

BrokerCheck Report

QUEST CAPITAL STRATEGIES, INC.

CRD# 16783

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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.

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.



QUEST CAPITAL STRATEGIES, INC.

CRD# 16783

SEC# 8-34532

Main Office Location

25526 LONE PINE CIR
STE 500W
LAGUNA HILLS, CA 92653

Mailing Address

28241 CROWN VALLEY PKWY
SUITE F-438
LAGUNA NIGUEL, CA 92677

Business Telephone Number

9495100141

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

<https://www.adviserinfo.sec.gov>

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 California on 03/18/1983.

Its fiscal year ends in December.

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	5
Arbitration	6



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: 12/31/2019

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 California on 03/18/1983.
Its fiscal year ends in December.

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.

QUEST CAPITAL STRATEGIES, INC.
Doing business as QUEST CAPITAL STRATEGIES, INC.
CRD# 16783
SEC# 8-34532

Main Office Location
25526 LONE PINE CIR
STE 500W
LAGUNA HILLS, CA 92653

Mailing Address
28241 CROWN VALLEY PKWY
SUITE F-438
LAGUNA NIGUEL, CA 92677

Business Telephone Number
9495100141

Other Names of this Firm

Name	Where is it used
QUEST CAPITAL	CA

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):	TSAI, CAROLYNE 2272768
Is this a domestic or foreign entity or an individual?	Individual
Position	CEO, CCO, OFFICE MANAGER
Position Start Date	01/2018
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):	TSAI, CAROLYNE 2272768
Is this a domestic or foreign entity or an individual?	Individual
Position	CFO, FIN OP
Position Start Date	11/2002
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 Profile

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

Indirect Owners

No information reported.



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 05/13/1986 to 02/25/2020.

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 7 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
Broker or dealer selling variable life insurance or annuities
Put and call broker or dealer or option writer
Investment advisory services
Non-exchange member arranging for transactions in listed securities by exchange member

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:	RBC CAPITAL MARKETS, LLC
CRD #:	31194
Business Address:	ONE LIBERTY PLAZA 165 BROADWAY NEW YORK, NY 10006
Effective Date:	10/03/2012
Description:	FULLY DISCLOSED CLEARING ARRANGEMENT RBC CAPITAL MARKETS CORPORATION REPLACES APEX CLEARING CORPORATION AS OUR CLEARING FIRM

Firm Operations

Industry Arrangements



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

Name: RBC CAPITAL MARKETS, LLC
CRD #: 31194
Business Address: ONE LIBERTY PLAZA
165 BROADWAY
NEW YORK, NY 10006
Effective Date: 10/03/2012
Description: FULLY DISCLOSED CLEARING ARRANGEMENT

RBC CAPITAL MARKETS CORPORATION REPLACES APEX CLEARING CORPORATION AS OUR CLEARING FIRM

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

Name: RBC CAPITAL MARKETS, LLC
CRD #: 31194
Business Address: ONE LIBERTY PLAZA
165 BROADWAY
NEW YORK, NY 10006
Effective Date: 10/03/2012
Description: FULLY DISCLOSED CLEARING ARRANGEMENT

RBC CAPITAL MARKETS CORPORATION REPLACES APEX CLEARING CORPORATION AS OUR CLEARING FIRM

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

Name: RBC CAPITAL MARKETS, LLC
CRD #: 31194
Business Address: ONE LIBERTY PLAZA
165 BROADWAY
NEW YORK, NY 10006
Effective Date: 10/03/2012
Description: FULLY DISCLOSED CLEARING ARRANGEMENT

RBC CAPITAL MARKETS CORPORATION REPLACES APEX CLEARING CORPORATION AS OUR CLEARING FIRM

Firm Operations

Industry Arrangements (continued)

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 not, 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.**

