

**BrokerCheck Report**

**STEVEN PAGARTANIS**

CRD# 1958879

<b><u>Section Title</u></b>	<b><u>Page(s)</u></b>
Report Summary	1
Broker Qualifications	2 - 3
Registration and Employment History	5 - 6
Disclosure Events	7

## 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:

- o 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
- o 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.



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](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://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.](http://www.finra.org)

**Thank you for using FINRA BrokerCheck.**

**STEVEN PAGARTANIS**

CRD# 1958879

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:**

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

**Registration History**

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

- B LOMBARD SECURITIES INCORPORATED**  
CRD# 27954  
Seatauket, NY  
09/2017 - 03/2018
- B CADARET, GRANT & CO., INC.**  
CRD# 10641  
SETAUKET, NY  
09/2012 - 03/2017
- B WOODBURY FINANCIAL SERVICES, INC.**  
CRD# 421  
EAST SETAUKET, NY  
08/2011 - 09/2012

**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	3
Civil Event	1
Customer Dispute	14
Termination	2
Judgment/Lien	1

## 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 0 principal/supervisory exams, 2 general industry/product exams, and 1 state securities law exam.**

### Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Securities Industry Essentials Examination	SIE	03/17/2018
<b>B</b> Investment Company Products/Variable Contracts Representative Examination	Series 6	06/28/1989

### State Securities Law Exams

Exam	Category	Date
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	06/15/1989

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/](http://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>B</b> 09/2017 - 03/2018	LOMBARD SECURITIES INCORPORATED	27954	Seatauket, NY
<b>B</b> 09/2012 - 03/2017	CADARET, GRANT & CO., INC.	10641	SETAUKET, NY
<b>B</b> 08/2011 - 09/2012	WOODBURY FINANCIAL SERVICES, INC.	421	EAST SETAUKET, NY
<b>B</b> 01/2006 - 09/2011	CADARET, GRANT & CO., INC.	10641	EAST SETAUKET, NY
<b>B</b> 12/2005 - 02/2006	INVEST FINANCIAL CORPORATION	12984	SOUTH SETAUKET, NY
<b>B</b> 08/2003 - 12/2005	CADARET, GRANT & CO., INC.	10641	SYRACUSE, NY
<b>B</b> 12/2002 - 09/2003	YANKEE FINANCIAL GROUP, INC.	17966	MELVILLE, NY
<b>B</b> 05/1999 - 10/2002	PARK AVENUE SECURITIES LLC	46173	NEW YORK, NY
<b>B</b> 10/1997 - 05/1999	GUARDIAN INVESTOR SERVICES CORPORATION	6635	NEW YORK, NY
<b>B</b> 07/1996 - 09/1997	TOWER SQUARE SECURITIES, INC.	833	EL SEGUNDO, CA
<b>B</b> 01/1995 - 07/1996	JOHN HANCOCK DISTRIBUTORS, INC.	468	BOSTON, MA
<b>B</b> 01/1995 - 07/1996	JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY	5181	BOSTON, MA
<b>B</b> 06/1989 - 12/1994	PRUCO SECURITIES CORPORATION	5685	NEWARK, NJ
<b>B</b> 06/1989 - 12/1993	THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	680	NEWARK, NJ

### Employment History



## Registration and Employment History

### Employment History, continued

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
08/2017 - Present	Lombard Securities	Series 6 Advisor	Y	Setauket, NY, United States
05/1996 - Present	OMEGA PLANNING	OWNER/President	N	SETAUKET, NY, United States
09/2012 - 03/2017	CADARET, GRANT & CO., INC.	REGISTERED REPRESENTATIVE	Y	SETAUKET, NY, United States
08/2011 - 09/2012	WOODBURY FINANCIAL SERVICES, INC	REGISTERED REP	Y	EAST SETAUKET, NY, United States
01/2006 - 08/2011	CADARET, GRANT & CO., INC.	REGISTERED REPRESENTATIVE	Y	EAST SETAUKET, NY, 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.

