



IAPD Report

RANDOLF JOHN ALBERS

CRD# 850048

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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

RANDOLF JOHN ALBERS (CRD# 850048)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **08/20/2024**.

CURRENT EMPLOYERS

Firm	CRD#	Registered Since
IA ADVANCED FINANCIAL SERVICES	CRD# 162142	03/21/2012

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 ADVANCED FINANCIAL SERVICES	162142	Scottsdale, AZ	03/21/2016 - 12/31/2020
B AMERICAN INDEPENDENT SECURITIES GROUP, LLC	135288	SCOTTSDALE, AZ	05/15/2012 - 12/11/2015
IA AMERICAN INDEPENDENT SECURITIES GROUP, LLC	135288	SCOTTSDALE, AZ	05/09/2012 - 12/11/2015

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	4
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 **1** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **ADVANCED FINANCIAL SERVICES**
Main Address: 8777 N. GAINES CENTER DR., #191
SCOTTSDALE, AZ 85258
Firm ID#: 162142

Regulator	Registration	Status	Date
IA Arizona	Investment Adviser Representative	Approved	03/21/2012

Branch Office Locations

ADVANCED FINANCIAL SERVICES
8777 N. GAINES CENTER DR., #191
SCOTTSDALE, AZ 85258



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
General Securities Principal Examination (S24)	Series 24	08/19/2002

General Industry/Product Exams

Exam	Category	Date
Securities Industry Essentials Examination (SIE)	SIE	12/11/2015
General Securities Representative Examination (S7)	Series 7	12/30/1996

State Securities Law Exams

Exam	Category	Date
Uniform Combined State Law Examination (S66)	Series 66	02/21/2005
Uniform Securities Agent State Law Examination (S63)	Series 63	12/30/1996

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	03/21/2016 - 12/31/2020	ADVANCED FINANCIAL SERVICES	CRD# 162142	Scottsdale, AZ
B	05/15/2012 - 12/11/2015	AMERICAN INDEPENDENT SECURITIES GROUP, LLC	CRD# 135288	SCOTTSDALE, AZ
IA	05/09/2012 - 12/11/2015	AMERICAN INDEPENDENT SECURITIES GROUP, LLC	CRD# 135288	SCOTTSDALE, AZ
IA	05/06/2005 - 01/06/2012	SUNSET FINANCIAL SERVICES, INC.	CRD# 3538	SCOTTSDALE, AZ
B	01/01/1997 - 01/06/2012	SUNSET FINANCIAL SERVICES, INC.	CRD# 3538	SCOTTSDALE, AZ

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
01/2016 - Present	Advanced Financial Services LLC	Investment Adviser Representative	Y	Scottsdale, AZ, United States
02/1989 - Present	ALBERS FINANCIAL GROUP INC	OTHER - PRESIDENT / CEO	N	PHOENIX, AZ, 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.

LIFE/HEALTH/DISABILITY/PROPERTY CASUALTY REGISTERED AGENT.

OTHER BUSINESSES: ALBERS FAMILY TRUST; YES; 8325 North Sendero Tres; TRUST; PRESIDENT, TRUSTEE; 1/14/1986; 1; 0; PRESIDENT AND TRUSTEE

LIMITED INTERESTS IN PRODUCTION DRILLING, INC. AND CASTELLI EXPLORATION CO.; NO; WICHITA, KS AND HAYS, KS; MID-CONTINENT OIL & GAS CORPORATIONS; NO TITLE, HAS A LIMITED INTEREST IN, PASSIVE WORKING INTEREST; 1990; 1; 1; NO SPECIFIC DUTIES.

ALBERS FINANCIAL GROUP INC., YES; 8777 NORTH GAINEY CENTER DRIVE, SCOTTSDALE, AZ 85258; INSURANCE; CEO/PRESIDENT; 02/1989; 10; 0; SELLING INSURANCE PRODUCTS.

