



## IAPD Report

# ADAM JAMES MAKKAI

CRD# 4025159

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.



## **IAPD Information About Representatives**

IAPD offers information on all current-and many former representatives. Investors are strongly encouraged to use IAPD to check the background of representatives before deciding to conduct, or continue to conduct, business with them.

### **What is included in a IAPD report?**

IAPD reports for individual representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.

It is important to note that the information contained in an IAPD report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

### **Where did this information come from?**

The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD, (see more on CRD below) and is a combination of:

- information the states require representatives and firms to submit as part of the registration and licensing process, and
- information that state regulators report regarding disciplinary actions or allegations against representatives.

### **How current is this information?**

Generally, representatives are required to update their professional and disciplinary information in IARD within 30 days.

### **Need help interpreting this report?**

For help understanding how to read this report, please consult NASAA's IAPD Tips page <http://www.nasaa.org/IAPD/IARReports.cfm>

### **What if I want to check the background of an Individual Broker or Brokerage Firm?**

To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.

### **Are there other resources I can use to check the background of investment professionals?**

It is recommended that you learn as much as possible about an individual representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association <http://www.nasaa.org>



## Report Summary

### ADAM JAMES MAKKAI (CRD# 4025159)

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 **07/23/2025**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	ADVISORY SERVICES NETWORK	CRD# 146051	11/15/2018

### QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **3** 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	ADVISORY SERVICES NETWORK	146051	Castle Rock, CO	11/05/2018 - 11/05/2018
IA	NORTHWEST ASSET MANAGEMENT	147923	CASTLE ROCK, CO	06/20/2018 - 10/23/2018
IA	WESTERN WEALTH MANAGEMENT LLC	283545	GREENWOOD VILLAGE, CO	06/28/2016 - 06/26/2018

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
Termination	2



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

### Employment 1 of 1

Firm Name: **ADVISORY SERVICES NETWORK**

Main Address: 900 ASHWOOD PARKWAY  
SUITE 500  
ATLANTA, GA 30338

Firm ID#: 146051

	Regulator	Registration	Status	Date
IA	Colorado	Investment Adviser Representative	Approved	11/15/2018
IA	Nebraska	Investment Adviser Representative	Approved	02/10/2022
IA	Texas	Investment Adviser Representative	Restricted Approval	01/11/2019

### Branch Office Locations

#### ADVISORY SERVICES NETWORK

509 N. Wilcox Street, Ste 101  
Castle Rock, CO 80104



## Qualifications



### PASSED INDUSTRY EXAMS

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

**This individual has passed 0 principal/supervisory exams, 3 general industry/product exams, and 2 state securities law exams.**

#### Principal/Supervisory Exams

Exam	Category	Date
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No information reported.

#### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Securities Industry Essentials Examination (SIE)	SIE	06/20/2018
<b>B</b> General Securities Representative Examination (S7)	Series 7	12/17/2003
<b>B</b> Investment Company Products/Variable Contracts Representative Examination (S6)	Series 6	09/27/1999

#### State Securities Law Exams

Exam	Category	Date
<b>IA</b> Uniform Investment Adviser Law Examination (S65)	Series 65	06/07/2005
<b>B</b> Uniform Securities Agent State Law Examination (S63)	Series 63	11/06/1999



### PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **1** professional designation(s).

#### Chartered Financial Analyst

This representative holds or did hold **1** professional designation(s) that may have been used to qualify as an Investment Advisor representative. Please check with the appropriate designation authority for verification that the designation is still in effect. The contact information for these professional designation authorities can be found on the website for the North American Securities Administrators Association at <http://www.nasaa.org>



## 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	11/05/2018 - 11/05/2018	ADVISORY SERVICES NETWORK	CRD# 146051	Castle Rock, CO
IA	06/20/2018 - 10/23/2018	NORTHWEST ASSET MANAGEMENT	CRD# 147923	CASTLE ROCK, CO
IA	06/28/2016 - 06/26/2018	WESTERN WEALTH MANAGEMENT LLC	CRD# 283545	GREENWOOD VILLAGE
B	09/08/2009 - 06/20/2018	LPL FINANCIAL LLC	CRD# 6413	GREENWOOD VILLAGE
IA	06/12/2018 - 06/12/2018	NORTHWEST ASSET MANAGEMENT	CRD# 147923	CASTLE ROCK, CO
IA	08/25/2009 - 07/05/2016	GALLACHER CAPITAL MANAGEMENT, LLC	CRD# 113189	LONE TREE, CO
IA	09/08/2009 - 12/12/2009	LPL FINANCIAL CORPORATION	CRD# 6413	GREENWOOD VILLAGE
IA	07/07/2005 - 09/08/2009	MUTUAL SERVICE CORPORATION	CRD# 4806	GREENWOOD VILLAGE
B	02/13/2004 - 09/08/2009	MUTUAL SERVICE CORPORATION	CRD# 4806	GREENWOOD VILLAGE
B	09/30/1999 - 02/20/2004	FIRST INVESTORS CORPORATION	CRD# 305	EDISON, NJ