NATIONAL INTEGRITY CO, GOSHEN, NY, SALES OF FIXED ANNUITIES, AGENT, START 10/09, NON-INVESTMENT RELATED, 1 HR/MTH, 1 HR/MTH DURING TRADING, SELLING FIXED ANNUITIES; PETROPOLIS HOLDINGS, LLC, SETAUKET, NY, MANAGE HOUSES & TENANTS IN RENTAL PROPERTIES, PRESIDENT, START 06/11, NON-INVESTMENT RELATED, 5 HRS/MTH, 2 HRS/MTH DURING TRADING, OVERSEE THE PROPERTIES; INSURANCE SALES, AGENT, START 2011, 10% OF TIME DEVOTED TO ACTIVITY, NON-INVESTMENT RELATED, SELL LIFE, LONG TERM CARE & DISABILITY INSURANCE PRODUCTS WITH VARIOUS COMPANIES. Omega Planning Associates, Setauket, NY, President, since 9/1/16, preparing forms for Financial aide work performed by assistant, 3 hours per month.





## 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:**
  - o A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
  - o 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.
  - o
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - o 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.
  - o
4. **There are different statuses and dispositions for disclosure events:**
  - o 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.
  - o 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	3	0
Civil Event	1	0	0
Customer Dispute	2	12	N/A
Termination	N/A	2	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 3

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	08/21/2020
<b>Docket/Case Number:</b>	3-19919
<b>Employing firm when activity occurred which led to the regulatory action:</b>	N/A
<b>Product Type:</b>	No Product
<b>Allegations:</b>	The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") against Steven Pagartanis ("Respondent" or "Pagartanis"). The Commission finds that on January 9, 2020, Pagartanis pled guilty to one count of conspiracy to commit mail and wire fraud in violation of Title 18 United States Code, Sections 1341, 1343, and 1349 before the United States District Court for the Eastern District of New York, in United States v. Steven Pagartanis, Crim. No. 18-cr-374 (E.D.N.Y.). On January 14, 2020, a judgment in the criminal case was entered against Pagartanis. He was sentenced to a prison term of 170 months followed by 3 years of supervised release and ordered to make restitution in the



amount of \$6,519,594. The count of the criminal indictment to which Pagartanis pled guilty alleged, inter alia, that, between January 2000 and March 2018, Pagartanis knowingly and intentionally conspired to devise a scheme and artifice to defraud at least 17 individuals who collectively invested more than \$13 million with him, and that he caused commercial interstate carriers to deliver investors' deposits to him. In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine whether the allegations set forth hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and what, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

<b>Current Status:</b>	Final
<b>Resolution:</b>	Order
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	02/17/2021
<b>Sanctions Ordered:</b>	Bar (Permanent)
<b>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?</b>	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 2**

**Sanction Type:** Bar (Permanent)  
**Capacities Affected:** participation in any offering of a penny stock  
**Duration:** indefinite  
**Start Date:** 02/17/2021

**End Date:**

**Sanction 2 of 2**

**Sanction Type:** Bar (Permanent)  
**Capacities Affected:** association with a broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or NRSRO  
**Duration:** indefinite  
**Start Date:** 02/17/2021

**End Date:**

**Regulator Statement**

Pagartanis has submitted an Offer of Settlement (the Offer) which the Commission has determined to accept. Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Pagartanis be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and Pursuant to Section 15(b)(6) of the Exchange Act Respondent Pagartanis be, and hereby is barred from participating in any



offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

### Disclosure 2 of 3

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Suspension
<b>Date Initiated:</b>	09/13/2019
<b>Docket/Case Number:</b>	<a href="#">18-01353</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	N/A
<b>Product Type:</b>	No Product
<b>Allegations:</b>	Respondent Pagartanis 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.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Letter
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	09/13/2019
<b>Sanctions Ordered:</b>	Suspension
<b>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?</b>	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:** 09/13/2019  
**End Date:**

#### Regulator Statement

Pursuant to Article VI, Section 3 of FINRA By-Laws, and FINRA Rule 9554, Respondent Pagartanis is suspended on September 13, 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 3 of 3

