



IAPD Report

ROBERT LANSING HICKS

CRD# 846347

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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

ROBERT LANSING HICKS (CRD# 846347)

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 **10/03/2024**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	OSAGE PACIFIC ADVISORS, INC.	CRD# 284257	10/04/2024

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	OSAGE PACIFIC ADVISORS, INC.	284257	LAGUNA HILLS, CA	05/17/2018 - 12/31/2023
IA	F500 ADVISORY SERVICES, INC.	107519	IRVINE, CA	08/02/2002 - 06/21/2016
IA	INNOVATIVE CAPITAL MANAGEMENT	130446	IRVINE, CA	02/07/2001 - 01/07/2016

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	1
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: **OSAGE PACIFIC ADVISORS, INC.**
Main Address: 23272 MILL CREEK DR.
SUITE 200
LAGUNA HILLS, CA 92653
Firm ID#: 284257

Regulator	Registration	Status	Date
 California	Investment Adviser Representative	Approved	10/04/2024

Branch Office Locations

OSAGE PACIFIC ADVISORS, INC.
23272 MILL CREEK DR.
SUITE 200
LAGUNA HILLS, CA 92653



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

Principal/Supervisory Exams

	Exam	Category	Date
	Municipal Fund Securities Principal Examination (S51)	Series 51	03/17/2003
	General Securities Principal Examination (S24)	Series 24	10/13/1982

General Industry/Product Exams

	Exam	Category	Date
	Securities Industry Essentials Examination (SIE)	SIE	12/28/2015
	General Securities Representative Examination (S7)	Series 7	11/19/1977

State Securities Law Exams

	Exam	Category	Date
	Uniform Securities Agent State Law Examination (S63)	Series 63	11/19/1996
	Uniform Investment Adviser Law Examination (S65)	Series 65	01/20/1994

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	05/17/2018 - 12/31/2023	OSAGE PACIFIC ADVISORS, INC.	CRD# 284257	LAGUNA HILLS, CA
IA	08/02/2002 - 06/21/2016	F500 ADVISORY SERVICES, INC.	CRD# 107519	IRVINE, CA
IA	02/07/2001 - 01/07/2016	INNOVATIVE CAPITAL MANAGEMENT	CRD# 130446	IRVINE, CA
B	12/14/1982 - 12/28/2015	FINANCE 500, INC.	CRD# 12981	IRVINE, CA
B	03/24/1981 - 07/19/1982	BATEMAN EICHLER, HILL RICHARDS, INCORPORATED	CRD# 76	
B	10/04/1979 - 03/20/1981	E. F. HUTTON & COMPANY INC	CRD# 235	
B	09/26/1978 - 10/14/1979	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	CRD# 7691	
B	12/05/1977 - 09/26/1978	MERRILL LYNCH, PIERCE, FENNER & SMITH, INC.	CRD# 572	

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
06/2017 - Present	Osage Pacific Advisors	administrative and operational	Y	Newport Beach, CA, United States
01/2016 - Present	Alternative Asset Group LLC	Managing Member	N	Newport Beach, CA, United States
01/1979 - Present	ROBERT LANSING HICKS	OTHER - LIFE & DISABILITY INSURANCE SA	N	IRVINE, CA, United States
08/1982 - 05/2016	FINANCE 500 ADVISORY SERVICES INC	PRESIDENT	Y	IRVINE, CA, 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.

ALTERNATIVE ASSET GROUP LLC, NEWPORT BEACH, CA; NOT INVESTMENT RELATED; START DATE 01/2016;
POSITION: MANAGING MEMBER.



Disclosure Summary

Disclosure Information

What you should know about reported disclosure events:

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

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

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

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

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

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

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



DISCLOSURE EVENT DETAILS

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

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

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1
Customer Dispute	3

Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative's authority to act as an attorney, accountant or federal contractor.

