



## IAPD Report

# JOSHUA E BETANCOURT

CRD# 4565704

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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

### JOSHUA E BETANCOURT (CRD# 4565704)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **02/13/2017**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	QUANTUM CAPITAL INVESTMENTS, INC.	CRD# 156037	07/25/2017

### 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	QUANTUM CAPITAL INVESTMENTS	156037	ELMWOOD PARK, IL	03/11/2011 - 10/13/2015
B	BEST DIRECT SECURITIES, LLC	146053	CEDAR FALLS, IA	07/02/2012 - 07/12/2012
B	VISION	47927	ELMWOOD PARK, IL	08/20/2010 - 04/19/2011

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

### Employment 1 of 1

Firm Name: **QUANTUM CAPITAL INVESTMENTS, INC.**

Main Address: RIVER FOREST, IL

Firm ID#: 156037

	Regulator	Registration	Status	Date
IA	Illinois	Investment Adviser Representative	Approved	07/25/2017

### Branch Office Locations

**QUANTUM CAPITAL INVESTMENTS, INC.**  
RIVER FOREST, IL

**QUANTUM CAPITAL INVESTMENTS, INC.**  
Elmwood Park, IL



## 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 1 principal/supervisory exam, 1 general industry/product exam, and 2 state securities law exams.**




#### Principal/Supervisory Exams

	Exam	Category	Date
	NFA Branch Manager Examination (S30)	Series 30	05/10/2013

#### General Industry/Product Exams

	Exam	Category	Date
	General Securities Representative Examination (S7)	Series 7	01/06/2003

#### State Securities Law Exams

	Exam	Category	Date
	 Uniform Combined State Law Examination (S66)	Series 66	10/01/2007
	 Uniform Securities Agent State Law Examination (S63)	Series 63	08/17/2004

### 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	03/11/2011 - 10/13/2015	QUANTUM CAPITAL INVESTMENTS	CRD# 156037	ELMWOOD PARK, IL
B	07/02/2012 - 07/12/2012	BEST DIRECT SECURITIES, LLC	CRD# 146053	CEDAR FALLS, IA
B	08/20/2010 - 04/19/2011	VISION	CRD# 47927	ELMWOOD PARK, IL
IA	10/02/2007 - 03/26/2009	UBS FINANCIAL SERVICES INC.	CRD# 8174	CHICAGO, IL
B	09/24/2007 - 03/26/2009	UBS FINANCIAL SERVICES INC.	CRD# 8174	CHICAGO, IL
B	07/09/2007 - 09/17/2007	CHASE INVESTMENT SERVICES CORP.	CRD# 25574	CHICAGO, IL
B	05/14/2004 - 11/17/2005	REFCO SECURITIES, LLC	CRD# 14094	NEW YORK, NY
B	01/07/2003 - 04/29/2003	WORLDCO, L.L.C.	CRD# 24673	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
01/2011 - Present	QUANTUM CAPITAL INVESTMENTS	MANAGING MEMBER/ IAR	Y	ELMWOOD PARK, IL, United States
03/2009 - Present	QUANTUM CAPITAL	COMMODITY BROKER	Y	CHICAGO, IL, 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.

I have a Masters Degree in Accounting and provide accounting and tax planning services.



## 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	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 1

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	05/03/2013
<b>Docket/Case Number:</b>	<a href="#">2009017543501</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	UBS FINANCIAL SERVICES, INC. AND CHASE INVESTMENT SERVICES CORP.
<b>Product Type:</b>	No Product
<b>Allegations:</b>	FINRA RULES 2010, 3270, 8210, NASD RULES 2110, 3030, AND INTERPRETATIVE MATERIAL-1000-1: BETANCOURT OWNED AN ENTITY, A REGISTERED MEMBER OF THE NATIONAL FUTURES ASSOCIATION (NFA), AND PRIOR TO REGISTERING WITH HIS MEMBER FIRM HE SOLD HIS ENTITY'S PRIMARY ASSETS, CERTAIN PROPRIETARY SOFTWARE USED FOR STATISTICAL ANALYSIS, TO SOME INDIVIDUALS. AFTER THIS SALE, BETANCOURT CONTINUED TO RECEIVE A SHARE OF RENTAL FEES GENERATED FROM THE USE OF THE SOFTWARE BY THIRD PARTIES, WHILE HIS ENTITY CONTINUED TO ENGAGE IN OTHER BUSINESS UNDER THE SUPERVISION OF BETANCOURT. BETANCOURT SUBMITTED AN OUTSIDE INVESTMENT APPROVAL REQUEST TO THE COMPLIANCE DEPARTMENT AT HIS FIRM. ON THE FORM, BETANCOURT ADVISED THE FIRM THAT HE RECEIVED A RENTAL FEE OF \$10,000 PER MONTH FOR A PROPRIETARY PROGRAM USED FOR STATISTICAL ANALYSIS.





