BrokerCheck Report

VFG SECURITIES, INC.

CRD# 15121

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.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**
- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck 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 broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
- **Where did this information come from?**
- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
  - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
  - information that regulators report regarding disciplinary actions or allegations against firms or brokers.
- **How current is this information?**
- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.
- **What if I want to check the background of an investment adviser firm or investment adviser representative?**
- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at https://www.adviserinfo.sec.gov. In the alternative, you may search the IAPD website directly or contact your state securities regulator at http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414.
- **Are there other resources I can use to check the background of investment professionals?**
- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.

Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

brokercheck.finra.org

For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.

VFG SECURITIES, INC.

CRD# 15121

SEC# 8-31595

Main Office Location

100 CORPORATE POINTE
SUITE 382
CULVER CITY, CA 90230-7612

Mailing Address

100 CORPORATE POINTE
SUITE 382
CULVER CITY, CA 90230-7612

Business Telephone Number

310-410-8341

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 03/30/1984.

Its fiscal year ends in June.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This brokerage firm is no longer registered with FINRA or a national securities exchange.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	3

Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.

Date firm ceased business:	11/20/2017
Does this brokerage firm owe any money or securities to any customer or brokerage firm?	No

Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 03/30/1984.

Its fiscal year ends in June.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

VFG SECURITIES, INC.

Doing business as VFG SECURITIES, INC.

CRD# 15121

SEC# 8-31595

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100 CORPORATE POINTE
SUITE 382
CULVER CITY, CA 90230-7612

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CULVER CITY, CA 90230-7612

Business Telephone Number

310-410-8341

Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any):	VANCLEF FINANCIAL GROUP
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	OWNER
Position Start Date	09/2009
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	NGO, TUAN ANH 2819426
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF OPERATIONS OFFICER
Position Start Date	07/2010
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	PRICE, EDWARD LOWRY 1298103
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER, FINOP
Position Start Date	04/2017

Direct Owners and Executive Officers (continued)

Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	VANCLEF, JASON BRYCE 5096529
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT, CEO
Position Start Date	09/2009
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

Legal Name & CRD# (if any):	VANCLEF, JASON BRYCE 5096529
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	VANCLEF FINANCIAL GROUP
Relationship to Direct Owner	CEO
Relationship Established	08/2005
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.

Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is no longer registered.

The firm's registration was from 08/13/1985 to 01/19/2018.

Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 9 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Mutual fund retailer
U S. government securities broker
Broker or dealer selling variable life insurance or annuities
Broker or dealer selling oil and gas interests
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Private placements of securities
Other - 12Z. VFG SECURITIES,INC. CONDUCTS A GENERAL SECURITIES BUSINESS ON A FULLY DISCLOSED, INTRODUCING BASIS. WE USE THE CLEARING SERVICES OF COR CLEARING, 1200 LANDMARK CENTER, SUITE 800, OMAHA, NE 68102.

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.
This firm does not engage in other non-securities business.

Non-Securities Business Description:

Firm Operations

Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	COR CLEARING LLC
CRD #:	117176
Business Address:	1200 LANDMARK CENTER, SUITE 800 OMAHA, NE 68102
Effective Date:	05/23/2016
Description:	VFG SECURITIES UTILIZES COR CLEARING, LLC FOR ACCOUNT MAINTENANCE, CLEARING AND CUSTODY SERVICES FOR VFG CUSTOMER ACCOUNTS.

Firm Operations

Industry Arrangements

This firm does have books or records maintained by a third party.

Name:	COR CLEARING LLC
CRD #:	117176
Business Address:	1200 LANDMARK CENTER, SUITE 800 OMAHA, NE 68102
Effective Date:	05/23/2016
Description:	VFG SECURITIES UTILIZES COR CLEARING, LLC FOR ACCOUNT MAINTENANCE, CLEARING AND CUSTODY SERVICES FOR VFG CUSTOMER ACCOUNTS.

This firm does have accounts, funds, or securities maintained by a third party.

