



## IAPD Report

# MICHAEL CIRO COLLETTI

CRD# 4577898

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## 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

### MICHAEL CIRO COLLETTI (CRD# 4577898)

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 **08/22/2025**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
<b>B</b>	SOVEREIGN GLOBAL ADVISORS LLC	CRD# 167663	02/04/2020
<b>IA</b>	SOVEREIGN GLOBAL ADVISORS, LLC	CRD# 167663	03/03/2020

### QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **6** jurisdiction(s).

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

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

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

### REGISTRATION HISTORY

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

	FIRM	CRD#	LOCATION	REGISTRATION DATES
<b>IA</b>	IC ADVISORY SERVICES, INC.	140190	GLEN COVE, NY	01/12/2017 - 01/31/2020
<b>B</b>	THE INVESTMENT CENTER, INC.	17839	GLEN COVE, NY	01/11/2017 - 01/31/2020
<b>IA</b>	CADARET GRANT & CO INC	10641	MELVILLE, NY	05/08/2015 - 12/31/2016

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	2
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 6 jurisdiction(s) and 1 SRO(s) through his or her employer(s).

### Employment 1 of 1

Firm Name: **SOVEREIGN GLOBAL ADVISORS, LLC**  
Main Address: 501 SOUTH CHERRY STREET  
11TH FLOOR  
DENVER, CO 80246  
Firm ID#: 167663

	Regulator	Registration	Status	Date
B	FINRA	General Securities Principal	Approved	02/04/2020
B	FINRA	General Securities Representative	Approved	02/04/2020
B	FINRA	Investment Banking Representative	Approved	02/04/2020
B	Kansas	Agent	Approved	02/28/2020
B	New Jersey	Agent	Approved	02/04/2020
IA	New Jersey	Investment Adviser Representative	Approved	03/03/2020
B	New York	Agent	Approved	02/04/2020
B	North Carolina	Agent	Approved	10/10/2024
B	Pennsylvania	Agent	Approved	05/21/2021
B	Texas	Agent	Approved	02/18/2020
IA	Texas	Investment Adviser Representative	Approved	07/08/2020

### Branch Office Locations

**SOVEREIGN GLOBAL ADVISORS, LLC**  
50 Glen Street



## Qualifications

Ste 218  
Glen Cove, NY 11542




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



#### Principal/Supervisory Exams

	Exam	Category	Date
	General Securities Principal Examination (S24)	Series 24	07/20/2006

#### General Industry/Product Exams

	Exam	Category	Date
	Investment Banking Registered Representative Examination (S79TO)	Series 79TO	01/02/2023
	Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
	General Securities Representative Examination (S7)	Series 7	09/04/2002

#### State Securities Law Exams

	Exam	Category	Date
	Uniform Investment Adviser Law Examination (S65)	Series 65	05/27/2020
	Uniform Securities Agent State Law Examination (S63)	Series 63	11/06/2002

### 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	01/12/2017 - 01/31/2020	IC ADVISORY SERVICES, INC.	CRD# 140190	GLEN COVE, NY
B	01/11/2017 - 01/31/2020	THE INVESTMENT CENTER, INC.	CRD# 17839	GLEN COVE, NY
IA	05/08/2015 - 12/31/2016	CADARET GRANT & CO INC	CRD# 10641	MELVILLE, NY
B	12/22/2014 - 12/31/2016	CADARET, GRANT & CO., INC.	CRD# 10641	MELVILLE, NY
B	12/09/2014 - 12/10/2014	SECURITIES AMERICA, INC.	CRD# 10205	JERICHO, NY
B	03/19/2012 - 11/21/2014	NATIONAL SECURITIES CORPORATION	CRD# 7569	MELVILLE, NY
B	01/05/2010 - 03/27/2012	FIRST MIDWEST SECURITIES, INC.	CRD# 21786	HAUPPAUGE, NY
B	07/19/2004 - 01/28/2010	AMERICAN CAPITAL PARTNERS, LLC	CRD# 119249	EAST MEADOW, NY
B	09/05/2002 - 07/22/2004	COMMERCE ONE FINANCIAL INC.	CRD# 100340	SYOSSET, 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
02/2020 - Present	Sovereign Global Advisors, LLC	Registered Representative	Y	kings park, NY, United States
01/2017 - 01/2020	IC ADVISORY SERVICES INC	REGISTERED REPRESENTATIVE	Y	GLEN COVE, NY, United States
01/2017 - 01/2020	THE INVESTMENT CENTER INC	REGISTERED REPRESENTATIVE	Y	GLEN COVE, NJ, United States
12/2014 - 01/2017	CADARET, GRANT & CO., INC.	REGISTERED REPRESENTATIVE	Y	MELVILLE, NY, United States



