



IAPD Report

Christopher J Shaw

CRD# 5011382

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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

Christopher J Shaw (CRD# 5011382)

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 **04/23/2025**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	NFSG CORPORATION	CRD# 130814	01/13/2021

QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **2** 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	NEWBRIDGE SECURITIES CORPORATION	104065	BELMONT, NC	09/24/2020 - 05/30/2023
IA	PRUDENTIAL FINANCIAL PLANNING SERVICES	5685	CHARLOTTE, NC	05/16/2019 - 09/15/2020
B	PRUCO SECURITIES, LLC.	5685	CHARLOTTE, NC	05/15/2019 - 09/15/2020

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
Customer Dispute	7
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 **2** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **NFSG CORPORATION**
Main Address: 1200 NORTH FEDERAL HIGHWAY
SUITE 400
BOCA RATON, FL 33432
Firm ID#: 130814

	Regulator	Registration	Status	Date
IA	North Carolina	Investment Adviser Representative	Approved	01/13/2021
IA	Texas	Investment Adviser Representative	Restricted Approval	01/24/2022

Branch Office Locations

NFSG CORPORATION
GLENWAY COMMONS BLVD
100 GLENWAY STREET, STE J
BELMONT, NC 28012



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, 2 general industry/product exams, and 3 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 Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
B General Securities Representative Examination (S7)	Series 7	12/13/2005

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination (S65)	Series 65	01/30/2017
B Uniform Securities Agent State Law Examination (S63)	Series 63	12/15/2011
IA B Uniform Combined State Law Examination (S66)	Series 66	09/14/2006



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
B	09/24/2020 - 05/30/2023	NEWBRIDGE SECURITIES CORPORATION	CRD# 104065	BELMONT, NC
IA	05/16/2019 - 09/15/2020	PRUDENTIAL FINANCIAL PLANNING SERVICES	CRD# 5685	CHARLOTTE, NC
B	05/15/2019 - 09/15/2020	PRUCO SECURITIES, LLC.	CRD# 5685	CHARLOTTE, NC
IA	01/30/2017 - 05/09/2019	KALOS MANAGEMENT	CRD# 133025	Belmont, NC
B	09/14/2011 - 05/09/2019	KALOS CAPITAL, INC.	CRD# 44337	Belmont, NC
B	12/14/2005 - 05/03/2010	BLACKBIRD NORTH AMERICA	CRD# 104176	CHARLOTTE, NC

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
09/2020 - Present	NEWBRIDGE FINANCIAL SERVICES GROUP, INC	REGISTERED INVESTMENT ADVISOR	Y	BELMONT, NC, United States
10/2017 - Present	CJS Wealthmanagement	CEO/Founder	Y	Belmont, NC, United States
08/2013 - Present	CLEAR MARKETS NORTH AMERICA	BOARD DIRECTOR	N	CHARLOTTE, NC, United States
09/2020 - 05/2023	NEWBRIDGE SECURITIES CORPORATION	REGISTERED REPRESENTATIVE	Y	BELMONT, NC, United States
05/2019 - 09/2020	Pruco Secuities LLC	Registered Reprsentative	Y	Charlotte, NC, United States
05/2019 - 09/2020	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	Financail Professional	N	Charlotte, NC, United States
08/2011 - 05/2019	KALOS CAPITAL INC	REGISTERED REPRESENTATIVE	Y	ALPHARETTA, GA, 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.

(1) RESURGENCE PPG POSITION:

Treasurer Bookkeeper: Update position - I do not sign any checks and also have no access to funds. Resurgence PPG is a disabled veteran owned and operated, 501(c)(3) nonprofit charity that strives to provide therapy and rehabilitation to disabled, injured, and ill service members and veterans through the liberation of personal flight experienced via powered paragliding. These adventures are provided at no cost to the service member/veteran and are only made possible through the donations and support of corporations and individuals like you. Please click on the donations page to make a donation to bring flight to those that have given so much. INVESTMENT RELATED: No, NUMBER OF HOURS: 4, SECURITIES TRADING HOURS: 0 START DATE: 07/03/2017 ADDRESS: 116 Missouri Lane, Mount Holly NC 28120, United States, DESCRIPTION: Advice and help with Marketing and Promotions, to expand PPG's footprint in the Veteran Non-Profit space.