**Reporting Source:** Regulator  
**Regulatory Action Initiated By:** FINRA  
**Sanction(s) Sought:**  
**Date Initiated:** 04/13/2018  
**Docket/Case Number:** [2018057659201](#)



<b>Employing firm when activity occurred which led to the regulatory action:</b>	Lombard Securities Incorporated
<b>Product Type:</b>	No Product
<b>Allegations:</b>	Without admitting or denying the findings, Pagartanis consented to the sanction and to the entry of findings that he refused to appear to provide FINRA with on-the-record testimony in connection with its investigation of allegations that he made fraudulent misrepresentation to customers and misappropriated customers' funds.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	04/13/2018
<b>Sanctions Ordered:</b>	Bar (Permanent)
<b>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?</b>	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**

<b>Sanction Type:</b>	Bar (Permanent)
<b>Capacities Affected:</b>	All Capacities
<b>Duration:</b>	Indefinite
<b>Start Date:</b>	04/13/2018
<b>End Date:</b>	



## Civil - Pending

This type of disclosure event involves a pending civil court action that seeks an injunction in connection with any investment-related activity or alleges a violation of any investment-related statute or regulation.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Initiated By:</b>	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
<b>Relief Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Injunction Monetary Penalty other than Fines Restraining Order
<b>Date Court Action Filed:</b>	05/30/2018
<b>Product Type:</b>	Other: Ponzi scheme
<b>Type of Court:</b>	Federal Court
<b>Name of Court:</b>	The United States District Court for the Eastern District of New York
<b>Location of Court:</b>	New York
<b>Docket/Case #:</b>	2:18-cv-03150
<b>Employing firm when activity occurred which led to the action:</b>	Lombard Securities Incorporated
<b>Allegations:</b>	Litigation Release No. No. 24152 / May 30, 2018 / - The United States District Court for the Eastern District of New York: - The Securities and Exchange Commission charged a former registered representative, Steven Pagartanis, with defrauding long-standing brokerage customers in an \$8 million investment scam. Pagartanis, a former registered representative who was associated with various Commission-registered firms, defrauded at least nine retail investors of approximately \$8 million by soliciting and selling them securities using false and misleading statements from 2013 to at least February 2018 (the "Relevant Period"). Contrary to his promises that he would make safe investments that would yield monthly return payments, Pagartanis never made any investments. Instead, Pagartanis deposited the investor funds into various bank accounts that he controlled and then used the funds, among other things, for his personal benefit and to make monthly return payments to investors in a Ponzi scheme-like manner. Despite complaints from investors and queries from regulators, Pagartanis has stopped making monthly payments and has not returned investors' funds. Pagartanis told at least five of the investors that they were investing in the common stock of Genesis Land Development Co. ("GDC"), a Canadian land development



and home building company whose stock is listed on the Toronto Stock Exchange. Pagartanis raised at least \$6.7 million from these investors. Pagartanis told other investors that he was investing their money in a land development company. At Pagartanis' direction, investors paid for their investments with checks made payable to "Genesis," the name of the LLC for which Pagartanis is the sole owner and also the same name as GDC, the Canadian land development company. Pagartanis deposited the investors' checks into Genesis I's bank account, over which he had sole control. Pagartanis never invested any of the money he raised from the investors in the common stock of, or anything related to, GDC. Pagartanis knew, or recklessly disregarded, that his statements regarding how the investor funds would be invested and the safety of the investors' funds were false. To further his charade, he deceptively provided some of these investors with fictitious account statements indicating that they owned GDC stock and GDC's financial statements. As a result of Pagartanis false and misleading statements, at least nine investors invested at least \$8 million with Pagartanis. Pagartanis failed to appear for an interview in March 2018 with his member firm's compliance staff, which had received an investor complaint and contacted Pagartanis in an effort to speak with him. Pagartanis then failed to respond to a request for an interview with FINRA in March 2018. FINRA barred Pagartanis from associating with any FINRA member in April 2018. By virtue of the conduct alleged in the complaint, Defendant engaged in acts, practices and courses of business, that constitute violations of Section 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder.

