



IAPD Report

HAROLD FRANKLIN GRUBBS

CRD# 708166

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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

HAROLD FRANKLIN GRUBBS (CRD# 708166)

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 **12/18/2025**.

CURRENT EMPLOYERS

| | Firm | CRD# | Registered Since |
|----|----------------------------|-------------|------------------|
| IA | FINANCIAL MANAGEMENT, INC. | CRD# 108350 | 01/28/1987 |

QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **4** 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 | PINNACLE ASSET MANAGEMENT, LLC | 109236 | LITTLE ROCK, AR | 10/11/2000 - 06/30/2005 |
| B | THE LEADERS GROUP, INC. | 37157 | SUMMIT, NJ | 04/07/2003 - 12/31/2004 |
| B | HFG INVESTMENT GROUP, LLC | 122445 | LITTLE ROCK, AR | 11/26/2002 - 03/18/2003 |

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

DISCLOSURE INFORMATION

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

Are there events disclosed about this representative?

Yes

The following types of events are disclosed about this representative:

| Type | Count |
|------------------|-------|
| Customer Dispute | 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 **4** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **FINANCIAL MANAGEMENT, INC.**
Main Address: 4007 N. RODNEY PARHAM ROAD
LITTLE ROCK, AR 72212
Firm ID#: 108350

| | Regulator | Registration | Status | Date |
|----|-----------|-----------------------------------|----------|------------|
| IA | Arkansas | Investment Adviser Representative | Approved | 01/28/1987 |
| IA | Indiana | Investment Adviser Representative | Approved | 01/14/2016 |
| IA | Louisiana | Investment Adviser Representative | Approved | 07/22/2019 |
| IA | Texas | Investment Adviser Representative | Approved | 01/02/1996 |

Branch Office Locations

FINANCIAL MANAGEMENT, INC.
4007 N. Rodney Parham Road
LITTLE ROCK, AR 72212



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

Principal/Supervisory Exams

| | Exam | Category | Date |
|---|--|-----------|------------|
| B | General Securities Principal Examination (S24) | Series 24 | 05/13/1987 |

General Industry/Product Exams

| | Exam | Category | Date |
|---|--|----------|------------|
| B | General Securities Representative Examination (S7) | Series 7 | 08/20/1983 |
| B | Registered Representative Examination (S1) | Series 1 | 04/21/1980 |

State Securities Law Exams

| | Exam | Category | Date |
|----|--|-----------|------------|
| IA | Uniform Investment Adviser Law Examination (S65) | Series 65 | 12/28/1994 |
| B | Uniform Securities Agent State Law Examination (S63) | Series 63 | 06/21/1983 |



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 | 10/11/2000 - 06/30/2005 | PINNACLE ASSET MANAGEMENT, LLC | CRD# 109236 | LITTLE ROCK, AR |
| B | 04/07/2003 - 12/31/2004 | THE LEADERS GROUP, INC. | CRD# 37157 | SUMMIT, NJ |
| B | 11/26/2002 - 03/18/2003 | HFG INVESTMENT GROUP, LLC | CRD# 122445 | LITTLE ROCK, AR |
| B | 07/16/1997 - 08/27/2002 | THE LEADERS GROUP, INC. | CRD# 37157 | SUMMIT, NJ |
| B | 07/23/1993 - 08/09/1995 | EQUITY CAPITAL CORPORATION | CRD# 13203 | LITTLE ROCK, AR |
| B | 11/19/1989 - 07/01/1993 | ROYAL ALLIANCE ASSOCIATES, INC. | CRD# 23131 | SCOTTSDALE, AZ |
| B | 11/20/1989 - 12/08/1989 | INTEGRATED RESOURCES EQUITY CORPORATION | CRD# 6403 | |
| B | 10/12/1982 - 11/19/1989 | INTEGRATED RESOURCES EQUITY CORPORATION | CRD# 6403 | |

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 |
|-------------------|--------------------------|-----------|--------------------|-----------------------------------|
| 11/1986 - Present | FINANCIAL MANAGEMENT INC | PRESIDENT | Y | LITTLE ROCK, AR, 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.

BRUSH MOUNTAIN CONSTRUCTION, NOT INVESTMENT RELATED, 8309 TOLTEC DRIVE, NORTH LITTLE ROCK, AR 72116, STARTED IN APRIL 2020, SELLS AIR PURIFICATION PRODUCTS, DEVOTES APPROXIMATELY 4 HOURS PER MONTH, TIME OCCURS BOTH DURING AND AFTER SECURITIES TRADING HOURS.



