

BrokerCheck Report

DAVID LYNN NICHOLAS

CRD# 2025056

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®



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

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



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

brokercheck.finra.org



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

For more information about FINRA, visit www.finra.org.

DAVID L. NICHOLAS

CRD# 2025056

Currently employed by and registered with the following Firm(s):

IA KOVACK ADVISORS, INC.
 202 S. BROAD STREET
 SCOTTSBORO, AL 35768
 CRD# 140808
 Registered with this firm since: 06/30/2011

B KOVACK SECURITIES INC.
 202 S. BROAD STREET
 SCOTTSBORO, AL 35768
 CRD# 44848
 Registered with this firm since: 06/08/2011

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 registered with:**

- 2 Self-Regulatory Organizations
- 21 U.S. states and territories

This broker has passed:

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

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

IA EDWARD JONES
 CRD# 250
 ST. LOUIS, MO
 06/1992 - 05/2011

B EDWARD JONES
 CRD# 250
 SCOTTSBORO, AL
 01/1990 - 05/2011

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
Customer Dispute	3



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 individual is currently registered with 2 SROs and is licensed in 21 U.S. states and territories through his or her employer.

Employment 1 of 2

Firm Name: **KOVACK ADVISORS, INC.**
 Main Office Address: **6451 N. FEDERAL HWY
 SUITE 1201
 FT. LAUDERDALE, FL 33308**
 Firm CRD#: **140808**

	U.S. State/ Territory	Category	Status	Date
IA	Alabama	Investment Adviser Representative	Approved	06/30/2011
IA	North Carolina	Investment Adviser Representative	Approved	11/14/2011
IA	Pennsylvania	Investment Adviser Representative	Approved	07/31/2014
IA	Texas	Investment Adviser Representative	Restricted Approval	08/12/2011

Branch Office Locations

6451 N. FEDERAL HWY
 SUITE 1201
 FT. LAUDERDALE, FL 33308

202 S. BROAD STREET
 SCOTTSBORO, AL 35768

Employment 2 of 2

Firm Name: **KOVACK SECURITIES INC.**
 Main Office Address: **6451 N. FEDERAL HWY.
 SUITE 1201
 FT. LAUDERDALE, FL 33308**

Broker Qualifications



Employment 2 of 2, continued

Firm CRD#: **44848**

SRO	Category	Status	Date
B FINRA	General Securities Representative	Approved	06/08/2011
B Nasdaq Stock Market	General Securities Representative	Approved	06/08/2011
U.S. State/ Territory	Category	Status	Date
B Alabama	Agent	Approved	06/20/2011
B Arizona	Agent	Approved	08/15/2013
B Colorado	Agent	Approved	04/06/2016
B Florida	Agent	Approved	08/29/2017
B Georgia	Agent	Approved	07/19/2011
B Illinois	Agent	Approved	04/01/2019
B Indiana	Agent	Approved	05/01/2017
B Kentucky	Agent	Approved	06/11/2021
B Maryland	Agent	Approved	10/29/2024
B Massachusetts	Agent	Approved	10/24/2019
B Missouri	Agent	Approved	04/15/2019
B New Jersey	Agent	Approved	08/31/2017
B New Mexico	Agent	Approved	01/19/2018
B North Carolina	Agent	Approved	10/06/2011
B Ohio	Agent	Approved	01/25/2019
B Pennsylvania	Agent	Approved	12/20/2024
B South Carolina	Agent	Approved	04/06/2022



Broker Qualifications

Employment 2 of 2, continued

	U.S. State/ Territory	Category	Status	Date
B	Tennessee	Agent	Approved	07/19/2011
B	Texas	Agent	Approved	06/30/2011
B	Virginia	Agent	Approved	02/12/2024
B	West Virginia	Agent	Approved	11/07/2016

Branch Office Locations

KOVACK SECURITIES INC.
202 S. BROAD STREET
SCOTTSBORO, AL 35768



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. A passed exam or exam waiver does not permit a broker to do business without an active SRO or state registration.

