting Source:</b>	Individual
<b>Regulatory Action Initiated By:</b>	STATE OF IDAHO
<b>Sanction(s) Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s) Restitution Suspension
<b>Date Initiated:</b>	01/28/2014
<b>Docket/Case Number:</b>	2013-7-15 OCCURRENCE ID 1707365
<b>Employing firm when activity occurred which led to the regulatory action:</b>	LPL FINANCIAL LLC
<b>Product Type:</b>	Promissory Note
<b>Allegations:</b>	STATE ALLEGED THAT REP WAS PARTNER IN TIMBERCREST VACATION REAL ESTATE DEVELOPMENT AND BROKERAGE CLIENT LOANED MONEY IN VIOLATION OF IDAHO UNIFORM SECURITIES ACT 2004, RULE 104.21. REP FAILED TO NOTIFY BROKER-DEALER IN WRITING REGARDING OUTSIDE BUSINESS ACTIVITY WITH TIMBERCREST IN VIOLATION OF IDAHO RULE 104.46. IDAHO ALLEGED THAT REP GUARANTEED A CLIENT ACCOUNT AGAINST LOSS IN VIOLATION OF IDAHO RULE 104.38
<b>Current Status:</b>	Final
<b>Resolution:</b>	CONSENT ORDER OF SUSPENSION
<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>	05/28/2014
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Restitution Suspension
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	ALL
<b>Duration:</b>	30 DAYS
<b>Start Date:</b>	02/01/2014
<b>End Date:</b>	03/02/2014
<b>Monetary Sanction 1 of 2</b>	



<b>Monetary Related Sanction:</b>	Restitution
<b>Total Amount:</b>	\$6,500.00
<b>Portion Levied against individual:</b>	\$6,500.00
<b>Payment Plan:</b>	AS OF THE DATE OF STATE U6 FILING, RESTITUTION HAS NOT BEEN FINALIZED. WILL BE PAID OUT OF \$10,000 PENALTY.
<b>Is Payment Plan Current:</b>	
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	
<b>Monetary Sanction 2 of 2</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$10,000.00
<b>Portion Levied against individual:</b>	\$10,000.00
<b>Payment Plan:</b>	\$2500 WITHIN 30 DAYS OF THE ORDER, BALANCE DUE WITHIN 18 MONTHS
<b>Is Payment Plan Current:</b>	Yes
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	
<b>Broker Statement</b>	REP'S REGISTRATION WAS APPROVED BACKDATED TO FEB 1,2014 WITH SUSPENSION ENDING MARCH 2, 2014. THIS FILING IS RELATED TO U6 FILING #1707365. STATE FILED TWO SEPARATE U6 FILINGS FOR ONE INCIDENT. FIRM FILING 2 SEPARATE DRP'S TO MATCH STATE FILINGS ALTHOUGH BOTH FILINGS REPRESENT ONE DISCLOSURE OCCURENCE.



## 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 4

**Reporting Source:** Individual  
**Employing firm when activities occurred which led to the complaint:** Legacy Wealth Management, LLC  
**Allegations:** Client alleges a Breach of Fiduciary Duty. Relationship started around September of 2021. First in person meeting in December of 2021. Client unhappy with prior advisor at the time because holdings were too conservative. Client claims in complaint that they wanted a conservative experience, but their onboarding paperwork reflects a moderate risk tolerance. Advisor expeditiously acted to exit bond holdings, saving client meaningful losses as market declined. Client portfolio performance was better than the market in 2022. Client withdrew a portion of money from holdings and client experienced conservative growth through 2023 and 2024. Client also holds number of alternative investments that are expected to be of greater value at exit than presently reflected. Tax mitigation investment led to further savings. Advisor instigated termination of relationship in early 2025, civil complaint followed. Client claims exorbitant damages that advisor flatly disputes.

**Product Type:** No Product

**Alleged Damages:** \$2,000,000.00

## Civil Litigation Information

**Type of Court:** State Court

**Name of Court:** In the District Court for the Fourth Judicial District For the State of Idaho, In and For the County of Ada

**Location of Court:** Boise, Ada County, Idaho USA

**Docket/Case #:** CV01-25-15596

**Date Notice/Process Served:** 08/28/2025

**Litigation Pending?** Yes

### Disclosure 2 of 4

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** LPL FINANCIAL  
**Allegations:** ARBITRATION ALLEGES UNSUITABLE INVESTMENTS IN VARIABLE ANNUITIES, PRIVATE PLACEMENT AND REITS AND OMISSIONS AND MISREPRESENTATIONS REGARDING THOSE INVESTMENTS.  
**Product Type:** Annuity-Variable  
Other: PRIVATE PLACEMENTS & REITD



**Alleged Damages:** \$0.00  
**Alleged Damages Amount Explanation (if amount not exact):** DAMAGES UNSPECIFIED BUT REASONABLY BELIEVED TO BE GREATER THAN \$5,000

### Arbitration Information

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

**Docket/Case #:** 13-01643

**Date Notice/Process Served:** 06/17/2013

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 10/25/2013

**Monetary Compensation Amount:** \$75,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** VSR FINANCIAL SERVICES, INC., LPL FINANCIAL CORP., PROSPERA FINANCIAL SERVICES, INC.