ALBERS ARIZONA AGENCY, SELLING LIFE INSURANCE. OWNER/MANAGER; 8777 NORTH GAINEY CENTER DRIVE; INSURANCE; OWNER/MANAGER; 1981; 5; 0; SELLING INSURANCE PRODUCTS



Registration & Employment History



OTHER BUSINESS ACTIVITIES

JOHN HANCOCK LIFE INSURANCE INC.; YES; 8777 NORTH GAINEY CENTER DRIVE, SCOTTSDALE, AZ 85258; INSURANCE; INSURANCE BROKER; 2018; 2; 0; SELLING INSURANCE PRODUCTS

LINCOLN FINANCIAL; YES; 8777 NORTH GAINEY CENTER DRIVE, SCOTTSDALE, AZ 85258; INSURANCE; INSURANCE BROKER; 2018; 2; 0; SELLING INSURANCE PRODUCTS.

PACIFIC LIFE INSURANCE CO; YES; 8777 NORTH GAINEY CENTER DRIVE, SCOTTSDALE, AZ 85258; INSURANCE; INSURANCE BROKER; 2006; 2; 2; SELLING INSURANCE PRODUCTS.

N1621T LLC; NO; MANAGER; 8777 NORTH GAINEY CENTER DRIVE; OWNS AND OPERATES AIRCRAFTS; MANAGER; 04/2020; 10; 1; OPERATION MANAGER AND DISPATCHER.



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	4
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 1

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Other: N/A

Date Initiated: 12/17/2013

Docket/Case Number: [2011026915702](#)

Employing firm when activity occurred which led to the regulatory action: SUNSET FINANCIAL SERVICES, INC.

Product Type: Other: PRIVATE PLACEMENTS

Allegations: NASD RULES 2110, 3030 - RANDOLF ALBERS ENTERED INTO A WRITTEN PROFIT PARTICIPATION AGREEMENT FOR COMPENSATION, PREMISED ON HIS PRIOR SALES ACTIVITIES. ALBERS' MEMBER FIRM APPROVED THE SALE OF A PRIVATE PLACEMENT OFFERED BY A SPONSOR TO ACCREDITED INVESTORS AND AT THE SAME TIME, ENTERED INTO A SELLING AGREEMENT WITH THE SPONSOR WHEREIN THE SPONSOR AGREED TO PAY THE FIRM A TWO PERCENT GROSS DEALER CONCESSION ON SALES OF THE FUND, ALONG WITH TRAIL CONCESSIONS. OVER A FOUR-YEAR PERIOD, FIRM CUSTOMER ACCOUNTS INVESTED APPROXIMATELY \$57 MILLION IN THE FUND. UNBEKNOWNST TO THE FIRM, ALBERS EXECUTED AN AGREEMENT WITH THE SPONSOR PREMISED ON HIS PREVIOUS SALES IN WHICH THE SPONSOR AGREED TO PAY 2.81 PERCENT OF ITS NET PROFITS ON A QUARTERLY BASIS TO A FAMILY TRUST, OVER WHICH ALBERS AND HIS WIFE WERE TRUSTEES AND



OWNERS. FOR OVER A YEAR, THE SPONSOR PAID A TOTAL OF APPROXIMATELY \$326,335 TO ALBERS PURSUANT TO THE TERMS OF THE AGREEMENT. THIS COMPENSATION WAS IN ADDITION TO THE GROSS DEALER CONCESSIONS THE FIRM PAID TO ALBERS. BY ENTERING INTO THE AGREEMENT PREMISED ON HIS PRIOR SALES ACTIVITIES, ALBERS ENGAGED IN AN OUTSIDE BUSINESS ACTIVITY OUTSIDE THE SCOPE OF HIS EMPLOYMENT WITH HIS FIRM AND FAILED TO GIVE THE FIRM PROMPT WRITTEN NOTICE.