## Registration & Employment History



### 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.

DBA POLARIS FINANCIAL GROUP, INC.SOLE PROPRIETOR. WEALTH MANAGEMENT, SALE OF SECURITIES, FIXED INCOME, ANNUITIES, LIFE INSURANCE. DEVOTE >60%. ANNUAL INCOME >60%.OWN > 60%ESTABLISHED 11/30/2017.



## 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	2
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 2

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	02/15/2023
<b>Docket/Case Number:</b>	<a href="#">2019061942901</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	Investment Center, Inc.
<b>Product Type:</b>	Mutual Fund

**Allegations:** Colletti was named a respondent in a FINRA complaint alleging that he placed trades with total principal value of approximately \$157,231 in the account of an elderly customer without the customer's prior authorization. The complaint alleges that the customer was an unsophisticated investor and outside of Colletti's excessive trading of his account, the customer mainly bought and held mutual funds and stocks of well-established companies. Colletti's unauthorized trading resulted in realized losses of \$5,417.17 in the customer's account. The complaint also alleges that Colletti unsuitably and excessively traded the customer's account by frequently purchasing and selling various equity positions that caused the customer to incur high cumulative costs. Colletti exercised de facto control over the account by placing trades without first obtaining the customer's authorization. Colletti effected securities transactions in the customer's account that generated \$4,981 in commissions and \$256 in other trading costs. Colletti's excessive trading in the customer's account resulted in a turnover rate of 10.28 (annualized to 12.33) and a cost-to-equity ratio of 72.14 percent (annualized to 86.57 percent).



<b>Current Status:</b>	On Appeal
<b>Action Appealed To:</b>	SEC
<b>Date Appeal filed:</b>	07/10/2025
<b>Appeal Limitation Details:</b>	
<b>Resolution:</b>	Pending Appeal
<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>	06/17/2025
<b>If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?</b>	No

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

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



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

**Regulator Statement**

Hearing Panel Decision rendered February 28, 2024 wherein Colletti is fined \$10,000, suspended from associating with any FINRA member firm in all capacities for eight months, ordered to pay restitution in the amount of \$5,417, plus interest, to a customer, and required to requalify by examination as a General Securities Representative before he re-enters the securities industry. Colletti is also assessed hearing costs in the amount of \$5,902.66. The sanctions are based on the findings that Colletti engaged in unauthorized trading without obtaining specific authorization from the customer before executing each trade. The findings also stated that Colletti engaged in unsuitable and excessive trading. Colletti's excessive trading activity was inconsistent with the customer's financial circumstances and investment objectives. The customer was in his 60s, nearing retirement, and his account was an IRA account. He had a moderate risk tolerance and investment objectives of income and growth. RM's account never exceeded \$10,000, yet Colletti's excessive trading resulted in relatively significant losses of \$5,417, while Colletti received \$5,081 in commissions. On March 21, 2024, Colletti appealed the decision to the NAC. On April 29, 2024, an order imposing interim conditions and restrictions pursuant to FINRA Rule 9285 was entered as to Colletti. NAC decision rendered June 17, 2025, wherein the findings and sanctions imposed by the Hearing Panel are affirmed. The NAC orders that Colletti pay appeal costs in the amount of \$1,464. On July 10, 2025, Colletti appealed the decision to the SEC. The sanctions are not in effect pending the review.