(2) CJS WEALTH MANAGEMENT (DBA):

POSITION: owner/President, NATURE: Finance and Insurance, INVESTMENT RELATED: YES, NUMBER OF HOURS: 160, SECURITIES TRADING HOURS: 160, START DATE: 10/02/2007
ADDRESS: 100 Glenway St, Suite J, Belmont NC 28012, United States, DESCRIPTION: financial advisor.

(3) CJS WEALTHMANAGEMENT(DBA):

INSURANCE AGENT - Fixed Indexed Annuities, LIFE Insurance,
100 Glenway Street, Belmont, NC 28012.

(4) CLEAR MARKETS NORTH AMERICA:

POSITION: A BOARD DIRECTOR, NATURE: Finance and Insurance, INVESTMENT RELATED: No, NUMBER OF HOURS: 2, SECURITIES TRADING HOURS: 0, START DATE: 08/19/2013
ADDRESS: 831 EAST MOREHEAD ST, Suite 150, Charlotte NC 28202, United States.
DESCRIPTION: ENSURE THE COMPANY'S PROSPERITY BY COLLECTIVELY DIRECTING THE COMPANY'S AFFAIRS, WHILST MEETING THE APPROPRIATE INTERESTS OF ITS SHAREHOLDERS AND STAKEHOLDERS. IN ADDITION TO BUSINESS AND FINANCIAL ISSUES, BOARDS OF DIRECTORS MUST DEAL WITH CHALLENGES AND ISSUES RELATING TO CORPORATE GOVERNANCE CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE ETHICS.

(5) SOUTH POINT HIGH SCHOOL HEAD SOCCER COACH HIGH SCHOOL - 01/2024 - HEAD VARSITY COACH - ONGOING TO EACH SEASON - COACH THE SKILLS NEEDED TO HELP 14- TO 18-YEAR-OLD IMPROVE THEIR ALL-AROUND SOCCER ABILITIES, SKILLS, TACTICAL, TECHNICAL. WHEN NEEDED.



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
Customer Dispute	7
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 2

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Other: N/A

Date Initiated: 10/23/2024

Docket/Case Number: [2018060897304](#)

Employing firm when activity occurred which led to the regulatory action: Kalos Capital, Inc.

Product Type: Other: Alternative Investments

Allegations: Without admitting or denying the findings, Shaw consented to the sanctions and to the entry of findings that he made unsuitable recommendations of alternative investments to senior customers. The findings stated that Shaw recommended and sold the management firm limited partnership interests to the customers, none of whom were accredited investors, for whom those investments were unsuitable in light of their investment profiles, including their annual incomes and net worths. In addition, as a result of Shaw's recommendations, each customer's combined holdings of alternative investments, including in the management firm, exceeded 30% of the customer's liquid net worth. Shaw's recommendations to purchase the management firm's limited partnership interests to these customers were unsuitable based on the customers' age, income, net worth, risk tolerance, and because they were not accredited investors. In addition, Shaw's recommendations were unsuitable because they resulted in a level of concentration of the customers' liquid net worth in alternative investments that was not suitable for their investment



profiles. Subsequently, the SEC filed a complaint against the management firm and others alleging, among other things, that the defendants engaged in securities fraud in violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. (Case No. 1:21-cv-00583, E.D.N.Y.). The United States Department of Justice also brought criminal charges against the management firm's founder and CEO and two other executives, charging, among other things, securities fraud, mail fraud and wire fraud. (Case No. 1:21-cr-54, E.D.N.Y.). Later, one of the management firm's former executives pled guilty to wire fraud. Ultimately, a federal jury found the management firm's founder and CEO, along with the other former executive, guilty on all counts.