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:	12/17/2013
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:	ANY CAPACITY
Duration:	30 DAYS
Start Date:	01/21/2014
End Date:	02/19/2014

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:	11/17/2014
Was any portion of penalty waived?	No

**Amount Waived:****Regulator Statement**

WITHOUT ADMITTING OR DENYING THE FINDINGS, ALBERS CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, HE IS FINED \$5,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR 30 DAYS. THE SUSPENSION IS IN EFFECT FROM JANUARY 21 2014 THROUGH FEBRUARY 19, 2014.
FINE PAID IN FULL ON NOVEMBER 17, 2014.

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Reporting Source:

Individual

Regulatory Action Initiated By:

FINRA

Sanction(s) Sought:

Other: N/A

Date Initiated:

12/17/2013

Docket/Case Number:[2011026915702](#)**Employing firm when activity occurred which led to the regulatory action:**

SUNSET FINANCIAL SERVICES, INC.

Product Type:

Other: PRIVATE PLACEMENT

Allegations:

NASD RULES 2110, 3030 - RANDOLF ALBERS ENTERED INTO A WRITTEN PROFIT PARTICIPATION AGREEMENT FOR COMPENSATION, PREMISED ON HIS PRIOR SALES ACTIVITIES. ALBERS' MEMBER FIRM APPROVED THE SALE OF A PRIVATE PLACEMENT OFFERED BY A SPONSOR TO ACCREDITED INVESTORS AND AT THE SAME TIME, ENTERED INTO A SELLING AGREEMENT WITH THE SPONSOR WHEREIN THE SPONSOR AGREED TO PAY THE FIRM A TWO PERCENT GROSS DEALER CONCESSION ON SALES OF THE FUND, ALONG WITH TRAIL CONCESSIONS. OVER A FOUR-YEAR PERIOD, FIRM CUSTOMER ACCOUNTS INVESTED APPROXIMATELY \$57 MILLION IN THE FUND. UNBEKNOWNST TO THE FIRM, ALBERS EXECUTED AN AGREEMENT WITH THE SPONSOR PREMISED ON HIS PREVIOUS SALES IN WHICH THE SPONSOR AGREED TO PAY 2.81 PERCENT OF ITS NET PROFITS ON A QUARTERLY BASIS TO A FAMILY TRUST, OVER WHICH ALBERS AND HIS WIFE WERE TRUSTEES AND OWNERS. FOR OVER A YEAR, THE SPONSOR PAID A TOTAL OF APPROXIMATELY \$326,335 TO ALBERS PURSUANT TO THE TERMS OF THE AGREEMENT. THIS COMPENSATION WAS IN ADDITION TO THE GROSS DEALER CONCESSIONS THE FIRM PAID TO ALBERS. BY ENTERING INTO THE AGREEMENT PREMISED ON HIS PRIOR SALES ACTIVITIES, ALBERS ENGAGED IN AN OUTSIDE BUSINESS ACTIVITY OUTSIDE THE SCOPE OF HIS EMPLOYMENT WITH HIS FIRM AND FAILED TO GIVE THE FIRM PROMPT WRITTEN NOTICE.

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:	12/17/2013
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
Sanction 1 of 1	
Sanction Type:	Suspension
Capacities Affected:	ANY CAPACITY
Duration:	30 DAYS
Start Date:	01/21/2014
End Date:	02/19/2014
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:	No
Date Paid by individual:	12/15/2014
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 4

Reporting Source: Firm

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

Allegations: CLIENT ALLEGES BREACH OF FIDUCIARY DUTY, VIOLATION OF FINRA AND NASD RULES, BREACH OF CONTRACT, AND NEGLIGENCE, RELATED TO THE SALE OF A DIRECT INVESTMENT MADE BY CLIENT IN JUNE 2007.