<b>Current Status:</b>	Pending
<b>Limitations or Restrictions in Effect During Appeal:</b>	no



## 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

<b>Reporting Source:</b>	Regulator
<b>Employing firm when activities occurred which led to the complaint:</b>	Cadaret, Grant & Co., Inc.
<b>Allegations:</b>	Pagartanis was named in a customer complaint that asserted the following causes of action: misrepresentation, omission, failure to supervise and breach of fiduciary duty.
<b>Product Type:</b>	Other: Unspecified securities
<b>Alleged Damages:</b>	\$2,712,000.00

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** [FINRA - CASE #18-01353](#)

<b>Date Notice/Process Served:</b>	04/12/2018
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Award
<b>Disposition Date:</b>	06/26/2019
<b>Disposition Detail:</b>	Respondent Pagartanis is liable for and shall pay to Claimant the sum of \$1,462,000.00, plus interest, in compensatory damages.
<b>Regulator Statement</b>	This award has not been paid by or on behalf of Pagartanis as of September 13, 2019.

---

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Cadaret, Grant & Co., Inc.
<b>Allegations:</b>	Customer alleges that the broker asked them to make investments in a company that was not an approved investment by the firm. Genesis Land Development Corp. It is alleged that Genesis was controlled by Pagartanis.
<b>Product Type:</b>	Real Estate Security



**Alleged Damages:** \$3,100,000.00

**Arbitration Information**

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

**Docket/Case #:** [18-01353](#)

**Date Notice/Process Served:** 05/04/2018

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 02/19/2019

**Monetary Compensation Amount:** \$1,250,000.00

**Individual Contribution Amount:** \$0.00





## 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 11

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Cadaret, Grant & Co., Inc.
<b>Allegations:</b>	Customer alleges that the broker asked them to make investments in a company that was not an approved investment by the firm. Genesis Land Development Corp. It is alleged that Genesis was controlled by Pagartanis.
<b>Product Type:</b>	Real Estate Security
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	Verbal complaint - did not allege specific damages.
<b>Is this an oral complaint?</b>	Yes
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

### Customer Complaint Information

<b>Date Complaint Received:</b>	03/26/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	05/14/2019
<b>Settlement Amount:</b>	\$35,000.00
<b>Individual Contribution Amount:</b>	\$0.00

### Disclosure 2 of 11

<b>Reporting Source:</b>	Firm
--------------------------	------



**Employing firm when activities occurred which led to the complaint:** Lombard Securities, Cataret Grant

**Allegations:** Claimant alleged that RR S. Pagartanis sold customer an investment that was not approved by the firm(s) and used the proceeds for his personal benefit.

**Product Type:** Equity-OTC  
Real Estate Security

**Alleged Damages:** \$285,000.00

**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 #:** 18-03070

**Filing date of arbitration/CFTC reparation or civil litigation:** 08/29/2018

### Customer Complaint Information

**Date Complaint Received:** 08/30/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 02/13/2020

**Settlement Amount:** \$87,500.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** Cadaret, Grant & Co., Inc.

**Allegations:** Client alleges Pagartanis diverted investments, including funds withdrawn from an IRA account, into an unregistered private investment that was non-existent. Client



alleges funds were diverted from his IRA account at a subsequent broker-dealer after Pagartanis was discharged by the firm .

**Product Type:** Mutual Fund  
Real Estate Security

**Alleged Damages:** \$285,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

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

**Docket/Case #:** 18-03070

**Filing date of arbitration/CFTC reparation or civil litigation:** 08/29/2018

### Customer Complaint Information

**Date Complaint Received:** 09/06/2018

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution Amount:**

### Disclosure 3 of 11

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** Cadaret, Grant & Co., Inc.

**Allegations:** selling unsuitable investment away from firm.

**Product Type:** Real Estate Security

**Alleged Damages:** \$865,000.00

**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:** 06/05/2018  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 12/21/2018  
**Settlement Amount:** \$150,000.00  
**Individual Contribution  
Amount:** \$0.00

### Disclosure 4 of 11

**Reporting Source:** Firm  
**Employing firm when  
activities occurred which led  
to the complaint:** Cadaret, Grant & Co., Inc.

