

BrokerCheck Report

JERRY DEWAYNE MCCUTCHEN SR

CRD# 1076678

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

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.

JERRY D. MCCUTCHEN SR

CRD# 1076678

This broker is not currently registered.

Report Summary for this Broker



This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

Broker Qualifications

This broker is not currently registered.

This broker has passed:

- 2 Principal/Supervisory Exams
- 3 General Industry/Product Exams
- 1 State Securities Law Exam

Registration History

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

- B BERTHEL, FISHER & COMPANY FINANCIAL SERVICES, INC.**
CRD# 13609
MOBILE, AL
01/2007 - 12/2014
- B NEXT FINANCIAL GROUP, INC.**
CRD# 46214
MOBILE, AL
05/2003 - 01/2007
- B FSC SECURITIES CORPORATION**
CRD# 7461
ATLANTA, GA
12/1998 - 05/2003

Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

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

The following types of disclosures have been reported:

| Type | Count |
|------------------|-------|
| Regulatory Event | 2 |
| Customer Dispute | 51 |
| Judgment/Lien | 1 |

Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at <https://www.adviserinfo.sec.gov>

Broker Qualifications



Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.



Broker Qualifications

Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

This individual has passed 2 principal/supervisory exams, 3 general industry/product exams, and 1 state securities law exam.

Principal/Supervisory Exams

| Exam | Category | Date |
|----------------------------------------------------------|-----------|------------|
| B Municipal Fund Securities Principal Examination | Series 51 | 06/03/2003 |
| B General Securities Principal Examination | Series 24 | 05/22/1987 |

General Industry/Product Exams

| Exam | Category | Date |
|--------------------------------------------------------|----------|------------|
| B Securities Industry Essentials Examination | SIE | 12/31/2014 |
| B National Commodity Futures Examination | Series 3 | 06/22/1987 |
| B General Securities Representative Examination | Series 7 | 01/15/1983 |

State Securities Law Exams

| Exam | Category | Date |
|---------------------------------------------------------|-----------|------------|
| B Uniform Securities Agent State Law Examination | Series 63 | 07/02/1986 |

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.

Broker Qualifications



Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

| Registration Dates | Firm Name | CRD# | Branch Location |
|----------------------------|----------------------------------------------------|-------|-----------------|
| B 01/2007 - 12/2014 | BERTHEL, FISHER & COMPANY FINANCIAL SERVICES, INC. | 13609 | MOBILE, AL |
| B 05/2003 - 01/2007 | NEXT FINANCIAL GROUP, INC. | 46214 | MOBILE, AL |
| B 12/1998 - 05/2003 | FSC SECURITIES CORPORATION | 7461 | ATLANTA, GA |
| B 12/1995 - 12/1998 | COMMONWEALTH EQUITY SERVICES, INC. | 8032 | WALTHAM, MA |
| B 10/1992 - 11/1995 | PROEQUITIES, INC. | 15708 | BIRMINGHAM, AL |
| B 12/1991 - 08/1992 | WALNUT STREET SECURITIES, INC. | 15840 | EL SEGUNDO, CA |
| B 11/1989 - 11/1991 | MML INVESTORS SERVICES, INC. | 10409 | SPRINGFIELD, MA |
| B 06/1987 - 06/1989 | CENTRAL BROKERAGE SERVICES, INC. | 17086 | BIRMINGHAM, AL |
| B 06/1986 - 01/1987 | FIRST FUNDS INCORPORATED | 17415 | |
| B 01/1983 - 04/1983 | BAY CITY SECURITIES, INC. | 12976 | |

Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

| Employment | Employer Name | Position | Investment Related | Employer Location |
|-------------------|-------------------------------------------------|---------------------------|--------------------|---------------------------|
| 01/2007 - Present | BERTHEL FISHER & COMPANY FINANCIAL SERVICES INC | REGISTERED REPRESENTATIVE | Y | MOBILE, AL, United States |

Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker 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.

1.THE MCCUTCHEN COMPANY, INC.-Y-MOBILE, AL-MARKETING-OWNER-09/1989-0-0-NAME USED FOR MARKETING BUSINESS

Registration and Employment History



Other Business Activities, continued

2.RETIRING WITH DIGNITY, INC.-Y-MOBILE, AL-FINANCIAL ADVICE-OWNER-01/2012-100-100-ADVISING CLIENTS 3.MCCUTCHEN ENTERPRISES, LLC-N-MOBILE, AL-HOLDING COMPANY-MEMBER-01/2007-1-1-HOLDING COMPANY 4.RENTAL PROPERTY-N-MOBILE, AL-RENTAL PROPERTY-OWNER-01/2000-5-5-RENTAL PROPERTY.

Disclosure Events



What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
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 broker is required to disclose a particular criminal event.
 - A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
 -
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage 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 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 brokers and brokerage 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.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

| | Pending | Final | On Appeal |
|------------------|---------|-------|-----------|
| Regulatory Event | 0 | 2 | 0 |
| Customer Dispute | 0 | 51 | N/A |
| Judgment/Lien | 1 | N/A | N/A |



Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Regulatory - Final

This type of disclosure event may involve (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of a broker's authority to act as an attorney, accountant, or federal contractor.

Disclosure 1 of 2

| | |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Regulator |
| Regulatory Action Initiated By: | FINRA |
| Sanction(s) Sought: | Suspension |
| Date Initiated: | 11/18/2019 |
| Docket/Case Number: | 17-01368 |
| Employing firm when activity occurred which led to the regulatory action: | N/A |
| Product Type: | No Product |
| Allegations: | Respondent McCutchen failed to comply with an arbitration award or settlement agreement or to satisfactorily respond to a FINRA request to provide information concerning the status of compliance. |
| Current Status: | Final |
| Resolution: | Letter |



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: 11/18/2019

Sanctions Ordered: 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: | All Capacities |
| Duration: | Indefinite |
| Start Date: | 11/18/2019 |
| End Date: | |

**Regulator Statement**

Pursuant to Article VI, Section 3 of FINRA By-Laws, and FINRA Rule 9554, Respondent McCutchen is suspended on November 18, 2019 for failure to comply with an arbitration award or settlement agreement or to satisfactorily respond to a FINRA request to provide information concerning the status of compliance.

Disclosure 2 of 2

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Other: N/A

Date Initiated: 09/06/2016

Docket/Case Number: [2015048347401](#)

Employing firm when activity occurred which led to the regulatory action: Berthel, Fisher & Company Financial Services, Inc.

Product Type: No Product

Allegations: Without admitting or denying the findings, McCutchen consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with an investigation into allegations by certain customers that he made unsuitable recommendations to them with regard to the purchase of certain alternative investments.

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: 09/06/2016

Sanctions Ordered: Bar (Permanent)



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: | Bar (Permanent) |
| Capacities Affected: | All Capacities |
| Duration: | Indefinite |
| Start Date: | 09/06/2016 |
| End Date: | |



Customer Dispute - Award / Judgment

This type of disclosure event involves a final, consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the broker that resulted in an arbitration award or civil judgment for the customer.

Disclosure 1 of 1

| | |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Regulator |
| Employing firm when activities occurred which led to the complaint: | Berthel, Fisher & Company Financial Services, Inc. |
| Allegations: | Jerry D. McCutchen was named in a customer complaint that asserted the following causes of action: violations of the Alabama Securities Act; breach of fiduciary duty; violation of FINRA/NYSE rules; breach of contract and negligence; negligent supervision; fraudulent inducement to hold investment; and control person liability under Alabama and federal securities laws. The causes of action relate to Claimants' investment in equipment leases, Direct Participation Programs and the real estate investment trusts ("REITs"). |
| Product Type: | Equipment Leasing Other: Direct Participation Programs and the real estate investment trusts ("REITs"). |
| Alleged Damages: | \$626,000.00 |
| Arbitration Information | |
| Arbitration/Reparation Claim filed with and Docket/Case No.: | FINRA - CASE #17-01368 |
| Date Notice/Process Served: | 05/24/2017 |
| Arbitration Pending? | No |
| Disposition: | Award |
| Disposition Date: | 07/15/2019 |
| Disposition Detail: | Respondents are jointly and severally liable for and shall pay to the Claimants: (a) The amount of \$621,535.00 in compensatory damages; and (b) Interest on the amount of \$621,535.00 at the 7.5% per annum pursuant to AL Code 8-8-10 from the date of service of the Award until the amount of \$621,535.00 is paid in full. Respondent McCutchen is liable for and shall pay to the claimants the amount of \$30,000.00 in punitive damages pursuant to AL Code 6-11-20. Respondents are jointly and severally liable for and shall pay to Claimants: (a) The amount of \$248,614.00 in attorneys' fees pursuant to AL Code 8-6-19; and (b) The amount of \$110,966.00 in costs and other damages. |
| Regulator Statement | This award has not been paid by or on behalf of Jerry McCutchen as of November |



18, 2019.

| | |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher & Company Financial Services, Inc. |
| Allegations: | The clients allege that the investments they purchased between 2007 and 2012 were unsuitable and were misrepresented to them by the representative. The clients also allege that the firm failed to supervise the actions of the representative. |
| Product Type: | Direct Investment-DPP & LP Interests Equipment Leasing Oil & Gas Real Estate Security |
| Alleged Damages: | \$626,000.00 |
| Arbitration Information | |
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 17-01368 |
| Date Notice/Process Served: | 06/08/2017 |
| Arbitration Pending? | No |
| Disposition: | Award to Customer |
| Disposition Date: | 07/15/2019 |
| Monetary Compensation Amount: | \$1,011,115.00 |
| Individual Contribution Amount: | \$30,000.00 |
| Firm Statement | The firm settled the award with the claimants on 8/13/2019 as follows: Claimant #1: \$369,871.06, Claimant #2: \$355,887.26, and Claimant #3: \$294,241.68. The settlement satisfies the award as to Berthel Fisher. The settlement does not release Jerry McCutchen for his payment of the award. |



Customer Dispute - Settled

This type of disclosure event involves a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit containing allegations of sale practice violations against the broker that resulted in a monetary settlement to the customer.