### 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
11/2018 - Present	ADVISORY SERVICES NETWORK, LLC	INVESTMENT ADVISOR REPRESENTATIVE	Y	ATLANTA, GA, United States
09/2002 - Present	REGIS UNIVERSITY	BUSINESS AND FINANCE PROFESSOR	N	DENVER, CO, United States
06/2018 - 10/2018	NORTHWEST ASSET MANAGEMENT	INVESTMENT ADVISOR REPRESENTATIVE	Y	MERCER ISLAND, WA, United States
06/2018 - 06/2018	MAKKAI CAPITAL MANAGEMENT	MANAGING MEMBER/CCO/INVESTMENT ADVISOR REPRESENTATIVE	Y	CASTLE ROCK, CO, United States



## Registration & Employment History



### EMPLOYMENT HISTORY

Employment Dates	Employer Name	Position	Investment Related	Employer Location
		REPRESENTATIVE		
06/2016 - 06/2018	Western Wealth Management, LLC	Investment Adviser Representative	Y	GREENWOOD VILLAGE, CO, United States
09/2009 - 06/2018	LPL FINANCIAL, LLC	REGISTERED REPRESENTATIVE	Y	GREENWOOD VILLAGE, CO, United States
08/2009 - 06/2016	GALLACHER CAPITAL MANAGEMENT, LLC	INVESTMENT ADVISOR REPRESENTATIVE	Y	GREENWOOD VILLAGE, CO, United States



### OTHER BUSINESS ACTIVITIES

This section includes information, if any, as provided by the representative regarding other business activities the representative is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious, or fraternal and is recognized as tax exempt.

1. ADAM MAKKAI - LICENSED INSURANCE AGENT SINCE 10/1999. SPENDS LESS THAN 5 HRS PER MONTH ON THIS ACTIVITY; INVESTMENT RELATED.
2. MAKKAI CAPITAL MANAGEMENT LLC: OWNER/MEMBER SINCE 01/2014. SERVICE COMPANY FOR BUSINESS INCOME AND EXPENSES. TIME SPENT: 3 HOURS/MONTH, NONE DURING TRADING HOURS. NOT AN INVESTMENT RELATED ACTIVITY.
3. FINANCE INSTRUCTOR SINCE 2/2/2010 AT REGIS UNIVERSITY - TEACH FINANCE COURSES TO UNDERGRADUATE AND GRADUATE BUSINESS STUDENTS. TIME SPENT APPROX. 20 HOURS/MONTH, NONE 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
Termination	2

### 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

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** FINRA

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

**Date Initiated:** 06/12/2020

**Docket/Case Number:** [2018058924502](#)

**Employing firm when activity occurred which led to the regulatory action:** LPL Financial LLC

**Product Type:** No Product

**Allegations:** Makkai was named a respondent in a FINRA complaint alleging that he improperly shared approximately \$27,037 in commissions with an unregistered person. The complaint alleges that the unregistered person was a former colleague who had been terminated by Makkai's member firm for borrowing over \$100,000 from an elderly firm customer. Shortly after the unregistered person's termination, Makkai began negotiating the purchase of the unregistered person's book of business. Although Makkai knew he was prohibited from sharing commissions with the unregistered person without the firm's prior written approval, Makkai agreed to pay the unregistered person all of the commissions generated from the accounts of his former firm customers, less \$1,000 per month, until Makkai and the unregistered person entered into a formal agreement for the purchase and sale of the book of business. Makkai did so even though, after he began paying commissions to the unregistered person, he was expressly instructed by his firm branch manager that he could not share commissions with the unregistered person.