BETANCOURT INDICATED ON THE FORM THAT THE ENTITY FROM WHICH HE RECEIVED THE MONTHLY RENTAL INCOME WAS NOT INVOLVED IN SECURITIES, INVESTMENT ADVICE, FINANCIAL SERVICES, OR ANY OTHER BUSINESS IN ANY WAY INVOLVING FINANCIAL PRODUCTS. BETANCOURT INDICATED ON THE FORM THAT HE WOULD NOT BE SERVING AS AN OFFICER OR DIRECTOR OF THE ENTITY, AND THAT HE DID NOT OWN MORE THAN FIVE PERCENT OF THE ENTITY'S OUTSTANDING COMMON STOCK. THE FIRM'S COMPLIANCE DEPARTMENT SENT BETANCOURT A DOCUMENT ADVISING THAT THE DEPARTMENT APPROVED HIS PRIVATE OUTSIDE INVESTMENT IN PROPRIETARY SOFTWARE USED FOR STATISTICAL ANALYSIS (USAGE FEES) ONLY (THE ENTITY). THE DOCUMENT INSTRUCTED BETANCOURT THAT, IF HE PARTICIPATED IN THE MANAGEMENT OF THE ENTITY INCLUDING, BUT NOT LIMITED TO, SERVING ON THE BOARD OF DIRECTORS OR SERVING IN A MANAGERIAL CAPACITY OR PARTICIPATING IN OPERATING COMMITTEES, HE MUST NOTIFY THE FIRM AND AGAIN SEEK APPROVAL. THEREAFTER, BETANCOURT COMPLETED THE FIRM'S ANNUAL QUESTIONNAIRES AND SUBMITTED THEM TO THE FIRM. ON EACH FORM, BETANCOURT TYPED THAT HE AGREED WITH THE TERMS OF THE APPROVAL. NOTWITHSTANDING THESE REPRESENTATIONS TO THE FIRM, BETANCOURT HAD SERVED AS THE CHIEF EXECUTIVE OFFICER AND SOLE PRINCIPAL AT HIS ENTITY, AND WAS RESPONSIBLE FOR ALL ACTIVITIES AND MANAGEMENT OF THE ENTITY. BETANCOURT WAS THE SOLE OWNER OF THE ENTITY, AND ALL PROFITS GENERATED BY IT INURED TO THE BENEFIT OF BETANCOURT. DURING THIS TIME, BETANCOURT'S ENTITY WAS REGISTERED WITH THE NFA AS A COMMODITY TRADING ADVISOR AND INTRODUCING BROKER. AMONG OTHER THINGS, IT ENGAGED IN TRADING OF COMMODITIES THAT WAS PLACED BY A BROKER LOCATED OVERSEAS, AND SUPERVISED BY BETANCOURT. THE ENTITY WAS PAID APPROXIMATELY \$63,354 IN COMMISSIONS FOR COMMODITIES TRANSACTIONS BY ITS CLEARING FIRM. PERCENTAGE OF THE COMMISSIONS WERE RETAINED BY THE ENTITY AND THUS INURED TO THE BENEFIT OF BETANCOURT. BETANCOURT FAILED TO GIVE PROMPT WRITTEN NOTICE TO HIS FIRM ABOUT THESE FACTS. BETANCOURT WILLFULLY FAILED TO TIMELY UPDATE HIS FORM U4 TO DISCLOSE THAT HE WAS THE SOLE OWNER AND PRINCIPAL AT HIS ENTITY, AND THAT HE WAS RECEIVING A PORTION OF THE COMMISSIONS BEING PAID FOR COMMODITIES TRANSACTIONS THAT WERE BEING RUN THROUGH THE ENTITY. BETANCOURT WILLFULLY COMPLETED, SIGNED AND FILED A FALSE AMENDED FORM U4. BETANCOURT RESPONDED UNTRUTHFULLY AND IN A MISLEADING MANNER WHEN HE DISCUSSED THE EXTENT OF HIS INVOLVEMENT AND ROLE IN HIS ENTITY, BOTH IN A WRITTEN RESPONSE TO FINRA AND IN SWORN TESTIMONY BEFORE FINRA.

<b>Current Status:</b>	Final
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<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>	12/19/2013
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension



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?