**Allegations:** Between 2014 and January 2017, Mr. Pagartanis is alleged to have recommended unsuitable investments totaling \$3,700,000 in a small, speculative land development company.

**Product Type:** Real Estate Security

**Alleged Damages:** \$3,700,000.00

### Arbitration Information

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

**Docket/Case #:** 18-01320

**Date Notice/Process Served:** 04/17/2018

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 12/18/2018

**Monetary Compensation  
Amount:** \$1,100,000.00



**Individual Contribution Amount:** \$0.00

---

#### Disclosure 5 of 11

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** Cadaret, Grant & Co., Inc.

**Allegations:** Between January and July 2013, Mr. Pagartanis is alleged to have recommended unsuitable investments totaling \$255,000 in a small, speculative land development company.

**Product Type:** Real Estate Security

**Alleged Damages:** \$255,000.00

#### Arbitration Information

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

**Docket/Case #:** 18-01275

**Date Notice/Process Served:** 04/17/2018

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 03/19/2019

**Monetary Compensation Amount:** \$103,500.00

**Individual Contribution Amount:** \$0.00

---

#### Disclosure 6 of 11

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** Cadaret, Grant & Co., Inc.

**Allegations:** Customer alleges that the broker asked them to make checks payable and endorse other checks received to Genesis a company that was not an approved



investment by the firm.

**Product Type:** Real Estate Security**Alleged Damages:** \$239,770.99**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:** 03/26/2018**Complaint Pending?** No**Status:** Settled**Status Date:** 12/31/2018**Settlement Amount:** \$180,000.00**Individual Contribution  
Amount:** \$0.00**Disclosure 7 of 11****Reporting Source:** Firm**Employing firm when  
activities occurred which led  
to the complaint:** Cadaret, Grant & Co., Inc.**Allegations:** Customer alleges that the broker asked them to make checks payable to Genesis a company that was not an approved investment by the firm.**Product Type:** Real Estate Security**Alleged Damages:** \$185,800.00**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:** 03/26/2018



<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	12/31/2018
<b>Settlement Amount:</b>	\$138,750.00
<b>Individual Contribution Amount:</b>	\$0.00

#### Disclosure 8 of 11

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Cadaret, Grant & Co., Inc.
<b>Allegations:</b>	Customer alleges that the broker asked them to make checks payable to Genesis a company that was not an approved investment by the firm.
<b>Product Type:</b>	Real Estate Security
<b>Alleged Damages:</b>	\$75,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

#### Customer Complaint Information

<b>Date Complaint Received:</b>	03/26/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	12/31/2018
<b>Settlement Amount:</b>	\$56,250.00
<b>Individual Contribution Amount:</b>	\$0.00

#### Disclosure 9 of 11

<b>Reporting Source:</b>	Firm
--------------------------	------



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

**Allegations:** Customer alleged that broker asked them to make checks payable and endorse other checks received to Genesis, a "company" that was an unapproved investment by the firm. Customer further stated that they received no statements or confirmations, or any other official documents regarding this investment.

**Product Type:** Other: Genesis Company - Canada

**Alleged Damages:** \$230,000.00

**Alleged Damages Amount Explanation (if amount not exact):** The total amount of money sent out the the customer by the firm and was allegedly reinvested by writing checks payable to Genesis on recommendation or representative.

**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:** 02/26/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 02/13/2019

**Settlement Amount:** \$165,000.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Broker

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

**Allegations:** Customer alleges that broker asked them make checks payable and endorse other checks received to Genesis, a "company" that was an unapproved investment by the firm. Customer further states that they received no statements or confirmations, or any other official documents regarding this investment.