Current Status:

Final

Resolution:

Acceptance, Waiver & Consent(AWC)

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:

10/23/2024

Sanctions Ordered:Civil and Administrative Penalty(ies)/Fine(s)
Restitution
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:	All capacities
Duration:	Three months
Start Date:	11/04/2024
End Date:	02/03/2025

Monetary Sanction 1 of 2

Monetary Related Sanction:	Restitution
Total Amount:	\$16,357.60
Portion Levied against individual:	\$16,357.60
Payment Plan:	Plus interest; On a payment schedule
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:** Deferred**Is Payment Plan Current:****Date Paid by individual:****Was any portion of penalty waived?** No**Amount Waived:****Disclosure 2 of 2****Reporting Source:** Regulator**Regulatory Action Initiated By:** FINRA**Sanction(s) Sought:** Other: N/A**Date Initiated:** 11/07/2022**Docket/Case Number:** [2020067955001](#)**Employing firm when activity occurred which led to the regulatory action:** Pruco Securities, LLC**Product Type:** Other: Unspecified securities**Allegations:** Without admitting or denying the findings, Shaw consented to the sanctions and to the entry of findings that he exercised discretion to execute trades in customer accounts without the customers' written authorization or his member firm's acceptance to trade the accounts on a discretionary basis. The findings stated that Shaw mistakenly believed he had discretionary authority for the accounts. However, the firm did not permit the use of discretion in its brokerage accounts.**Current Status:** Final**Resolution:** Acceptance, Waiver & Consent(AWC)**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:** 11/07/2022**Sanctions Ordered:** 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: All Capacities
Duration: 15 business days
Start Date: 12/05/2022
End Date: 12/23/2022

Monetary Sanction 1 of 1

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: 12/29/2022
Was any portion of penalty waived? No
Amount Waived:

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Reporting Source: Individual
Regulatory Action Initiated By: FINRA
Sanction(s) Sought: Other: N/A
Date Initiated: 11/07/2022
Docket/Case Number: [2020067955001](#)
Employing firm when activity occurred which led to the regulatory action: Pruco Securities, LLC

Product Type: Other: Unspecified securities

Allegations: Without admitting or denying the findings, Shaw consented to the sanctions and to the entry of findings that he exercised discretion to execute trades in customer accounts without the customers' written authorization or his member firm's acceptance to trade the accounts on a discretionary basis. The findings stated that Shaw mistakenly believed he had discretionary authority for the accounts. However, the firm did not permit the use of discretion in its brokerage accounts.

Current Status: Final

Resolution: Acceptance, Waiver & Consent(AWC)

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: 11/07/2022

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

Sanction 1 of 1

Sanction Type: Suspension

Capacities Affected: ALL CAPACITIES

Duration: 15 BUSINESS DAYS

Start Date: 12/05/2022

End Date: 12/23/2022

Monetary Sanction 1 of 1

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:



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 7

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Kalos Capital, Inc.
Allegations:	Claimant is alleging claiming breach of contract, breach of fiduciary duty, negligence, and recommendations of unsuitable, risky, illiquid, complex alternative investments.
Product Type:	Direct Investment-DPP & LP Interests Real Estate Security Other: Non-traded REITs
Alleged Damages:	\$175,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	03/25/2021
Complaint Pending?	No
Status:	Settled
Status Date:	06/30/2021
Settlement Amount:	\$25,000.00
Individual Contribution Amount:	\$0.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	21-00807
Date Notice/Process Served:	03/25/2021
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	06/30/2021
Monetary Compensation Amount:	\$25,000.00



Individual Contribution Amount: \$0.00

Firm Statement This claim was solicited via the internet by a law firm claiming they were investigating fraud by an issuer. Kalos and I deny any and all wrongdoing and I would have preferred to vigorously defend our actions in a fair venue. As confident as I am that I would be exonerated of any wrongdoing, Kalos determined as a business judgment that it was in the firm's best interests to resolve the dispute rather than incur the time, business disruption, and legal expenses associated with a protracted arbitration proceeding. While this deprives me of due process, I understand the claim has nuisance value for settlement from a business standpoint for Kalos.

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Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: Kalos Capital, Inc.

Allegations: Claimant is alleging claiming breach of contract, breach of fiduciary duty, negligence, and recommendations of unsuitable, risky, illiquid, complex alternative investments.