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	5	0
Arbitration	N/A	6	N/A



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 5

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 ESTABLISH ADEQUATE SUPERVISORY SYSTEMS AND WRITTEN SUPERVISORY PROCEDURES (WSPS). THE FINDINGS STATED THAT THE FIRM FAILED TO ESTABLISH ADEQUATE SUPERVISORY SYSTEMS AND WSPS TO SUPERVISE CERTAIN MUTUAL FUND SALES PRACTICES AND TRANSACTIONS. WHILE THE FIRM STATED THAT ITS COMPLIANCE OFFICERS CONDUCTED A SUITABILITY REVIEW CONCERNING SHARE CLASS, LETTER OF INTENT, AND BREAKPOINTS, THE FIRM FAILED TO PROVIDE DOCUMENTATION THAT ANY SUCH SUITABILITY REVIEW BY THE FIRM'S COMPLIANCE OFFICERS OCCURRED. FOR CERTAIN MUTUAL FUND TRANSACTIONS, THE FIRM COULD NOT PERFORM AN ADEQUATE SUITABILITY REVIEW. THE FINDINGS ALSO STATED THAT SPECIFICALLY, IN CERTAIN INSTANCES, THE FIRM'S REGISTERED REPRESENTATIVES FAILED TO COMPLETE AN INTERNAL FIRM FORM TITLED "MUTUAL FUND PROSPECTUS RECEIPT RISK AND BENEFIT DISCLOSURE, AND ACKNOWLEDGMENT" (MFPR FORM) FOR NEW CUSTOMERS WHO HELD MUTUAL FUNDS AS INVESTMENTS, EVEN THOUGH THOSE CUSTOMERS ENGAGED IN FURTHER MUTUAL FUND TRANSACTIONS AT THE FIRM. AS A RESULT, THE FIRM NEVER DOCUMENTED ANY REVIEW CONCERNING THE SUITABILITY OF THE MUTUAL FUND TRANSACTIONS CONCERNING THOSE CUSTOMERS. IN ADDITION, THE FIRM COULD NOT PERFORM A SUITABILITY REVIEW WITH RESPECT TO CERTAIN CUSTOMERS' MUTUAL FUND TRANSACTIONS BECAUSE THE REGISTERED REPRESENTATIVES WERE USING AN OUTDATED MFPR FORM THAT DID NOT REQUEST THE CUSTOMER'S TIME HORIZON. WITHOUT A STATED INVESTMENT TIME HORIZON, THE FIRM COULD NOT CONDUCT A SUITABILITY REVIEW OF THOSE TRANSACTIONS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO HAVE WSPS IN PLACE AS TO HOW THE FIRM WOULD MONITOR AND REVIEW ACCOUNTS TO PREVENT CHARGING A CUSTOMER BOTH AN INVESTMENT ADVISORY MANAGEMENT FEE AND A BROKER-DEALER TRANSACTION-BASED COMMISSION, AND HOW THE FIRM WOULD ENSURE THAT CUSTOMER INFORMATION IS KEPT CONFIDENTIAL, SAFEGUARDED, AND ENCRYPTED PRIOR TO SENDING ELECTRONICALLY. FINRA FOUND THAT THE FIRM'S ANNUAL TESTING PERFORMED BY AN INDEPENDENT THIRD-PARTY FIRM WAS NOT ADEQUATE AND DID NOT IDENTIFY CERTAIN DEFICIENCIES.

Initiated By: FINRA

Date Initiated: 12/16/2015

Docket/Case Number: [2014038995701](#)

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: 12/16/2015

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 \$25,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$25,000.
FINE PAID IN FULL ON DECEMBER 29, 2015.

Reporting Source: Firm

Current Status: Final

Allegations: THE FIRM FAILED TO ESTABLISH ADEQUATE WRITTEN SUPERVISORY PROCEDURES (WSPS) RELATING TO SUPERVISION OF: 1) CERTAIN MUTUAL FUND SALES PRACTICES 2)ENSURING CUSTOMER ACCOUNTS WERE NOT CHARGED BOTH ADVISORY AND TRANSACTION FEES AND 3) COMPLIANCE WITH REG S-P REGARDING THE ENCRYPTION OF CUSTOMER INFORMATION SENT ELECTRONICALLY.

Initiated By: FINRA

Date Initiated: 12/16/2015

Docket/Case Number: CASE # 2014038995701

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:



Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/16/2015
Sanctions Ordered:	Censure Monetary/Fine \$25,000.00
Other Sanctions Ordered:	ALTHOUGH THE FIRM NEITHER ADMITS OR DENIES THE FINDINGS, THE FIRM HAS UPDATED ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) TO MORE ACCURATELY REFLECT THE ONGOING SUPERVISION OF THE AREAS SPECIFICALLY MENTIONED IN THE FINDINGS.
Sanction Details:	ALTHOUGH THE FIRM NEITHER ADMITS OR DENIES THE FINDINGS, THE FIRM HAS UPDATED ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) TO MORE ACCURATELY REFLECT THE ONGOING SUPERVISION OF THE AREAS SPECIFICALLY MENTIONED IN THE FINDINGS. THE FIRM AGREED TO A CENSURE AND FINE OF \$25,000