<b>Product Type:</b>	Other: Geneinis Company - Canada
<b>Alleged Damages:</b>	\$230,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	The total amount of money sent out to the customer by the firm and was allegedly reinvested by writing checks payable to Genesis on recommendation of representative.
<b>Is this an oral complaint?</b>	Yes
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

### Customer Complaint Information

<b>Date Complaint Received:</b>	02/26/2018
<b>Complaint Pending?</b>	Yes
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	

### Disclosure 10 of 11

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Cadaret, Grant & Co., Inc.
<b>Allegations:</b>	Allegations of negligence, suitability, misrepresentation and fraud relating to REIT investments not sold through the firm.
<b>Product Type:</b>	Real Estate Security
<b>Alleged Damages:</b>	\$245,000.00

### Arbitration Information

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	17-00323
<b>Date Notice/Process Served:</b>	03/03/2017
<b>Arbitration Pending?</b>	No



**Disposition:** Settled  
**Disposition Date:** 05/21/2018  
**Monetary Compensation Amount:** \$97,000.00  
**Individual Contribution Amount:** \$0.00

---

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** WOODBURY FINANCIAL SERVICES INC.

**Allegations:** ALLEGATIONS OF NEGLIGENCE, SUITABILITY, MISREPRESENTATION AND FRAUD RELATING TO REIT INVESTMENTS.

**Product Type:** Real Estate Security

**Alleged Damages:** \$245,000.00

### Arbitration Information

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

**Docket/Case #:** 17-00323

**Date Notice/Process Served:** 02/28/2017

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 05/23/2018

**Monetary Compensation Amount:** \$97,000.00

**Individual Contribution Amount:** \$0.00

**Firm Statement** Settlement partially paid by Woodbury

---

**Reporting Source:** Broker



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

**Allegations:** ALLEGATIONS OF NEGLIGENCE, SUITABILITY, MISREPRESENTATION AND FRAUD RELATING TO REIT INVESTMENTS.

**Product Type:** Real Estate Security

**Alleged Damages:** \$245,000.00

**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 #:** 1700323

**Filing date of arbitration/CFTC reparation or civil litigation:** 02/28/2017

### Customer Complaint Information

**Date Complaint Received:** 08/25/2017

**Complaint Pending?** No

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

**Status Date:** 02/28/2017

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 17-00323

**Date Notice/Process Served:** 02/28/2017

**Arbitration Pending?** Yes



### Disclosure 11 of 11

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	CADARET, GRANT & CO., INC.
<b>Allegations:</b>	CLIENT ALLEGES UNSUITABLE AND MISREPRESENTED INVESTMENTS DUE TO AN ERROR IN THE CLIENTS 2008, 1035 EXCHANGE THAT OMITTED THE 7% GMIB BENEFIT.
<b>Product Type:</b>	Annuity-Variable
<b>Alleged Damages:</b>	\$88,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

### Customer Complaint Information

<b>Date Complaint Received:</b>	10/02/2013
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Arbitration/CFTC reparation (the individual is a named party)
<b>Status Date:</b>	05/05/2014

### Settlement Amount:

**Individual Contribution Amount:**

### Arbitration Information

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	14-01052
<b>Date Notice/Process Served:</b>	05/05/2014
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled



<b>Disposition Date:</b>	10/19/2015
<b>Monetary Compensation Amount:</b>	\$80,000.00
<b>Individual Contribution Amount:</b>	\$0.00



## Customer Dispute - Pending

This type of disclosure event involves (1) a pending consumer-initiated, investment-related arbitration or civil suit that contains allegations of sales practice violations against the broker; or (2) a pending, 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.

### Disclosure 1 of 2

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Cadaret, Grant & Co., Inc.
<b>Allegations:</b>	Claimant (a) invested approximately \$1,000,000 with registered representative between 2006 and 2008, (b) believed that she was investing in real estate, (c) received approximately \$564,000 in distributions, and (d) alleges that her funds were misappropriated by the registered representative for his personal use.
<b>Product Type:</b>	Other: None specified
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	Claimant seeks unspecified compensation damages expected to exceed \$5,000.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	20-03413
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	10/01/2020

### Customer Complaint Information

<b>Date Complaint Received:</b>	10/20/2020
<b>Complaint Pending?</b>	Yes
<b>Settlement Amount:</b>	