Product Type: Direct Investment-DPP & LP Interests
Real Estate Security
Other: Non-traded REITs

Alleged Damages: \$175,000.00

Arbitration Information

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

Docket/Case #: 21-00807

Date Notice/Process Served: 03/25/2021

Arbitration Pending? No

Disposition: Settled

Disposition Date: 06/30/2021

Monetary Compensation Amount: \$25,000.00

Individual Contribution Amount: \$0.00

Disclosure 2 of 7

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: PRUCO SECURITIES, LLC.

Allegations: Claimant alleges the representative engaged in unsuitable recommendations and misrepresentation in connection with a private placement investment.

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$100,000.00



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 #: FID1190833

**Filing date of
arbitration/CFTC reparation
or civil litigation:** 03/11/2021

Customer Complaint Information

Date Complaint Received: 03/23/2021

Complaint Pending? No

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

Status Date: 03/23/2021

Settlement Amount:

**Individual Contribution
Amount:**

Arbitration Information

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

Docket/Case #: FID1190833

Date Notice/Process Served: 03/11/2021

Arbitration Pending? No

Disposition: Settled

Disposition Date: 06/15/2021

**Monetary Compensation
Amount:** \$14,125.00

**Individual Contribution
Amount:** \$0.00

Reporting Source: Firm

**Employing firm when
activities occurred which led
to the complaint:** Kalos Capital, Inc.

Allegations: Breach of contract, breach of fiduciary duty and violations of North Carolina securities statutes. Claimant is seeking an award in the amount of between \$50,000 and \$100,000, including all direct and/or consequential damages and statutory and/or punitive damages; plus interest and costs as provided by statute.

Product Type: Direct Investment-DPP & LP Interests
Other: Alternative Investments

Alleged Damages: \$100,000.00

**Alleged Damages Amount Explanation (if amount not exact):**

Between \$50,000 and \$100,000, plus interest and costs, all lost opportunities, rescission of all transactions, statutory damages, punitive damages, and pre-award and pre-judgement interest on all sums invested from the date deposited until the date of the award.

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

FINRA

Docket/Case #:

21-00656

Date Notice/Process Served:

03/10/2021

Arbitration Pending?

No

Disposition:

Settled

Disposition Date:

06/02/2021

Monetary Compensation Amount:

\$14,125.00

Individual Contribution Amount:

\$0.00

Firm Statement

This claim was solicited via the internet by a law firm claiming they were investigating fraud by an issuer. Kalos and I deny any and all wrongdoing and I would have preferred to vigorously defend our actions in a fair venue. As confident as I am that I would be exonerated of any wrongdoing, Kalos determined as a business judgment that it was in the firm's best interests to resolve the dispute rather than incur the time, business disruption, and legal expenses associated with a protracted arbitration proceeding. While this deprives me of due process, I understand the claim has nuisance value for settlement from a business standpoint for Kalos.

Reporting Source:

Individual

Employing firm when activities occurred which led to the complaint:

KALOS CAPITAL INC. AND PRUCO SECURITIES LLC

Allegations:

Breach of contract, breach of fiduciary duty and violations of North Carolina securities statutes. Claimant is seeking an award in the amount of between \$50,000 and \$100,000, including all direct and/or consequential damages and statutory and/or punitive damages; plus interest and costs as provided by statute.

Product Type:

Direct Investment-DPP & LP Interests
Other: ALTERNATIVES INVESTMENTS

Alleged Damages:

\$100,000.00

Alleged Damages Amount Explanation (if amount not exact):

Between \$50,000 and \$100,000, plus interest and costs, all lost opportunities, rescission of all transactions, statutory damages, punitive damages, and pre-award and pre-judgement interest on all sums invested from the date deposited until the date of the award.

