[User Guidance]

[www.adviserinfo.sec.gov]

IAPD Report

JOHN FRANCIS MACHCINSKI

CRD# 853028

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

JOHN FRANCIS MACHCINSKI (CRD# 853028)

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 **07/02/2026**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	HANTZ FINANCIAL SERVICES, INC.	CRD# 46047	05/12/1999
B	HANTZ FINANCIAL SERVICES, INC.	CRD# 46047	06/23/1999

QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **7** jurisdiction(s).

Is this representative currently Inactive or Suspended with any regulator? **No**

Note: Not all jurisdictions require IAR registration or may have an exemption from registration.
Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

REGISTRATION HISTORY

This representative was previously registered with the following firm(s):

	FIRM	CRD#	LOCATION	REGISTRATION DATES
B	VESTAX SECURITIES CORPORATION	10332	HUDSON, OH	12/11/1997 - 06/25/1999
B	EAST - WEST CAPITAL CORPORATION	16348	HUDSON, OH	10/29/1997 - 01/09/1998
B	AMERICAN EXPRESS FINANCIAL ADVISORS INC.	6363	MINNEAPOLIS, MN	06/01/1978 - 10/28/1997

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	2

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

Employment 1 of 1

Firm Name: **HANTZ FINANCIAL SERVICES, INC.**

Main Address: 26200 AMERICAN DRIVE
FIFTH FLOOR
SOUTHFIELD, MI 48034

Firm ID#: 46047

	Regulator	Registration	Status	Date
B	FINRA	General Securities Principal	Approved	06/23/1999
B	FINRA	General Securities Representative	Approved	06/23/1999
B	FINRA	Municipal Securities Principal	Approved	05/29/2002
B	FINRA	Municipal Securities Representative	Approved	05/29/2002
B	FINRA	Operations Professional	Approved	12/15/2011
B	Florida	Agent	Approved	01/11/2005
B	Georgia	Agent	Approved	09/21/2007
IA	Georgia	Investment Adviser Representative	Approved	12/12/2007
B	Michigan	Agent	Approved	01/01/2005
IA	Michigan	Investment Adviser Representative	Approved	02/02/2011
IA	Ohio	Investment Adviser Representative	Approved	05/12/1999
B	Ohio	Agent	Approved	07/08/1999
B	South Carolina	Agent	Approved	11/20/2007

Qualifications

	Regulator	Registration	Status	Date
IA	South Carolina	Investment Adviser Representative	Approved	11/20/2007
B	Texas	Agent	Approved	05/07/2007
IA	Texas	Investment Adviser Representative	Approved	05/21/2007
B	Washington	Agent	Approved	03/18/2026

Branch Office Locations

HANTZ FINANCIAL SERVICES, INC.
1540 S. HOLLAND-SYLVANIA
MAUMEE, OH 43537

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

Principal/Supervisory Exams

	Exam	Category	Date
B	Municipal Securities Principal Examination (S53)	Series 53	05/28/2002
B	General Securities Principal Examination (S24)	Series 24	01/06/1989

General Industry/Product Exams

	Exam	Category	Date
B	Municipal Securities Representative Examination (S52TO)	Series 52TO	09/25/2025
B	Operations Professional Examination (S99TO)	Series 99TO	01/02/2023
B	Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
B	General Securities Representative Examination (S7)	Series 7	05/17/1986
B	Registered Representative Examination (S1)	Series 1	05/25/1978

State Securities Law Exams

	Exam	Category	Date
IA	Uniform Investment Adviser Law Examination (S65)	Series 65	05/05/1994
B	Uniform Securities Agent State Law Examination (S63)	Series 63	07/22/1980

PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **2** professional designation(s).

Certified Financial Planner

Chartered Financial Consultant

Only professional designations listed in Question 8 of the Form U4 will appear in this section if the appropriate box is checked and verified by the issuing organization at the time of the filing. Learn more about eligible designations at IARD and NASAA.

Registration & Employment History

PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
B	12/11/1997 - 06/25/1999	VESTAX SECURITIES CORPORATION	CRD# 10332	HUDSON, OH
B	10/29/1997 - 01/09/1998	EAST - WEST CAPITAL CORPORATION	CRD# 16348	
B	06/01/1978 - 10/28/1997	AMERICAN EXPRESS FINANCIAL ADVISORS INC.	CRD# 6363	MINNEAPOLIS, MN
B	06/01/1978 - 10/28/1997	IDS LIFE INSURANCE COMPANY	CRD# 6321	MINNEAPOLIS, MN
B	06/01/1978 - 12/24/1986	IDS FINANCIAL SERVICES INC.	CRD# 6320	

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
06/1999 - Present	HANTZ FINANCIAL SERVICES, INC.	PRESIDENT	Y	TECUMSEH, MI, 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.