Disclosure 1 of 43

| | |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher and Company Financial Services, Inc. |
| Allegations: | The client's attorney contacted the Firm's attorney and made a claim for damages related to the investments they purchased through the representative in 2007. |
| Product Type: | Annuity-Variable Equipment Leasing Real Estate Security |
| Alleged Damages: | \$0.00 |
| Alleged Damages Amount Explanation (if amount not exact): | The firm has made a good faith determination that the damages from the alleged conduct would be more than \$5,000.00. |
| Is this an oral complaint? | Yes |
| Is this a written complaint? | No |
| Is this an arbitration/CFTC reparation or civil litigation? | No |

Customer Complaint Information

| | |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Date Complaint Received: | 03/13/2020 |
| Complaint Pending? | No |
| Status: | Settled |
| Status Date: | 10/14/2020 |
| Settlement Amount: | \$106,485.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | The Firm, solely to compromise and settle disputed claims, agreed to settle an claim for damages with the clients. |



Disclosure 2 of 43

| | |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | NEXT Financial Group, Inc. and Berthel Fisher & Company Financial Services |
| Allegations: | Claimant alleges former Registered Representative Jerry McCutchen's unsuitable investment recommendations resulted in losses in Claimants' accounts due to negligence, fraud, misrepresentations and omissions, failure to supervise, and grossly unsuitable investment recommendations. |
| Product Type: | Equipment Leasing |
| Alleged Damages: | \$168,000.00 |

Arbitration Information

| | |
|-------------------------------------------------------------------------------|-------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 2000274 |
| Date Notice/Process Served: | 02/07/2020 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 12/09/2020 |
| Monetary Compensation Amount: | \$25,000.00 |
| Individual Contribution Amount: | \$0.00 |

Disclosure 3 of 43

| | |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher and Company Financial Services, Inc. |
| Allegations: | The client alleges the investments she purchased between 2006-2007 were unsuitable and misrepresented to her by the representative. The client also alleges the firm failed to supervise the actions of the representative and failed to conduct adequate due diligence. |



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

Alleged Damages: \$200,000.00

Arbitration Information

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

Docket/Case #: 19-03784

Date Notice/Process Served: 12/27/2019

Arbitration Pending? No

Disposition: Settled

Disposition Date: 10/14/2020

Monetary Compensation Amount: \$69,830.00

Individual Contribution Amount: \$0.00

Firm Statement The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimant.

Disclosure 4 of 43

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Berthel Fisher and Company Financial Services, Inc.

Allegations: The clients allege the investments they purchased between 2009-2014 were unsuitable and misrepresented to them by the representative. The clients also allege the firm failed to supervise the actions of the representative and failed to conduct adequate due diligence.

Product Type: Equipment Leasing
Oil & Gas
Real Estate Security

Alleged Damages: \$500,000.00

Arbitration Information



| | |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 19-03781 |
| Date Notice/Process Served: | 01/06/2020 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 10/14/2020 |
| Monetary Compensation Amount: | \$531,770.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants. |

Disclosure 5 of 43

| | |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher and Company Financial Services, Inc. |
| Allegations: | The clients allege the investments they purchased between 2007-2010 were unsuitable and misrepresented to them by the representative. The clients also allege the firm failed to supervise the actions of the representative and failed to conduct adequate due diligence. |
| Product Type: | Direct Investment-DPP & LP Interests Equipment Leasing Real Estate Security |
| Alleged Damages: | \$600,000.00 |

Arbitration Information

| | |
|-------------------------------------------------------------------------------|------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 19-03786 |
| Date Notice/Process Served: | 12/26/2019 |



| | |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 10/14/2020 |
| Monetary Compensation Amount: | \$563,620.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants. |

Disclosure 6 of 43

| | |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher and Company Financial Services, Inc. |
| Allegations: | The clients allege the investments they purchased between 2007-2010 were unsuitable and misrepresented to them by the representative. The clients also allege the firm failed to supervise the actions of the representative and failed to conduct adequate due diligence. |
| Product Type: | Equipment Leasing Real Estate Security |
| Alleged Damages: | \$300,000.00 |
| Alleged Damages Amount Explanation (if amount not exact): | The clients allege the investments they purchased between 2009-2010 were unsuitable and misrepresented to them by the representative. The clients also allege the firm failed to supervise the actions of the representative and failed to conduct adequate due diligence. |

Arbitration Information

| | |
|-------------------------------------------------------------------------------|------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 19-03783 |
| Date Notice/Process Served: | 12/23/2019 |
| Arbitration Pending? | No |
| Disposition: | Settled |



| | |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Disposition Date: | 10/14/2020 |
| Monetary Compensation Amount: | \$208,605.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants. |

Disclosure 7 of 43

| | |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher and Company Financial Services, Inc. |
| Allegations: | The clients allege the investments they purchased between 2006-2008 were unsuitable and misrepresented to them by the representative. The clients also allege the firm failed to supervise the actions of the representative and to conduct adequate due diligence. |
| Product Type: | Direct Investment-DPP & LP Interests Equipment Leasing Real Estate Security |
| Alleged Damages: | \$1,000,000.00 |

Arbitration Information

| | |
|-------------------------------------------------------------------------------|--------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 19-03785 |
| Date Notice/Process Served: | 01/10/2020 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 10/14/2020 |
| Monetary Compensation Amount: | \$207,295.00 |
| Individual Contribution Amount: | \$0.00 |



| | |
|-----------------------|----------------------------------------------------------------------------------------------------------------|
| Firm Statement | The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants. |
|-----------------------|----------------------------------------------------------------------------------------------------------------|

Disclosure 8 of 43

| | |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher and Company Financial Services, Inc. |
| Allegations: | The clients allege the investments they purchased between 2011-2014 were unsuitable and misrepresented to them by the representative. The clients also allege the firm failed to supervise the actions of the representative and failed to conduct adequate due diligence. |
| Product Type: | Equipment Leasing Real Estate Security |
| Alleged Damages: | \$300,000.00 |

Arbitration Information

| | |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 19-03782 |
| Date Notice/Process Served: | 12/30/2019 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 10/14/2020 |
| Monetary Compensation Amount: | \$176,750.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants. |

Disclosure 9 of 43

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|--------------------------|------|
| Reporting Source: | Firm |
|--------------------------|------|



| | |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher and Company Financial Services, Inc. |
| Allegations: | The client alleges the investments he purchased in 2007 were misrepresented to him by the representative. |
| Product Type: | Direct Investment-DPP & LP Interests Real Estate Security |
| Alleged Damages: | \$0.00 |
| Alleged Damages Amount Explanation (if amount not exact): | The firm has made a good faith determination that the damages from the alleged conduct would be more than \$5,000. |
| Is this an oral complaint? | No |
| Is this a written complaint? | Yes |
| Is this an arbitration/CFTC reparation or civil litigation? | No |

Customer Complaint Information

| | |
|----------------------------------------|----------------------------------------------------------------------------------------------------------|
| Date Complaint Received: | 09/30/2019 |
| Complaint Pending? | No |
| Status: | Settled |
| Status Date: | 01/17/2020 |
| Settlement Amount: | \$201,000.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | The firm, solely to compromise and settle disputed claims, agreed to settle a complaint with the client. |

Disclosure 10 of 43

| | |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher & Company Financial Services, Inc |
| Allegations: | The clients allege the investments they purchased between 2007 and 2013 were unsuitable and misrepresented by the representative. The clients also allege the |



firm failed to supervise the actions of the representative and to conduct adequate due diligence.

Product Type: Annuity-Fixed
Direct Investment-DPP & LP Interests
Equipment Leasing
Oil & Gas
Real Estate Security

Alleged Damages: \$625,000.00

Arbitration Information

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

Docket/Case #: 18-04289

Date Notice/Process Served: 12/24/2018

Arbitration Pending? No

Disposition: Settled

Disposition Date: 10/14/2020

Monetary Compensation Amount: \$325,130.00

Individual Contribution Amount: \$0.00

Firm Statement The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants.

Disclosure 11 of 43

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Berthel Fisher & Company Financial Services, Inc.

Allegations: The client alleges the investments she purchased in 2007 and 2009 were unsuitable and misrepresented to her by the representative. The client also alleges the firm failed to supervise the actions of the representative.