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**

**Sanction Type:** Suspension  
**Capacities Affected:** ANY CAPACITY  
**Duration:** TWO YEARS  
**Start Date:** 01/06/2014  
**End Date:** 01/05/2016

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)  
**Total Amount:** \$15,000.00  
**Portion Levied against individual:** \$15,000.00  
**Payment Plan:**  
**Is Payment Plan Current:**  
**Date Paid by individual:**  
**Was any portion of penalty waived?** No  
**Amount Waived:**

**Regulator Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, BETANCOURT CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE HE IS FINED \$15,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR TWO YEARS. THE SETTLEMENT INCLUDES A FINDING THAT BETANCOURT WILLFULLY OMITTED TO STATE A MATERIAL FACT ON A FORM U4, AND THAT UNDER SECTION 3(A)(39)(F) OF THE SECURITIES EXCHANGE ACT OF 1934 AND ARTICLE III, SECTION 4 OF FINRA'S BY-LAWS, THIS OMISSION MAKES HIM SUBJECT TO STATUTORY DISQUALIFICATION WITH RESPECT TO ASSOCIATION WITH A MEMBER. THE SUSPENSION IS IN EFFECT FROM JANUARY 6, 2014 THROUGH JANUARY 5, 2016.

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**Reporting Source:** Individual  
**Regulatory Action Initiated By:** FINRA  
**Sanction(s) Sought:** Other: N/A  
**Date Initiated:** 05/03/2013  
**Docket/Case Number:** [2009017543501](#)  
**Employing firm when activity occurred which led to the regulatory action:** UBS FINANCIAL SERVICES, INC. AND CHASE INVESTMENT SERVICES CORP.  
**Product Type:** No Product  
**Allegations:** BETANCOURT OWNED AN ENTITY, A REGISTERED MEMEBER OF THE NFA AND PRIOR TO REGISTEREING WITH HIS MEMBER FIRM HE SOLD HIS ENTITY'S PRIMARY ASSETS, CERTAIN PROPRIETARY SOFTWARE USED FOR STATISTICAL ANALYSIS, TO SOME INDIVIDUALS. AFTER THIS SALE,



BETANCOURT CONTINUED TO RECEIVE A SHARE OF RENTAL FEES GENERATED FROM THE USE OF THE SOFTWARE BY THIRD PARTIES, WHILE HIS ENTITY CONTINUED TO ENGAGE IN OTHER BUSINESS UNDER HTE SUPERVISION OF BETANCOURT. BETANCOURT SUBMITTED AN OUTSIDE INVESTMENT APPROVAL REQUEST TO THE COMPLIANCE DEPARTMENT AT HIS FIRM. ON THE FORM, BETANCOURT ADVISED THE FIRM THAT HE RECEIVED A RENTAL FEE OF \$10,000 PER MONTH FOR A PROPRIETARY PROGRAM USED FOR STATISTICAL ANALYSIS. BETANCOURT INDICATED ON THE FORM THAT THE ENTITY FROM WHICH HE RECEIVED THE MONTHLY RENTAL INCOME WAS NOT INVOLVED IN SECURITIES, INVESTMENT ADVICE, FINANCIAL SERVICES, OR ANY OTHER BUSINESS IN ANY WAY INVOLVING FINANCIAL PRODUCTS. BETANCOURT INDICATED ON THE FORM THAT HE WOULD NOT BE SERVING AS AN OFFICER OR DIRECTOR OF HTE ENTITY, AND THAT HE DID NOT OWN MORE THAN 5% OF HTE ENTITY'S OUTSTANDING COMMON STOCK. THE FIRM'S COMPLIANCE DEPARTMENT SENT BETANCOURT A DOCUMENT ADVISING THAT THE DEPARTMENT APPROVED HIS PRIVATE OUTSIDE INVESTMENT IN PROPRIETARY SOFTWARE USED FOR STATISTICAL ANALYSIS ONLY. THE DOCUMENT INSTRUCTED BETANCOURT THAT IF HE PARTICIPATED IN THE MANAGEMENT OF THE ENTITY, INCLUDING, BUT NOT LIMITED TO, SERVING ON THE BOARD OF DIRECTORS OR DSERVING IN A MANAGERIAL CAPACITY OR PARTICIPATING IN OPERATING COMMITTEES, HE MUST NOTIFY THE FIRM AND AGAIN SEEK APPROVAL. THEREAFTER, BETANCOURT COMPLETED THE FIRM'S ANNUAL QUESTIONNAIRES AND SUBMITTED THEM TO THE FIRM. ON EACH FORM, HE TYPED THAT HE AGREED WITH THE TERMS OF THE APPROVAL. NOTWITHSTANDING THESE REPRESENTATIONS OF THE FIRM, BETANCOURT HAD SERVED AS HTE CHIEF EXECUTIVE OFFICER AND SOLE PRINCIPAL AT HIS ENTITY, AND WAS RESPONSIBLE FOR ALL ACTIVITIES AND MANAGEMENT OF HTE ENTITY. HE WAS THE SOLE OWNER OF HTE ENTITY, AND ALL PROFITS GENERATED BY IT INURED TO THE BENEFIT OF BETANCOURT. DURING THIS TIME, HIS ENTITY WAS REGISTERED WITH THE NFA AS A COMMODITY TRADING ADVISOR AND INTRODUCING BROKER. AMONG OTHER THINGS, IT ENGAGED IN TRADING OF COMMODITIES THAT WAS PLACED BY A BROKER LOCATED OVERSEAS AND SUPERVISED BY BETANCOURT. THE ENTITY WAS PAID APPROXIMATELY \$63,354 IN COMMISSIONS FOR COMMODITIES TRANSACTIONS BY ITS CLEARING FIRM. PERCENTAGE OF THE COMMISSIONS WERE RETAINED BY THE ENTITY AND THUS INURED TO THE BENEFIT OF BETANCOURT. BETANCOURT FAILED TO GIVE PROMPT WRITTEN NOTICE TO HIS FIRM ABOUT THESE FACTS. BETANCOURT WILLFULLY FAILED TO TIMELY UPDATE HIS FORM U4 TO DISCLOSE THAT HE WAS THE SOLE OWNER AND PRINCIPAL AT HIS ENTITY AND THAT HE WAS RECEIVING A PORTION OF THE COMMISSIONS BEING PAID FOR COMMODITIES TRANSACTIONS THAT WERE BEING RUN THROUGH THE ENTITY. BETANCOURT WILLFULLY COMPLETED, SIGNED AND FILED A FALSE AMENDED FORM U4. BETANCOURT RESPONDED UNTRUTHFULLY AND IN A MISLEADING MANNER WHEN HE DISCUSSED HTE EXTENT OF HIS INVOLVEMENT AND ROLE IN HIS ENTITY, BOTH IN A WRITTEN RESPONSE TO FINRA AND IN SWORN TESTIMONY BEFORE FINRA.

