



IAPD Report

SCOTT JAY ROBERTS

CRD# 4506090

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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

SCOTT JAY ROBERTS (CRD# 4506090)

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 **03/19/2025**.

CURRENT EMPLOYERS

| | Firm | CRD# | Registered Since |
|----|------------------------------------|-------------|------------------|
| IA | VERGEPOINTE WEALTH MANAGEMENT, LLC | CRD# 151425 | 10/26/2009 |

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 | KMS FINANCIAL SERVICES, INC | 3866 | LAKE OSWEGO, OR | 08/04/2003 - 11/23/2009 |
| IA | VERAVEST INVESTMENT ADVISORS, INC. | 105796 | PORTLAND, OR | 01/16/2003 - 05/23/2003 |

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

DISCLOSURE INFORMATION

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

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

The following types of events are disclosed about this representative:

| Type | Count |
|------------------|-------|
| Customer Dispute | 3 |



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 1

Firm Name: **VERGEPOINTE WEALTH MANAGEMENT, LLC**
Main Address: 15400 BOONES FERRY RD., SUITE 201
LAKE OSWEGO, OR 97035
Firm ID#: 151425

| Regulator | Registration | Status | Date |
|------------------|-----------------------------------|----------|------------|
| IA Oregon | Investment Adviser Representative | Approved | 10/26/2009 |

Branch Office Locations

VERGEPOINTE WEALTH MANAGEMENT, LLC
15400 BOONES FERRY RD., SUITE 201
LAKE OSWEGO, OR 97035



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, 0 general industry/product exams, and 1 state securities law exam.

Principal/Supervisory Exams

| Exam | Category | Date |
|------|----------|------|
|------|----------|------|

No information reported.

General Industry/Product Exams

| Exam | Category | Date |
|------|----------|------|
|------|----------|------|

No information reported.

State Securities Law Exams

| Exam | Category | Date |
|------|----------|------|
|------|----------|------|

| | | | |
|--------------------|--|-----------|------------|
| IA B | Uniform Combined State Law Examination (S66) | Series 66 | 05/21/2002 |
|--------------------|--|-----------|------------|

PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration & Employment History

PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

| | Registration Dates | Firm Name | ID# | Branch Location |
|----|-------------------------|------------------------------------|-------------|-----------------|
| IA | 08/04/2003 - 11/23/2009 | KMS FINANCIAL SERVICES, INC | CRD# 3866 | LAKE OSWEGO, OR |
| IA | 01/16/2003 - 05/23/2003 | VERAVEST INVESTMENT ADVISORS, INC. | CRD# 105796 | PORTLAND, OR |

EMPLOYMENT HISTORY

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

| Employment Dates | Employer Name | Position | Investment Related | Employer Location |
|-------------------|------------------------------------|-----------------------------------|--------------------|--------------------------------|
| 09/2009 - Present | VERGEPOINTE WEALTH MANAGEMENT, LLC | INVESTMENT ADVISOR REPRESENTATIVE | Y | LAKE OSWEGO, OR, United States |
| 09/1995 - Present | VERGEPOINTE LLP | PARTNER | N | LAKE OSWEGO, OR, 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) VERGEPOINTE TRANSACTIONS, LLC; LAKE OSWEGO, OR; M&A ASSET SALES AND OTHER CONSULTING; MANAGING DIRECTOR; NORMAL BUSINESS HOURS WHICH VARY AND COMPENSATION BASED ON ENGAGEMENT. (2) VERGEPOINTE, LLP; LAKE OSWEGO, OR; CPA AND CONSULTING FIRM; NON-SECURITIES BUSINESS; HOURS VARY. (3) VERGEPOINTE CAPITAL, LLC; LAKE OSWEGO, OR; GENERAL PARTNER FOR VARIOUS PRIVATE BUSINESS; HOLDING COMPANY FOR PRIVATE EQUITY INVESTMENTS; HOURS VARY. (4) BOARD OF DIRECTORS OF ALLSTAR MAGNETICS, LLC, IMPACT ELECTRONIC SOLUTIONS, INC., ESAM, INC., BAY COMPUTER ASSOCIATES, INC., WILLIAM HENRY, LLC, TANNER GOODS, LLC, SILICON FOREST ELECTRONICS, INC., ENGLANDER ENTERPRISES, INC., AND COASTAL CONNECTIONS, INC. ON THE BOARD OF DIRECTORS OF FRIENDZY, INC. ON THE COUNCIL BOARD FOR EAST HILL CHURCH. (5) SMC BUILDING LLC -&- FIFTEEN 400, LLC; LAKE OSWEGO, OR; LLC MEMBER; OFFICE RENTAL 15400 BOONES FERRY ROAD, LAKE OSWEGO; NOT INVESTMENT-RELATED; START DATE: 12/2024; 1-2 HOURS PER MONTH; SUPERVISOR. *THESE ACTIVITIES DO NOT INTERFERE WITH VERGEPOINTE WEALTH MANAGEMENT RESPONSIBILITIES.