HANTZ GROUP, INC.; INVESTMENT-RELATED; SOUTHFIELD, MI; PARENT COMPANY WITH AN OWNERSHIP INTEREST IN A MAJORITY OF HANTZ AFFILIATES; VICE PRESIDENT AND SECRETARY; 4/4/2002; 0.08 HOURS/MONTH DEVOTED TO THIS BUSINESS (0 DURING SECURITIES TRADING HOURS); OFFICER RELATED DUTIES.
HANTZ AIR, LLC; NON-INVESTMENT-RELATED; SOUTHFIELD, MI; CHARTER FLIGHT BUSINESS; SECRETARY; 12/26/2005; 0.08 HOURS/MONTH DEVOTED TO THIS BUSINESS (0 DURING SECURITIES TRADING HOURS); OFFICER RELATED DUTIES.
HANTZ FARMS, LLC DBA HANTZ WOODLANDS, LLC; NON-INVESTMENT-RELATED; SOUTHFIELD, MI; URBAN FARM DEVELOPMENT; SECRETARY; 4/1/2011; 0.08 HOURS/MONTH DEVOTED TO THIS BUSINESS (0 DURING SECURITIES TRADING HOURS); OFFICER RELATED DUTIES.
HANTZ BENEFIT SERVICES, LLC; NON-INVESTMENT-RELATED; SOUTHFIELD, MI; INACTIVE INSURANCE AGENCY; SECRETARY; 6/26/2006; 0.08 HOURS/MONTH DEVOTED TO THIS BUSINESS (0 DURING SECURITIES TRADING HOURS); OFFICER RELATED DUTIES.
PLUS AGENCY, LLC; NON-INVESTMENT-RELATED; SOUTHFIELD, MI; LIFE AND DISABILITY INSURANCE AGENCY; SECRETARY; 2/9/2007; 0.5 HOURS/MONTH DEVOTED TO THIS BUSINESS (ALL DURING SECURITIES TRADING HOURS); CLIENT RELATIONS RELATING TO THE BROKER/DEALER & OFFICER RELATED DUTIES.
HANTZ AGENCY, LLC; NON-INVESTMENT-RELATED; SOUTHFIELD, MI; PROPERTY AND CASUALTY, FIXED LIFE AND DISABILITY INSURANCE AGENCY; SECRETARY; 3/27/2006; 0.5 HOURS/MONTH DEVOTED TO THIS BUSINESS (ALL DURING SECURITIES TRADING HOURS); CLIENT RELATIONS RELATING TO THE BROKER/DEALER & OFFICER