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



Alleged Damages: \$900,000.00

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 #: 18-01666

Filing date of arbitration/CFTC reparation or civil litigation: 04/30/2018

Customer Complaint Information

Date Complaint Received: 05/04/2018

Complaint Pending? No

Status: Settled

Status Date: 10/09/2019

Settlement Amount: \$695,000.00

Individual Contribution Amount: \$0.00

Firm Statement The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimant.

Disclosure 12 of 43

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Berthel Fisher & Company Financial Services, Inc. and NEXT Financial Group, Inc.

Allegations: The client alleges the investments she purchased in between 2005-2010 were unsuitable and misrepresented to her by the representative. The client also alleges the firm failed to supervise the actions of the representative.

Product Type: Direct Investment-DPP & LP Interests
Equipment Leasing
Oil & Gas



Real Estate Security

Alleged Damages:

\$300,000.00

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

FINRA

Docket/Case #:

18-01426

Date Notice/Process Served:

05/01/2018

Arbitration Pending?

No

Disposition:

Settled

Disposition Date:

08/02/2019

Monetary Compensation Amount:

\$40,000.00

Individual Contribution Amount:

\$0.00

Firm Statement

The firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the claimant.

Reporting Source:

Firm

Employing firm when activities occurred which led to the complaint:

NEXT Financial Group, Inc., Berthel Fisher & Company Financial Services, Inc.

Allegations:

Customer alleges from 2004 to 2016, registered representative's recommendations were unsuitable and did not accomplish stated financial objectives: conservative, safe investments in line with investment time horizon and liquidity needs.

Product Type:Real Estate Security
Other: TIC**Alleged Damages:**

\$300,000.00

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

FINRA



Docket/Case #: 18-01426
Date Notice/Process Served: 05/01/2018
Arbitration Pending? Yes

Disclosure 13 of 43

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Berthel Fisher & Company Financial Services, Inc.

Allegations: The claimants allege the investments they purchased in 2008 were unsuitable and misrepresented to them. They also allege the firm failed to supervise the representative.

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

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 #: 18-01085

Filing date of arbitration/CFTC reparation or civil litigation: 03/21/2018

Customer Complaint Information

Date Complaint Received: 03/27/2018

Complaint Pending? No

Status: Settled

Status Date: 02/25/2020

Settlement Amount: \$537,500.00



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|----------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants. |

Disclosure 14 of 43

| | |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher & Company Financial Services, Inc. and NEXT Financial Group, Inc. |
| Allegations: | The client alleges that the investments he purchased in 2007 and 2008 were unsuitable and misrepresented by the representative. The client also alleges the firm failed to supervise the actions of the representative. |
| Product Type: | Direct Investment-DPP & LP Interests Real Estate Security |
| Alleged Damages: | \$0.00 |
| Alleged Damages Amount Explanation (if amount not exact): | The firm has made a good faith determination that the damages from the alleged conduct would be more than \$5,000.00. |

Arbitration Information

| | |
|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 18-00238 |
| Date Notice/Process Served: | 02/06/2018 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 09/18/2018 |
| Monetary Compensation Amount: | \$12,500.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimant. |



| | |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher & Company Financial Services & NEXT Financial Group, Inc. |
| Allegations: | Customer alleges that the investments purchased in 2007 and 2008 were unsuitable and misrepresented by representative. |
| Product Type: | Equipment Leasing Real Estate Security |
| Alleged Damages: | \$0.00 |
| Alleged Damages Amount Explanation (if amount not exact): | The firm has made a good faith determination that the damages for the alleged conduct would be more than \$5,000. |

Arbitration Information

| | |
|-------------------------------------------------------------------------------|-------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 18-00238 |
| Date Notice/Process Served: | 08/21/2018 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 10/17/2018 |
| Monetary Compensation Amount: | \$15,000.00 |
| Individual Contribution Amount: | \$0.00 |

Disclosure 15 of 43

| | |
|----------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher & Company Financial Services, Inc. |
| Allegations: | The claimants allege that the investments they purchased between October of |



2007 and July of 2009 were unsuitable and were misrepresented to them by the representative. The clients also allege that the firm failed to supervise the actions of the representative.

Product Type: Equipment Leasing
Oil & Gas
Real Estate Security

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): The Firm has made a good-faith determination that the damages from the alleged conduct would be more than \$5,000.00.

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 #: 17-02096

Filing date of arbitration/CFTC reparation or civil litigation: 08/07/2017

Customer Complaint Information

Date Complaint Received: 08/14/2017

Complaint Pending? No

Status: Settled

Status Date: 12/13/2017

Settlement Amount: \$59,000.00

Individual Contribution Amount: \$0.00

Firm Statement The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants.

Disclosure 16 of 43

Reporting Source: Firm



| | |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher & Company Financial Services, Inc. |
| Allegations: | The clients allege that the investments they purchased between 2008 and 2010 were unsuitable and were misrepresented to them by the representative. The clients also allege that the firm failed to supervise the actions of the representative. |
| Product Type: | Direct Investment-DPP & LP Interests Equipment Leasing Oil & Gas Real Estate Security |
| Alleged Damages: | \$817,000.00 |
| Arbitration Information | |
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 17-01367 |
| Date Notice/Process Served: | 05/30/2017 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 10/14/2020 |
| Monetary Compensation Amount: | \$943,045.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | On 7/12/2019 this matter was partially settled for \$157,500.00. The matter is still pending with the remaining Claimants. The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the remaining Claimants. |

Disclosure 17 of 43

| | |
|----------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher & Company Financial Services, Inc. |
| Allegations: | The client alleges that the investments she purchased between 2007 and 2014 |



were unsuitable and were misrepresented to her by the representative. The client also alleges that the firm failed to supervise the actions of the representative and failed to conduct adequate due diligence.

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

Alleged Damages: \$175,000.00

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 #: 17-01400

Filing date of arbitration/CFTC reparation or civil litigation: 05/26/2017

Customer Complaint Information

Date Complaint Received: 06/08/2017

Complaint Pending? No

Status: Settled

Status Date: 04/11/2018

Settlement Amount: \$40,000.00

Individual Contribution Amount: \$0.00

Firm Statement The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimant.

Disclosure 18 of 43

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Berthel Fisher & Company Financial Services, Inc. and Next Financial Group, Inc.



Allegations: The client alleges that the investments he purchased were unsuitable and were misrepresented to him by the representative. The client also alleges that the firm failed to supervise the actions of the representative and failed to conduct adequate due diligence.

Product Type: Direct Investment-DPP & LP Interests
Equipment Leasing
Oil & Gas
Real Estate Security

Alleged Damages: \$350,000.00

Alleged Damages Amount Explanation (if amount not exact): The litigation alleges damages between \$350,000 - 1,000,000.00.

Arbitration Information

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

Docket/Case #: 17-01366

Date Notice/Process Served: 06/05/2017

Arbitration Pending? No

Disposition: Withdrawn

Disposition Date: 08/24/2018

Civil Litigation Information

Type of Court: State Court

Name of Court: The Circuit Court of Mobile County, Alabama

Location of Court: Mobile County, Alabama

Docket/Case #: 02-CV-2018-902174

Date Notice/Process Served: 08/24/2018

Litigation Pending? No

Disposition: Settled

Disposition Date: 10/14/2020

Monetary Compensation Amount: \$213,840.00



Individual Contribution Amount: \$0.00

Firm Statement The arbitration claims were withdrawn by the claimant and pursued as litigation in state court.
The firm solely to compromise and settle disputed claims, agreed to settle a litigation from the plaintiff.

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Berthel Fisher & NEXT Financial

Allegations: Claimant alleges registered representative mishandled assets by over concentrating the assets in illiquid non-traded alternative investments, which were unsuitable for the claimant's age, investment goals and risk tolerance.

Product Type: Equipment Leasing
Real Estate Security

Alleged Damages: \$569,000.00

Arbitration Information

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

Docket/Case #: 17-01366

Date Notice/Process Served: 06/06/2017

Arbitration Pending? No

Disposition: Settled

Disposition Date: 05/24/2018

Monetary Compensation Amount: \$40,000.00

Individual Contribution Amount: \$0.00

Disclosure 19 of 43

Reporting Source: Firm



| | |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher & Company Financial Services, Inc. |
| Allegations: | The claimants allege that the investments they purchased from 2007-2010 were unsuitable and were misrepresented by the representative. The claimants also allege the firm failed to supervise the actions of the representative and failed to conduct adequate due diligence. |
| Product Type: | Direct Investment-DPP & LP Interests Equipment Leasing Oil & Gas Real Estate Security Other: Limited Liability Company |
| Alleged Damages: | \$0.00 |
| Alleged Damages Amount Explanation (if amount not exact): | The Claimants are alleging compensatory damages of between \$100,000.00 to \$500,000.00. |
| 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 #: | 17-00201 |
| Filing date of arbitration/CFTC reparation or civil litigation: | 01/17/2017 |

Customer Complaint Information

| | |
|----------------------------------------|-------------|
| Date Complaint Received: | 02/10/2017 |
| Complaint Pending? | No |
| Status: | Settled |
| Status Date: | 07/18/2017 |
| Settlement Amount: | \$15,000.00 |
| Individual Contribution Amount: | \$0.00 |



Firm Statement The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants.