Disclosure Summary

Disclosure Information

What you should know about reported disclosure events:

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

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

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

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

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

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

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



DISCLOSURE EVENT DETAILS

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

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

The following types of events are disclosed about this representative:

| Type | Count |
|------------------|-------|
| Customer Dispute | 3 |

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 3

| | |
|--|--|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | KMS FINANCIAL SERVICES, INC |
| Allegations: | CLAIMANT INVESTED \$250,000 OF CAPITAL IN NOVEMBER OF 2006, IN A GRIFPHON ALPHA I FUND, L.P., A HEDGE FUND SEEKING CAPITAL APPRECIATION THROUGH A NUMBER OF STRATEGIES. CLAIMANT NOW ALLEGES IN ONE STATEMENT OF CLAIM THAT THE INVESTMENT IS A FRAUDULENT PONZI SCHEME AND THAT RESPONDENTS ARE LIABLE FOR DAMAGES UNDER OREGON SECURITIES LAWS AND COMMON LAW. |
| Product Type: | Other: HEDGE FUND |
| Alleged Damages: | \$250,000.00 |
| Alleged Damages Amount Explanation (if amount not exact): | PLUS INTEREST |
| Is this an oral complaint? | No |
| Is this a written complaint? | No |
| Is this an arbitration/CFTC reparation or civil litigation? | Yes |
| Arbitration/Reparation forum or court name and location: | FINRA |
| Docket/Case #: | 12-01547 |



Filing date of arbitration/CFTC reparation or civil litigation: 04/27/2012

Customer Complaint Information

Date Complaint Received: 05/04/2012

Complaint Pending? No

Status: Evolved into Arbitration/CFTC reparation (the individual is a named party)

Status Date: 05/04/2012

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Docket/Case #: 12-01547

Date Notice/Process Served: 05/04/2012

Arbitration Pending? No

Disposition: Settled

Disposition Date: 07/30/2012

Monetary Compensation Amount: \$250,000.00

Individual Contribution Amount: \$0.00

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: KMS FINANCIAL SERVICES, INC.

Allegations: ALLEGATIONS AGAINST KMS FINANCIAL SERVICES, INC., AND SCOTT ROBERTS FOR OREGON AND WASHINGTON SECURITIES VIOLATIONS, MISREPRESENTATIONS AND OMISSIONS, UNSUITABILITY.

Product Type: Other: HEDGE FUND

Alleged Damages: \$250,000.00

Alleged Damages Amount Explanation (if amount not exact): + LEGAL RATE OF INTEREST AND ATTORNEY FEES + PUNITIVE DAMAGES + COSTS OF BRINGING ARBITRATION CLAIM.