**Current Status:**

Pending



## 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

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	UBS FINANCIAL SERVICES, INC.
<b>Allegations:</b>	THE COMPLAINT AROSE OUT OF THE SALE OF AN AUCTION RATE SECURITY (ARS) THAT WAS MADE PRIOR TO THE WIDESPREAD ILLIQUIDITY IN THE ARS MARKET THAT OCCURRED IN FEBRUARY 2008.
<b>Product Type:</b>	Other: AUCTION RATE SECURITIES
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	CLIENT DID NOT MAKE A CLAIM FOR COMPENSATORY DAMAGES OR CLIENT SOUGHT DAMAGES UP TO \$25,000.
<b>Is this an oral complaint?</b>	Yes
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

## Customer Complaint Information

<b>Date Complaint Received:</b>	04/11/2008
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	12/23/2008
<b>Settlement Amount:</b>	\$25,000.00
<b>Individual Contribution Amount:</b>	\$0.00

<b>Firm Statement</b>	THE COMPLAINT AROSE IN CONNECTION WITH THE INDUSTRY WIDE BREAKDOWN OF LIQUIDITY IN THE MARKET FOR AUCTION RATE SECURITIES ("ARS"). THE FIRM AGREED TO REPURCHASE THE ARS SECURITIES AT ISSUE AT PAR VALUE FROM THE CLIENT PURSUANT TO A GLOBAL REPURCHASE AGREEMENT IT ENTERED INTO WITH SEVERAL REGULATORY BODIES. THIS WAS NOT A SETTLEMENT OF A DISPUTE BETWEEN THE CLIENT AND THE REPRESENTATIVE AND WAS NOT BASED ON THE MERITS OF THE CLIENT'S SPECIFIC CONCERNS OR ANY FINDING OF FAULT OR WRONGDOING BY THE NAMED REPRESENTATIVE. THE NAMED REPRESENTATIVE WAS NOT A PARTY TO, AND DID NOT AGREE TO OR PARTICIPATE IN, THE REPURCHASE AGREEMENT BETWEEN THE FIRM AND THE RELEVANT REGULATORY BODIES. THE NAMED REPRESENTATIVE DID NOT MAKE ANY PAYMENTS TO THE CLIENT AND THE NAMED REPRESENTATIVE WAS NOT ASKED TO AND DID NOT CONTRIBUTE TO THE
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SETTLEMENT AMOUNT. THE LISTED "SETTLEMENT AMOUNT" REPRESENTS ONLY THE GROSS INITIAL PAR VALUE OF THE ARS POSITION AND DOES NOT TAKE INTO ACCOUNT THE ACTUAL VALUE OF THE ARS POSITION AT THE TIME THE FIRM RECEIVED IT BACK FROM THE CLIENT IN CONNECTION WITH THE SETTLEMENT. THIS MATTER IS BEING REPORTED AS A SETTLEMENT PURSUANT TO THE REQUIREMENTS OF FINRA REGULATORY NOTICE 09-12.