**Current Status:** Final



<b>Action Appealed To:</b>	SRO
<b>Date Appeal filed:</b>	06/28/2021
<b>Appeal Limitation Details:</b>	
<b>Resolution:</b>	Decision
<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>	02/06/2023
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension Other: Costs
<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
<b>(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?</b>	
<b>(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</b>	



(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>	30 days
<b>Start Date:</b>	03/06/2023
<b>End Date:</b>	04/05/2023

**Monetary Sanction 1 of 2**

<b>Monetary Related Sanction:</b>	Monetary Penalty other than Fines
<b>Total Amount:</b>	\$7,120.40
<b>Portion Levied against individual:</b>	\$7,120.40
<b>Payment Plan:</b>	Costs
<b>Is Payment Plan Current:</b>	
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No

**Amount Waived:****Monetary Sanction 2 of 2**

<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$5,000.00
<b>Portion Levied against individual:</b>	\$5,000.00
<b>Payment Plan:</b>	
<b>Is Payment Plan Current:</b>	
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No

**Amount Waived:****Regulator Statement**

Hearing Panel decision rendered June 3, 2021 wherein Makkai is fined \$2,000 and suspended from association with any FINRA member in all capacities for ten business days. Makkai is also ordered to pay the hearing costs of \$5,565.38. The sanctions are based on findings that Makkai improperly paid commissions to an unregistered person. The findings stated Makkai's member firm terminated the employment of a colleague of Makkai for allegedly borrowing money from a client without giving the firm prior notice and for being a joint owner of a bank account with a client in violation of firm policies. The colleague did not associate with another FINRA member firm again until after the period at issue. Makkai agreed in principle to buy the colleague's entire book of business. Immediately after the colleague's termination, the firm transferred all his brokerage and advisory accounts to Makkai. While Makkai and the colleague were still negotiating the terms of the sale of the business, the colleague asked Makkai to pay him the brokerage commissions and advisory fees that his former accounts generated and Makkai agreed to this arrangement. The firm paid Makkai commissions and advisory fees twice per month by directly depositing them into a new personal checking account that Makkai had opened for that specific purpose. Using his firm email account, Makkai sent his colleague copies of his firm brokerage commission and advisory fee statements for the colleague's former accounts, together with pages from his personal bank account showing that the firm had transferred the funds to him. Makkai made commission payments to his colleague totaling \$27,037. The colleague was not registered when he received the commissions from Makkai. During this same time period, Makkai completed the firm's annual compliance questionnaire, certifying that he understood that he was prohibited from paying or otherwise directing transaction-based compensation to another person without prior firm approval. Makkai did not disclose to the firm that he was paying commissions to the colleague.

On June 28, 2021, Makkai appealed the Hearing Panel decision to the FINRA NAC. The sanctions are not in effect pending the appeal.

NAC decision rendered January 6, 2023 wherein the findings made are affirmed and the sanctions imposed by the Hearing Panel are modified wherein Makkai is fined \$5,000 and suspended from association with any FINRA member in all capacities for 30 days. The NAC affirmed the Hearing Panel's order that Makkai pay hearing costs of \$5,565.38, and imposed appeal costs of \$1,555.02. Decision became final on February 6, 2023.

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<b>Reporting Source:</b>	Individual
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: NA
<b>Date Initiated:</b>	06/12/2020
<b>Docket/Case Number:</b>	<a href="#">2018058924502</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	LPL Financial LLC
<b>Product Type:</b>	No Product
<b>Allegations:</b>	Makkai was named a respondent in a FINRA complaint alleging that he improperly shared approximately \$27,037 in commissions with an unregistered person. The



complaint alleges that the unregistered person was a former colleague who had been terminated by Makkai's member firm for borrowing over \$100,000 from an elderly firm customer. Shortly after the unregistered person's termination, Makkai began negotiating the purchase of the unregistered person's book of business. Although Makkai knew he was prohibited from sharing commissions with the unregistered person without the firm's prior written approval, Makkai agreed to pay the unregistered person all of the commissions generated from the accounts of his former firm customers, less \$1,000 per month, until Makkai and the unregistered person entered into a formal agreement for the purchase and sale of the book of business. Makkai did so even though, after he began paying commissions to the unregistered person, he was expressly instructed by his firm branch manager that he could not share commissions with the unregistered person.