Disclosure 20 of 43

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Berthel Fisher & Company Financial Services, Inc.

Allegations: The clients allege that the investments they purchased in 2009 and 2010 were unsuitable and were misrepresented to them by the representative. The clients also allege that the firm failed to supervise the actions of the representative.

Product Type: Equipment Leasing
Oil & Gas
Real Estate Security

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): The firm has made a good faith determination that the damages would be over \$5,000.00.

Arbitration Information

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

Docket/Case #: 16-03565

Date Notice/Process Served: 12/19/2016

Arbitration Pending? No

Disposition: Settled

Disposition Date: 09/06/2017

Monetary Compensation Amount: \$12,000.00

Individual Contribution Amount: \$0.00

Firm Statement The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimant.



Disclosure 21 of 43

| | |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | NEXT Financial Group, Inc. and Berthel Fisher & Company Financial Services, Inc. |
| Allegations: | Customers allege in or around June 2006, they invested their savings in REITs but wanted to incur as little risk as possible. Registered representative purportedly guaranteed a return on their investments between 7% and 10%, stated they would receive \$25,000 annually, retain their principle and that these investments were low risk and safe. Registered representative is alleged to have misrepresented each investment both at the time he sold the investments and afterward. |
| Product Type: | Real Estate Security |
| Alleged Damages: | \$480,000.00 |
| Alleged Damages Amount Explanation (if amount not exact): | Requests compensatory damages in "amount to be determined" but claims a loss of over \$480,000. |

Arbitration Information

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|-------------------------------------------------------------------------------|-------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 16-03439 |
| Date Notice/Process Served: | 12/05/2016 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 09/01/2017 |
| Monetary Compensation Amount: | \$50,000.00 |
| Individual Contribution Amount: | \$0.00 |

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|----------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher & Company Financial Services, Inc. and Next Financial Group, Inc. |



Allegations: The clients allege that the investments they purchased between 2006 and 2012 were unsuitable and were misrepresented to them by the representative. The clients also allege that the firm failed to supervise the actions of the representative.

Product Type: Equipment Leasing
Real Estate Security

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): The firm has made a good faith determination that the damages would be over \$5,000.00.

Arbitration Information

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

Docket/Case #: 16-03439

Date Notice/Process Served: 12/06/2016

Arbitration Pending? No

Disposition: Settled

Disposition Date: 07/24/2017

Monetary Compensation Amount: \$3,500.00

Individual Contribution Amount: \$0.00

Firm Statement Solely to compromise and settle disputed claims, Berthel Fisher and Company Financial Services, Inc. ("Berthel") and Jerry McCutchen, ("McCutchen") has agreed to settle an arbitration with the Claimants as it relates to activities that occurred through Berthel.
The arbitration is still pending for NEXT Financial Group, Inc. ("NEXT") and McCutchen as it relates to any activities that occurred through NEXT.

Disclosure 22 of 43

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Berthel Fisher & Company Financial Services, Inc. and Next Financial Group, Inc.

Allegations: The clients allege that the investments they purchased between 2006 and 2009



were not suitable and were misrepresented to them by the representative. The clients also allege the firm failed to supervise the actions of the representative.

Product Type: Direct Investment-DPP & LP Interests
Equipment Leasing
Oil & Gas
Real Estate Security

Alleged Damages: \$990,000.00

Arbitration Information

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

Docket/Case #: 16-03170

Date Notice/Process Served: 11/04/2016

Arbitration Pending? No

Disposition: Settled

Disposition Date: 05/04/2017

Monetary Compensation Amount: \$350,000.00

Individual Contribution Amount: \$0.00

Firm Statement The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants.

Disclosure 23 of 43

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Berthel Fisher & Company Financial Services, Inc.

Allegations: The clients allege the investments purchased from 2008-2010 were misrepresented to them by the representative.

Product Type: Equipment Leasing
Mutual Fund
Real Estate Security

Alleged Damages: \$18,000.00



Is this an oral complaint? No

Is this a written complaint? Yes

**Is this an arbitration/CFTC
reparation or civil litigation?** No

Customer Complaint Information

Date Complaint Received: 08/03/2016

Complaint Pending? No

Status: Settled

Status Date: 09/01/2016

Settlement Amount: \$1,500.00

**Individual Contribution
Amount:** \$0.00

Firm Statement The Firm, solely to compromise and settle disputed claims, agreed to settle an complaint with the client.

Disclosure 24 of 43

Reporting Source: Firm

**Employing firm when
activities occurred which led
to the complaint:** Berthel Fisher & Company Financial Services, Inc. and NEXT Financial Group Inc.

Allegations: The clients allege the investments they purchased in 2005 were unsuitable and misrepresented to them by the representative.

Product Type: Annuity-Variable
Equipment Leasing
Real Estate Security

Alleged Damages: \$0.00

**Alleged Damages Amount
Explanation (if amount not
exact):** Exact damages are unknown, however the firm believes the damages to be over \$5,000.00.

Is this an oral complaint? No

Is this a written complaint? Yes



**Is this an arbitration/CFTC
reparation or civil litigation?** No

Customer Complaint Information

Date Complaint Received: 06/08/2016
Complaint Pending? No
Status: Evolved into Civil litigation (the individual is a named party)
Status Date: 07/12/2016
Settlement Amount:
**Individual Contribution
Amount:**

Arbitration Information

**Arbitration/CFTC reparation
claim filed with (FINRA, AAA,
CFTC, etc.):** FINRA
Docket/Case #: 16-02708
Date Notice/Process Served: 09/29/2016
Arbitration Pending? No
Disposition: Settled
Disposition Date: 04/19/2017
**Monetary Compensation
Amount:** \$10,000.00
**Individual Contribution
Amount:** \$0.00

Civil Litigation Information

Type of Court: State Court
Name of Court: Circuit Court of Mobile County Alabama
Location of Court: Mobile County, Alabama
Docket/Case #: 02-CV-2016-901396
Date Notice/Process Served: 07/12/2016
Litigation Pending? No



Disposition: Other: Compelled to Arbitration (named party)

Disposition Date: 09/29/2016

Firm Statement The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants.

Disclosure 25 of 43

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC.

Allegations: The claimants allege the investment they purchased in 2009 and 2010 were unsuitable and misrepresented to them by the representative. The claimants also allege the firm failed to supervise the actions of the representative.

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

Alleged Damages: \$800,000.00

Arbitration Information

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

Docket/Case #: 15-03442

Date Notice/Process Served: 01/05/2016

Arbitration Pending? No

Disposition: Settled

Disposition Date: 02/13/2018

Monetary Compensation Amount: \$87,500.00

Individual Contribution Amount: \$0.00

Firm Statement The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants.



Disclosure 26 of 43

| | |
|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | NEXT Financial Group, Inc. & Berthel Fischer |
| Allegations: | During the period January 2005 through January 2007, claimants allege that the registered representative sold them unsuitable, illiquid investments through NEXT Financial Group, Inc. Claimants followed registered representative to a new broker/dealer in January 2007. |
| Product Type: | Real Estate Security |
| Alleged Damages: | \$728,000.00 |
| Arbitration Information | |
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 15-03426 |
| Date Notice/Process Served: | 01/04/2016 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 05/04/2016 |
| Monetary Compensation Amount: | \$48,500.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | Firm settled with [REDACTED], claimants [REDACTED], [REDACTED] and [REDACTED] were not customers of NEXT Financial Group, therefore no settlements were made with them through NEXT Financial Group. |

| | |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC. and Next Financial Group, Inc. |
| Allegations: | The claimants allege the investments purchased were unsuitable and misrepresented by the representative. The claimants also allege the firms failed to |



supervise the actions of the representative.

Product Type:

Direct Investment-DPP & LP Interests
Equipment Leasing
Real Estate Security

Alleged Damages:

\$0.00

**Alleged Damages Amount
Explanation (if amount not
exact):**

Specific damages are unknown. However, the firm believes the damages to be over \$5,000.00.

Arbitration Information

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

FINRA

Docket/Case #:

15-03426

Date Notice/Process Served:

01/05/2016

Arbitration Pending?

No

Disposition:

Settled

Disposition Date:

04/14/2017

**Monetary Compensation
Amount:**

\$89,500.00

**Individual Contribution
Amount:**

\$0.00

Firm Statement

The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants.

Disclosure 27 of 43

Reporting Source:

Firm

**Employing firm when
activities occurred which led
to the complaint:**

NEXT Financial Group, Inc. & Berthel Fischer

Allegations:

During the period June 2005 through January 2007, claimants allege that the registered representative sold them unsuitable, illiquid investments through NEXT Financial Group, Inc. Claimants followed registered representative to a new broker/dealer in January 2007.

Product Type:

Real Estate Security



Alleged Damages: \$1,473,000.00

Arbitration Information

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

Docket/Case #: 15-02244

Date Notice/Process Served: 12/07/2015

Arbitration Pending? No

Disposition: Settled

Disposition Date: 05/03/2016

Monetary Compensation Amount: \$87,500.00

Individual Contribution Amount: \$0.00

Disclosure 28 of 43

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Berthel Fisher and Company Financial Services Inc. and NEXT Financial Group

Allegations: The clients allege the alternative investments they purchased between 2005-2013 were not suitable and were misrepresented to them by the representative. The clients also allege the firm failed to supervise the actions of the representative.