Disclosure 1 of 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	
Date Initiated:	12/31/2015
Docket/Case Number:	2013036837801
Employing firm when activity occurred which led to the regulatory action:	Finance 500, Inc.
Product Type:	Penny Stock

Allegations: Without admitting or denying the findings Hicks consented to the sanctions and to the entry of findings that he and his member firm failed to establish an AML program reasonably designed to cause the detection and reporting of suspicious activity. The findings stated that the firm's AML procedures and monitoring systems were not tailored to the risks associated with low-priced stock trading, which was a significant portion of a branch's business. Hicks failed to establish, or ensure that others established, written AML procedures customized to the risks associated with low-priced stock trading. In addition, the firm had inadequate procedures for monitoring the branch for suspicious trading. Hicks and his firm failed to implement a sufficient AML program to appropriately monitor low-priced stock trading. The firm's procedures required heightened AML scrutiny for accounts deemed "high-risk," but the firm did not identify or maintain a list of "high-risk" accounts and thus did not provide heightened scrutiny of high-risk accounts. In fact, some of the firm's supervisors were unaware of the policy. In addition, because the firm failed to designate any accounts as "high risk," the AML Compliance Officer (AMLCO) did not perform the additional review required by the



firm's procedures. Deficient implementation of the firm's AML program also made it possible for registered individuals at the firm to ignore red flags of suspicious activity. As AMLCO, Hicks was responsible for implementing, or delegating to others to implement, the firm's CIP, which required the firm to verify customers' identities through a risk-based approach. In some cases, Hicks failed to take sufficient steps to ensure that brokers complied with the firm's CIP requirements. Most notably, the firm opened at least 300 accounts without properly verifying the account holders' identities. The customers resided in Vietnam and opened accounts with the firm to liquidate shares of a Nasdaq-listed company. The firm accepted photocopies of the customers' Vietnamese identification cards, but performed no additional non-documentary verification to ensure that the identification cards actually matched the person opening the account. This violated the firm's procedures in addition to failing to comply with FINRA's Anti-Money Laundering rule. The findings also stated that the firm, through Hicks, failed to design, implement, or enforce adequate written policies or other supervisory systems. Neither Hicks nor anyone else at the firm ensured the trading and market making manual was provided to the relevant supervisory staff or notified them of its availability. In addition, Hicks failed to ensure the firm's market making activity was regularly reviewed. As a result, the branch's market making activity was not adequately supervised. The firm's procedures required a designated supervisor to regularly review electronic correspondence, however, the procedures failed to describe how to conduct such a review. The firm also had inadequate supervisory systems concerning the collection, retention, and monitoring of Bloomberg L.P. electronic mail and instant messages ("Bloomberg Messages"). The firm had insufficient policies and procedures concerning the sale of unregistered low-priced securities. As the firm's president and CCO, Hicks failed to properly delegate the firm's compliance responsibilities. Hicks hired a compliance supervisor who had limited industry experience and no background in low-priced stock trading and the firm allowed an inexperienced broker to operate as a principal in the branch office without providing him adequate training or guidance. The principal felt obligated to approve his supervisor's paperwork, resulting in the branch opening new accounts for several individuals with criminal and regulatory backgrounds.

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:	12/31/2015
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:	a principal capacity
Duration:	Nine months
Start Date:	01/04/2016



End Date: 10/03/2016

Monetary Sanction 1 of 1

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

Total Amount: \$25,000.00

Portion Levied against individual: \$25,000.00

Payment Plan: jointly and severally

Is Payment Plan Current:

Date Paid by individual: 01/25/2018

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement FINES PAID IN FULL ON JANUARY 25, 2018.

Reporting Source: Firm

Regulatory Action Initiated By: FINRA

Sanction(s) Sought:

Date Initiated: 12/31/2015

Docket/Case Number: [2013036837801](#)

Employing firm when activity occurred which led to the regulatory action: Finance 500, Inc.

Product Type: Penny Stock

Allegations: Without admitting or denying the findings Hicks consented to the entry of findings that he and his member firm failed to establish an AML program reasonably designed to detect and report suspicious activity or monitor low-priced stock trading. The findings also stated that the firm and Hicks failed to delegate compliance responsibilities, implement adequate written policies or supervisory systems concerning the firm's market-making activity and transactions in low-priced securities, or institute sufficient systems for collecting and monitoring electronic mail and instant messages

Current Status: Final

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/31/2015

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:	Principal Capacity
Duration:	9 months
Start Date:	01/04/2016



End Date: 10/03/2016

Monetary Sanction 1 of 1

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

Total Amount: \$25,000.00

Portion Levied against individual: \$25,000.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Firm Statement

It should be noted that Mr. Hicks had no personal involvement in low-priced securities or penny-stock transactions; nor any dealings with any of the clients who were involved in such types of transactions. The findings related to Hicks concern supervision and delegation issues only.

