



## IAPD Report

# JACK RAY SAUTHER

CRD# 5107401

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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

### JACK RAY SAUTHER (CRD# 5107401)

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 **04/22/2017**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	MONTANA LANDVEST, INC.	CRD# 222511	08/20/2015

### 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	INDEPENDENT FINANCIAL GROUP, LLC	7717	BOZEMAN, MT	05/15/2007 - 10/31/2013

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

### DISCLOSURE INFORMATION

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

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

The following types of events are disclosed about this representative:

Type	Count
Customer Dispute	3




## Qualifications

### REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works. This individual is currently registered with **1** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

### Employment 1 of 1

Firm Name: **MONTANA LANDVEST, INC.**  
Main Address: 403 WEST MAIN STREET  
SUITE 1  
BOZEMAN, MT 59715  
Firm ID#: 222511

Regulator	Registration	Status	Date
 Montana	Investment Adviser Representative	Approved	08/20/2015

### Branch Office Locations

**MONTANA LANDVEST, INC.**  
403 WEST MAIN STREET  
SUITE 1  
BOZEMAN, MT 59715



## Qualifications

### PASSED INDUSTRY EXAMS

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

**This individual has passed 0 principal/supervisory exams, 0 general industry/product exams, and 1 state securities law exam.**

#### Principal/Supervisory Exams

Exam	Category	Date
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No information reported.

#### General Industry/Product Exams

Exam	Category	Date
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No information reported.

#### State Securities Law Exams

Exam	Category	Date
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<b>IA</b> Uniform Investment Adviser Law Examination (S65)	Series 65	05/01/2007
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### 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	05/15/2007 - 10/31/2013	INDEPENDENT FINANCIAL GROUP, LLC	CRD# 7717	BOZEMAN, MT

### 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
05/2015 - Present	MONTANA LANDVEST, INC.	INVESTMENT ADVISOR REPRESENTATIVE	Y	BOZEMAN, MT, United States
01/2012 - Present	TOP HAND REALTY ADVISORS, INC.	PRINCIPAL/REAL ESTATE BROKER	Y	BOZEMAN, MT, United States

### OTHER BUSINESS ACTIVITIES

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

(1) 100% OWNER/REALTOR OF "TOP HAND REALTY ADVISORS, INC." OFFERING NON-SECURITIZED REAL ESTATE SERVICES SINCE 2012 FOR COMMERCIAL REAL ESTATE SALES. NON-INVESTMENT RELATED. APPROXIMATELY 98% TIME SPENT.



## Disclosure Summary

### Disclosure Information

#### What you should know about reported disclosure events:

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

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

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

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

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

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

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



## DISCLOSURE EVENT DETAILS

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

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

The following types of events are disclosed about this representative:

Type	Count
Customer Dispute	3

### Customer Dispute

This section provides information regarding a customer dispute that was reported to the Investment Adviser Registration Depository (IARD) by the Investment Adviser Representative (IAR), an investment adviser and/or securities firm, and/or a securities regulator. The event may include a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit that contains allegations of sales practice violations against the individual.

The customer dispute may be pending or may have resulted in a civil judgment, arbitration award, monetary settlement, closure without action, withdrawal, dismissal, denial, or other outcome.

#### Disclosure 1 of 3

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	INDEPENDENT FINANCIAL GROUP, LLC
<b>Allegations:</b>	CLAIM ALLEGED UNSUITABLE INVESTMENT; MISREPRESENTATION, OMISSIONS, BREACH OF FIDUCIARY DUTY AND BREACH OF CONTRACT IN CONNECTION WITH TENANT IN COMMON (TIC) INVESTMENTS PURCHASED IN 2008.
<b>Product Type:</b>	Other: TENANT IN COMMON (TIC)
<b>Alleged Damages:</b>	\$300,000.00

#### Arbitration Information

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA ARBITRATION
<b>Docket/Case #:</b>	15-03088
<b>Date Notice/Process Served:</b>	12/24/2015
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	03/23/2017
<b>Monetary Compensation Amount:</b>	\$62,000.00
<b>Individual Contribution Amount:</b>	\$31,000.00



**Amount.** .....

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** Independent Financial Group

**Allegations:** (1) Violation of standards of reasonable basis suitability; (2) Fraud, misleading statements, misleading omissions of material information; (3) Breach of fiduciary duty; (4) Negligent misrepresentation; (5) Negligence; (6) Breach of Contract; and (7) Breach of the covenant of good faith and fair dealing.

**Product Type:** Other: Tenant in Common

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** Exact compensatory damage amount not listed.