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<b>Reporting Source:</b>	Individual
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: Reimbursement
<b>Date Initiated:</b>	02/15/2023
<b>Docket/Case Number:</b>	<a href="#">2019061942901</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	Investment Center, INC
<b>Product Type:</b>	Mutual Fund
<b>Allegations:</b>	Colletti was named a respondent in a FINRA complaint alleging that he placed trades with total principal value of approximately \$157,231 in the account of an elderly customer without the



customer's prior authorization. The complaint alleges that the customer was an unsophisticated investor and outside of Colletti's excessive trading of his account, the customer mainly bought and held mutual funds and stocks of well-established companies. Colletti's unauthorized trading resulted in realized losses of \$5,417.17 in the customer's account. The complaint also alleges that Colletti unsuitably and excessively traded the customer's account by frequently purchasing and selling various equity positions that caused the customer to incur high cumulative costs. Colletti exercised de facto control over the account by placing trades without first obtaining the customer's authorization. Colletti effected securities transactions in the customer's account that generated \$4,981 in commissions and \$256 in other trading costs. Colletti's excessive trading in the customer's account resulted in a turnover rate of 10.28 (annualized to 12.33) and a cost-to-equity ratio of 72.14 percent (annualized to 86.57 percent).

**Current Status:** On Appeal

**Action Appealed To:** SRO

**Date Appeal filed:** 03/21/2024

**Appeal Limitation Details:**

**Resolution:** Pending Appeal

**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:** 02/28/2024

**Broker Statement** Hearing Panel Decision rendered February 28, 2024 wherein Colletti is fined \$10,000, suspended from associating with any FINRA member firm in any capacity for eight months, ordered to pay restitution in the amount of \$5,417 to customer, and required to requalify by examination as a General Securities Representative before he re-enters the securities industry. Colletti is also assessed hearing costs in the amount of \$5,902.66, which includes an administrative fee of \$750. The sanctions are based on the findings that Colletti engaged in unauthorized trading without obtaining specific authorization from the customer before executing each trade. The findings also stated that Colletti engaged in unsuitable and excessive trading. Colletti's excessive trading activity was inconsistent with the customer's financial circumstances and investment objectives. The customer was in his 60s, nearing retirement, and his account was an IRA account. He had a moderate risk tolerance and investment objectives of income and growth. RM's account never exceeded \$10,000, yet Colletti's excessive trading resulted in relatively significant losses of \$5,417, while Colletti received \$5,081 in commissions. On March 21, 2024, Colletti



appealed the decision to the NAC. The sanctions are not in effect pending the review. On April 29, 2024, an order imposing interim conditions and restrictions pursuant to FINRA Rule 9285 was entered as to Colletti.

**Disclosure 2 of 2**

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	07/31/2017
<b>Docket/Case Number:</b>	<a href="#">2014042520501</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	National Securities Corporation
<b>Product Type:</b>	Other: Unspecified securities
<b>Allegations:</b>	Colletti was named a respondent in a FINRA complaint alleging that he failed to reasonably supervise cold callers in his branch office that he had hired without following his member firm's procedures. The complaint alleges that Colletti was the designated supervisor and branch office manager for the office opened by his firm. Because of Colletti's failure to enforce the firm's written supervisory procedures (WSPs) regarding hiring practices, including those specific to cold callers, the firm was unaware of some of the cold callers for months after they began working in the branch, if at all, and some of the cold callers were not subject to a background check, much less approved by the firm's hiring committee. Despite working in the same room as the cold callers, Colletti either missed or did not act upon red flags that the cold callers were engaging in impermissible activities. Because Colletti did not reasonably supervise the cold callers, some of the cold callers' unauthorized scripts contained misrepresentations and improper questions.
<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>	01/29/2018
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension
<b>If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?</b>	No



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

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

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

**Sanction 1 of 1**

<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	Any principal capacity
<b>Duration:</b>	three months
<b>Start Date:</b>	02/20/2018