Arbitration Information

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

Docket/Case #: 12-01547



Date Notice/Process Served: 04/27/2012

Arbitration Pending? No

Disposition: Settled

Disposition Date: 07/30/2012

Monetary Compensation Amount: \$0.00

Individual Contribution Amount: \$0.00

Broker Statement

COMMENCING IN NOVEMBER OF 2006, CLAIMANT WHO WAS AND IS AN ACCREDITED INVESTOR, INVESTED A TOTAL OF \$250,000 OF CAPITAL IN A HEDGE FUND SEEKING CAPITAL APPRECIATION THROUGH A NUMBER OF STRATEGIES. CLAIMANT THEN ALLEGED THAT MISREPRESENTATIONS ABOUT THE FUND WERE MADE, THAT THE INVESTMENT WAS SCHEME AND THAT RESPONDENTS (BOTH ROBERTS AND KMS FINANCIAL SERVICES, INC.) WERE LIABLE FOR DAMAGES UNDER FINRA RULES, WASHINGTON AND OREGON SECURITIES LAWS AND COMMON LAW. AFTER CONDUCTING DUE DILIGENCE ON THE SPONSOR ALONG WITH AN ANALYSIS OF CLAIMANT'S PORTFOLIO AND INVESTING NEEDS AT THE TIME, RESPONDENTS RECOMMENDED THAT CLAIMANT REVIEW THE FUND'S PRIVATE PLACEMENT MEMORANDUM FOR POSSIBLE INVESTMENT OF A MODEST PORTION OF NET WORTH. BASED UPON THE DUE DILIGENCE OF THE SPONSOR AND ANALYSIS OF THE CLAIMANT'S PORTFOLIO, THE RECOMMENDATION APPEARED TO BE SUITABLE AND APPROPRIATE FOR THE CLAIMANT. CLAIMANTS ENTERED INTO A CONFIDENTIAL SETTLEMENT WITH RESPONDENT KMS ON JULY 30, 2012 AND DID NOT PURSUE THEIR CLAIMS AGAINST RESPONDENT ROBERTS. RESPONDENT ROBERTS DID NOT CONTRIBUTE ANY PAYMENT WHATSOEVER TOWARDS THAT SETTLEMENT.

Disclosure 2 of 3

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: KMS FINANCIAL SERVICES, INC.

Allegations: NON RELATED CLAIMANTS W (A MARRIED COUPLE) AND CLAIMANT D (AN INDIVIDUAL) INVESTED \$500,000 AND \$250,000 OF CAPITAL, RESPECTIVELY, IN A GRIFPHON ALPHA I FUND, L.P., A HEDGE FUND SEEKING CAPITAL APPRECIATION THROUGH A NUMBER OF STRATEGIES. W INVESTED IN DECEMBER OF 2006 AND D INVESTED IN MARCH OF 2008. CLAIMANTS NOW ALLEGE IN ONE STATEMENT OF CLAIM THAT THE INVESTMENT IS A FRAUDULENT PONZI SCHEME AND THAT RESPONDENTS ARE LIABLE FOR DAMAGES UNDER OREGON SECURITIES LAWS AND COMMON LAW.

Product Type: Other: HEDGE FUND

Alleged Damages: \$750,000.00

Alleged Damages Amount Explanation (if amount not exact): INTEREST, ATTORNEY'S FEES AND COSTS.

Is this an oral complaint? No

Is this a written complaint? No



**Is this an arbitration/CFTC
reparation or civil litigation?** Yes

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

Docket/Case #: 12-00709

**Filing date of
arbitration/CFTC reparation
or civil litigation:** 02/21/2012

Customer Complaint Information

Date Complaint Received: 04/02/2012

Complaint Pending? No

Status: Evolved into Arbitration/CFTC reparation (the individual is a named party)

Status Date: 04/02/2012

Settlement Amount:

**Individual Contribution
Amount:**

Arbitration Information

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

Docket/Case #: 12-00709

Date Notice/Process Served: 04/02/2012

Arbitration Pending? No

Disposition: Settled

Disposition Date: 06/08/2012

**Monetary Compensation
Amount:** \$525,000.00

**Individual Contribution
Amount:** \$0.00

Reporting Source: Individual

**Employing firm when
activities occurred which led
to the complaint:** KMS FINANCIAL SERVICES, INC.

Allegations: ALLEGATIONS AGAINST KMS FINANCIAL SERVICES, INC. AND SCOTT ROBERTS FOR VIOLATIONS OF FINRA RULES AND REGULATIONS, AND OREGON AND WASHINGTON SECURITIES VIOLATIONS.