Reporting Source: Individual

Regulatory Action Initiated By: FINRA

Sanction(s) Sought:

Date Initiated: 12/31/2015

Docket/Case Number: [2013036837801](#)

Employing firm when activity occurred which led to the regulatory action: Finance 500, inc.

Product Type: Penny Stock

Allegations: Without admitting or denying the findings Hicks consented to the entry of findings that he and his member firm failed to establish an ALM program reasonably designed to detect and report suspicious activity or monitor low-priced stock trading. the findings also stated that the firm and Hicks failed to delegate compliance responsibilities, implement adequate written policies or supervisory systems concerning the firm's market-making activity and transactions in low-prices securities, or institute sufficient systems for collecting and monitoring electronic mail and instant messages.

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:	12/31/2015
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
Sanction 1 of 1	
Sanction Type:	Suspension
Capacities Affected:	Principal Capacity
Duration:	9 months
Start Date:	01/04/2016
End Date:	10/03/2016
Monetary Sanction 1 of 1	
Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	\$25,000.00
Portion Levied against individual:	\$25,000.00
Payment Plan:	
Is Payment Plan Current:	
Date Paid by individual:	01/25/2018
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 3

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Finance 500, Inc.

Allegations: Claimant alleges misrepresentation, breach of fiduciary duty, failure to supervise, Texas securities fraud, negligence and breach of contract

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$102,500.00

Arbitration Information

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

Docket/Case #: 16-03674

Date Notice/Process Served: 01/11/2017

Arbitration Pending? No

Disposition: Settled

Disposition Date: 08/06/2018

Monetary Compensation Amount: \$45,000.00

Individual Contribution Amount: \$0.00

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: FINANCE 500, INC.

Allegations: CLAIMANT ALLEGES MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, FAILURE TO SUPERVISE, TEXAS SECURITIES FRAUD, NEGLIGENCE AND BREACH OF CONTRACT

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$102,500.00

Arbitration Information

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



Docket/Case #: 16-03674
Date Notice/Process Served: 01/11/2017
Arbitration Pending? Yes

Disclosure 2 of 3

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: Finance 500, Inc.

Allegations: The Statement of Claim alleges (1) Violation of Standards of reasonable basis suitability; (2) Fraud, Misleading statement, misleading omissions of material information; (3) Breach of Fiduciary duty; (3) Breach of fiduciary duty; (4) Negligent misrepresentation; (5) Negligence; (6) Breach of contract and warranty; third party beneficiary breach of contract; (7) Breach of the covenant of good faith and fair dealing; and (8) Failure to supervise.

Product Type: Direct Investment-DPP & LP Interests
Alleged Damages: \$1,760,000.00

Arbitration Information

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

Docket/Case #: 16-02757
Date Notice/Process Served: 09/16/2016
Arbitration Pending? No
Disposition: Settled
Disposition Date: 06/20/2019
Monetary Compensation Amount: \$69,000.00
Individual Contribution Amount: \$0.00

Firm Statement The original Claim was a multi-claimant arbitration including 13 claimants with allegation against 8 separate firms and 16 different Reps. The Firm (Finance 500) was named along with 2 representatives, with respect to the two claimants, a married couple. The Claimants were clients of 2 representatives in 2005, who left the firm in early 2006 - shortly after the transaction took place. In Sept. 2016 the Firm, along with the 2 reps, were severed from the original claim and an amended claim (Case # 16-02757) was filed, this time naming Mr. Hicks individually, as the firms President & CCO at the time of transaction, along with the two former reps and the firm, repeating the allegations from the original claim.