Disclosure 2 of 5

Reporting Source:	Regulator
Current Status:	Final
Allegations:	QUEST CAPITAL STRATEGIES INC., OPERATED FOUR BRANCH OFFICES IN THE STATE OF NEVADA, WITHOUT LICENSING THE SAME AS REQUIRED BY NRS 90.360 AND NAC 90.392.
Initiated By:	NEVADA
Date Initiated:	10/22/2013
Docket/Case Number:	CI13-245
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	01/26/2015



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: Monetary/Fine \$3,000.00

Other Sanctions Ordered:

Sanction Details: PURSUANT TO AN ADMINSTRATIVE CONSENT ORDER, QUEST CAPITAL STRATEGIES, INC., AGREED TO PAY A \$3,000.00 CIVIL PENALTY FOR OPERATING THE FOUR UNLICENSED BRANCHES AND \$781.30 FOR ITS FEE FOR THE INSPECTION OF RECORDS PURSUANT TO NRS 90.410.

Regulator Statement ALL FINES AND FEES ARE PAID IN FULL.

Reporting Source: Firm

Current Status: Final

Allegations: QUEST CAPITAL STRATEGIES DID NOT PROPERLY OBTAIN AND MAINTAIN STATE REQUIRED BRANCH OFFICE LICENSING FOR 4 DIFFERENT LOCATIONS WITHIN THE STATE OF NEVADA.

Initiated By: STATE OF NEVADA

Date Initiated: 01/26/2015

Docket/Case Number: CI13-245-BRM

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: ADMINISTRATIVE CONSENT ORDER (ACO)

Resolution: Consent

Resolution Date: 01/26/2015

Sanctions Ordered: Monetary/Fine \$3,000.00

Other Sanctions Ordered:

Sanction Details: QUEST CAPITAL PAID THE \$3000.00 FINE ON 1/26/2015.

**Firm Statement**

ON DECEMBER 11, 2012 QUEST WAS DIRECTED TO CLOSE 4 STATE OF NEVADA BRANCH OFFICES THAT HAD BEEN INCORRECTLY REGISTERED IN THE WEB CRD SYSTEM. ON JANUARY 13, 2013, QUEST RE-FILED WITH THE STATE OF NEVADA THE BRANCH APPLICATIONS VIA WEB CRD FOR THE 4 INDEPENDENT REPRESENTATIVES WHO RESIDED IN NEVADA. QUEST ASSUMED THE REGISTRATION OF THE 4 BRANCH OFFICES WAS SUCCESSFUL. QUEST ALSO ASSUMED THAT STATE OF NEVADA WOULD NOTIFY US IF THERE WERE SOMETHING MISSING ON THE APPLICATION BUT IT WAS NOT THE CASE. QUEST FINALLY RECEIVED APPROVAL FOR THE 4 BRANCHES IN APRIL 2013. WITHOUT ADMITTING OR DENYING THE FINDINGS, QUEST AGREED TO THE ADMINISTRATIVE CONSENT ORDER ISSUED BY THE STATE OF NEVADA.

Disclosure 3 of 5

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 1031(A), 1120, 2110, 3010(A) AND 3010(B)(1) - RESPONDENT MEMBER MAINTAINED NASD REGISTRATIONS OF REPRESENTATIVES WHO WERE NOT ACTIVE IN FIRM'S INVESTMENT BANKING OR SECURITIES BUSINESS OR WERE NOT FUNCTIONING AS REPRESENTATIVES; ALLOWED REGISTERED INDIVIDUALS TO PERFORM DUTIES REQUIRING REGISTRATION WHILE THE STATUS OF THEIR REGISTRATIONS WAS INACTIVE BECAUSE THEY FAILED TO COMPLETE THE REGULATORY ELEMENT OF NASD'S CONTINUING EDUCATION RULE; ACTING THROUGH ITS FORMER COMPLIANCE OFFICER, FAILED TO ESTABLISH AND MAINTAIN A SYSTEM TO SUPERVISE THE ACTIVITIES OF REGISTERED REPRESENTATIVES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NASD RULES.