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$51,000.00

Arbitration Information

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

Docket/Case #: 15-00603

Date Notice/Process Served: 03/24/2015

Arbitration Pending? No

Disposition: Settled

Disposition Date: 02/29/2016

Monetary Compensation Amount: \$17,500.00

Individual Contribution Amount: \$2,500.00

Reporting Source: Individual

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

Allegations: CLIENT ALLEGES BREACH OF FIDUCIARY DUTY, VIOLATION OF FINRA AND NASD RULES, BREACH OF CONTRACT, AND NEGLIGENCE, RELATED TO THE SALE OF A DIRECT INVESTMENT MADE BY CLIENT IN JUNE 2007

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$51,000.00

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 Arbitration

Docket/Case #: 15-00603

**Filing date of
arbitration/CFTC reparation
or civil litigation:** 03/24/2015

Customer Complaint Information

Date Complaint Received: 03/24/2015

Complaint Pending? No

Status: Settled

Status Date: 05/15/2015

Settlement Amount: \$10,000.00

**Individual Contribution
Amount:** \$2,500.00

Broker Statement I DENY ALL ALLEGATIONS, AND WILL ARGUE CASE IN ARBITRATION. CASE WAS FILED AFTER STATUTE OF LIMITATIONS PASSED AND ALLEGATIONS ARE FALSE.

Disclosure 2 of 4

Reporting Source: Firm

**Employing firm when
activities occurred which led
to the complaint:** SUNSET FINANCIAL SERVICES, INC.

Allegations: THE COMPLAINT ALLEGES THAT THE FIRM, THROUGH ITS REPRESENTATIVE, MISREPRESENTED AND RECOMMENDED UNSUITABLE INVESTMENTS GIVEN THE CUSTOMERS' FINANCIAL SITUATION, NEEDS, AND INVESTMENT OBJECTIVES. THE INVESTMENTS IN QUESTION TOOK PLACE IN JANUARY 2007, SEPTEMBER 2007, AND JULY 2009.

Product Type: Direct Investment-DPP & LP Interests
Real Estate Security

Alleged Damages: \$275,907.04

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 ARBITRATION

Docket/Case #: 13-00079

**Filing date of
arbitration/CFTC reparation
or civil litigation:** 01/07/2013

Customer Complaint Information



Date Complaint Received: 01/14/2013
Complaint Pending? No
Status: Settled
Status Date: 09/09/2013
Settlement Amount: \$107,500.00
Individual Contribution Amount: \$0.00

Reporting Source: Individual
Employing firm when activities occurred which led to the complaint: SUNSET FINANCIAL SERVICES, INC

Allegations: THE COMPLAINT ALLEGES THAT THE FIRM, THROUGH ITS REPRESENTATIVE, MISREPRESENTED AND RECOMMENDED UNSUITABLE INVESTMENTS GIVEN THE CUSTOMERS' FINANCIAL SITUATION, NEEDS AND INVESTMENT OBJECTIVES. THE INVESTMENTS IN QUESTION TOOK PLACE IN JANUARY 2007, SEPTEMBER 2007, AND JULY 2009

Product Type: Direct Investment-DPP & LP Interests
Real Estate Security

Alleged Damages: \$275,907.04

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 ARBITRATION

Docket/Case #: 13-00079

Filing date of arbitration/CFTC reparation or civil litigation: 01/07/2013

Customer Complaint Information

Date Complaint Received: 01/14/2013
Complaint Pending? No
Status: Settled
Status Date: 09/09/2013
Settlement Amount: \$107,500.00
Individual Contribution Amount: \$0.00

Disclosure 3 of 4

Reporting Source: Firm



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

Allegations: THE ALLEGATIONS MADE IN THE COMPLAINT ARE RELATED TO THE SALE OF THE IMH SECURED LOAN FUND IN FEBRUARY 2007. THE COMPLAINT ALLEGES THAT SUNSET FINANCIAL, ACTING THROUGH ALBERS, VIOLATED FEDERAL AND STATE SECURITIES LAWS, BREACHED ITS CONTRACT, BREACHED ITS FIDUCIARY DUTY, AND COMMITTED NEGLIGENCE, GROSS NEGLIGENCE, AND COMMON LAW FRAUD IN THE SALE OF THESE SECURITIES.