Reporting Source: Individual
Employing firm when activities occurred which led to the complaint: FINANCE 500, INC

Allegations: The statement of Claim alleges (1) Violation of Standards of reasonable basis suitability; (2) Fraud, Misleading statement,



misleading omissions of material information; (3) Brach of Fiduciary Duty; (4) Negligent misrepresentation; (5) Negligence; (6) Brach of contract and warranty; third party beneficiary breach of contract; (7) Breach of the covenant of good faith dealing, and (8) Failure to supervise.

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$1,760,000.00

Arbitration Information

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

Docket/Case #: 16-02757

Date Notice/Process Served: 09/16/2016

Arbitration Pending? Yes

Broker Statement T he original Claim was a multi-claimant arbitration including 13 claimants with allegation against 8 separate firms and 16 different Reps. The Firm (Finance 500) was named along with 2 representatives, with respect to the two claimants, a married couple. The Claimants were clients of 2 representatives in 2005, who left the firm in early 2006 - shortly after the transaction took place. In Sept. 2016 the Firm, along with the 2 reps, were severed from the original claim and an amended claim (Case # 16-02757) was filed, this time naming Mr. Hicks individually, as the firms President & CCO at the time of transaction, along with the two former reps and the firm, repeating the allegations from the original claim.

Disclosure 3 of 3

Reporting Source: Regulator

Employing firm when activities occurred which led to the complaint: FINANCE 500, INC.

Allegations: ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-BREACH OF CONTRACT

Product Type:

Alleged Damages: \$777.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [UNKNOWN - CASE #98-00329](#)

Date Notice/Process Served: 04/03/1998

Arbitration Pending? No

Disposition: Other

Disposition Date: 08/24/1998

Disposition Detail: AWARD AGAINST PARTY
12/02/98-HICKS WAS JOINTLY AND SEVERALLY LIABLE FOR \$777.00 IN ACTUAL DAMAGES, JOINTLY AND SEVERALLY LIABLE FOR \$1,000.00 IN PUNITIVE DAMAGES



Reporting Source:	Individual
Employing firm when activities occurred which led to the complaint:	FINANCE 500, INC.
Allegations:	CLIENT ALLEGED HE WAS PROMISED A COMMISSION OF ONLY 2 PER SHARE ON ALL TRADES, AND THAT HE WAS OVERCHARGED A TOTAL OF \$777. MR. HICKS WAS NOT PERSONALLY INVOLVED WITH COMPLAINTANT, [CUSTOMER], NOR HAS EVER MET OR KNOWN HIM. MR. HICKS WAS NAMED SIMPLY AND SOLEY DUE TO HIS POSITION AS OWNER OF FINANCE 500.
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$777.00
Customer Complaint Information	
Date Complaint Received:	01/16/1998
Complaint Pending?	No
Status:	Arbitration/Reparation
Status Date:	08/24/1998
Settlement Amount:	
Individual Contribution Amount:	
Arbitration Information	
Arbitration/Reparation Claim filed with and Docket/Case No.:	NASD; 98-00329
Date Notice/Process Served:	04/03/1998
Arbitration Pending?	No
Disposition:	Award to Customer
Disposition Date:	08/24/1998
Monetary Compensation Amount:	\$1,777.00
Individual Contribution Amount:	
Broker Statement	1,777 IN SETTLEMENT PAYMENT. CLIENT WAS OFFERED IN WRITING, A COMMISSION OF 2 PER SHARE ON HIS FIRST TRADE ONLY. DESPITE THIS WRITTEN AGREEMENT CLIENT LATER DETERMINED HE SHOULD BE ACCORDED A COST OF 2 PER SHARE ON ALL TRADES. CLIENT COMPLAINED TO NASD DISTRICT 2 OFFICE AND WAS INFORMED THEY HAD REVIEWED THE MATTER AND DECLINED TO TAKE ANY ACTION. CLIENT THEN FILED A "NO HEARING" ARBITRATION CLAIM. FOR UNKNOWN REASONS, THE ARBITRATOR GRANTED THE CLIENT AN AWARD DESPITE A WRITTEN AGREEMENT TO THE CONTRARY, AND DESPITE NASD DISTRICT OFFICE'S REFUSAL TO PURSUE THE MATTER FURTHER.



End of Report

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