Registration & Employment History

OTHER BUSINESS ACTIVITIES

RELATED DUTIES.
HANTZ TAX AND BUSINESS, LLC; NON-INVESTMENT-RELATED; SOUTHFIELD, MI; TAX PLANNING AND PREPARATION; SECRETARY; 9/2/2010; 0.5 HOURS/MONTH DEVOTED TO THIS BUSINESS (ALL DURING SECURITIES TRADING HOURS); CLIENT RELATIONS RELATING TO THE BROKER/DEALER & OFFICER RELATED DUTIES.
HANTZ TECHNOLOGY, LLC; NON-INVESTMENT-RELATED; SOUTHFIELD, MI; TECHNOLOGY SERVICES; SECRETARY; 9/1/2010; 0.08 HOURS/MONTH DEVOTED TO THIS BUSINESS (0 DURING SECURITIES TRADING HOURS); OFFICER RELATED DUTIES.
HANTZ SOFTWARE, LLC; NON-INVESTMENT-RELATED; SOUTHFIELD, MI; TECHNOLOGY SOFTWARE SERVICES; SECRETARY; 1/30/2008; 0.08 HOURS/MONTH DEVOTED TO THIS BUSINESS (0 DURING SECURITIES TRADING HOURS); OFFICER RELATED DUTIES.
HANTZ ACCOUNTING, LLC; NON-INVESTMENT-RELATED; SOUTHFIELD, MI; ACCOUNTING SOFTWARE SERVICES; SECRETARY; 9/18/2014; 0.08 HOURS/MONTH DEVOTED TO THIS BUSINESS (0 DURING SECURITIES TRADING HOURS); OFFICER RELATED DUTIES.
HANTZ REAL ESTATE VENTURES, LLC; NON-INVESTMENT-RELATED; SOUTHFIELD, MI; REAL ESTATE HOLDING COMPANY; SECRETARY; 5/11/2010; 0.08 HOURS/MONTH DEVOTED TO THIS BUSINESS (0 DURING SECURITIES TRADING HOURS); OFFICER RELATED DUTIES.
1540 SOUTH HOLLAND SYLVANIA, LLC; NON-INVESTMENT-RELATED; OHIO; REAL ESTATE HOLDING COMPANY; SECRETARY; 11/3/2010; 0.08 HOURS/MONTH DEVOTED TO THIS BUSINESS (0 DURING SECURITIES TRADING HOURS); OFFICER RELATED DUTIES.
HANTZ GOLF CLUB OF TECUMSEH, LLC; NON-INVESTMENT-RELATED; TECUMSEH, MI; GOLF COURSE; SECRETARY; 12/31/2010; 0.08 HOURS/MONTH DEVOTED TO THIS BUSINESS (0 DURING SECURITIES TRADING HOURS); OFFICER RELATED DUTIES.
HANTZ GOLF, LLC; NON-INVESTMENT-RELATED; TECUMSEH, MI; REAL ESTATE HOLDING COMPANY; SECRETARY; 12/31/2010; 0.08 HOURS/MONTH DEVOTED TO THIS BUSINESS (0 DURING SECURITIES TRADING HOURS); OFFICER RELATED DUTIES.
HANTZ HOLDINGS, INC.; NON-INVESTMENT-RELATED; SOUTHFIELD, MI; SINGLE BANK HOLDING COMPANY; SECRETARY; 4/8/2008; 0.08 HOURS/MONTH DEVOTED TO THIS BUSINESS (0 DURING SECURITIES TRADING HOURS); OFFICER RELATED DUTIES.
HANTZ TRUST BANK; SOUTHFIELD, MI; BOARD MEMBER; 1 HOUR/MONTH; GENERAL BOARD DUTIES.
HANTZ ALTERNATIVES MANAGEMENT COMPANY, LLC; SOUTHFIELD, MI; SECRETARY; BEGAN FEBRUARY 2025; .5 HOURS/MONTH; ADMINISTRATIVE TASKS.
HANTZ VENTURES SL-I, LLC; HANTZ VENTURES SPV-I, HANTZ VENTURES - PF II (A), LLC; HANTZ VENTURES - PF III (QP), LLC; SOUTHFIELD, MI; SECRETARY; .5 HOURS/MONTH; ADMINISTRATIVE TASKS.
AMERICAN DRIVE VARIABLE INSURANCE TRUST; SECRETARY; 1 HOUR/MONTH; OFFICER RELATED DUTIES

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	2

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 2

Reporting Source:	Individual
Employing firm when activities occurred which led to the complaint:	HANTZ FINANCIAL SERVICES, INC.
Allegations:	[CUSTOMERS] REPRESENT THEY WERE RETIREES WHO WERE CONSERVATIVE INVESTORS WITH LIMITED INVESTMENT EXPERIENCE AND IN NEED OF A FIXED INCOME TO MAINTAIN THEIR LIFESTYLE. HFS FINANCIAL CONSULTANT [OTHER EMPLOYEE] RECOMMENDED CLAIMANTS INVEST IN MEDICAL PROVIDER FUNDING CORPORATION ("MPFC"), A PRIVATE PLACEMENT INVESTMENT. CLAIMANTS ALLEGE [OTHER EMP]MADE THE FOLLOWING REPRESENTATIONS: (1) MPFC WAS A SUITABLE INVESTMENT CONSISTENT WITH CLAIMANTS' CONSERVATIVE RISK FACTOR; (2) MPFC HAD BEEN IN BUSINESS SINCE 1992 AND NEVER MISSED A DIVIDEND; (3) CLAIMANTS WOULD RECEIVE A 10% RETURN EVERY MONTH; AND (4) CLAIMANTS' CAPITAL WAS ASSURED TO BE SAFE. CLAIMANTS PROVIDED WITH A STATEMENT OF CLAIM (WHICH WAS NOT FILED WITH FINRA) ALLEGING [OTHER EMP](1) FAILED TO DISCLOSE THE RISKY NATURE OF THE INVESTMENT; (2) FAILED TO CONSIDER CLAIMANTS' AGE AND RETIREMENT OBJECTIVE; (3) ENCOURAGED CLAIMANTS TO INVEST $240,000 INSTEAD OF $100,000 AS REQUESTED BY CLAIMANTS; (4) CHURNED CLAIMANTS' ACCOUNT FOR INDIVIDUAL PROFIT; (5) FAILED TO DILIGENTLY AND REASONABLY INVESTIGATE THE ALLEGATIONS OF THE MPFC'S PROSPECTUS (OR PPM), WHICH CONTAINED NUMEROUS MISREPRESENTATIONS OF FACTS; (6) ALLOWED CLAIMANTS TO INVEST IN A RISKY, UNSUITABLE PRODUCT THAT EXCEEDED THEIR RISK TOLERANCE; (7) BREACHED HIS FIDUCIARY DUTY BY (A) FAILING TO EXERCISE DUE DILIGENCE IN DISCOVERING THE RISK OF THE INVESTMENT, AND (B) FAILING TO INFORM CLAIMANTS OF THE INVESTMENT'S RISKS AND ALL OTHER MATERIAL FACTS; (7) COMMITTED