Name:	COR CLEARING LLC
CRD #:	117176
Business Address:	1200 LANDMARK CENTER, SUITE 800 OMAHA, NE 68102
Effective Date:	05/23/2016
Description:	VFG SECURITIES UTILIZES COR CLEARING, LLC FOR ACCOUNT MAINTENANCE, CLEARING AND CUSTODY SERVICES FOR VFG CUSTOMER ACCOUNTS.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name:	COR CLEARING LLC
CRD #:	117176
Business Address:	1200 LANDMARK CENTER, SUITE 800 OMAHA, NE 68102
Effective Date:	05/23/2016
Description:	VFG SECURITIES UTILIZES COR CLEARING, LLC FOR ACCOUNT MAINTENANCE, CLEARING AND CUSTODY SERVICES FOR VFG CUSTOMER ACCOUNTS.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.

Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- **in control of**
- **controlled by**
- **or under common control with**

the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

VANCLEF FINANCIAL GROUP, INC. controls the firm.

Business Address:	100 CORPORATE POINTE SUITE 382 CULVER CITY, CA 90230-7612
Effective Date:	09/17/2009
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	No
Description:	VANCLEF FINANCIAL GROUP IS THE PARENT ORGANIZATION OF VFG SECURITIES, INC. AND OF VFG ADVISORS, INC., AND IS ALSO A LICENSED CALIFORNIA LIFE INSURANCE AGENCY.

VFG ADVISORS, INC. is under common control with the firm.

CRD #:	150370
Business Address:	100 CORPORATE POINTE SUITE 382 CULVER CITY, CA 90230-7612
Effective Date:	09/17/2009
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	VFG SECURITIES, INC., AND VFG ADVISORS (VFA) ARE WHOLLY-OWNED

Firm Operations

Organization Affiliates (continued)

SUBSIDIARIES OF VANCLEF FINANCIAL GROUP.

This firm is not directly or indirectly, controlled by the following:

- **bank holding company**
- **national bank**
- **state member bank of the Federal Reserve System**
- **state non-member bank**
- **savings bank or association**
- **credit union**
- **or foreign bank**

Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	3	0

Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
    - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
    - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
    - A disclosure event may have a status of *pending, on appeal,* or *final.*
        - A "pending" event involves allegations that have not been proven or formally adjudicated.
        - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
        - A "final" event has been concluded and its resolution is not subject to change.
    - A final 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 involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
        - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 3

Reporting Source:	Regulator
Current Status:	Final

Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO SUPERVISE AS PRIVATE SECURITIES TRANSACTIONS THE INVESTMENT ADVISORY ACTIVITIES OF TWO REGISTERED REPRESENTATIVES WHO WERE DUALLY-REGISTERED WITH THE FIRM AND AN AFFILIATED REGISTERED INVESTMENT ADVISOR (RIA). THE FINDINGS STATED THAT THE TWO REGISTERED REPRESENTATIVES PARTICIPATED IN APPROXIMATELY 150 PRIVATE SECURITIES TRANSACTIONS TOTALING APPROXIMATELY $9.6 MILLION AND INVOLVING THREE DIFFERENT OFFERINGS, AND RECEIVED ADVISORY FEES FROM THE RIA FOR THESE INVESTMENTS. THE REGISTERED REPRESENTATIVES HAD PREVIOUSLY DISCLOSED TO THE FIRM THEIR ASSOCIATION WITH THE RIA, WHICH THE FIRM APPROVED. HOWEVER, THE FIRM TREATED INVESTMENT ADVISORY ACTIVITIES THROUGH THE RIA AS OUTSIDE BUSINESS ACTIVITIES AND NOT AS PRIVATE SECURITIES TRANSACTIONS. AS A RESULT, THE FIRM DID NOT SUPERVISE THESE TRANSACTIONS AS PRIVATE SECURITIES TRANSACTIONS, NOR DID IT MAINTAIN THESE TRANSACTIONS ON ITS BOOKS AND RECORDS. THE FINDINGS ALSO STATED THAT BY TREATING THE REGISTERED REPRESENTATIVES' INVESTMENT ACTIVITIES THROUGH THE RIA AS OUTSIDE BUSINESS ACTIVITIES RATHER THAN AS PRIVATE SECURITIES TRANSACTIONS, THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NASD RULE 3040.
Initiated By:	FINRA
Date Initiated:	06/28/2017
Docket/Case Number:	2014038997601
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/28/2017
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No

Sanctions Ordered:	Censure Monetary/Fine $75,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED $75,000. FINES PAID IN FULL ON JULY 7, 2017.

Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA ALLEGES BETWEEN MAY 2013 AND SEPT. 2014, VFG FAILED TO SUPERVISE AS PRIVATE SECURITIES TRANSACTIONS THE INVESTMENT ADVISORY ACTIVITIES OF TWO REGISTERED REPRESENTATIVES WHO WERE DUALLY-REGISTERED WITH VFG AND AN AFFILIATED RIA. VFG ALSO FAILED TO RECORD THESE PSTS ON THE FIRM'S BOOKS AND RECORDS.
Initiated By:	FINRA
Date Initiated:	01/26/2017
Docket/Case Number:	2014038997601
Principal Product Type:	Other
Other Product Type(s):	NO PRODUCT
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	$75,000 FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/26/2017
Sanctions Ordered:	Censure Monetary/Fine $75,000.00
Other Sanctions Ordered:	
Sanction Details:	CENSURE AND $75,000 MONETARY FINE LEVIED AGAINST FIRM AND PAID.
Firm Statement	AFTER CAREFUL CONSIDERATION, VFG RECORDED THE RR'S RIA ACTIVITIES AS OUTSIDE BUSINESS ACTIVITIES, BELIEVING THAT IS WHAT THEY WERE, AND NOT PRIVATE SECURITIES TRANSACTIONS. THE FIRM BELIEVES IT IS IN ITS BEST INTEREST TO SETTLE THIS ISSUE, ACCEPT FINRA'S FINDINGS AND MOVE ON.

Disclosure 2 of 3

Reporting Source:	Regulator
Current Status:	Final
Allegations:	THE FIRM WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT IT PROVIDED CUSTOMERS WITH MISLEADING PERSONALIZED RECOMMENDATION SPREADSHEETS THAT CONTAINED FALSE, EXAGGERATED, UNWARRANTED OR MISLEADING STATEMENTS, AND INCLUDED IMPROPER PROJECTIONS OF INVESTMENT PERFORMANCE. THE COMPLAINT ALLEGES THAT THE FIRM ALSO FAILED TO COMPLY WITH ADVERTISING RULE STANDARDS BY FAILING TO HAVE A REGISTERED PRINCIPAL APPROVE SALES LITERATURE PRIOR TO ITS FIRST USE AND FAILING TO SUBMIT THE LITERATURE TO FINRA FOR REVIEW. THE COMPLAINT ALSO ALLEGES THAT THE FIRM'S SUPERVISORY SYSTEMS WERE DEFICIENT IN TWO RESPECTS. FIRST, THE FIRM FAILED TO FOLLOW ITS WSPS THAT REQUIRED A DESIGNATED SUPERVISOR TO REVIEW CONSOLIDATED INVESTMENT REPORTS PROVIDED TO CUSTOMERS. SECOND, THE FIRM DID NOT HAVE ANY SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, TO REVIEW FOR HIGH CONCENTRATION LEVELS IN ILLIQUID ALTERNATIVE INVESTMENTS, INCLUDING NON-TRADED DIRECT PARTICIPATION PROGRAMS AND NON-TRADED REAL ESTATE INVESTMENT TRUSTS, IN CUSTOMER ACCOUNTS.
Initiated By:	FINRA
Date Initiated:	02/09/2016
Docket/Case Number:	2013038283001
Principal Product Type:	Direct Investment(s) - DPP & LP Interest(s)
Other Product Type(s):	REITS
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	11/21/2016
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No

Sanctions Ordered:	Censure Monetary/Fine $50,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED $50,000, OF WHICH $10,000 IS JOINT AND SEVERAL WITH ITS CEO. FINES PAID IN FULL ON 12/2/16.
Regulator Statement	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT HAD MISLEADING COMMUNICATIONS WITH THE PUBLIC. THE FINDINGS STATED THAT THE FIRM LISTED FOR SALE ONLINE AND DISTRIBUTED TO CUSTOMERS AND THE GENERAL PUBLIC A BOOK ITS CEO WROTE AND PUBLISHED HIMSELF THAT CONTAINED FALSE, EXAGGERATED, UNWARRANTED OR MISLEADING STATEMENTS, AND OMITTED MATERIAL FACTS OR QUALIFICATIONS WHERE THE OMISSION CAUSED THE COMMUNICATION TO BE MISLEADING. IN ADDITION, THE FIRM PROVIDED CUSTOMERS WITH MISLEADING PERSONALIZED RECOMMENDATION SPREADSHEETS THAT CONTAINED FALSE, EXAGGERATED, UNWARRANTED OR MISLEADING STATEMENTS, AND INCLUDED IMPROPER PROJECTIONS OF INVESTMENT PERFORMANCE. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO HAVE A REGISTERED PRINCIPAL APPROVE THE CEO'S BOOK PRIOR TO ITS FIRST USE AND FAILED TO SUBMIT IT TO FINRA FOR REVIEW. THE FINDINGS ALSO INCLUDED THAT THE FIRM'S SUPERVISORY SYSTEMS WERE DEFICIENT IN TWO RESPECTS. FIRST, THE FIRM FAILED TO FOLLOW ITS WSPS THAT REQUIRED A DESIGNATED SUPERVISOR TO REVIEW CONSOLIDATED INVESTMENT REPORTS PROVIDED TO CUSTOMERS. SECOND, THE FIRM DID NOT HAVE ANY SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, TO REVIEW FOR HIGH CONCENTRATION LEVELS IN ILLIQUID ALTERNATIVE INVESTMENTS, INCLUDING NON-TRADED DIRECT PARTICIPATION PROGRAMS AND NON-TRADED REAL ESTATE INVESTMENT TRUSTS, IN CUSTOMER ACCOUNTS.

Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA NOTIFIED THE FIRM THROUGH LEGAL COUNSEL THAT THE FIRM AND PRESIDENT/CEO JASON VANCLEF WERE THE SUBJECT OF AN ENFORCEMENT COMPLAINT ALLEGING VIOLATIONS OF NASD RULE 2210 FOR THE ALLEGED USE OF MISLEADING COMMUNICATIONS WITH THE PUBLIC, FAILURE TO COMPLY WITH ADVERTISING RULE STANDARDS, AND FAILURE TO SUPERVISE AND DEFICIENT WSPS.
Initiated By:	FINRA

Date Initiated:	02/09/2016
Docket/Case Number:	2013038283001
Principal Product Type:	Direct Investment(s) - DPP & LP Interest(s)
Other Product Type(s):	NON-TRADED REITS
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE AND SUSPENSION OF MR. VANCLEF, CEO.
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	11/21/2016
Sanctions Ordered:	Censure Monetary/Fine $50,000.00
Other Sanctions Ordered:	THE CIVIL AND ADMIN PENALTIES TOTALED $50,000 AGAINST THE FIRM, OF WHICH $10,000 WERE ASSESSED JOINTLY AND SEVERALLY WITH MR. VANCLEF.
Sanction Details:	CEO, JASON VANCLEF AGREED TO SERVE A 10 BUSINESS DAY SUSPENSION IN ALL CAPACITIES, BEGINNING DECEMBER 19, 2016.
Firm Statement	WHILE MR. VANCLEF AND VFG DID NOT AGREE WITH FINRA'S COMPLAINT ALLEGATIONS WE BELIEVED IT WAS BEST TO SETTLE THIS MATTER AND MOVE ON, MAINLY DUE TO THE SIGNIFICANT HEARING AND LEGAL EXPENSES, TIME CONSUMPTION AND INCONVENIENCE.

Disclosure 3 of 3

Reporting Source:	Regulator
Current Status:	Final
Allegations:	VFG SECURITIES EMPLOYED AN UNLICENSED SALES REPRESENTATIVE IN COLORADO.
Initiated By:	COLORADO DIVISION OF SECURITIES
Date Initiated:	05/20/2011
Docket/Case Number:	XY2011-001
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	REAL ESTATE INVESTMENT TRUSTS (REITS)

Principal Sanction(s)/Relief Sought:	Disgorgement
Other Sanction(s)/Relief Sought:	DISGORGEMENT IN THE APPROXIMATE AMOUNT OF $7,500.00.
Resolution:	Stipulation and Consent
Resolution Date:	05/29/2012
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	IN THE EVENT, VFG SECURITIES APPLIES FOR A BROKER-DEALER LICENSE IN COLORADO FOR A PERIOD OF THREE YEARS FROM THE DATE OF THE ORDER, SUCH APPLICATION SHALL BE SUBJECT TO ANY ADDITIONAL REQUIREMENTS THAT THE COMMISSIONER DEEMS APPROPRIATE IN HIS SOLE DISCRETION, INCLUDING WITHOUT LIMITATION, THAT THE APPLICATION BE WITHDRAWN.