**Individual Contribution Amount:**

**Disclosure 2 of 2**

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Cadaret, Grant & Co., Inc. and Park Avenue Securities LLC
<b>Allegations:</b>	Customer alleges that beginning in 2000 the broker solicited an investment in a builder on Long Island and that customer invested additional funds in subsequent years. The customer received monthly payments until 2018 when the customer learned that the broker had misappropriated the customer's funds. Customer alleges the Firm failed to adequately supervise the broker.
<b>Product Type:</b>	Real Estate Security
<b>Alleged Damages:</b>	\$5,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	Unspecified compensatory damages. The firm has made a good faith determination that the damages exceed \$5,000.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	20-03414
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	10/02/2020

**Customer Complaint Information**

<b>Date Complaint Received:</b>	10/06/2020
<b>Complaint Pending?</b>	Yes
<b>Settlement Amount:</b>	

**Individual Contribution Amount:**



## Employment Separation After Allegations

This type of disclosure event involves a situation where the broker voluntarily resigned, was discharged, or was permitted to resign after being accused of (1) violating investment-related statutes, regulations, rules or industry standards of conduct; (2) fraud or the wrongful taking of property; or (3) failure to supervise in connection with investment-related statutes, regulations, rules, or industry standards of conduct.

### Disclosure 1 of 2

**Reporting Source:** Firm

**Employer Name:** Lombard Securities Incorporated

**Termination Type:** Discharged

**Termination Date:** 03/14/2018

**Allegations:** As a result of an internal investigation, the representative failed to respond to customer complaint questions and requests for information. The firm requested specific information on unapproved investments allegedly made outside of the firm by a customer and why the broker failed to notify the firm regarding such outside investments.

**Product Type:** Other: Unapproved Outside Investments

**Reporting Source:** Broker

**Employer Name:** Lombard Securities Incorporated

**Termination Type:** Discharged

**Termination Date:** 03/13/2018

**Allegations:** Failed to respond to firm investigation regarding customer complaint in which customer alleged possible sale of unauthorized securities outside of the firm and conversion of funds.

**Product Type:** Other: direct stock purchase away from the firm.

### Disclosure 2 of 2

**Reporting Source:** Firm

**Employer Name:** Cadaret, Grant & Co., Inc.

**Termination Type:** Discharged

**Termination Date:** 03/20/2017

**Allegations:** After the firm received the arbitration, which contained an allegation of selling a private security unauthorized by the firm, a surprise examination of Pagartanis' branch was planned. However, Pagartanis resigned the day before the





examination was to be conducted. The examiners travelled to Pagartanis' branch despite his resignation, but were not provided with the information and documents requested. The Statement of Claim alleges fraud, conversion and selling away among other allegations.

**Product Type:** Real Estate Security

---

**Reporting Source:** Broker

**Employer Name:** Cadaret Grant and Co, INC

**Termination Type:** Discharged

**Termination Date:** 03/20/2017

**Allegations:** After the firm received the arbitration, which contained an allegation of selling a private security unauthorized by the firm, a surprise examination of Pagartanis' branch was planned. However, Pagartanis resigned the day before the examination was to be conducted. The examiners traveled to Pagartanis' branch despite his resignation but were not provided with the information and documents requested. The Statement of Claim alleges fraud, conversion and selling away among other allegations.

**Product Type:** Real Estate Security



## Judgment / Lien

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

### Disclosure 1 of 1

<b>Reporting Source:</b>	Broker
<b>Judgment/Lien Holder:</b>	IRS
<b>Judgment/Lien Amount:</b>	\$210,722.84
<b>Judgment/Lien Type:</b>	Tax
<b>Date Filed:</b>	09/27/2008
<b>Court Details:</b>	DEPARTMENT OF TREASURY - IRS, HAUPPAGE, NY
<b>Judgment/Lien Outstanding?</b>	Yes
<b>Broker Statement</b>	TAX PERIODS 1998, 1999, 2000 AND 2001.

## End of Report



**This page is intentionally left blank.**