**End Date:** 05/19/2018

**Monetary Sanction 1 of 1**

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

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

**Portion Levied against individual:** \$7,500.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:** 02/16/2019

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

**Amount Waived:**

**Regulator Statement**

Without admitting or denying the allegations, Colletti consented to the sanctions and to the entry of findings that he failed to reasonably supervise cold callers in his branch office that he had hired without following his member firm's procedures. The findings stated that Colletti was the designated supervisor and branch office manager for the branch office opened by his firm. The branch hired and employed several cold callers, the majority of whom were not registered through the firm. Colletti and another registered representative, with whom he split expenses for the branch, paid the cold callers a weekly salary from corporations they controlled or from the other registered representative's personal bank account. The firm did not pay any of the cold callers. The findings also stated that Colletti did not follow the firm's written supervisory procedures (WSPs) regarding hiring practices, including those specific to cold callers. Because of Colletti's failure to enforce his firm's written procedures regarding hiring and cold callers, the firm was unaware of some of the cold callers for months after they began working in the branch office, if at all, and some of the cold callers were not subject to a background check, much less approved by the hiring committee. The findings also included that despite working in the same room as the cold callers, Colletti either missed or did not act upon red flags that the cold callers were engaging in impermissible activities. Because Colletti did not reasonably supervise the cold callers, some of the cold callers' unauthorized scripts contained misrepresentations and improper questions. Fines paid in full on February 16, 2019.

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**Reporting Source:** Individual

**Regulatory Action Initiated By:** FINRA

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

**Date Initiated:** 07/31/2017

**Docket/Case Number:** [2014042520501](#)

**Employing firm when activity occurred which led to the regulatory action:** NATIONAL SECURITIES CORPORATION

**Product Type:** Other: UNSPECIFIED SECURITIES

**Allegations:** COLLETTI WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT, AS A DESIGNATED SUPERVISOR AND BRANCH OFFICE MANAGER OF



HIS MEMBER FIRM'S BRANCH OFFICE, HE FAILED TO REASONABLY SUPERVISE COLD CALLERS IN THE BRANCH OFFICE THAT HE HIRED WITHOUT FOLLOWING FIRM PROCEDURES. THE COMPLAINT ALLEGES THAT BECAUSE OF COLLETTI'S FAILURE TO ENFORCE THE FIRM'S WRITTEN PROCEDURES REGARDING HIRING AND COLD CALLERS, THE FIRM WAS UNAWARE OF SOME OF THE COLD CALLERS FOR MONTHS AFTER THEY BEGAN WORKING IN THE BRANCH, IF AT ALL, AND SOME OF THE COLD CALLERS WERE NOT SUBJECT TO A BACKGROUND CHECK, MUCH LESS APPROVED BY THE FIRM'S HIRING COMMITTEE. DESPITE WORKING IN THE SAME ROOM AS THE COLD CALLERS, COLLETTI EITHER MISSED OR DID NOT ACT UPON RED FLAGS THAT THE COLD CALLERS WERE ENGAGING IN IMPERMISSIBLE ACTIVITIES. THOSE RED FLAGS INCLUDED THE SCRIPTS WRITTEN ON NOTEPADS, TAPED TO FURNITURE, AND IN THE COLD CALLERS' DESK DRAWERS AND WHITE BOARD CONTAINING COLD CALLERS' NAMES AND COLUMNS FOR "ACCT OPENED" "ACCT GOAL" AND "MONEY RAISED". THE WHITE BOARD NEAR THE DESKS OF SOME OF THE COLD CALLERS LISTED THE NAMES OF THE COLD CALLERS, WITH A COLUMN FOR THE NUMBER OF ACCOUNTS OPENED, A COLUMN FOR THEIR "ACCT GOALS", AND A COLUMN FOR THEIR "MONEY RAISED". THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS ) LIMITED COLD CALLERS TO A HANDFUL OF SPECIFIC PERMISSIBLE ACTIVITIES, NONE OF WHICH INCLUDED OPENING ACCOUNTS OR RAISING MONEY. BECAUSE COLLETTI DID NOT REASONABLY SUPERVISE THE COLD CALLERS, SOME OF THE COLD CALLERS' UNAUTHORIZED SCRIPTS CONTAINED MISREPRESENTATIONS AND IMPROPER QUESTIONS.