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**Reporting Source:** Individual

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

**Allegations:** THE COMPLAINT AROSE OUT OF THE SALE OF AN AUCTION RATE SECURITY (ARS) THAT WAS MADE PRIOR TO THE WIDESPREAD ILLIQUIDITY IN THE ARS MARKET THAT OCCURRED IN FEBRUARY 2008.

**Product Type:** Other: AUCTION RATE SECURITIES

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** CLIENT DID NOT MAKE A CLAIM FOR COMPENSATORY DAMAGES OR CLIENT SOUGHT DAMAGES UP TO \$25,000.

**Is this an oral complaint?** Yes

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 04/11/2008

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 12/23/2008

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

**Individual Contribution Amount:** \$0.00

**Broker Statement** THE COMPLAINT AROSE IN CONNECTION WITH THE INDUSTRY WIDE BREAKDOWN OF LIQUIDITY IN THE MARKET FOR AUCTION RATE SECURITIES ("ARS"). THE CLIENT COMPLAINT WAS DIRECTED AT UBS FINANCIAL SERVICES AND NOT MR. BETANCOURT. THE CLIENT WAS CONCERNED ABOUT HIS PORTFOLIO DURING THE HISTORIC FINANCIAL AND REAL-ESTATE COLLAPSE OF OCTOBER 2008 AND UBS'S DETERIORATING CREDIT QUALITY AND SEVERE DROP IN FINANCIAL STANDINGS. THIS WAS NOT A REFLECTION OF BETANCOURT'S SERVICES. THIS WAS NOT A SETTLEMENT OF A DISPUTE BETWEEN THE CLIENT AND THE REPRESENTATIVE AND WAS NOT BASED ON THE MERITS OF THE CLIENT'S SPECIFIC CONCERNS OR ANY FINDING OF FAULT OR WRONGDOING BY THE NAMED REPRESENTATIVE. THE LISTED "SETTLEMENT AMOUNT" REPRESENTS ONLY THE GROSS INITIAL PAR VALUE OF THE ARS POSITION AND DOES NOT TAKE INTO ACCOUNT THE ACTUAL VALUE OF THE ARS POSITION AT THE TIME THE FIRM RECEIVED IT



BACK FROM THE CLIENT IN CONNECTION WITH THE SETTLEMENT. THIS  
MATTER IS BEING REPORTED AS A SETTLEMENT PURSUANT TO THE  
REQUIREMENTS OF FINRA REGULATORY NOTICE 09-12.





## 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:** UBS FINANCIAL SERVICES INC.

**Termination Type:** Discharged

**Termination Date:** 02/27/2009

**Allegations:** MR. BETANCOURT WAS DISCHARGED AFTER HE ACKNOWLEDGED HIS VIOLATION OF THE FIRM'S POLICY REQUIRING PRE-APPROVAL OF SEMINAR PRESENTATION MATERIALS.

**Product Type:** No Product

### Other Product Types:

.....

**Reporting Source:** Individual

**Firm Name:** UBS FINANCIAL SERVICES INC.

**Termination Type:** Discharged

**Termination Date:** 03/26/2009

**Allegations:** MR. BETANCOURT WAS NOT AWARE OF THE NEW RULES THAT REQUIRED TO RESUBMIT MARKETING MATERIAL THAT HAD ALREADY BEEN APPROVED ON PRIOR OCCASIONS.MR. BETANCOURT WAS DISPLEASED WITH THE LACK OF COMMUNICATION WITH THE NEW MANAGEMENT AND RESIGNED.

**Product Type:** No Product

**Broker Statement** MR. BETANCOURT LEFT UBS VOLUNTARILY. HE WAS NOT CONTENT WITH THE REPUTATION OF THE FIRM AND HOW THE FIRM HANDLED THE ECONOMIC CRISIS AND ITS IMAGE IN THE MEDIA. JOSHUA BETANCOURT LEFT THE FIRM TO BEGIN HIS OWN PRACTICE. UBS HAS NOT RESPONDED TO INQUIRIES IN REGARDS TO UPDATING THE INFORMATION WITH THE CORRECT DATA.





## End of Report

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