

## BrokerCheck Report

### HOWARD JOSEPH ALLEN III

CRD# 2033586

<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



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:

- 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.**

**HOWARD J. ALLEN III**

CRD# 2033586

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:**

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

**Registration History**

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

- B** **PORTFOLIO ADVISORS ALLIANCE, LLC**  
CRD# 101680  
NEW YORK, NY  
01/2009 - 12/2019
- B** **ALLEN PARTNERS**  
CRD# 36518  
NEW YORK, NY  
06/2008 - 01/2009
- B** **J.P. TURNER & COMPANY, L.L.C.**  
CRD# 43177  
NEW YORK, NY  
07/2002 - 06/2008

**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	5
Criminal	1
Civil Event	1
Customer Dispute	6

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

### Principal/Supervisory Exams

Exam	Category	Date
<b>B</b> General Securities Principal Examination	Series 24	05/02/2006

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> General Securities Representative Examination	Series 7	03/17/1990

### State Securities Law Exams

Exam	Category	Date
<b>IA</b> Uniform Investment Adviser Law Examination	Series 65	11/12/2013
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	04/04/1990

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/](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> 01/2009 - 12/2019	PORTFOLIO ADVISORS ALLIANCE, LLC	101680	NEW YORK, NY
<b>B</b> 06/2008 - 01/2009	ALLEN PARTNERS	36518	NEW YORK, NY
<b>B</b> 07/2002 - 06/2008	J.P. TURNER & COMPANY, L.L.C.	43177	NEW YORK, NY
<b>B</b> 04/1991 - 07/2002	SANDS BROTHERS & CO., LTD.	26816	NEW YORK, NY
<b>B</b> 03/1990 - 12/1990	MADISON CHAPIN ASSOCS., INC.	14483	

### 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
01/2009 - Present	PORTFOLIO ADVISORS ALLIANCE, INC.	INDEPENDENT REGISTERED REPRESENTATIVE	Y	ATLANTA, GA, United States
09/2015 - 12/2016	Beacon Investment Group LLC	Investment Adviser Representative	Y	New York, 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.

PELHAM, LLC

ADDRESS: 535 FIFTH AVENUE - NEW YORK, NY 10017

NATURE: LLC FORMED TO RECEIVE PASSIVE INVESTMENT INCOME.

START DATE: OCTOBER 2010

DUTIES: 100% OWNER / NONE

# OF HOURS PER MONTH: NONE AND NONE DURING TRADING.

APJT, LLC - 535 FIFTH AVENUE, NY, NY; OWNER SINCE 2011. THE LLC IS USED TO PAY BRANCH OFFICE EXPENSES. APPROXIMATELY

## Registration and Employment History



### Other Business Activities, continued

5 HOURS A WEEK SPENT ON MATTERS INVOLVING THE COMPANY.

ASCENDX FUNDING SPE, LLC - 535 FIFTH AVENUE, NEW YORK, NY 10017. MEMBER SINCE JUNE 2014. LLC FORMED FOR THE SOLE PURPOSE OF INVESTING IN A PRIVATE COMPANY. NUMBER OF HOURS PER MONTH IS NONE.

MADISON OPPORTUNITES ZENEFITS, LLC/MADISON OPPORTUNTIES MANAGEMENT, LLC - 535 FIFTH AVE, NEW YORK, NY 10017. MANAGER OF FUND SINCE JULY 2015 & IS INVESTMENT RELATED. HOURS SPENT WORKING ON THIS FUND IS ON AN AS NEEDED BASIS.

TRUST BEAUTY - 7935 W. 14TH AVENUE, LAKEWOOD, CO; BEAUTY PRODUCTS COMPANY THAT I AM A COMMON UNIT OWNER SINCE SEPT 2019. HOURS SENT PER MONTH IS AS NEEDED (UP TO 8 HOURS NOT DURING TRADING HOURS) & CURRENTLY NOT BEING COMPENSATED.

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## 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	5	0
Criminal	0	1	0
Civil Event	0	1	0
Customer Dispute	1	5	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 5

<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>	10/07/2019
<b>Docket/Case Number:</b>	3-19577
<b>Employing firm when activity occurred which led to the regulatory action:</b>	Portfolio Advisors Alliance, Inc.
<b>Product Type:</b>	No Product
<b>Allegations:</b>	SEC Admin Release 34-87239, October 7, 2019: The SEC 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 against Howard J. Allen, III. After an investigation, the Division of Enforcement alleges that on October 1, 2019, a final judgment was entered against Allen, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the Civil Action Number 16-CV-828, in the United States District Court for the Southern District of New York. On May 15, 2019, a jury found that Allen: (a) violated Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; (b) was a control person of a firm under Section 20(a)



of the Exchange Act and was responsible for it violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; and (c) aided and abetted others violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

**Current Status:** Final

**Resolution:** Order

**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:** 01/10/2020

**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 2**

<b>Sanction Type:</b>	Bar (Permanent)
<b>Capacities Affected:</b>	participating in any offering of a penny stock
<b>Duration:</b>	Indefinite
<b>Start Date:</b>	01/10/2020
<b>End Date:</b>	