**Current Status:** Final

**Resolution:** Decision & Order of Offer of Settlement

**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:** 01/29/2018

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

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** ANY PRINCIPAL CAPACITY

**Duration:** 3 MONTHS

**Start Date:** 02/20/2018

**End Date:** 05/19/2018

**Monetary Sanction 1 of 1**

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

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

**Portion Levied against individual:** \$7,500.00

**Payment Plan:**



**Is Payment Plan Current:**

**Date Paid by individual:**

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

**Amount Waived:**

**Broker Statement**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, COLLETTI CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT HE FAILED TO REASONABLY SUPERVISE COLD CALLERS IN HIS BRANCH THAT HE HIRED WITHOUT FOLLOWING HIS MEMBER FIRM'S PROCEDURES. THE FINDINGS STATED THAT COLLETTI WAS THE DESIGNATED SUPERVISOR AND BRANCH OFFICE MANAGER FOR THE BRANCH OFFICE OPENED BY HIS FIRM. THE BRANCH HIRED AND EMPLOYED SEVERAL COLD CALLERS, THE MAJORITY OF WHOM WERE NOT REGISTERED THROUGH THE FIRM. COLLETTI AND ANOTHER REGISTERED REPRESENTATIVE, WITH WHOM HE SPLIT EXPENSES FOR THE BRANCH, PAID THE COLD CALLERS A WEEKLY SALARY FROM CORPORATIONS THEY CONTROLLED OR FROM THE OTHER REGISTERED REPRESENTATIVE'S PERSONAL BANK ACCOUNT. THE FIRM DID NOT PAY ANY OF THE COLD CALLERS. THE FINDINGS ALSO STATED THE COLLETTI DID NOT FOLLOW THE FIRM'S WRITTEN SUPERVISORY PROCEDURES ( WSPS ) REGARDING HIRING PRACTICES, INCLUDING THOSE SPECIFIC TO COLD CALLERS. BECAUSE OF COLLETTI'S FAILURE TO ENFORCE HIS FIRM'S WRITTEN PROCEDURES REGARDING HIRING AND COLD CALLERS, THE FIRM WAS UNAWARE OF SOME OF THE COLD CALLERS FOR MONTHS AFTER THEY BEGAN WORKING IN THE BRANCH OFFICE, IF AT ALL, AND SOME OF THE COLD CALLERS WERE NOT SUBJECT TO BACKGROUND CHECKS, MUCH LESS APPROVED BY THE HIRING COMMITTEE. THE FINDINGS ALSO INCLUDED THE DESPITE WORKING IN THE SAME ROOM AS THE COLD CALLERS, COLLETTI EITHER MISSED OR DID NOT ACT UPON RED FLAGS THAT THE COLD CALLERS WERE ENGAGING IN IMPERMISSIBLE ACTIVITIES. BECAUSE COLLETTI DID NOT REASONABLY SUPERVISE THE COLD CALLERS, SOME OF THE COLD CALLERS' UNAUTHORIZED SCRIPTS CONTAINED MISREPRESENTATIONS AND IMPROPER QUESTIONS.



## 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:** SECURITIES AMERICA, INC.  
**Termination Type:** Voluntary Resignation  
**Termination Date:** 12/08/2014  
**Allegations:** THE REPRESENTATIVE FAILED TO TIMELY DISCLOSE TO SAI HIS DISCHARGE BY HIS PRIOR FIRM.  
**Product Type:** No Product

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**Reporting Source:** Individual  
**Firm Name:** SECURITIES AMERICA, INC.  
**Termination Type:** Voluntary Resignation  
**Termination Date:** 12/08/2014  
**Allegations:** FAILED TO TIMELY DISCLOSE DISCHARGE FROM PRIOR FIRM.  
**Product Type:** No Product

### Disclosure 2 of 2

**Reporting Source:** Firm  
**Firm Name:** NATIONAL SECURITIES CORP  
**Termination Type:** Discharged  
**Termination Date:** 10/22/2014  
**Allegations:** FAILURE TO DISCLOSE OUTSIDE BUSINESS ACTIVITY TO THE FIRM.  
**Product Type:** No Product

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**Reporting Source:** Individual  
**Firm Name:** NATIONAL SECURITIES CORPORATION  
**Termination Type:** Discharged  
**Termination Date:** 10/22/2014  
**Allegations:** FAILURE TO DISCLOSE OUTSIDE BUSINESS ACTIVITY TO THE FIRM.  
**Product Type:** No Product



## End of Report

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