Initiated By: NASD

Date Initiated: 09/19/2003

Docket/Case Number: C02030058

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: 09/19/2003

Sanctions Ordered: Censure
Monetary/Fine \$41,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, QUEST CAPITAL STRATEGIES INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$41,000.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110, 3010(A), 3010(B)(1)- FROM ABOUT OCTOBER 1999 THROUGH AT LEAST FEBRUARY 2002, QCS, ACTING THROUGH ITS FORMER COMPLIANCE OFFICER, FAILED TO ESTABLISH AND MAINTAIN A SYSTEM TO SUPERVISE THE ACTIVITIES OF EACH REGISTERED REPRESENTATIVE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NASD RULES, WITH RESPECT TO 1) PREVENTING OF "PARKING" OF REGISTERED REPRESENTATIVES' LICENSES IN CONTRAVENTION OF MEMBERSHIP AND REGISTRATION RULE 1031(A), AND 2) COMPLIANCE WITH REGULATORY ELEMENT OF NASD'S CONTINUING EDUCATION RULE 1120.

Initiated By: NASD

Date Initiated: 09/19/2003

Docket/Case Number: C02030058

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: 09/19/2003

Sanctions Ordered: Censure
Monetary/Fine \$41,000.00

Other Sanctions Ordered:



Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, QCS, ACCEPTS AND CONSENTS TO THE DESCRIBED SANCTIONS OF CENSURE AND MONETARY/FINE 41,000.

Disclosure 4 of 5

Reporting Source: Regulator

Current Status: Final

Allegations: REL. NOS. 34-36909;IA-1555 - ORDER INSTITUTING PUBLIC ADMINISTRATIVE PROCEEDINGS AND NOTICE OF HEARING PURSUANT TO SECTIONS 15(B) AND 19(H) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SECTION 203(F) OF THE INVESTMENT ADVISERS ACT OF 1940; THE COMMISSION ANNOUNCED THAT ON FEBRUARY 29 IT INSTITUTED PUBLIC ADMINISTRATIVE PROCEEDINGS AGAINST QUEST CAPITAL STRATEGIES, INC. (QUEST), A REGISTERED BROKER-DEALER, QUEST'S PRESIDENT. THE ORDER ALLEGES THAT THEY FAILED REASONABLY TO SUPERVISE A FORMER QUEST REGISTERED REPRESENTATIVE WITH A VIEW TO PREVENTING HIS VIOLATIONS OF THE FEDERAL SECURITIES LAWS. FROM DECEMBER 1991 TO AUGUST 1993, HE DEFRAUDED APPROXIMATELY THIRTY-FIVE INVESTORS OF APPROXIMATELY \$450,000 BY MEANS OF A FIXED INCOME LOAN AGREEMENT" (NOTE), PURSUANT TO WHICH HE GUARANTEED PRINCIPAL AND INTEREST ON INVESTMENTS THROUGH HIS INVESTMENT BUSINESS. AMONG OTHER THINGS, HE MISREPRESENTED THE SAFETY OF THE NOTES AND THE USE OF INVESTOR'S MONIES AND IN FACT, USED INVESTORS' MONEY TO INVEST IN FUTURES AND FUTURES OPTIONS AND FOR PERSONAL AND BUSINESS EXPENSES.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 03/01/1996