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

Alleged Damages: \$500,000.00

Arbitration Information

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

Docket/Case #: 15-02979

Date Notice/Process Served: 12/10/2015



| | |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 12/20/2016 |
| Monetary Compensation Amount: | \$65,000.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants. |

Disclosure 29 of 43

| | |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher and Company Financial Services Inc. and NEXT Financial Group Inc. |
| Allegations: | The clients allege the investments they purchased between 2005-2008 were unsuitable and were misrepresented to them by the representative. The clients also allege the firm failed to supervise the actions of the representative. |
| Product Type: | Direct Investment-DPP & LP Interests Equipment Leasing Real Estate Security |
| Alleged Damages: | \$0.00 |
| Alleged Damages Amount Explanation (if amount not exact): | No exact damages were specified. However, the firm believes the damages to be over \$5,000.00. |

Arbitration Information

| | |
|-------------------------------------------------------------------------------|------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 15-02244 |
| Date Notice/Process Served: | 12/10/2015 |
| Arbitration Pending? | No |
| Disposition: | Settled |



| | |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Disposition Date: | 05/30/2016 |
| Monetary Compensation Amount: | \$145,000.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants. |

Disclosure 30 of 43

| | |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher and Company Financial Services, Inc. |
| Allegations: | Client alleges that the investments he purchased in 2009-2010 were unsuitable and misrepresented to him by the representative. The client also alleges the firm failed to supervise the actions of the representative. |
| Product Type: | Equipment Leasing Real Estate Security |
| Alleged Damages: | \$500,000.00 |

Arbitration Information

| | |
|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 15-02839 |
| Date Notice/Process Served: | 11/03/2015 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 10/20/2016 |
| Monetary Compensation Amount: | \$83,000.00 |
| Individual Contribution Amount: | \$7,500.00 |
| Firm Statement | The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimant. |



Disclosure 31 of 43

| | |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC. |
| Allegations: | CLIENT IS ALLEGING THE INVESTMENTS PURCHASED FROM 2007-2009 WERE UNSUITABLE AND MISREPRESENTED BY THE REPRESENTATIVE. THE CLIENT ALSO ALLEGES THE FIRM FAILED TO SUPERVISE THE ACTIONS OF THE REPRESENTATIVE. |
| Product Type: | Equipment Leasing Real Estate Security |
| Alleged Damages: | \$75,000.00 |
| Alleged Damages Amount Explanation (if amount not exact): | PLUS PUNITIVE DAMAGES. |
| Is this an oral complaint? | No |
| Is this a written complaint? | Yes |
| Is this an arbitration/CFTC reparation or civil litigation? | No |

Customer Complaint Information

| | |
|----------------------------------------|----------------------------------------------------------------------------|
| Date Complaint Received: | 07/01/2015 |
| Complaint Pending? | No |
| Status: | Evolved into Arbitration/CFTC reparation (the individual is a named party) |
| Status Date: | 07/28/2015 |
| Settlement Amount: | |
| Individual Contribution Amount: | |

Arbitration Information

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



| | |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Docket/Case #: | 15-01749 |
| Date Notice/Process Served: | 07/28/2015 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 02/02/2016 |
| Monetary Compensation Amount: | \$28,000.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimant. |

Disclosure 32 of 43

| | |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | NEXT FINANCIAL GROUP, INC. |
| Allegations: | CUSTOMER ALLEGES THAT DURING 2006 - 2007 REPRESENTATIVE RECOMMENDED HER UNSUITABLE INVESTMENTS IN REITS. |
| Product Type: | Real Estate Security |
| Alleged Damages: | \$50,000.01 |
| Alleged Damages Amount Explanation (if amount not exact): | CLAIMANT ESTIMATES COMPENSATORY DAMAGES TO BE BETWEEN \$50,000.01 AND \$100,000. |
| 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 #: | 15-01324 |



Filing date of arbitration/CFTC reparation or civil litigation: 06/01/2015

Customer Complaint Information

Date Complaint Received: 06/16/2015

Complaint Pending? No

Status: Settled

Status Date: 01/12/2016

Settlement Amount: \$15,000.00

Individual Contribution Amount: \$0.00

Disclosure 33 of 43

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC.

Allegations: CLAIMANT ALLEGES THAT THE INVESTMENTS PURCHASED IN 2007 WERE UNSUITABLE AND MISREPRESENTED BY THE REPRESENTATIVE. CLAIMANT ALSO ALLEGES THE FIRM FAILED TO SUPERVISE THE ACTIONS OF THE REPRESENTATIVE.

Product Type: Equipment Leasing
Real Estate Security

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): CLAIMANT ALLEGE DAMAGES TO BE MORE THAN \$102,000.00.

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 #: 15-00479

Filing date of arbitration/CFTC reparation or civil litigation: 02/24/2015

Customer Complaint Information

Date Complaint Received: 03/16/2015

Complaint Pending? No

Status: Settled

Status Date: 01/18/2017

Settlement Amount: \$22,000.00

Individual Contribution Amount: \$0.00

Firm Statement The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimant.

Disclosure 34 of 43

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Berthel Fisher & Company Financial Services, Inc.

Allegations: Clients allege that the investments purchased were unsuitable and misrepresented by the representative. Clients also allege the firm failed to supervise the actions of the representative.

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

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): No exact damages were specified. However, the firm believes it to be over \$5,000.00.

Is this an oral complaint? No

Is this a written complaint? Yes



**Is this an arbitration/CFTC
reparation or civil litigation?** No

**Arbitration/Reparation forum
or court name and location:** FINRA

Docket/Case #: 14-03224

**Filing date of
arbitration/CFTC reparation
or civil litigation:** 10/15/2014

Customer Complaint Information

Date Complaint Received: 12/15/2014

Complaint Pending? No

Status: Settled

Status Date: 02/23/2016

Settlement Amount: \$43,750.00

**Individual Contribution
Amount:** \$0.00

Firm Statement The representative denies the clients allegations of unsuitable investments and misrepresentations. The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimants.

Reporting Source: Broker

**Employing firm when
activities occurred which led
to the complaint:** BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC.

Allegations: CLIENTS ALLEGE THAT THE INVESTMENTS PURCHASED WERE UNSUITABLE AND MISREPRESENTED BY THE REPRESENTATIVE. CLIENTS ALSO ALLEGE THE FIRM FAILED TO SUPERVISE THE ACTIONS OF THE REPRESENTATIVE.

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

Alleged Damages: \$0.00



Alleged Damages Amount Explanation (if amount not exact): NO EXACT DAMAGES WERE SPECIFIED. HOWEVER, THE FIRM BELIEVES TO BE OVER \$5,000.00

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 #: 14-03224

Filing date of arbitration/CFTC reparation or civil litigation: 10/15/2014

Customer Complaint Information

Date Complaint Received: 12/15/2014

Complaint Pending? Yes

Settlement Amount:

Individual Contribution Amount:

Broker Statement THE REPRESENTATIVE DENIES THE CLIENTS ALLEGATIONS OF UNSUITABLE INVESTMENTS AND MISREPRESENTATIONS.

Disclosure 35 of 43

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC.

Allegations: CLIENTS ALLEGE THAT THE INVESTMENTS PURCHASED WERE UNSUITABLE AND MISREPRESENTED BY THE REPRESENTATIVE. CLIENTS ALSO ALLEGE THE FIRM FAILED TO SUPERVISE THE ACTIONS OF THE REPRESENTATIVE.

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



Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): NO EXACT DAMAGES WERE SPECIFIED HOWEVER, THE FIRM BELIEVES TO BE OVER \$5,000.00.

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 #: 14-02804

Filing date of arbitration/CFTC reparation or civil litigation: 09/08/2014

Customer Complaint Information

Date Complaint Received: 11/14/2014

Complaint Pending? No

Status: Settled

Status Date: 07/29/2015

Settlement Amount: \$34,000.00

Individual Contribution Amount: \$0.00

Firm Statement THE REPRESENTATIVE DENIES THE CLIENTS ALLEGATIONS OF UNSUITABLE INVESTMENTS AND MISREPRESENTATIONS. THE FIRM, SOLELY TO COMPROMISE AND SETTLE DISPUTED CLAIMS, AGREED TO SETTLE AN ARBITRATION WITH THE CLAIMANTS.

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC.

Allegations: CLIENTS ALLEGE THAT THE INVESTMENTS PURCHASED WERE UNSUITABLE AND MISREPRESENTED BY THE REPRESENTATIVE. CLIENTS



ALSO ALLEGE THE FIRM FAILED TO SUPERVISE THE ACTIONS OF THE REPRESENTATIVE.

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

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): NO EXACT DAMAGES WERE SPECIFIED HOWEVER, THE FIRM BELIEVES TO BE OVER \$5,000.00.