This individual has passed 0 principal/supervisory exams, 2 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	10/01/2018
B General Securities Representative Examination	Series 7	01/20/1990

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	07/06/2011
B Uniform Securities Agent State Law Examination	Series 63	02/12/1990

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
IA 06/1992 - 05/2011	EDWARD JONES	250	SCOTTSBORO, AL
B 01/1990 - 05/2011	EDWARD JONES	250	SCOTTSBORO, AL

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
06/2011 - Present	KOVACK ADVISORS, INC.	INVESTMENT ADVISOR	Y	FT. LAUDERDALE, FL, United States
06/2011 - Present	KOVACK SECURITIES, INC	REGISTERED REPRESENTATIVE	Y	FT. LAUDERDALE, FL, 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) DBA: NICHOLAS FINANCIAL SERVICES, LLC - 202 S. BROAD STREET, SCOTTSBORO, AL 35768; SECURITIES BUSINESS; INVESTMENT RELATED; OWNER; 80% OF TIME SPENT
- 2) NICHOLAS PROPERTIES LLC-OWNER-ONE BUILDING THAT HOUSES MY OFFICE AND RESIDENCE RENTAL PROPERTY-SPEND 1% OF TIME-\$15,000 ANNUALLY; SCOTTSBORO, AL 35768 STARTED 9/2/1999-DATE OF INC. 2005 OWNER; 3 HRS WORKED/NONE DURING TRADING HOURS
- 3) DAVID & LYNETTE A. NICHOLAS FAMILY TRUST - TRUSTEE FOR FAMILY TRUST, TRUSTEE DUTIES, 1% OF TIME SPENT, NO COMPENSATION RECEIVED. 07/18/11.
- 4) FIXED INSURANCE SALES - 202 S. BROAD STREET, SCOTTSBORO, AL 35768; FIXED INSURANCE SALES; NON INVESTMENT RELATED; OWNER; INSURANCE SALES; 1% OF TIME SPENT
- 5) NICHOLAS PROPERTY B&B - 103 W. LAUREL STREET SCOTTSBORO, AL 35768; OWNER; MANAGE REAL ESTATE RENTAL; NON-INVESTMENT RELATED BUSINESS; 5% OF TIME SPENT
- 6) THE LOFT ON LAUREL-103 W. LAUREL ST., SCOTTSBORO, AL, 35768; NON-INVESTMENT RELATED; SHORT TERM RENTAL, LISTED WITH AIR B&B; OWNER; 8% OF TIME SPENT.

Registration and Employment History



Other Business Activities, continued

7) NOTARY - 202 S. BROAD STREET, SCOTTSBORO, AL 35768; NON-INVESTMENT RELATED; NOTARIZE DOCUMENTS; NOTARY; 5% OF TIME SPENT.

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.
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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
Customer Dispute	0	3	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.

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 1

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	EDWARD JONES
Allegations:	ALLEGATIONS INCLUDE FRAUD, BREACH OF CONTRACT, CONVERSION, NEGLIGENCE, OUTRAGE, AND CONSPIRACY REGARDING PLAINTIFFS' ESTABLISHMENT OF A DEFINED BENEFIT PLAN PURSUANT TO SECTION 412(I) OF THE IRS CODE.
Product Type:	No Product
Alleged Damages:	\$0.00
Alleged Damages Amount Explanation (if amount not exact):	AMOUNT CLAIMED: IN EXCESS OF \$1,000,000 IN COMPENSATORY DAMAGES, PLUS PUNITIVE DAMAGES, EXPENSES AND COSTS.

Civil Litigation Information

Type of Court:	State Court
Name of Court:	CIRCUIT COURT OF JACKSON COUNTY, AL
Location of Court:	JACKSON COUNTY, AL
Docket/Case #:	CV-07-286
Date Notice/Process Served:	12/11/2007
Litigation Pending?	No



Disposition: Settled

Disposition Date: 11/13/2012

Monetary Compensation Amount: \$191,775.04

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: EDWARD JONES

Allegations: ALLEGATIONS OF FRAUD, BREACH OF CONTRACT, CONVERSION, NEGLIGENCE, OUTRAGE, AND CONSPIRACY REGARDING PLAINTIFFS' ESTABLISHMENT OF A DEFINED BENEFIT PLAN PURSUANT TO SECTION 412(I) OF THE IRS CODE.

Product Type: No Product

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): AMOUNT CLAIMED: IN EXCESS OF \$1,000,000 IN COMPENSATORY DAMAGES, PLUS PUNITIVE DAMAGES, EXPENSES AND COSTS.