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 | 1 |

Customer Dispute

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

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

Disclosure 1 of 1

Reporting Source: Individual

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

Allegations: THE MATTER INVOLVES AND RELATES TO A HIGHLY SOPHISTICATED INVESTOR AGGRIEVED AS A RESULT OF INVESTMENT LOSSES SUSTAINED IN THE SUB-PRIME LENDING MARKET. THE LOSSES COMPLAINED OF WERE CAUSED OR OCCASIONED BY THE ACTS OF NEW CENTURY FINANCIAL CORPORATION, WHO HAS BEEN SUBJECT TO A CLASS ACTION LAWSUIT FOR ALLEGEDLY ENGAGING IN CRIMINAL CONDUCT WITH RESPECT TO THE SALE OF ITS SECURITIES. THE COMPLAINT ASSERTED THAT MANAGEMENT OF THE ACCOUNTS AT ISSUE WAS ALLEGEDLY INCONSISTENT WITH THE CLIENTS' CIRCUMSTANCES, OBJECTIVES AND RISK TOLERANCE (ESSENTIALLY THE INVESTOR MAINTAINS THE INVESTMENTS AT ISSUE WERE UNSUITABLE DESPITE THE CLIENTS' HIGH LEVEL OF SOPHISTICATION). ON AUGUST 21, 2006, HAROLD GRUBBS MET WITH THE [CUSTOMERS] AT THEIR HOME TO REVIEW A NEW ACCOUNT MANAGEMENT PROPOSAL. AT THIS MEETING, THE [CUSTOMERS] APPROVED THE PROPOSAL IN FULL. THE PLAN PERFORMED BETTER THAN EXPECTED AND WITHOUT COMPLAINT FOR OVER SIX (6) MONTHS. ON MARCH 2, 2007, AFTER THE MARKETS CLOSED, NEW CENTURY ANNOUNCED IT WOULD NOT MEET ITS SEC FILING DEADLINE. ON MARCH 5, 2007, ALL NEW CENTURY POSITIONS WERE SOLD AS THE STOCK DROPPED SHARPLY. SHORTLY THEREAFTER, THE CLIENT TERMINATED THE MANAGEMENT AGREEMENT.

Product Type: Equity Listed (Common & Preferred Stock)

Alleged Damages: \$270,000.00

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

CUSTOMERS SOUGHT AN AWARD OF "MORE THAN \$270,000, TO BE PROVEN AT ANY ARBITRATION HEARING, TOGETHER WITH PREJUDGMENT INTEREST AND POST-JUDGMENT INTEREST." CUSTOMERS ALSO SOUGHT AN AWARD OF "THEIR ATTORNEYS' FEES, EXPENSES, COSTS, FORUM FEES, AND WITNESS AND PRODUCTION FEES."

Customer Complaint Information

Date Complaint Received: 10/23/2008
Complaint Pending? No
Status: Arbitration Award/Monetary Judgment (for claimants/plaintiffs)
Status Date: 12/03/2009
Settlement Amount:

**Individual Contribution
Amount:**

Arbitration Information

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

Docket/Case #: [08-03050](#)
Date Notice/Process Served: 10/06/2008
Arbitration Pending? No
Disposition: Award to Customer
Disposition Date: 11/23/2009
**Monetary Compensation
Amount:** \$70,000.00
**Individual Contribution
Amount:** \$70,000.00

Civil Litigation Information

Type of Court: State Court
Name of Court: CIRCUIT COURT OF PULASKI COUNTY
Location of Court: LITTLE ROCK, AR
Docket/Case #: CV07-16345
Date Notice/Process Served: 01/02/2008
Litigation Pending? No
Disposition: Dismissed
Disposition Date: 11/23/2009

Broker Statement

ON AUGUST 27, 2008, CLAIMANTS FILED THEIR STATEMENT OF CLAIM WITH FINRA IN WHICH THEY SOUGHT AN AWARD OF "MORE THAN \$270,000, TO BE PROVEN AT ANY ARBITRATION HEARING, TOGETHER WITH PREJUDGMENT INTEREST AND POST-JUDGMENT INTEREST." THEREIN, CLAIMANTS ALSO SOUGHT AN AWARD OF "THEIR ATTORNEYS' FEES, EXPENSES, COSTS, FORUM FEES, AND WITNESS AND PRODUCTION FEES." ON SEPTEMBER 11, 2009, CLAIMANTS SERVED UPON RESPONDENTS AN UPDATED EXPERT REPORT FROM THEIR PUTATIVE



EXPERT. THE REPORT OPINED THAT CLAIMANTS' DAMAGES WERE "\$342,668 PLUS ACCRUED INTEREST..." THEREAFTER, CLAIMANTS SUBMITTED A PRE-HEARING BRIEF TO THE FINRA PANEL. THEREIN, PLAINTIFFS STATED THEIR DAMAGES WERE "ALMOST \$400,000.00." AT THE FINAL HEARING OF THIS MATTER, CLAIMANTS REQUESTED THE PANEL AWARD CLAIMANTS COMPENSATORY DAMAGES OF AT LEAST \$400,000, \$65,000.000 IN ATTORNEY FEES, \$15,000.00 IN EXPERT WITNESS FEES, PLUS THEIR COSTS, FORUM FEES AND PRE/POST JUDGMENT INTEREST, FOR A TOTAL AWARD WHICH WOULD HAVE BEEN IN EXCESS OF \$530,000.00. FROM THE INCEPTION OF THIS LITIGATION, CLAIMANTS TOOK THE POSITION THAT THEY SHOULD NOT HAVE BEEN COMPELLED TO FINRA ARBITRATION AND REPEATEDLY INDICATED TO THE PANEL THEIR INTENTIONS TO APPEAL ANY ADVERSE DECISION. ON OCTOBER 23, 2009, THE PANEL RENDERED ITS DECISION, AWARDING \$70,000.00 TO THE CLAIMANTS. THE PANEL'S DECISION DID NOT INCLUDE AN EXPLANATION FOR HOW IT ARRIVED AT THIS FIGURE. BECAUSE THERE IS NO RATIONAL BASIS FOR AN AWARD IN THIS AMOUNT, IT IS BELIEVED THAT THE PANEL DEvised AN AWARD SOLELY TO DISCOURAGE FURTHER LITIGATION/APPEAL, AND PUT THIS MATTER TO REST ONCE AND FOR ALL. IN ANY EVENT, THE BASIS OF THIS COMPLAINT WAS MERITLESS, AND IT IS BELIEVED THAT THE AWARD ISSUED REFLECTS THE PANEL'S RECOGNITION OF SUCH.



End of Report

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