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 #: 14-02804

Filing date of arbitration/CFTC reparation or civil litigation: 09/08/2014

Customer Complaint Information

Date Complaint Received: 11/14/2014

Complaint Pending? Yes

Settlement Amount:

Individual Contribution Amount:

Broker Statement THE REPRESENTATIVE DENIES THE CLIENTS ALLEGATIONS OF UNSUITABLE INVESTMENTS AND MISREPRESENTATIONS.

Disclosure 36 of 43

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC.



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|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Allegations: | THE COMPLAINANT ALLEGES THAT THE INVESTMENTS WERE NOT SUITABLE AND DID NOT PERFORM AS EXPECTED. THE ACTIVITY PERIOD IS 3/5/2007 TO 6/25/2014. |
| Product Type: | Equipment Leasing Real Estate Security |
| Alleged Damages: | \$0.00 |
| Alleged Damages Amount Explanation (if amount not exact): | NO EXACT DAMAGES WERE SPECIFIED HOWEVER, THE FIRM BELIEVES TO BE OVER \$5,000.00 |
| Is this an oral complaint? | Yes |
| Is this a written complaint? | No |
| Is this an arbitration/CFTC reparation or civil litigation? | No |

Customer Complaint Information

| | |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date Complaint Received: | 06/25/2014 |
| Complaint Pending? | No |
| Status: | Settled |
| Status Date: | 11/25/2014 |
| Settlement Amount: | \$240,000.00 |
| Individual Contribution Amount: | \$37,500.00 |
| Broker Statement | THE REPRESENTATIVE BELIEVES THE INVESTMENTS WERE SUITABLE AND THE RISKS WERE DISCLOSED TO THE CLIENT. THE FIRM, SOLELY TO COMPROMISE AND SETTLE DISPUTED CLAIMS, AGREED TO SETTLE WITH THE COMPLAINANT. |

Disclosure 37 of 43

| | |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | NEXT Financial Group, Inc., Berthel Fisher & Company Financial Services, Inc. |
| Allegations: | Customer alleges that in 2007 Registered Representative recommended them unsuitable investments ICON and other non traded REITs, including Berringer |



Harvard.

Product Type:

Real Estate Security

Alleged Damages:

\$60,000.00

Alleged Damages Amount Explanation (if amount not exact):

The claimants do not specify the amount of compensatory damages. NEXT estimates it to be around \$60,000.

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 #:

14-02305

Filing date of arbitration/CFTC reparation or civil litigation:

06/15/2015

Customer Complaint Information**Date Complaint Received:**

09/16/2015

Complaint Pending?

No

Status:

Settled

Status Date:

10/26/2015

Settlement Amount:

\$38,925.00

Individual Contribution Amount:

\$0.00

Reporting Source:

Firm

Employing firm when activities occurred which led to the complaint:

BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC.

Allegations:

CLIENT ALLEGE THAT THE INVESTMENTS PURCHASED WERE UNSUITABLE AND MISREPRESENTED BY THE REPRESENTATIVE. CLIENTS ALSO ALLEGE THAT THE FIRM FAILED TO SUPERVISE THE ACTIONS OF THE



REPRESENTATIVE.

Product Type:

Direct Investment-DPP & LP Interests
Equipment Leasing
Real Estate Security

Alleged Damages:

\$0.00

**Alleged Damages Amount
Explanation (if amount not
exact):**

NO EXACT DAMAGES WERE SPECIFIED HOWEVER, THE FIRM BELIEVES TO
BE OVER \$5,000.00.

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 #:

14-02305

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

07/21/2014

Customer Complaint Information

Date Complaint Received:

09/15/2014

Complaint Pending?

No

Status:

Settled

Status Date:

07/29/2015

Settlement Amount:

\$32,300.00

**Individual Contribution
Amount:**

\$0.00

Firm Statement

THE FIRM, SOLELY TO COMPROMISE AND SETTLE DISPUTED CLAIMS,
AGREED TO SETTLE AN ARBITRATION WITH THE CLAIMANTS.

Reporting Source:

Broker



| | |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employing firm when activities occurred which led to the complaint: | BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC. |
| Allegations: | CLIENTS ALLEGE THAT THE INVESTMENTS PURCHASED WERE UNSUITABLE AND MISREPRESENTED BY THE REPRESENTATIVE. CLIENTS ALSO ALLEGE THE FIRM FAILED TO SUPERVISE THE ACTIONS OF THE REPRESENTATIVE. |
| Product Type: | Direct Investment-DPP & LP Interests Equipment Leasing Real Estate Security |
| Alleged Damages: | \$0.00 |
| Alleged Damages Amount Explanation (if amount not exact): | NO EXACT DAMAGES WERE SPECIFIED HOWEVER, THE FIRM BELIEVES TO BE OVER \$5,000. |
| 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 #: | 14-02305 |
| Filing date of arbitration/CFTC reparation or civil litigation: | 07/21/2014 |

Customer Complaint Information

| | |
|----------------------------------------|-----------------------------------------------------------------------------------------------------|
| Date Complaint Received: | 09/15/2014 |
| Complaint Pending? | Yes |
| Settlement Amount: | |
| Individual Contribution Amount: | |
| Broker Statement | THE REPRESENTATIVE DENIES THE CLIENTS ALLEGATIONS OF UNSUITABLE INVESTMENTS AND MISREPRESENTATIONS. |

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| | |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC. |
| Allegations: | THE CLIENTS ALLEGE THE INVESTMENTS PURCHASED IN 2008 AND 2010 WERE MISREPRESENTED AND UNSUITABLE. THE CLIENTS ALSO ALLEGE THE FIRM FAILED TO SUPERVISE THE REPRESENTATIVE. |
| Product Type: | Equipment Leasing Real Estate Security |
| Alleged Damages: | \$100,000.00 |
| Arbitration Information | |
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 14-01076 |
| Date Notice/Process Served: | 04/14/2014 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 07/14/2015 |
| Monetary Compensation Amount: | \$10,000.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | THE FIRM, SOLELY TO COMPROMISE AND SETTLE DISPUTED CLAIMS, AGREED TO SETTLE AN ARBITRATION WITH THE CLAIMANTS. |

| | |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Broker |
| Employing firm when activities occurred which led to the complaint: | BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC. |
| Allegations: | THE CLIENTS ALLEGE THE INVESTMENTS PURCHASED IN 2008 AND 2010 WERE MISREPRESENTED AND UNSUITABLE. THE CLIENTS ALSO ALLEGE THE FIRM FAILED TO SUPERVISE THE REPRESENTATIVE. |
| Product Type: | Equipment Leasing |



Real Estate Security

Alleged Damages: \$100,000.00

Arbitration Information

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

Docket/Case #: 14-01076

Date Notice/Process Served: 04/14/2014

Arbitration Pending? Yes

Broker Statement THE REPRESENTATIVE DENIES THE CLIENTS' ALLEGATIONS OF UNSUITABLE INVESTMENTS AND MISREPRESENTATIONS.

Disclosure 39 of 43

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: NEXT FINANCIAL GROUP, INC. AND BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC.

Allegations: CLIENT ALLEGES THE 2006 INVESTMENTS WERE INAPPROPRIATE AND UNSUITABLE AND THE FIRM FAILED TO SUPERVISE THE REPRESENTATIVE. THE TIME PERIOD IS 11/06/2006 TO 11/19/2014.

Product Type: Other: REAL ESTATE INVESTMENT TRUST

Alleged Damages: \$250,000.00

Is this an oral complaint? No

Is this a written complaint? Yes

Is this an arbitration/CFTC reparation or civil litigation? No

Customer Complaint Information

Date Complaint Received: 10/15/2013

Complaint Pending? No

Status: Evolved into Arbitration/CFTC reparation (the individual is a named party)

Status Date: 03/31/2014

**Settlement Amount:**

**Individual Contribution
Amount:**

Arbitration Information

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

Docket/Case #: 14-00852

Date Notice/Process Served: 03/31/2014

Arbitration Pending? No

Disposition: Settled

Disposition Date: 11/20/2014

**Monetary Compensation
Amount:** \$47,500.00

**Individual Contribution
Amount:** \$0.00

Broker Statement THE REPRESENTATIVE BELIEVES THE INVESTMENTS WERE SUITABLE AND WERE FULLY DISCLOSED TO THE CLIENT. THE INVESTMENTS WERE PURCHASED BY THE CLIENT WHEN THE REPRESENTATIVE WAS ASSOCIATED WITH HIS PRIOR BROKER/DEALER, NEXT FINANCIAL GROUP, INC. ("NEXT"). NEXT IS NOT A RESPONDENT IN THE ARBITRATION. BERTHEL FISHER AND COMPANY FINANCIAL SERVICES, INC., SOLELY TO COMPROMISE AND SETTLE DISPUTED CLAIMS, AGREED TO SETTLE AN ARBITRATION WITH THE CLAIMANT.

Disclosure 40 of 43

Reporting Source: Broker

**Employing firm when
activities occurred which led
to the complaint:** BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC.

Allegations: THE CLIENT ALLEGES THAT THE MONEY HE INVESTED, BEGINING IN 1998, IN HIS ROLLOVER IRA WAS UNSUITABLE.