**Allegations:** ALLEGES NEGLIGENCE, MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, AND VIOLATION OF FINRA AND IDAHO RULES AND REGULATIONS. ACTIVITIES DATED FROM 5/3/2005-4/2012.

**Product Type:** Direct Investment-DPP & LP Interests  
Futures-Financial  
Oil & Gas  
Real Estate Security

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** SPECIFIC AMOUNT NOT SPECIFIED, GOOD FAITH DETERMINATION BY FIRM SHOWS DAMAGES TO BE GREATER THAN \$5,000.00.

**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:** 01/15/2013

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 04/23/2013

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



**Individual Contribution Amount:** \$0.00

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** LPL FINANCIAL, VSR FINANCIAL, PROSPERA FINANCIAL

**Allegations:** ALLEGES NEGLIGENCE, MISREPRESENTATION, BREACH OF FIDUCIARY DUTY AND VIOLATION OF FINRA AND IDAHO RULES & REGULATIONS FOR ACTIVITIES FROM 05/2005 TO 04/2012

**Product Type:**  
Debt-Government  
Direct Investment-DPP & LP Interests  
Futures-Financial  
Oil & Gas  
Real Estate Security

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** NO AMOUNT SPECIFIED BUT ESTIMATED TO BE GREATER THAN \$5,000

**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:** 01/15/2013

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/20/2013

**Settlement Amount:** \$56,500.00

**Individual Contribution Amount:** \$0.00

### Arbitration Information

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

**Docket/Case #:** 13-01643

**Date Notice/Process Served:** 07/20/2013

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 10/13/2013

**Monetary Compensation Amount:** \$75,000.00

**Individual Contribution** \$0.00

**Amount:****Broker Statement**

NOTICE RECEIVED FROM ATTORNEY INDICATING THAT CUSTOMER INTENDED TO FILE AN ARBITRATION RELATED TO REPS' SALES OF ALTERNATIVE PRODUCTS, PRIMARILY AT LPL AND VSR WITH ONE SALE AT PROSPERA. THE OVERARCHING REASON FOR THE COMPLAINT APPEARS TO BE PERFORMANCE RELATED, PRIMARILY BECAUSE THE REAL ESTATE MARKET HAS BEEN SLOW TO RECOVER FOLLOWING THE MARKET DOWNTURN OF 2008. PROSPERA BOUGHT THE SECURITY BACK FROM THE CUSTOMER AND SUBSEQUENTLY SOLD IT TO ANOTHER CUSTOMER WHO HAD EXPRESSED AN INTEREST IN BUYING IT. VSR SETTLED WITH THE CUSTOMER FOR \$35,000. CUSTOMER FILED AN ARBITRATION APPARENTLY TO FORCE A SETTLEMENT WITH LPL.

**Disclosure 3 of 4****Reporting Source:** Individual**Employing firm when activities occurred which led to the complaint:** LPL FINANCIAL**Allegations:** CUSTOMER ALLEGES THAT SHE WAS MISLED INTO PURCHASING A LIFE INSURANCE POLICY NEARLY A DECADE AGO (2002).**Product Type:** Insurance**Alleged Damages:** \$20,000.00**Alleged Damages Amount Explanation (if amount not exact):** CLIENT HAS ALSO ASKED FOR 5% INTEREST FOR THE PAST 10 YEARS.**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:** 08/08/2011**Complaint Pending?** No**Status:** Denied**Status Date:** 08/12/2011**Settlement Amount:****Individual Contribution Amount:****Broker Statement**

IN 2002, CLIENT APPROACHED REP ABOUT A \$20,000 INHERITANCE SHE WANTED TO LEAVE TO HER CHILDREN. REP DISCUSSED INVESTMENT OPTIONS AND CLIENT ELECTED TO PURCHASE A \$200,000 VARIABLE LIFE INSURANCE POLICY TO ALLOW FOR A GREATER AND TAX-FREE INHERITANCE TO HER 5 CHILDREN. AFTER THE INITIAL MEETING AND FOR NEARLY THE NEXT DECADE, CLIENT FAILED TO RETURN ANY OF REPS CALLS. THE ACCOUNT GREW TO \$20,373 ON 07/31/2007. BECAUSE THE CUSTOMER NEVER CONTACTED HIM, REP WAS UNABLE TO TAKE ANY ACTION OR MAKE ANY CHANGES TO THE SUB-ACCOUNTS, ESPECIALLY DURING THE MARKET CRASH IN 2008 AND THE PERIOD FOLLOWING. THE