	FRAUD; AND (8) COMMITTED NEGLIGENCE BY (A) FAILING TO RECOGNIZE CLAIMANTS WERE RETIREES AND NEEDED FIXED INCOME, AND (B) ENGAGED IN CHURNING OF CLAIMANTS' ACCOUNT. CLAIMANTS ALLEGE HANTZ FINANCIAL SERVICES, INC. ("HFS") AND JOHN F. MACHCINSKI ("MACHCINSKI") (1) FAILED TO MONITOR AND SUPERVISE [OTHER EMP'S] ACTIVITIES AS PERSONS OF CONTROL; (2) FAILED TO DILIGENTLY AND REASONABLY INVESTIGATE THE ALLEGATIONS OF MPFC;S PROSPECTUS (OR PPM), WHICH CONTAINED NUMEROUS MISREPRESENTATIONS OF FACTS; (3) ALLOWED CLAIMANTS TO INVEST IN A RISKY, UNSUITABLE PRODUCT THAT EXCEEDED THEIR RISK TOLERANCE; (4) BREACHED THEIR FIDUCIARY DUTIES BY (A) FAILING TO EXERCISE DUE DILIGENCE IN DISCOVERING THE RISK OF THE INVESTMENT, (B) FAILING TO INFORM CLAIMANTS OF THE INVESTMENT'S RISK AND ALL OTHER MATERIAL FACTS, AND (C) FAILING TO PROPERLY SUPERVISE [OTHER EMP]; (5) CHURNED CLAIMANTS' ACCOUNT FOR INDIVIDUAL PROFIT; (6) COMMITTED FRAUD; AND (7) COMMITTED NEGLIGENCE BY (A) FAILING TO RECOGNIZE CLAIMANTS WERE RETIREES AND NEEDED FIXED INCOME, (B) ENGAGED IN CHURNING OF CLAIMANTS' ACCOUNT, AND (C) FAILED TO SUPERVISE [OTHER EMP]. CLAIMANTS' CLAIM A LOSS OF 5% GROWTH ON THEIR $240,000 INVESTMENT AND REQUEST RESCISSION AND RETURN OF THEIR PRINCIPAL. HFS, MACHCINSKI, AND [OTHER EMP]DENY ALL OF CLAIMANTS' ALLEGATIONS BASED ON THE FOLLOWING: (1) CLAIMANTS HAD 30 YEARS OF INVESTMENT EXPERIENCE AND DOCUMENTED THEIR RISK TOLERANCE AS "HIGH", THEIR INVESTMENT OBJECTIVE TO PRODUCE INCOME, AND THEIR TIME HORIZON AS SIX YEARS; (2) CLAIMANTS' NET WORTH WAS $2,500,000 AT THE TIME OF THE MPFC INVESTMENT; (3) CLAIMANTS' EXECUTED AND READ MPFC'S SUBSCRIPTION AGREEMENT; (4) CLAIMANTS' EXECUTED AND READ A PPM RECEIPT WHICH DISCLOSED ALL OF THE RISKS ASSOCIATED WITH THE INVESTMENT AND DOCUMENTED HOW MUCH THE CLAIMANTS' DESIRED TO INVEST; (5) HFS, MACHCINSKI AND/OR [OTHER EMP]CONDUCTED EXTENSIVE AND INDEPENDENT DUE DILIGENCE ON MPFC BEFORE RECOMMENDING THE INVESTMENT AND WERE NOT AWARE OF ANY MISREPRESENTATIONS BY MPFC CONCERNING THE INVESTMENT; (6) THE INVESTMENT WAS SUITABLE FOR CLAIMANTS AT THE TIME OF THE ORIGINAL INVESTMENT; (7) CLAIMANTS' ACCOUNT(S) WERE NOT CHURNED; (8) CLAIMANTS WERE OFFERED NO GUARANTEES ON THE INVESTMENT; (9) HFS AND MACHCINSKI DID NOT FAIL TO SUPERVISE [OTHER EMP]; AND (10) HFS, MACHCINSKI, AND [OTHER EMP]DID NOT COMMIT FRAUD OR NEGLIGENCE IN THEIR REPRESENTATION OF CLAIMANTS AT ANY TIME.
Product Type:	Other: PRIVATE PLACEMENT
Alleged Damages:	$240,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	10-03944
Filing date of arbitration/CFTC reparation or civil litigation:	08/30/2010