Product Type: Other: HEDGE FUND

Alleged Damages: \$7,500,000.00

**Alleged Damages Amount
Explanation (if amount not
exact):** + INTEREST AT THE LEGAL RATE + ATTORNEY FEES AND COSTS + TREBLE DAMAGES ([CUSTOMERS]) + TAX LIABILITIES

**Arbitration Information**

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

Docket/Case #: 12-00709

Date Notice/Process Served: 04/03/2012

Arbitration Pending? No

Disposition: Other: CLAIMANTS SETTLED PRIVATELY WITH KMS AND DISMISSED ALL CLAIMS AGAINST ROBERTS.

Disposition Date: 06/21/2012

Broker Statement COMMENCING IN 2006 AND 2008 CLAIMANTS WHO WERE AND ARE ACCREDITED INVESTORS, INVESTED A TOTAL OF \$750,000 OF CAPITAL IN A HEDGE FUND SEEKING CAPITAL APPRECIATION THROUGH A NUMBER OF STRATEGIES. IN DECEMBER OF 2006 CLAIMANTS INVESTED \$250,000 IN MARCH OF 2006 CLAIMANTS INVESTED \$500,000. CLAIMANTS THEN ALLEGED THAT MISREPRESENTATIONS ABOUT THE FUND WERE MADE, THAT THE INVESTMENT WAS A SCHEME AND THAT RESPONDENTS (BOTH ROBERTS AND KMS FINANCIAL SERVICES, INC.) WERE LIABLE FOR DAMAGES UNDER FINRA RULES AND REGULATIONS, OREGON AND WASHINGTON SECURITIES LAWS, AND COMMON LAW. AFTER CONDUCTING REASONABLE AND CONSIDERED DUE DILIGENCE ON THE SPONSOR ALONG WITH AN ANALYSIS OF EACH CLAIMANT'S PORTFOLIO AND INVESTING NEEDS AT THE TIME, RESPONDENTS RECOMMENDED THAT CLAIMANTS REVIEW THE FUND'S PRIVATE PLACEMENT MEMORANDUM FOR POSSIBLE INVESTMENT OF A MODEST PORTION OF THEIR NET WORTH. BASED UPON THE DUE DILIGENCE OF THE SPONSOR AND ANALYSIS OF THE CLAIMANT'S PORTFOLIO, THE RECOMMENDATION APPEARED TO BE SUITABLE AND APPROPRIATE FOR THE CLAIMANTS. CLAIMANTS ENTERED INTO A CONFIDENTIAL SETTLEMENT WITH RESPONDENT KMS AND DID NOT PURSUE THEIR CLAIMS AGAINST RESPONDENT ROBERTS. ROBERTS DID NOT CONTRIBUTE ANY PAYMENT WHATSOEVER TOWARDS THAT SETTLEMENT. THE FINRA ARBITRATION WAS DISMISSED ON JUNE 21, 2012.

Disclosure 3 of 3

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: KMS FINANCIAL SERVICES INC

Allegations: IN APRIL OF 2007, THE CLAIMANTS, WHO WERE AND ARE ACCREDITED INVESTORS, INVESTED \$250,000 OF CAPITAL EACH IN THE GRIFPHON ALPHA I FUND, L.P., A HEDGE FUND SEEKING CAPITAL APPRECIATION THROUGH A NUMBER OF STRATEGIES. CLAIMANTS NOW ALLEGE THAT MISREPRESENTATIONS ABOUT THE FUND WERE MADE, THAT THE INVESTMENT WAS A SCHEME AND THAT RESPONDENTS ARE LIABLE FOR DAMAGES UNDER OREGON SECURITIES LAWS AND COMMON LAW.