**Arbitration Information**

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

**Docket/Case #:** 15-03088

**Date Notice/Process Served:** 12/21/2015

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 03/23/2017

**Monetary Compensation Amount:** \$62,000.00

**Individual Contribution Amount:** \$31,000.00

**Broker Statement**

Mr. Sauther initially met with [customer's] in June of 2008 and discussed various investment options, including mutual funds, syndicated real estate investments (i.e., tenant-in-common (TIC) investments) and others. Because the [customers] did not want to pay tax on their sale and wanted to complete a 1031 exchange, they decided that a real estate investment would be the most appropriate for their needs. A few months after they closed, the property began experiencing difficulty due to effects of the financial meltdown/recession. The property lost tenants and had to significantly drop rents in order to keep the property viable and cash flowing for debt service purposes. This resulted in the investors' cash distributions being cut, and finally eliminated until the economy recovered.

The clients remained invested for the next 7 years. The property was finally sold in 2016 and the investors lost around 30% of their investment. The fact that this property made it through the recession and the investors were able to recover ANY amount of their investment was fortunate. Clients never expressed any anger toward me, and appeared to understand that the recession was the primary reason for their investment loss. However, in the fall of 2016 I learned they filed a claim. Mr. Sauther's former broker/dealer decided to settle the matter because it would cost more to fight it than the likely settlement amount.

**Disclosure 2 of 3**

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** INDEPENDENT FINANCIAL GROUP, LLC

**Allegations:** STATEMENT OF CLAIM ALLEGED: (1) VIOLATIONS OF FEDERAL SECURITIES LAWS (2) VIOLATIONS OF MONTANA SECURITIES ACT (3) BREACH OF CONTRACT (4) COMMON LAW FRAUD (5) BREACH OF FIDUCIARY DUTY IN CONNECTION WITH A TENANT IN COMMON INVESTMENT PURCHASED IN JUNE 2008

**Product Type:** Real Estate Security  
Other: TENANT IN COMMON (TIC)

**Alleged Damages:** \$310,000.00

**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 ARBITRATION

**Docket/Case #:** 12-03045

**Filing date of arbitration/CFTC reparation or civil litigation:** 08/22/2012

**Customer Complaint Information**

**Date Complaint Received:** 08/30/2012

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/17/2013

**Settlement Amount:** \$110,500.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** FIRM AND REPRESENTATIVE DENY EACH ALLEGATION IN STATEMENT OF CLAIM. THE ENTITY AND CLIENT WERE ACCREDITED, SOPHISTICATED AND EXPERIENCED REAL ESTATE INVESTORS. THE INVESTMENT AND THE RISKS/REWARDS WERE PROPERLY PRESENTED TO THE CLIENT TO FACILITATE A 1031 EXCHANGE OF THEIR PROPERTY. RESPONDENTS WILL VIGOROUSLY DEFEND THE TRANSACTION. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS SET FORTH IN THE CLAIM, THIS MATTER WAS RESOLVED BY IFG. REGISTERED REPRESENTATIVE DID NOT CONTRIBUTE TO THE SETTLEMENT WHICH WAS ENTERED INTO BY THE FIRM IN ORDER TO AVOID THE COSTS ASSOCIATED WITH ARBITRATING THE MATTER.

**Disclosure 3 of 3**

**Reporting Source:** Individual



<b>Employing firm when activities occurred which led to the complaint:</b>	INDEPENDENT FINANCIAL GROUP LLC
<b>Allegations:</b>	ON OR ABOUT MARCH 2008 CLAIMANTS PURCHASED SEVERAL TIC OFFERINGS FROM REGISTRANT AND HIS PARTNER. CIVIL LITIGATION IN MONTANA DST COURT ALLEGES MISREPRESENTATION AND BREACH OF FIDUCIARY DUTY. SEEKING RESTITUTION OF INVESTMENTS PLUS DAMAGES OVER \$4.3MM.
<b>Product Type:</b>	Real Estate Security Other: TENANT IN COMMON (TIC)
<b>Alleged Damages:</b>	\$4,392,509.09
<b>Arbitration Information</b>	
<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA ARBITRATION
<b>Docket/Case #:</b>	12-01062
<b>Date Notice/Process Served:</b>	04/02/2012
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	10/18/2013
<b>Monetary Compensation Amount:</b>	\$1,350,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Civil Litigation Information</b>	
<b>Type of Court:</b>	DISTRICT COURT
<b>Name of Court:</b>	MONTANA 1ST JUDICIAL DISTRICT COURT
<b>Location of Court:</b>	LEWIS & CLARK COUNTY, MONTANA
<b>Docket/Case #:</b>	ADV09-646
<b>Date Notice/Process Served:</b>	08/11/2009
<b>Litigation Pending?</b>	No
<b>Disposition:</b>	Dismissed
<b>Disposition Date:</b>	03/21/2012
<b>Broker Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE PARTIES SETTLED THE MATTER TO AVOID FURTHER TIME AND EXPENSE. REGISTERED REPRESENTATIVE DID NOT CONTRIBUTE TO SETTLEMENT.



## End of Report

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