Docket/Case Number: REL. NOS. 34-36909;IA-1555

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 10/15/2001



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:	Monetary/Fine \$50,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	SEC ADMIN PROCEEDING FILE NO. 3-8966, RELS 34-44935, IA REL NO. 1990, DATED OCTOBER 15, 2001 - IT IS ORDERED THAT QUEST SHALL NOT MAINTAIN ANY BRANCH OFFICE THAT IS NOT SUPERVISED BY AN ON-SITE REGISTERED PRINCIPAL AND SUBJECTED TO SEMI-ANNUAL SURPRISE INSPECTIONS, AND SHALL NOT EMPLOY OR CONTRACT WITH ANY REGISTERED REPRESENTATIVE WHO IS NOT IN ITS MAIN OFFICE OR A BRANCH OFFICE UNLESS THAT REPRESENTATIVE IS SUBJECTED TO AN ANNUAL INSPECTION, ON A SURPRISE BASIS IF POSSIBLE, AND IT IS ORDERED THAT, WITHIN 30 DAYS OF THE ENTRY OF THIS ORDER, QUEST SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$50,000.
Regulator Statement	<p>SEC NEWS DIGEST NO. 96-38, DATED MARCH 1, 1996, 62 SEC DOCKET 2089, DATED SEPTEMBER 24, 1996 DISCLOSES: PREHEARING ORDER GRANTING IN PART RESPONDENTS'REQUEST TO ISSUE SUBPOENAS DUCES TECUM, AND MAKING EVIDENTIARY RULINGS WAS ISSUED AUGUST 12, 1996.</p> <p>INITIAL DECISION NO. 141, FILE NO. 3-8966, DATED APRIL 12, 1999 - AN INITIAL DECISION WAS ISSUED ON APRIL 12, 1999 THAT FOUND THAT ALTHOUGH THE INDIVIDUAL WAS SUBJECT TO THE SUPERVISION OF QUEST AND ITS PRESIDENT WHEN HE VIOLATED THE FEDERAL SECURITIES LAWS, QUEST AND ITS PRESIDENT REASONABLY SUPERVISED HIM WITH A VIEW TO PREVENTING HIS SECURITIES LAWS VIOLATIONS. PROCEEDINGS AGAINST QUEST ARE DISMISSED. SEC DIVISION OF ENFORCEMENT APPEALED THE ALJ DECISION ON MAY 3, 1999.</p>
<hr/>	
Reporting Source:	Firm
Current Status:	Final
Allegations:	FROM IN OR ABOUT AUGUST 1992 THROUGH IN OR ABOUT AUGUST 1993, QUEST AND YU FAILED REASONABLY TO SUPERVISE NAKOSKI WITH A VIEW TOWARDS PREVENTING HIS VIOLATIONS OF THE FEDERAL SECURITIES LAWS AS ALLEGED.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION



Date Initiated:	08/31/1992
Docket/Case Number:	NY-6203;02CIV.01512(PLF)
Principal Product Type:	Other
Other Product Type(s):	OUTSIDE ACTIVITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CIVIL AND ADMINISTRATIVE PENALTY(IES)/FINE(S)
Resolution:	Decision
Resolution Date:	05/29/2003
Sanctions Ordered:	Monetary/Fine \$50,000.00
Other Sanctions Ordered:	TO CONDUCT INSPECTIONS OF ITS BRANCH OFFICES AND OTHER REGISTERED REPRESENTATIVES, TO BAR PRESIDENT FROM ASSOCIATION WITH ANY BROKER-DEALER OR INVESTMENT ADVISOR IN A SUPERVISORY CAPACITY WITH A RIGHT TO APPLY TO BECOME SO ASSOCIATED AFTER ONE YEAR.
Sanction Details:	TO IMPOSE MONEY PENALTIES OF \$50000 EACH ON FIRM AND ITS PRESIDENT. TO CONDUCT INSPECTIONS OF ITS BRANCH OFFICES AND OTHER REGISTERED REPRESENTATIVES, TO BAR PRESIDENT FROM ASSOCIATION WITH ANY BROKER-DEALER OR INVESTMENT ADVISOR IN A SUPERVISORY CAPACITY WITH A RIGHT TO APPLY TO BECOME SO ASSOCIATED AFTER ONE YEAR. IN THE PRELIMINARY INJUNCTION INJOINED FIRM AND YU OBEY THE BAR WHILE THE OUTCOME OF COURT ACTION IS PENDING.
Firm Statement	<p>AFTER TWO WEEKS HEARING, WITNESS ALL ACTUAL EVIDENCES, ADMINISTRATIVE LAW JUDGE LILLIAN A. MC EWEN DISMISSED ALL CHARGES ON APRIL 13, 1999. ON MAY 3, 1999, SEC DIVISION OF ENFORCEMENT APPEALED THE VERDICT TO THE COMMISSIONERS OF SEC. SEC REVERSE INITIAL DECISION AND ORDER FINES AND THE PRESIDENT BAR FROM SUPERVISION FOR ONE YEAR. ON DECEMBER 18, 2001, RESPONDENTS APPEALED TO THE U. S. COURT OF APPEALS. ON MARCH 18, 2002, U. S. COURT OF APPEALS DISMISSED FOR LACK OF JURISDICTION BECAUSE OF LATE FILING FROM APPLICANT'S ATTORNEY. ON APRIL 18, 2002, RESPONDENTS AGREED TO COMPLY WITH THE COMMISSION'S ORDER.</p> <p>SEC DID NOT BELIEVE THAT YU AND FIRM OBEY THE BAR, THEREFORE FILE A PRELIMINARY AND PERMANENT INJUNCTION ON SEP 25, 2002. ON MAY 29TH, 2003, SEC ORDERED THAT THE COMPLAINT IS DISMISSED WITH PREJUDICE AGAINST ALL DEFENDANTS.</p>