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

FINRA



Docket/Case #: 21-00656
Date Notice/Process Served: 03/10/2021
Arbitration Pending? No
Disposition: Settled
Disposition Date: 06/02/2021
Monetary Compensation Amount: \$14,125.00
Individual Contribution Amount: \$0.00

Disclosure 3 of 7

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: PRUCO SECURITIES, LLC.
Allegations: Claimants allege the representative engaged in unsuitable recommendations.
Product Type: Other: GPB Capital
Alleged Damages: \$500,000.00
Is this an oral complaint? No
Is this a written complaint? Yes
Is this an arbitration/CFTC reparation or civil litigation? Yes
Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 20-04001
Filing date of arbitration/CFTC reparation or civil litigation: 12/10/2020

Customer Complaint Information

Date Complaint Received: 12/16/2020
Complaint Pending? No
Status: Evolved into Arbitration/CFTC reparation (the individual is a named party)
Status Date: 12/16/2020
Settlement Amount:
Individual Contribution Amount:

Arbitration Information

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

Docket/Case #: 20-04001



Date Notice/Process Served: 12/16/2020

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/18/2021

Monetary Compensation Amount: \$25,000.00

Individual Contribution Amount: \$0.00

Firm Statement Client was solicited by a claimants' law firm due to a currently poor performing investment to bring action against me and Kalos Capital. The claimants understood the risks, and the investment recommendations were suitable for their stated goals, objectives, and risk profiles. Kalos Capital, Inc. determined as a business judgment that it was in the firm's best interests to resolve the dispute rather than incur the time, disruption, and legal expenses associated with a protracted arbitration proceeding.

.....

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Kalos Capital, Inc.

Allegations: Unsuitable and overconcentrated recommendations.

Product Type: Direct Investment-DPP & LP Interests
Equity Listed (Common & Preferred Stock)
Real Estate Security

Alleged Damages: \$500,000.00

Alleged Damages Amount Explanation (if amount not exact): Claimants filed for damages between \$100,000 and \$500,000 for respondents Kalos Capital, Inc and Pruco Securities

Arbitration Information

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

Docket/Case #: 20-04001

Date Notice/Process Served: 12/10/2020

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/18/2021

Monetary Compensation Amount: \$25,000.00

Individual Contribution Amount: \$0.00

Firm Statement Client was solicited by a claimants' law firm due to a currently poor performing investment to bring action against me and Kalos Capital. The claimants understood the risks, and the investment recommendations were suitable for their stated goals, objectives, and risk profiles.



Kalos Capital, Inc. determined as a business judgment that it was in the firm's best interests to resolve the dispute rather than incur the time, disruption, and legal expenses associated with a protracted arbitration proceeding.

.....

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: PRUCO SECURITIES, LLC.AND KALOS CAPITAL, INC

Allegations: Claimants allege the representative engaged in unsuitable recommendations.

Product Type: Direct Investment-DPP & LP Interests
Equity Listed (Common & Preferred Stock)
Real Estate Security
Other: GPB Capital

Alleged Damages: \$500,000.00

Alleged Damages Amount Explanation (if amount not exact): Claimants filed for damages between \$100,000 and \$500,000 for respondents Kalos Capital, Inc and Pruco Securities

Is this an oral complaint? No

Is this a written complaint? Yes

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

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 20-04001

Filing date of arbitration/CFTC reparation or civil litigation: 12/10/2020

Customer Complaint Information

Date Complaint Received: 12/16/2020

Complaint Pending? No

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

Status Date: 12/16/2020

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Docket/Case #: 20-04001

Date Notice/Process Served: 12/16/2020

Arbitration Pending? No



Disposition: Settled

Disposition Date: 01/18/2021

Monetary Compensation Amount: \$50,000.00

Individual Contribution Amount: \$0.00

Broker Statement In the response this is part of a group settlement, which was accepted between the Christmas and New Year period. I am waiting on finalized paperwork.

Disclosure 4 of 7

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Kalos Capital, Inc.

Allegations: Claimant alleges that they did not qualify as an accredited investor when this solicitation was made in September 2016 and has no recollection of signing subscription documents and he has no memory of receiving or reviewing any offering memoranda

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$90,000.00

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: Raleigh, NC

Docket/Case #: 20-01214

Filing date of arbitration/CFTC reparation or civil litigation: 04/15/2020

Customer Complaint Information

Date Complaint Received: 04/30/2020

Complaint Pending? No

Status: Settled

Status Date: 01/18/2021

Settlement Amount: \$13,183.00

Individual Contribution Amount: \$0.00

Firm Statement We believe the claim is without merit and vehemently deny the claim. We have on file signed documents that refute the client's claims.