Product Type: Annuity-Variable
Real Estate Security

Alleged Damages: \$400,000.00



Arbitration Information

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

FINRA

Docket/Case #: 13-01638

Date Notice/Process Served: 06/14/2013

Arbitration Pending? No

Disposition: Settled

Disposition Date: 09/11/2013

Monetary Compensation Amount: \$20,000.00

Individual Contribution Amount: \$10,000.00

Broker Statement

THE REPRESENTATIVE DENIES THE ALLEGATIONS OF UNSUITABLE INVESTMENTS AND AGREED TO SETTLE FOR THE SMALL AMOUNT TO COMPROMISE WITH THE CLAIMANT. THE INVESTMENTS IN QUESTION WERE NOT PURCHASED THROUGH BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC. THE FIRM, SOLELY TO COMPROMISE AND SETTLE DISPUTED CLAIMS, AGREED TO SETTLE AN ARBITRATION WITH THE CLAIMANT.

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Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC.

Allegations: THE CLIENT ALLEGES THE INVESTMENTS PURCHASED IN APRIL 2007 WERE MISREPRESENTED AND UNSUITABLE. THE CLIENT ALSO ALLEGES THE FIRM FAILED TO SUPERVISE THE REPRESENTATIVE.

Product Type: Equipment Leasing
Real Estate Security

Alleged Damages: \$50,000.00

Arbitration Information



| | |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 12-03573 |
| Date Notice/Process Served: | 11/01/2012 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 09/17/2013 |
| Monetary Compensation Amount: | \$20,000.00 |
| Individual Contribution Amount: | \$4,000.00 |
| Broker Statement | THE REPRESENTATIVE DENIES THE ALLEGATIONS OF UNSUITABILITY AND MISREPRESENTATIONS. OF THE TWO INVESTMENTS, THE CLIENT HAS REDEEMED ONE FOR NO LOSS AND THE OTHER HAS MADE SIGNIFICANT DISTRIBUTION PAYMENTS. THE FIRM, SOLELY TO COMPROMISE AND SETTLE DISPUTED CLAIMS, AGREED TO SETTLE AN ARBITRATION WITH THE CLAIMANT. |

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| | |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | NEXT FINANCIAL GROUP, INC. |
| Allegations: | THE CUSTOMER ALLEGES THAT IN OR ABOUT 2005 REGISTERED REPRESENTATIVE RECOMMENDED PRIVATE INVESTMENT AND INVESTMENTS IN REITS, WHICH WERE USUITABLE AND LED TO A SUBSTANTIAL LOSS OF INVESTMENTS. THE CUSTOMER ALSO ALLEGES VIOLATION OF ALABAMA COMMON LAW OF FRAUD, BREACH OF FIDUCIARY DUTY, NEGLIGENCE AND NEGLIGENT FAILURE TO SUPERVISE BY EMPLOYING FIRM, NEXT FINANCIAL GROUP, INC. |
| Product Type: | Equipment Leasing Real Estate Security |
| Alleged Damages: | \$300,000.00 |



Alleged Damages Amount Explanation (if amount not exact): THE CUSTOMER SEEKS ACTUAL DAMAGES IN THE AMOUNT OF \$300,000.00 PLUS INTEREST AND ALL COSTS, EXPENSES AND DISBURSEMENTS.

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 #: 12-02155

Filing date of arbitration/CFTC reparation or civil litigation: 05/31/2012

Customer Complaint Information

Date Complaint Received: 06/21/2012

Complaint Pending? No

Status: Settled

Status Date: 07/09/2013

Settlement Amount: \$70,000.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: NEXT FINANCIAL GROUP, INC

Allegations: THE CLIENTS ALLEGE THAT IN OR ABOUT 2005 REGISTERED REPRESENTATIVE RECOMMENDED A PRIVATE INVESTMENT AND INVESTMENTS IN REITS, WHICH WERE UNSUITABLE AND LED TO A SUBSTANTIAL LOSS OF INVESTMENTS. THE CLIENTS ALSO ALLEGE VIOLATION OF ALABAMA COMMON LAW FRAUD, BREACH OF FIDUCIARY DUTY, NEGLIGENCE AND NEGLIGENT FAILURE TO SUPERVISE BY EMPLOYING FIRM, NEXT FINANCIAL GROUP, INC.



Product Type: Equipment Leasing
Real Estate Security

Alleged Damages: \$300,000.00

Alleged Damages Amount Explanation (if amount not exact): THE CLIENTS SEEK ACTUAL DAMAGES IN THE AMOUNT OF \$300,000.00 PLUS INTEREST AND ALL COSTS, EXPENSES AND DISBURSEMENTS.

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 #: 12-02155

Filing date of arbitration/CFTC reparation or civil litigation: 05/31/2012

Customer Complaint Information

Date Complaint Received: 07/03/2012

Complaint Pending? No

Status: Settled

Status Date: 07/09/2013

Settlement Amount: \$70,000.00

Individual Contribution Amount: \$0.00

Broker Statement THE REPRESENTATIVE DENIES THE CLAIMANTS' ALLEGATIONS IN THE ARBITRATION, HE WAS NOT INVOLVED IN THE SETTLEMENT NEGOTIATIONS OF THE ARBITRATION AND HE DID NOT CONTRIBUTE TO THE SETTLEMENT.

Disclosure 43 of 43

Reporting Source: Broker



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|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employing firm when activities occurred which led to the complaint: | BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC. & NEXT FINANCIAL GROUP, INC. |
| Allegations: | CLIENTS ALLEGE THAT THE INVESTMENTS PURCHASED BETWEEN 2005 AND 2007 WERE UNSUITABLE AND MISREPRESENTED BY THE REPRESENTATIVE. CLIENTS ALSO ALLEGE THE FIRM FAILED TO SUPERVISE THE ACTIONS OF THE REPRESENTATIVE. THE ALLEGED ACTIVITY OCCURED BETWEEN MAY 10, 2007 AND JUNE 12, 2013. |
| Product Type: | Equipment Leasing Real Estate Security |
| Alleged Damages: | \$650,000.00 |
| Is this an oral complaint? | No |
| Is this a written complaint? | Yes |
| Is this an arbitration/CFTC reparation or civil litigation? | No |

Customer Complaint Information

| | |
|----------------------------------------|----------------------------------------------------------------------------|
| Date Complaint Received: | 03/13/2008 |
| Complaint Pending? | No |
| Status: | Evolved into Arbitration/CFTC reparation (the individual is a named party) |
| Status Date: | 06/12/2013 |
| Settlement Amount: | \$0.00 |
| Individual Contribution Amount: | \$0.00 |

Arbitration Information

| | |
|-------------------------------------------------------------------------------|------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 13-01457 |
| Date Notice/Process Served: | 06/12/2013 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 03/24/2014 |



| | |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Monetary Compensation Amount: | \$45,000.00 |
| Individual Contribution Amount: | \$0.00 |
| Broker Statement | REP BELEIVES HE PROVIDED FULL & FAIR DISCLOSURE TO CLIENT. THE 2005 INVESTMENTS WERE PURCHASED BY ONE OF THE CLIENTS WHILE THE REPRESENTATIVE WAS ASSOCIATED WITH HIS PRIOR BROKER/DEALER, NEXT FINANCIAL GROUP, INC.("NEXT"). NEXT IS NOT A NAMED RESPONDENT IN THIS CASE. |



Customer Dispute - Closed-No Action / Withdrawn / Dismissed / Denied

This type of disclosure event involves (1) a consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the individual broker that was dismissed, withdrawn, or denied; or (2) a consumer-initiated, investment-related written complaint containing allegations that the broker engaged in sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities, which was closed without action, withdrawn, or denied.

Disclosure 1 of 7

| | |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher and Company Financial Services, Inc. |
| Allegations: | The clients allege that the investments they purchased in 2007-2012 were unsuitable and misrepresented to them by the representative. The clients also allege the firm failed to supervise the actions of the representative. |
| Product Type: | Equipment Leasing Oil & Gas Real Estate Security |
| Alleged Damages: | \$0.00 |
| Alleged Damages Amount Explanation (if amount not exact): | The firm has made a good faith determination that the damages from the alleged conduct would be more than \$5,000.00. |
| Is this an oral complaint? | Yes |
| Is this a written complaint? | No |
| Is this an arbitration/CFTC reparation or civil litigation? | No |

Customer Complaint Information

| | |
|----------------------------------------|-------------|
| Date Complaint Received: | 11/26/2018 |
| Complaint Pending? | No |
| Status: | Settled |
| Status Date: | 11/25/2019 |
| Settlement Amount: | \$15,000.00 |
| Individual Contribution Amount: | \$0.00 |

Arbitration Information



| | |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 20-00274 |
| Date Notice/Process Served: | 01/31/2020 |
| Arbitration Pending? | No |
| Disposition: | Withdrawn |
| Disposition Date: | 02/10/2020 |
| Firm Statement | The Firm, solely to compromise and settle disputed claims, agreed to settle a verbal complaint with the client. The arbitration was filed against Berthel Fisher & Company Financial Services, Inc. ("BFCFS") in error by the claimants' attorney. BFCFS has been withdrawn from the case; however, the case will continue against Jerry McCutchen and Next Financial Group, Inc. (occurrence ID 2062809). BFCFS will no longer receive updates on this matter since the firm is not a party to the arbitration. |

Disclosure 2 of 7

| | |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Berthel Fisher and Company Financial Services, Inc. |
| Allegations: | The client alleges that the investment he purchased in 2008 did not meet his objectives in that he did not want any risk and he needed to be able to make withdrawals. |
| Product Type: | Equipment Leasing |
| Alleged Damages: | \$0.00 |
| Alleged Damages Amount Explanation (if amount not exact): | The firm has made a good faith determination that the damages from the alleged conduct would be more than \$5,000.00. |
| Is this an oral complaint? | No |
| Is this a written complaint? | Yes |
| Is this an arbitration/CFTC reparation or civil litigation? | No |

Customer Complaint Information



Date Complaint Received: 04/21/2019

Complaint Pending? No

Status: Closed/No Action

Status Date: 05/21/2019

Settlement Amount:

Individual Contribution Amount:

Disclosure 3 of 7

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Berthel Fisher & Company Financial Services, Inc and Concorde Investment Services, Inc.