Product Type: Other: HEDGE FUND

Alleged Damages: \$750,000.00



Alleged Damages Amount + 9% INTEREST AND ATTORNEY FEES, + COSTS OF BRINGING
Explanation (if amount not exact): ARBITRATION CLAIM

Is this an oral complaint? No

Is this a written complaint? No

Is this an arbitration/CFTC reparation or civil litigation? Yes

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

Docket/Case #: 10-04026

Filing date of arbitration/CFTC reparation or civil litigation: 09/16/2010

Customer Complaint Information

Date Complaint Received: 09/20/2010

Complaint Pending? No

Status: Evolved into Arbitration/CFTC reparation (the individual is a named party)

Status Date: 09/20/2010

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Docket/Case #: 10-04026

Date Notice/Process Served: 09/20/2010

Arbitration Pending? No

Disposition: Settled

Disposition Date: 12/14/2011

Monetary Compensation Amount: \$699,999.99

Individual Contribution Amount: \$0.00

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: KMS FINANCIAL SERVICES, INC.

Allegations: ALLEGATIONS AGAINST KMS FINANCIAL SERVICES, INC, AND SCOTT ROBERTS FOR OREGON SECURITIES VIOLATIONS, MISREPRESENTATION AND OMISSIONS, UN-SUITABILITY



| | |
|---|--|
| Product Type: | Other: HEDGE FUND |
| Alleged Damages: | \$750,000.00 |
| Alleged Damages Amount Explanation (if amount not exact): | +9% INTEREST AND ATTORNEY FEES, + COSTS OF BRINGING ARBITRATION CLAIM. |
| Arbitration Information | |
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 10-04026 |
| Date Notice/Process Served: | 09/20/2010 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 12/14/2011 |
| Monetary Compensation Amount: | \$700,000.00 |
| Individual Contribution Amount: | \$0.00 |
| Broker Statement | <p>COMMENCING IN APRIL OF 2007, CLAIMANTS WHO WERE AND ARE ACCREDITED INVESTORS, INVESTED A TOTAL OF \$750,000 OF CAPITAL IN A HEDGE FUND SEEKING CAPITAL APPRECIATION THROUGH A NUMBER OF STRATEGIES. CLAIMANT'] INVESTED \$250,000 IN APRIL OF 2007, \$250,000 IN MAY OF 2007 AND \$250,000 IN MAY OF 2008. CLAIMANTS ALLEGED THAT MISREPRESENTATIONS ABOUT THE FUND WERE MADE, THAT THE INVESTMENT WAS A SCHEME AND THAT RESPONDENTS (BOTH ROBERTS AND KMS FINANCIAL SERVICES, INC.) WERE LIABLE FOR DAMAGES UNDER OREGON SECURITIES LAWS AND COMMON LAW. AFTER CONDUCTING DUE DILIGENCE ON THE SPONSOR ALONG WITH AN ANALYSIS OF EACH CLAIMANT'S PORTFOLIO AND INVESTING NEEDS AT THE TIME, RESPONDENTS RECOMMENDED THAT CLAIMANTS REVIEW THE FUND'S PRIVATE PLACEMENT MEMORANDUM FOR POSSIBLE INVESTMENT OF A MODEST PORTION OF THEIR NET WORTH. BASED UPON THE DUE DILIGENCE OF THE SPONSOR AND ANALYSIS OF THE CLAIMANT'S PORTFOLIO, THE RECOMMENDATION APPEARED TO BE SUITABLE AND APPROPRIATE FOR THE CLAIMANTS. CLAIMANTS' CLAIMS WERE ULTIMATELY SETTLED ON DECEMBER 14, 2011. RESPONDENT ROBERTS DID NOT CONTRIBUTE ANY PAYMENT WHATSOEVER TOWARDS THAT SETTLEMENT AND DID NOT ADMIT TO ANY WRONG DOING IN CONNECTION WITH THE HANDLING OF CLAIMANT'S INVESTMENTS.</p> |



End of Report

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