.....

Reporting Source: Individual



Employing firm when activities occurred which led to the complaint:

Kalos Capital, Inc

Allegations:

Allegation(s) and a brief summary of events related to the allegation(s) including dates when activities leading to the allegation(s) occurred:

Claimant alleges that they did not qualify as an accredited investor when this solicitation was made in September 2016 and has no recollection of signing subscription documents and he has no memory of receiving or reviewing any offering memoranda

Product Type:

Direct Investment-DPP & LP Interests

Alleged Damages:

\$90,000.00

Is this an oral complaint?

No

Is this a written complaint?

Yes

Is this an arbitration/CFTC reparation or civil litigation?

Yes

Arbitration/Reparation forum or court name and location:

Raleigh, NC

Docket/Case #:

20-01214

Filing date of arbitration/CFTC reparation or civil litigation:

04/15/2020

Customer Complaint Information

Date Complaint Received:

08/24/2020

Complaint Pending?

No

Status:

Settled

Status Date:

01/18/2021

Settlement Amount:

\$13,183.00

Individual Contribution Amount:

\$0.00

Disclosure 5 of 7

Reporting Source:

Firm

Employing firm when activities occurred which led to the complaint:

KALOS CAPITAL, INC

Allegations:

Claimant alleges the representative engaged in misrepresentation and unsuitable recommendations.

Product Type:

Real Estate Security
Other: PRIVATE PLACEMENT

Alleged Damages:

\$500,000.00

Alleged Damages Amount Explanation (if amount not exact):

100,000 - 500,000 plus interest 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 -Christine K. Witherspoon v. KALOS CAPITAL, INC.,

Docket/Case #: 20-00661

Filing date of arbitration/CFTC reparation or civil litigation: 02/26/2020

Customer Complaint Information

Date Complaint Received: 02/26/2020

Complaint Pending? No

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

Status Date: 01/22/2021

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): FINRA -Christine K. Witherspoon v. KALOS CAPITAL, INC.,

Docket/Case #: 20-00661

Date Notice/Process Served: 02/26/2020

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/22/2021

Monetary Compensation Amount: \$12,000.00

Individual Contribution Amount: \$0.00

.....

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Kalos Capital, Inc.

Allegations: Unsuitability

Product Type: Direct Investment-DPP & LP Interests
Other: Alternative Investments

Alleged Damages: \$500,000.00

Alleged Damages Amount Explanation (if amount not exact): The amt cited was \$100-500k.

**Arbitration Information**

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

Docket/Case #: 20-00661

Date Notice/Process Served: 02/26/2020

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/18/2021

Monetary Compensation Amount: \$41,237.00

Individual Contribution Amount: \$0.00

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: KALOS CAPITAL, INC

Allegations: Claimant alleges the representative engaged in misrepresentation and unsuitable recommendations

Product Type: Real Estate Security
Other: Private Placement_____

Alleged Damages: \$500,000.00

Alleged Damages Amount Explanation (if amount not exact): 100,000 - 500,000 plus interest and costs

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): FINRA -Christine K. Witherspoon v. KALOS CAPITAL, INC.,

Docket/Case #: 20-00661

Date Notice/Process Served: 02/26/2020

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/18/2021

Monetary Compensation Amount: \$41,237.00

Individual Contribution Amount: \$0.00

Broker Statement FIRM RECEIVED NOTIFICATION ON 2/19/2021 THAT U5 SETTLEMENT WAS SUBMITTED BY PREVIOUS FIRM ON 2/18/2021.



Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Kalos Capital, Inc.