Reporting Source:	Firm
Current Status:	Final
Allegations:	EMPLOYMENT OF UNLICENSED SALES REPRESENTATIVE. THE STATE OF CO CONTENDS IT DID NOT RECEIVE ALL INFO REQUESTED AND DID NOT APPROVE THE RR'S APPLICATION. IN MARCH 2010, A LICENSED RR IN COLORADO BECAME AFFILIATED WITH AND MOVED HIS LICENSE TO VFG. VFG FILED AN APPLICATION TO BE A LICENSED BD IN COLORADO, AND THEN FILED AN APPLICATION FOR THE RR TO BE LICENSED WITH VFG IN CO. COLORADO APPROVED THE RR AS EVIDENCED IN CRD, THEN WITHDREW THE APPROVAL WITHOUT NOTIFYING VFG OR RR. COLORADO THEN SOUGHT CERTAIN DOCUMENTATION FROM VFG AND THE RR. NO PROCEEDING WAS INSTITUTED WITHIN 30 DAYS OF THE FILING OF THE ADDITIONAL DOCUMENTATION. VFG CONTENDS THAT UNDER OPERATION OF LAW PURSUANT TO C.R.S. §11-51-406(1)(A) THE APPLICATIONS WERE APPROVED 30 DAYS AFTER FILING. VFG ALSO CONTENDS IT PROVIDED ALL INFORMATION REQUESTED OF IT BY THE STATE OF CO. VFG THEREFORE PERMITTED RR TO ENGAGE IN SECURITIES TRANSACTIONS IN CO.

Initiated By:	STATE OF COLORADO SECURITIES COMMISSIONER
Date Initiated:	03/09/2012
Docket/Case Number:	XY-2011-001
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	EMPLOYMENT OF UNLICENSED SALES REPRESENTATIVE
Resolution:	Stipulation and Consent
Resolution Date:	02/12/2013
Sanctions Ordered:	Disgorgement/Restitution Revocation/Expulsion/Denial
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS REQUIRED TO RETURN TO CUSTOMERS ALL REVENUES EARNED FROM COLORADO RESIDENTS DURING THE TERM THAT COLORADO DEEMED THE FIRM UNREGISTERED, WHICH WAS COMPLETED AND ACCOMPANIED BY A REQUIRED LETTER TO CUSTOMERS EXPLAINING THAT THE FIRM COULD NO LONGER ASSIST THEM WITH THEIR FINANCIAL NEEDS UNTIL RE-REGISTRATION WAS APPROVED BY THE STATE. THE STATE ACCEPTED THE FIRM'S ACTIONS AND CLOSED THE MATTER ON 2/12/2013.
Firm Statement	IN MARCH 2010, A LICENSED REGISTERED REPRESENTATIVE (RR) IN COLORADO DECIDED TO BECOME AFFILIATED WITH AND MOVE HIS LICENSE TO VFG SECURITIES (VFG). THE RR FILED AN APPLICATION TO BE LICENSED WITH VFG AND VFG FILED AN APPLICATION TO BE A LICENSED BD IN COLORADO. COLORADO APPROVED THE RR AS EVIDENCED IN CRD, THEN WITHDREW APPROVAL WITHOUT NOTIFICATION TO VFG OR RR VIA WEBCRD. COLORADO SUBSEQUENTLY SOUGHT CERTAIN DOCUMENTATION FROM VFG AND THE RR. NO PROCEEDING WAS INSTITUTED WITHIN 30 DAYS OF THE FILING OF THE ADDITIONAL DOCUMENTATION. VFG CONTENDS THAT UNDER OPERATION OF LAW PURSUANT TO C.R.S. §11-51-406(1)(A) THE APPLICATIONS WERE APPROVED 30 DAYS AFTER FILING. VFG ALSO CONTENDS IT PROVIDED ALL INFORMATION REQUESTED OF IT BY THE STATE OF COLORADO. VFG THEREFORE PERMITTED THE RR TO ENGAGE IN SECURITIES TRANSACTIONS. COLORADO CONTENDS IT DID NOT RECEIVE ALL INFORMATION REQUESTED AND DID NOT APPROVE THE RR'S

APPLICATION. STIPULATION AND CONSENT ORDER WAS SIGNED BY COLORADO ON 5/29/2012 AND ACTIONS AND STEPS ORDERED WITHIN THE STIPULATION WERE COMPLETED AND FINAL APPROVAL FROM THE STATE OF COLORADO PROVIDED ON 2/12/2013.

End of Report

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