Civil Litigation Information

Type of Court: State Court

Name of Court: CIRCUIT COURT OF JACKSON COUNTY, AL

Location of Court: JACKSON COUNTY, AL

Docket/Case #: CV-07-286

Date Notice/Process Served: 12/11/2007

Litigation Pending? No

Disposition: Settled

Disposition Date: 11/13/2012

Monetary Compensation Amount: \$191,775.04

Individual Contribution Amount: \$0.00



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 2

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: EDWARD JONES

Allegations: 10/00/2007-03/18/2009; THE CLIENT CLAIMS THAT THE FA HAS OFFERED POOR ADVICE REGARDING HER ACCOUNT. THE CLIENT STATES THAT THE FA RECOMMENDED THAT SHE NOT PAY OFF HER HOME MORTGAGE AS HER INTEREST RATE WAS ONLY 5% AND HE FELT THE MARKET WOULD GENERATE MORE THAN 5% AS HISTORY HAS PROVEN. THE CLIENT CLAIMS AT ONE POINT HER ACCOUNT VALUE HAD DECREASED BY \$45,000. THE CLIENT STATES THE FA DID NOT RECOMMEND THAT SHE GET OUT OF THE MARKET AT THAT TIME AND CLAIMS A COUPLE OF MONTHS LATER THE DECREASE WAS \$145,000. THE CLIENT STATES TWO WEEKS LATER SHE ASKED THE FA ABOUT REPOSITIONING IN HOPES OF THE MARKET RECOVERING. IN DECEMBER 2008 THE CLIENT CLAIMS HER LOSSES WERE NOW \$321,000 AND SHE TOLD THE FA THAT SHE NEEDED TO TRANSFER FUNDS IN ORDER TO CLAIM LOSSES. THE CLIENT STATES IT WAS WHEN SHE TOLD THE FA OF HER INTENTIONS TO CLOSE HER ACCOUNT THAT SHE WAS TOLD SHE COULD "GO ON THE SIDELINES WITHOUT PENALTIES" AND THE CLIENT WONDERED WHY SHE WAS NOT TOLD THIS BEFORE. THE CLIENT DID NOT SPECIFY A RESOLUTION. FILING REQUIRED. CLAIMED LOSSES EXCEED \$5,000.

Product Type: Other

Alleged Damages: \$5,000.00

Customer Complaint Information

Date Complaint Received: 03/25/2009

Complaint Pending? No

Status: Denied

Status Date: 05/01/2009

Settlement Amount:



Individual Contribution Amount:

Broker Statement

THE FA INDICATED TO THE CLIENT THAT WITH A MORTGAGE AT 5% THE LONG TERM RESULT OF HAVING YOUR FUNDS INVESTED WOULD POSSIBLY OFFER A FAVORABLE RESULT. THIS WAS PRESENTED AS AN OPTION, HOWEVER, IT WAS ULTIMATELY THE CLIENT'S DECISION. THE FA ALSO DISCUSSED A TAX SWAP WITH THE CLIENT WHICH WAS SUGGESTED AS AN OPTION THAT MAY BENEFIT THE CLIENT AND COULD HAVE BEEN DONE AT NO COST. THE FA STATED THAT HE HAD DISCUSSED THE OPTION OF EXCHANGING FUNDS WITHIN THE SAME FUND COMPANY SEVERAL TIMES WITH THE CLIENT AND THAT THIS COULD BE DONE WITHOUT INCURRING ANY COSTS. IT APPEARS AS THOUGH THIS MATTER HAS BEEN HANDLED PROPERLY.

Disclosure 2 of 2

Reporting Source:

Broker

Employing firm when activities occurred which led to the complaint:

EDWARD JONES

Allegations:

THE POA FOR THE CLIENT CLIENT STATES THEY INSTRUCTED NICHOLAS TO ONLY INVEST HER FUNDS IN BANK CERTIFICATES OF DEPOSITS. THE POA STATES THE CLIENT IS INVESTED IN DEPOSIT NOTES. THE POA INSTRUCTS TO CONVERT ALL DEPOSIT NOTES TO CDS WITH A MATURITY NOT TO EXCEED FIVE YEARS.

Product Type:

CD(s)

Alleged Damages:

\$5,000.00

Customer Complaint Information

Date Complaint Received:

10/27/2000

Complaint Pending?

No

Status:

Denied

Status Date:

11/07/2000

Settlement Amount:

Individual Contribution Amount:

Broker Statement

THE POA AND THE CLIENT CAME TO NICOLAS IN 1997 AND PURCHASED \$900,000 IN NINE SEPERATE CDS TO ENSURE EACH



WAS FULLY COVERED BY FDIC. NICHOLAS STATES IN ORDER TO GET THE BEST POSSIBLE RETURN, HE ADVISED USING SOME CALLABLE CDS AND HE STATES HE DISCUSSED THE FEATURES OF THESE INVESTMENTS IN DETAIL. NICHOLAS STATES IN JANUARY 2000 HE DISCUSSED FDIC INSURED DEPOSIT NOTES SINCE THE CLIENT WAS CONCERNED ABOUT THE RATE OF INTEREST. NICHOLAS STATES HE AGAIN DISCUSSED THE FEATURES OF THE NOTES IN DETAIL. IT APPEARS NICHOLAS FOLLOWED THE POAS INSTRUCTIONS AFTER DISCUSSING THE INVESTMENTS.

End of Report



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