**Disclosure 5 of 5**

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SALES TO ARIZONA RESIDENTS WITHOUT BENEFIT OF BD REGISTRATION WITHIN THE STATE IN VIOLATION OF A.R.S. SECTION 44-1842.
Initiated By:	ARIZONA CORPORATION COMMISSION, SECURITIES DIVISION
Date Initiated:	01/16/1991
Docket/Case Number:	S-4737-BD-I
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	01/16/1991
Sanctions Ordered:	Monetary/Fine \$3,500.00
Other Sanctions Ordered:	
Sanction Details:	QUEST CONSENTED TO ENTRY OF AN ORDER ASSESSING A \$3,500 ADMINISTRATIVE PENALTY.
Regulator Statement	Not Provided

Reporting Source:	Firm
Current Status:	Final
Allegations:	ONE OF APPLICANTS' EX-RR SOLD APPROXIMATELY 20 TRANSACTIONS TO 7 ARIZONA RESIDENTS BEFORE ARIZONA'S LICENSE IS TO BE APPROVED.
Initiated By:	ARIZONA CORPORATION COMMISSION
Date Initiated:	01/16/1991



Docket/Case Number: 57225 S-4737-BD-I

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: ADMINISTRATIVE

Resolution: Order

Resolution Date: 01/16/1991

Sanctions Ordered: Monetary/Fine \$3,500.00

Other Sanctions Ordered:

Sanction Details: MONETARY FINE OF \$3500.00 WAS ORDERED 01/16/91 AND THIS ORDER SHALL NOT CONSTITUTE A DISQUALIFICATION OF A.A.C. R14-4-126 (E) OF THE RULES AND REGULATIONS OF THE SECURITIES ACT OF ARIZONA.



Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at www.finra.org/awardsonline.

Disclosure 1 of 6

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	11/09/2000
Case Number:	00-04454
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	\$33,464.26
Disposition:	AWARD AGAINST PARTY
Disposition Date:	09/20/2001
Sum of All Relief Awarded:	\$33,464.25

There may be a non-monetary award associated with this arbitration.
Please select the Case Number above to view more detailed information.

Disclosure 2 of 6

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER
Arbitration Forum:	FINRA
Case Initiated:	01/09/2018



Case Number: [17-03375](#)

Disputed Product Type: OTHER TYPES OF SECURITIES

Sum of All Relief Requested: \$200,000.01

Disposition: AWARD AGAINST PARTY

Disposition Date: 01/24/2019

Sum of All Relief Awarded: \$276,226.42

There may be a non-monetary award associated with this arbitration.
Please select the Case Number above to view more detailed information.

Disclosure 3 of 6

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY

Arbitration Forum: NASD

Case Initiated: 04/07/1993

Case Number: [93-01333](#)

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: Unspecified Damages

Disposition: AWARD AGAINST PARTY

Disposition Date: 02/02/1994

Sum of All Relief Awarded: \$12,000.00

There may be a non-monetary award associated with this arbitration.
Please select the Case Number above to view more detailed information.

Disclosure 4 of 6

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING



Arbitration Forum: NASD

Case Initiated: 11/23/1994

Case Number: [94-04642](#)

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; OPTIONS

Sum of All Relief Requested: \$51,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 02/23/1996

Sum of All Relief Awarded: \$17,044.00

There may be a non-monetary award associated with this arbitration.
Please select the Case Number above to view more detailed information.

Disclosure 5 of 6

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OTHER;
ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-
NEGLIGENCE

Arbitration Forum: NASD

Case Initiated: 08/20/1997

Case Number: [97-03798](#)

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; OPTIONS; OTHER TYPES OF
SECURITIES

Sum of All Relief Requested: \$329,198.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/12/1998

Sum of All Relief Awarded: \$53,000.00

There may be a non-monetary award associated with this arbitration.
Please select the Case Number above to view more detailed information.

Disclosure 6 of 6

Reporting Source: Regulator



Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD

Case Initiated: 08/04/1999

Case Number: [99-01517](#)

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; OPTIONS

Sum of All Relief Requested: \$6,697,527.14

Disposition: AWARD AGAINST PARTY

Disposition Date: 01/16/2004

Sum of All Relief Awarded: \$221,520.06

There may be a non-monetary award associated with this arbitration.
Please select the Case Number above to view more detailed information.

End of Report



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