ACCOUNT MARKET VALUE DECLINED TO \$9,957 AS OF 07/31/2011. HOWEVER, CUSTOMER IS STILL COVERED BY AN INSURANCE POLICY THAT WILL, UPON HER DEATH, PAY 20 TIMES HER ORIGINAL INVESTMENT TO HER CHILDREN AS THE INHERITANCE SHE NAMED AS HER OBJECTIVE. IN ADDITION, CLIENT'S ACCOUNT WAS ASSIGNED AFTER THE FIRST YEAR TO OTHER BROKERS AND BROKERAGE OFFICES SO REP HAS NOT BEEN THE AGENT OF RECORD ON THE ACCOUNT SINCE 2003. CLIENT IS NOW UPSET THAT THE VALUE OF THE POLICY HAS HAD A MARKET LOSS AND SHE MUST EITHER ADD PREMIUM OR ADJUST COVERAGE AMOUNT, WHICH ARE TWO CONTINGENCIES REP DISCUSSED WITH CUSTOMER AS FUTURE POSSIBILITIES IF THE ACCOUNT DID NOT PERFORM AS DESIRED. CUSTOMER'S CLAIM WAS DENIED BY FIRM IN THAT SALE APPEARED APPROPRIATE FOR THE REASONS OUTLINED BY THE CUSTOMER, CUSTOMER FAILED TO MITIGATE HER OWN DAMAGES BY NOT RETURNING REPS' NUMEROUS PHONE CALLS, REPS ARE NOT RESPONSIBLE FOR MARKET LOSSES IN CUSTOMER ACCOUNTS, AND THAT OTHER BROKERS WERE RESPONSIBLE FOR SERVICING AND PRESERVING THE CUSTOMER'S ACCOUNT FROM 2003 TO PRESENT WHEN REP HAD NO ACCESS TO THE ACCOUNT AND WHEN THE DAMAGES APPEAR TO HAVE OCCURRED. ON INFORMATION AND BELIEF, REP IS OF THE OPINION THAT HIS FORMER CO-WORKER, WHO IS NOW NAMED AS THE AGENT ON THE CUSTOMER'S POLICY, INSTIGATED CUSTOMER TO FILE A COMPLAINT AGAINST HIM WITH THE IDAHO DEPT OF INS IN ORDER TO MARK HIS U4.

#### Disclosure 4 of 4

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	LPL FINANCIAL
<b>Allegations:</b>	CUSTOMER ALLEGES THAT ADVISOR RECOMMENDED AN UNSUITABLE INVESTMENT IN REAL ESTATE DEVELOPMENT.
<b>Product Type:</b>	Other: REAL ESTATE DEVELOPMENT
<b>Alleged Damages:</b>	\$250,000.00
<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>	No

#### Customer Complaint Information

<b>Date Complaint Received:</b>	02/07/2011
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Arbitration/CFTC reparation (the individual is a named party)
<b>Status Date:</b>	05/19/2011
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	

#### Arbitration Information

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

FINRA

**Docket/Case #:** 11-01849**Date Notice/Process Served:** 05/19/2011**Arbitration Pending?** No**Disposition:** Settled**Disposition Date:** 04/04/2012**Monetary Compensation Amount:** \$345,000.00**Individual Contribution Amount:** \$0.00**Reporting Source:** Firm**Employing firm when activities occurred which led to the complaint:** VSR FINANCIAL SERVICES, INC & LPL FINANCIAL CORPORATION**Allegations:** ALLEGED COMMON LAW NEGLIGENCE, MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, VIOLATION OF DUTIES AND STANDARDS OF CARE SET FORTH IN FINRA AND STATE STATUES, VIOLATION OF WASHINGTON STATE SECURITIES ACT AND WASHINGTON STATE CONSUMER PROTECTION ACT. ACTIVATES DATED 2008-03/2011.**Product Type:**  
Futures-Financial  
Oil & Gas  
Real Estate Security  
Other: REAL ESTATE DEVELOPEMENT**Alleged Damages:** \$285,000.00**Alleged Damages Amount Explanation (if amount not exact):** RECESSIONARY DAMAGES, PUNITIVE DAMAGES ,INTEREST, ATTORNEY FEES, EXPENSES, FEES AND COSTS, WITNESS FEES AND SUCH OTHER DAMAGES AS NECESSARY TO BE MADE WHOLE.**Arbitration Information****Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):**

FINRA

**Docket/Case #:** 11-01849**Date Notice/Process Served:** 05/19/2011**Arbitration Pending?** No**Disposition:** Settled**Disposition Date:** 04/05/2012**Monetary Compensation Amount:** \$54,000.00**Individual Contribution Amount:** \$0.00



<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	LPL FINANCIAL AND VSR FINANCIAL
<b>Allegations:</b>	CUSTOMER ALLEGES THAT ADVISOR RECOMMENDED AN UNSUITABLE INVESTMENT IN REAL ESTATE DEVELOPMENT.
<b>Product Type:</b>	Other: REAL ESTATE DEVELOPMENT
<b>Alleged Damages:</b>	\$250,000.00
<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>	11-01849
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	05/19/2011

### Customer Complaint Information

<b>Date Complaint Received:</b>	05/31/2011
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Arbitration/CFTC reparation (the individual is a named party)
<b>Status Date:</b>	05/31/2011
<b>Settlement Amount:</b>	

**Individual Contribution Amount:**

### Arbitration Information

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	11-01849
<b>Date Notice/Process Served:</b>	05/31/2011
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	06/25/2012
<b>Monetary Compensation Amount:</b>	\$345,000.00
<b>Individual Contribution Amount:</b>	\$0.00



## End of Report

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