Customer Complaint Information

Date Complaint Received:	10/02/2010
Complaint Pending?	No
Status:	Settled
Status Date:	03/03/2012
Settlement Amount:	$96,000.00
Individual Contribution Amount:	$0.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	10-03944
Date Notice/Process Served:	10/02/2010
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	03/03/2012
Monetary Compensation Amount:	$96,000.00
Individual Contribution Amount:	$0.00

Disclosure 2 of 2

Reporting Source:	Individual
Employing firm when activities occurred which led to the complaint:	HANTZ FINANCIAL SERVICES, INC.
Allegations:	CLIENT BELIEVES VUL PURCHASED IN 7/99, A MORTGAGE REFI IN 9/03 AND AN ANNUITY PURCHASE IN 6/02 WERE INAPPROPRIATE. CLIENT NAME JOHN MACHCINSKI AS A RESPONDENT SINCE HE WAS IN CHARGE OF THE FINANCIAL PLANNING PROCESS AT THE TIME.
Product Type:	Insurance
Alleged Damages:	$1,000,000.00
Is this an oral complaint?	No
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	07-02332
Filing date of arbitration/CFTC reparation or civil litigation:	08/20/2007

Customer Complaint Information

Date Complaint Received:	08/20/2007
Complaint Pending?	No
Status:	Settled
Status Date:	08/21/2007
Settlement Amount:	$250,000.00
Individual Contribution Amount:	$0.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	07-02332
Date Notice/Process Served:	08/20/2007
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	06/25/2008
Monetary Compensation Amount:	$250,000.00
Individual Contribution Amount:	$0.00

Broker Statement

DETAILS IN SECTIONS 7-11 ENTERED IN ERROR
CLIENT BELIEVES THEY COULD HAVE MADE MORE MONEY IF INVESTED DIFFERENTLY. INVESTMENT RECOMMENDATIONS WERE BASED ON AN EXTENSIVE FINANCIAL PLAN WHICH INCORPORATED THE CLIENT'S GOALS AND OBJECTIVES. THEY HAVE NAMED JOHN MACHCINSKI AS A RESPONDENT SINCE HE WAS RESPONSIBLE FOR THE PLANNING PROCESS AT THE TIME. THEY ALSO SUGGEST THAT SINCE HFS WAS ISSUED AN AWC IN 2005 THAT HANTZ FINANCIAL MUST HAVE DONE SOMETHING WRONG IN THEIR ACCOUNT.

CLIENTS RETAINED HFS IN JULY OF 1999 TO PROVIDE ADVICE REGARDING THE INVESTMENT OF APPROXIMATELY $3 MILLION IN PROCEEDS RECEIVED FROM LOTTERY WINNINGS. HFS ADVISED THE CLIENTS' TO INITIALLY INVEST THEIR $3,023,679 OF LOTTERY WINNINGS BY PLACING $2,226,723 IN LOW LIQUIDITY INVESTMENT VEHICLES (INCLUDING FOUR ANNUITIES AND A VARIABLE LIFE INSURANCE POLICY), AND $796,957 IN HIGH LIQUIDITY VEHICLES. CLIENTS ALLEGED HFS AND THEIR PLANNER FAILED TO ACCOUNT FOR THEIR NEED TO PAY APPROXIMATELY $600,000 IN FEDERAL INCOME TAXES DIRECTLY RELATED TO THEIR LOTTERY WINNINGS, THEREBY MAKING THEIR INVESTMENT PORTFOLIO UNSUITABLY IMBALANCED BECAUSE IT DID NOT ALLOW FOR ENOUGH LIQUIDITY TO PAY THE TAX LIABILITY. CLIENTS DISMISSED WITH PREJUDICE JOHN MACHCINSKI FROM THE ARBITRATION CLAIM ON THE BASIS THERE EXISTED NO EVIDENCE THAT HE WAS INVOLVED WITH ANY MATTER RAISED IN THE ARBITRATION CLAIM, OR INDIVIDUALLY OWED ANY DUTIES TO THE CLIENTS, OR OTHERWISE WERE LIABLE FOR ANY DAMAGES THE CLIENTS ALLEGED THEY MAY HAVE SUFFERED.

End of Report

This page is intentionally left blank.