Allegations: breach of fiduciary duty; unsuitable investments

Product Type: Other: Alternative investments

Alleged Damages: \$350,000.00

Arbitration Information

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

Docket/Case #: 19-03047

Date Notice/Process Served: 11/04/2019

Arbitration Pending? No

Disposition: Settled

Disposition Date: 11/23/2020

Monetary Compensation Amount: \$125,000.00

Individual Contribution Amount: \$0.00

.....

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: Kalos Capital, Inc.

Allegations: breach of fiduciary duty; unsuitable investments

Product Type: Other: Alternative investments

Alleged Damages: \$350,000.00

Arbitration Information

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

Docket/Case #: 19-03047

Date Notice/Process Served: 11/04/2019

Arbitration Pending? No

Disposition: Settled

Disposition Date: 11/23/2020

Monetary Compensation Amount: \$125,000.00

Individual Contribution Amount: \$0.00



Disclosure 7 of 7

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Kalos Capital, Inc.

Allegations: Client alleges unsuitable investments in alternative securities between 11/2012 and 05/2017.

Product Type: Oil & Gas
Real Estate Security

Alleged Damages: \$450,000.00

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 #: 19-01140

Filing date of arbitration/CFTC reparation or civil litigation: 05/01/2019

Customer Complaint Information

Date Complaint Received: 07/08/2019

Complaint Pending? No

Status: Settled

Status Date: 05/05/2020

Settlement Amount: \$175,000.00

Individual Contribution Amount: \$0.00

Firm Statement Kalos Capital, Inc. determined as a business judgement that it was in the firm's best interests to resolve the dispute rather than incur time,disruption, and legal expenses associated with a protracted proceeding.

.....

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: Kalos Capital, Inc.

Allegations: CLIENT ALLEGES UNSUITABLE INVESTMENTS IN ALTERNATIVE SECURITIES BETWEEN 11/2012 AND 05/2017

Product Type: Oil & Gas
Real Estate Security

Alleged Damages: \$450,000.00

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 #: 19-01140

Filing date of arbitration/CFTC reparation or civil litigation: 05/01/2019

Customer Complaint Information

Date Complaint Received: 07/08/2019

Complaint Pending? No

Status: Settled

Status Date: 08/24/2020

Settlement Amount: \$175,000.00

Individual Contribution Amount: \$0.00

Broker Statement

I had worked with [REDACTED] since 2012. Over that time, we worked to establish a diversified portfolio which included several asset classes. I recommended to [REDACTED] - annuities for the guarantees, stocks for liquidity, BDC, REIT's and private equities for income. [REDACTED] stated that she would be losing the alimony she had been relying upon at a certain point and needed to replace that part of her income. In trying to meet her needs, we reviewed several investments but decided the REITs and private equities most closely met her need. In making my recommendations, I utilized the Kalo's approved marketing materials; no materials other than these approved documents were used with [REDACTED]. We met, discussed the merits and risks associated with each of her investments, we went through the fact-finding process and as required for the private equity portion determined that she was an accredited investor. [REDACTED] indicated at that time that she was in fact comfortable with these investments to replace the income she was losing, so we proceeded with the investments. I took every step possible to cover [REDACTED] need to replace the income she was losing while thoroughly explaining to her all the risks associated with these investments. I feel that I did everything possible to provide her with professional, unbiased portfolio recommendations based on her stated objectives. All recommendations made to [REDACTED] were only acted upon after I explained the risks/potential rewards to her and she confirmed that she understood and wanted to proceed.



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: Pruco Securities, LLC
Termination Type: Discharged
Termination Date: 09/02/2020
Allegations: Registered Representative transacted discretionary trades in client brokerage accounts, and inaccurately marked certain trades as unsolicited when they were solicited.
Product Type: Other: Brokerage Accounts

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Reporting Source: Individual
Firm Name: PRUCO SECURITIES, LLC
Termination Type: Discharged
Termination Date: 09/02/2020
Allegations: REGISTERED REPRESENTATIVE TRANSACTED DISCRETIONARY TRADES IN CLIENT BROKERAGE ACCOUNTS, AND INACCURATELY MARKED CERTAIN TRADES UNSOLICITED WHEN THEY WERE SOLICITED.
Product Type: Other: BROKERAGE ACCOUNTS



End of Report

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