Allegations: The clients allege the products they purchased between 2010 and 2014 were unsuitable and misrepresented to them by the representative. They also allege the firm failed to supervise the actions of the representative.

Product Type: Equipment Leasing
Oil & Gas
Real Estate Security

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): The firm has made a good faith determination that the damages from the alleged conduct would be more than \$5,000.00.

Arbitration Information

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

Docket/Case #: 18-02921

Date Notice/Process Served: 09/10/2018

Arbitration Pending? No

Disposition: Settled

Disposition Date: 08/07/2019



Monetary Compensation Amount: \$60,500.00

Individual Contribution Amount: \$0.00

Civil Litigation Information

Type of Court: State Court

Name of Court: Circuit Court of Mobile County, Alabama

Location of Court: Mobile County, Alabama

Docket/Case #: 02-CV-2019-901523.00

Date Notice/Process Served: 06/04/2019

Litigation Pending? No

Disposition: Other: Settled with arbitration

Disposition Date: 08/07/2019

Firm Statement The arbitration claims relating to [REDACTED], as Personal Representative of the Estate of [REDACTED], have been dismissed as of 5/21/2019. The arbitration claims relating to [REDACTED] have not been dismissed. The firm, solely to compromise and settle disputed claims, agreed to settle with the claimants.

Disclosure 4 of 7

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Berthel Fisher & Company Financial Services, Inc.

Allegations: The clients allege that the investments they purchased in 2008 and 2009 were unsuitable for their portfolio and were misrepresented to them by the representative.

Product Type: Equipment Leasing
Real Estate Security

Alleged Damages: \$199,000.00

Is this an oral complaint? No

Is this a written complaint? Yes

Is this an arbitration/CFTC reparation or civil litigation? No



Customer Complaint Information

Date Complaint Received: 12/27/2016
Complaint Pending? No
Status: Closed/No Action
Status Date: 04/12/2018
Settlement Amount:
Individual Contribution Amount:

Disclosure 5 of 7

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: Berthel Fisher and Company Financial Services Inc.
Allegations: The claimant is alleging the investments she purchased in 2007 and 2010 were unsuitable and misrepresented to her by the representative. The claimant also alleges the firm failed to supervise the actions of the representative and failed to conduct adequate due diligence.
Product Type: Equipment Leasing
Alleged Damages: \$50,000.00
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 #: 16-01352
Filing date of arbitration/CFTC reparation or civil litigation: 05/12/2016

Customer Complaint Information

Date Complaint Received: 05/19/2016



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|----------------------------------------|-------------------------------------------------------------------------------|
| Complaint Pending? | No |
| Status: | Denied |
| Status Date: | 01/12/2017 |
| Settlement Amount: | |
| Individual Contribution Amount: | |
| Firm Statement | The claimant's claims were denied in their entirety by the arbitration panel. |

Disclosure 6 of 7

| | |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC. |
| Allegations: | THE CLAIMANT ALLEGES THE INVESTMENTS WERE MISREPRESENTED AND POSED RISKS THAT WERE NOT DISCLOSED TO THEM. THE CLAIMANT ALSO ALLEGES THE FIRM FAILED TO SUPERVISE THE REPRESENTATIVE. |
| Product Type: | Money Market Fund Real Estate Security |
| Alleged Damages: | \$400,000.00 |

Arbitration Information

| | |
|-------------------------------------------------------------------------------|-------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 14-02701 |
| Date Notice/Process Served: | 09/30/2014 |
| Arbitration Pending? | No |
| Disposition: | Settled |
| Disposition Date: | 02/02/2016 |
| Monetary Compensation Amount: | \$33,000.00 |
| Individual Contribution Amount: | \$0.00 |



Civil Litigation Information

| | |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type of Court: | State Court |
| Name of Court: | CIRCUIT COURT OF MOBILE COUNTY, ALABAMA |
| Location of Court: | MOBILE, AL |
| Docket/Case #: | CV-14-901525.00 |
| Date Notice/Process Served: | 06/02/2014 |
| Litigation Pending? | No |
| Disposition: | Other: CASE WAS ORDERED TO ARBITRATION BY JUDGE |
| Disposition Date: | 09/30/2014 |
| Firm Statement | THE REPRESENTATIVE DENIES THAT THE INVESTMENTS WERE MISREPRESENTED TO THE CLIENT. ALL FEES, COMMISSIONS, ETC. WERE DISCLOSED TO THE CLIENT. The Firm, solely to compromise and settle disputed claims, agreed to settle an arbitration with the Claimant. |

| | |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting Source: | Broker |
| Employing firm when activities occurred which led to the complaint: | BERTHEL FISHER & COMPANY FINANCIAL SERVICES, INC. |
| Allegations: | THE CLAIMANT ALLEGES THE INVESTMENTS WERE MISREPRESENTED AND POSED RISKS THAT WERE NOT DISCLOSED TO THEM. THE CLAIMANT ALSO ALLEGES THE FIRM FAILED TO SUPERVISE THE REPRESENTATIVE. |
| Product Type: | Money Market Fund Real Estate Security |
| Alleged Damages: | \$400,000.00 |

Arbitration Information

| | |
|-------------------------------------------------------------------------------|------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 14-02701 |
| Date Notice/Process Served: | 09/30/2014 |
| Arbitration Pending? | Yes |

Civil Litigation Information



Type of Court: State Court
Name of Court: CIRCUIT COURT OF MOBILE COUNTY, ALABAMA
Location of Court: MOBILE, AL
Docket/Case #: CV-14-901525.00
Date Notice/Process Served: 06/02/2014
Litigation Pending? No
Disposition: Other: CASE WAS ORDERED TO ARBITRATION BY JUDGE
Disposition Date: 09/30/2014
Broker Statement THE REPRESENTATIVE DENIES THAT THE INVESTMENTS WERE MISREPRESENTED TO THE CLIENT. ALL FEES, COMMISSIONS, ETC. WERE DISCLOSED TO THE CLIENT.

Disclosure 7 of 7

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: FSC SECURITIES CORPORATION
Allegations: UNSUITABLE RECOMMENDATIONS OF PURCHASE OF VARIABLE ANNUITY AND SALE OF STOCK.
Product Type: Annuity-Variable
 Equity Listed (Common & Preferred Stock)
Alleged Damages: \$55,000.00
Is this an oral complaint? No
Is this a written complaint? Yes
Is this an arbitration/CFTC reparation or civil litigation? No

Customer Complaint Information

Date Complaint Received: 11/30/2000
Complaint Pending? No
Status: Denied
Status Date: 07/27/2001



Settlement Amount:

Individual Contribution Amount:

Firm Statement

ORIGINAL U4 DOES NOT REFLECT COMPLAINT DENIED OR THAT THE MATTER IS CLOSED.

Reporting Source:

Broker

Employing firm when activities occurred which led to the complaint:

FSC SECURITIES CORPORATION

Allegations:

UNSUITABLE RECOMMENDATIONS OF PURCHASE OF VARIABLE ANNUITY AND SALE OF STOCK.

Product Type:

Equity Listed (Common & Preferred Stock)

Other Product Type(s):

VARIABLE ANNUITY

Alleged Damages:

\$55,000.00

Customer Complaint Information

Date Complaint Received:

11/30/2000

Complaint Pending?

Yes

Settlement Amount:

Individual Contribution Amount:



Judgment / Lien

This type of disclosure event involves an unsatisfied and outstanding judgments or liens against the broker.

Disclosure 1 of 1

| | |
|-----------------------------------|------------------------------------------------|
| Reporting Source: | Broker |
| Judgment/Lien Holder: | P & D MARINE SERVICES, INC. AND ROSS WHITWORTH |
| Judgment/Lien Amount: | \$9,586.34 |
| Judgment/Lien Type: | Civil |
| Date Filed with Court: | 10/02/2014 |
| Date Individual Learned: | 10/03/2014 |
| Type of Court: | State Court |
| Name of Court: | DISTRICT COURT OF BALDWIN COUNTY, ALABAMA |
| Location of Court: | BALDWIN COUNTY, AL |
| Docket/Case #: | N/A |
| Judgment/Lien Outstanding? | Yes |

End of Report



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