**Current Status:** Final

**Action Appealed To:** SRO

**Date Appeal filed:** 06/28/2021

**Appeal Limitation Details:**

**Resolution:** Decision

**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:** 02/06/2023

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

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** All Capacities

**Duration:** 30 days

**Start Date:** 03/06/2023

**End Date:** 04/05/2023

**Monetary Sanction 1 of 2**

**Monetary Related Sanction:** Monetary Penalty other than Fines

**Total Amount:** \$7,120.40

**Portion Levied against individual:** \$7,120.40

**Payment Plan:** Costs

**Is Payment Plan Current:**

**Date Paid by individual:**

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

**Amount Waived:**

**Monetary Sanction 2 of 2****Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)**Total Amount:** \$5,000.00**Portion Levied against individual:** \$5,000.00**Payment Plan:****Is Payment Plan Current:****Date Paid by individual:****Was any portion of penalty waived?** No**Amount Waived:****Broker Statement**

The case against Makkai involved the purchase of a book of business from a fellow advisor with the support and guidance of his member firm and branch office. The payments in question were made solely for the business purchase. No clients were solicited by the selling advisor or engaged in securities transactions as a result of his communication with them after the sale. Makkai acted ethically and in good faith throughout the purchase process.

In 2017 Makkai was approached by his member firm branch supervisor with the offer to purchase a book of business owned by an advisor in the branch. The supervisor disclosed the selling advisor was planning to retire but was being terminated by the member firm. The selling advisor allegedly borrowed money from and had a joint bank account with a client without giving the firm prior notice, which was in violation of firm policies. The supervisor indicated the advisor's termination presented no issues limiting the purchase of the business. Makkai agreed to purchase the business at the recommendation, and with the ongoing oversight and guidance of the member firm and his branch supervisor. The member firm transferred the business to Makkai in the manner consistent with and specific to the purchase of a business while all parties continued to work on the written agreement.

Shortly after acquiring the business Makkai began making payments to the seller for the purchase of the business. Makkai disclosed to his supervisor that he was making payments and was expressly instructed by his supervisor that he could make the payments. All payment confirmations were sent via the firm's monitored and archived email system to ensure transaction tracking and visibility. The selling advisor maintained an office in the member firm's branch and met with clients to help with the transition of the business. The supervisor testified under oath that during the transition of the business the selling advisor made no securities recommendations and did not solicit any transactions from clients after his termination. FINRA NAC determined there was insufficient evidence to infer that any customer engaged in a securities transaction as a result of a recommendation that the selling advisor made after the firm dismissed him.

Ultimately, Makkai and the seller mutually decided to nullify the purchase agreement. Makkai determined his capacity to service all of the clients was limited. Shortly thereafter the book of business was purchased by an alternate buyer within another financial firm and the selling advisor promptly retired. The verbal agreement between Makkai and the seller included the essential elements of a legal contract per U.S. contract law. All the payments Makkai made to the seller were for the explicit purpose of purchasing the business. Throughout the purchase process Makkai never believed the payments were improper and never intended to violate any industry regulations.



## 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 2

**Reporting Source:** Firm  
**Firm Name:** Western Wealth Management LLC  
**Termination Type:** Discharged  
**Termination Date:** 06/04/2018  
**Allegations:** Sharing commissions and fees with an unregistered person.  
**Product Type:** No Product

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**Reporting Source:** Individual  
**Firm Name:** Western Wealth Management LLC  
**Termination Type:** Discharged  
**Termination Date:** 06/04/2018  
**Allegations:** Sharing commissions and fees with an unregistered person.  
**Product Type:** No Product

### Disclosure 2 of 2

**Reporting Source:** Firm  
**Firm Name:** LPL Financial LLC  
**Termination Type:** Discharged  
**Termination Date:** 06/04/2018  
**Allegations:** Sharing commissions and fees with an unregistered person.  
**Product Type:** No Product

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**Reporting Source:** Individual  
**Firm Name:** LPL FINANCIAL LLC  
**Termination Type:** Discharged  
**Termination Date:** 06/04/2018  
**Allegations:** Sharing of commissions and fees with an unregistered person.  
**Product Type:** No Product

**Broker Statement** Mr. Makkai agreed, in principle, to purchase the "book of business" of a terminated LPL Financial employee. However, at the time of the seller's termination, all of the seller's client relationships were transferred by LPL Financial to Mr. Makkai prior to a written agreement being signed by the parties. This created a drastic imbalance of negotiating power between the seller and Mr. Makkai. In an effort to address this imbalance, Mr. Makkai agreed to provide payments to the seller that were



based on the revenue generated by the seller's "book of business". LPL Financial determined that these payments were "sharing of commissions and advisory fees with an unregistered person," whereas Mr. Makkai viewed them as part of the purchase of the seller's "book of business," which LPL Financial was aware of and helped support.





## End of Report

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