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$300,000.00

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 ARBITRATION

Docket/Case #: 11-03848

Filing date of arbitration/CFTC reparation or civil litigation: 10/05/2011

Customer Complaint Information

Date Complaint Received: 10/14/2011

Complaint Pending? No

Status: Settled

Status Date: 10/19/2012

Settlement Amount: \$174,000.00

Individual Contribution Amount: \$0.00

Reporting Source: Individual

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

Allegations: THE ALLEGATIONS MADE IN THE COMPLAINT ARE RELATED TO THE SALE OF THE IMH SECURED LOAN FUND IN FEBRUARY 2007. THE COMPLAINT ALLEGES THAT SUNSET FINANCIAL, ACTING THROUGH ALBERS, VIOLATED FEDERAL AND STATE SECURITIES LAWS, BREACHED ITS CONTRACT, BREACHED ITS FIDUCIARY DUTY, AND COMMITTED NEGLIGENCE, GROSS NEGLIGENCE, AND COMMON LAW FRAUD IN THE SALE OF THESE SECURITIES.

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$300,000.00

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 ARBITRATION

Docket/Case #: 11-03848

Filing date of arbitration/CFTC reparation or civil litigation: 10/05/2011

Customer Complaint Information

Date Complaint Received: 10/14/2011

Complaint Pending? No

Status: Settled

Status Date: 10/19/2012

Settlement Amount: \$174,000.00

Individual Contribution Amount: \$0.00

Broker Statement I DENY ALL ALLEGATIONS IN THE CLAIM AND WILL VIGOROUSLY DEFEND THE SAME. WAS SETTLED FOR EXPEDIENCE PURPOSES.

Disclosure 4 of 4

Reporting Source: Firm

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

Allegations: THE CUSTOMERS ALLEGE THAT THEY WERE FRAUDULENTLY INDUCED TO MAKE MULTIPLE INVESTMENTS FROM FEBRUARY 2005 THROUGH JUNE 2008 IN IMH FINANCIAL SECURED LOAN FUND THROUGH A SERIES OF MATERIAL MISREPRESENTATIONS AND OMISSIONS.

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$1,590,000.00

Arbitration Information

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

Docket/Case #: 11-00962

Date Notice/Process Served: 03/14/2011

Arbitration Pending? No

Disposition: Settled

Disposition Date: 07/25/2012

Monetary Compensation Amount: \$600,000.00



Individual Contribution Amount: \$400,000.00

Firm Statement THE \$600,000.00 SETTLEMENT WAS PAID AS FOLLOWS: \$200,000.00 BY THE FIRM AND \$400,000.00 BY MR. ALBERS THROUGH HIS ERRORS AND OMISSIONS INSURER.

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Reporting Source: Individual

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

Allegations: THE CUSTOMERS ALLEGE THAT THEY WERE FRAUDULENTLY INDUCED TO MAKE MULTIPLE INVESTMENTS FROM FEBRUARY 2005 THROUGH JUNE 2008 IN IMH FINANCIAL SECURED LOAN FUND THROUGH A SERIES OF MATERIAL MISREPRESENTATIONS AND OMISSIONS.

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$1,590,000.00

Arbitration Information

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

Docket/Case #: 11-00962

Date Notice/Process Served: 03/14/2011

Arbitration Pending? No

Disposition: Settled

Disposition Date: 07/25/2012

Monetary Compensation Amount: \$600,000.00

Individual Contribution Amount: \$400,000.00

Broker Statement I DENY ALL ALLEGED ALLEGATIONS. AMENDED STATEMENT OF CLAIM RECEIVED ON 05/24/11.



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: SUNSET FINANCIAL SERVICES, INC.
Termination Type: Discharged
Termination Date: 01/06/2011
Allegations: FAILURE TO REPORT AN OUTSIDE BUSINESS ACTIVITY
Product Type: Direct Investment-DPP & LP Interests

Reporting Source: Individual
Firm Name: SUNSET FINANCIAL SERVICES
Termination Type: Discharged
Termination Date: 01/06/2011
Allegations: FAILURE TO REPORT AN OUTSIDE BUSINESS ACTIVITY
Product Type: Direct Investment-DPP & LP Interests



End of Report

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