**Sanction 2 of 2**



<b>Sanction Type:</b>	Bar (Permanent)
<b>Capacities Affected:</b>	any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or NRSRO
<b>Duration:</b>	Indefinite
<b>Start Date:</b>	01/10/2020
<b>End Date:</b>	
<b>Regulator Statement</b>	<p>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. It is ordered that a public hearing before the Commission for the purpose of taking evidence on the questions set forth in the order shall be convened at a time and place to be fixed by further order of the Commission.</p> <p>SEC Admin Release 34- 87939 / January 10, 2020: Respondent Howard J. Allen, III has submitted an Offer of Settlement (the Offer) which the Commission has determined to accept.</p> <p>In view of the foregoing, the Commission deems it appropriate in the public interest to impose the sanctions agreed to in the Respondent's Offer. Accordingly, it is hereby ordered that Respondent is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization (NRSRO); 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.</p> <p>Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.</p>

## Disclosure 2 of 5

**Reporting Source:** Regulator



**Regulatory Action Initiated By:** STATE OF ILLINOIS, ILLINOIS SECURITIES DEPARTMENT

**Sanction(s) Sought:** Revocation  
Other: NOTICE OF HEARING

**Date Initiated:** 05/16/2014

**Docket/Case Number:** 1400145

**URL for Regulatory Action:**

**Employing firm when activity occurred which led to the regulatory action:** J.P. TURNER & CO., LLC (JULY 19, 2002 - JUNE 18, 2008) AND PORTFOLIO ADVISORS ALLIANCE, INC.(JANUARY 14, 2009-PRESENT)

**Product Type:** No Product

**Allegations:** FINRA SUSPENDED ALLEN FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR 8 MONTHS.

IN ILLINOIS, REGISTRATION OF A SALESPERSON MAY BE SUSPENDED OR REVOKED IF THE SECRETARY OF STATE FINDS THAT SUCH SALESPERSON HAS HAD MEMBERSHIP IN OR ASSOCIATION WITH A SELF-REGULATORY ORGANIZATION LIKE FINRA SUSPENDED, REVOKED, REFUSED, EXPELLED, CANCELLED, BARRED, LIMITED IN ANY CAPACITY, OR OTHERWISE ADVERSELY AFFECTED.

IN ILLINOIS, REGISTRATION OF A SALESPERSON MAY BE SUSPENDED OR REVOKED IF THE SECRETARY OF STATE FINDS THAT SUCH SALESPERSON HAS HAD MEMBERSHIP IN OR ASSOCIATION WITH A SELF-REGULATORY ORGANIZATION LIKE FINRA SUSPENDED, REVOKED, REFUSED, EXPELLED, CANCELLED, BARRED, LIMITED IN ANY CAPACITY, OR OTHERWISE ADVERSELY AFFECTED.

**Current Status:** Final

**Resolution:** Consent

**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:** 07/08/2014

**Sanctions Ordered:** Prohibition



**Regulator Statement** NOTICE OF HEARING WAS ISSUED MAY 16, 2014. CONSENT ORDER WAS ISSUED JULY 8, 2014. CONTACT 217-524-0648.

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** STATE OF ILLINOIS, ILLINOIS SECURITIES DEPARTMENT

**Sanction(s) Sought:** Revocation  
Other: NOTICE OF HEARING

**Date Initiated:** 05/16/2014

**Docket/Case Number:** 1400145

**Employing firm when activity occurred which led to the regulatory action:** J.P. TURNER & CO., LLC AND PORTFOLIO ADVISORS ALLIANCE, INC.

**Product Type:** No Product

**Allegations:** THE NOTICE OF HEARING BY THE STATE OF ILLINOIS IS A RESULT OF THE FINRA SUSPENSION AND NOT AS A RESULT OF ANY PARTICULAR ISSUE WITH THE STATE.

**Current Status:** Final

**Resolution:** Consent

**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:** 07/08/2014

**Sanctions Ordered:** Prohibition

**Broker Statement** THE NOTICE OF HEARING BY THE STATE OF ILLINOIS IS A RESULT OF THE FINRA SUSPENSION AND NOT AS A RESULT OF ANY PARTICULAR ISSUE WITH THE STATE.

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#### Disclosure 3 of 5

**Reporting Source:** Regulator

**Regulatory Action Initiated** MARYLAND DIVISION OF SECURITIES



**By:**

**Sanction(s) Sought:** Revocation

**Date Initiated:** 12/20/2013

**Docket/Case Number:** 2013-0460

**URL for Regulatory Action:**

**Employing firm when activity occurred which led to the regulatory action:** PORTFOLIO ADVISERS ALLIANCE, INC.

**Product Type:** No Product

**Allegations:** ON OR ABOUT DECEMBER 10, 2013, RESPONDENT ENTERED INTO AN ACCEPTANCE, WAIVER AND CONSENT WITH FINRA WHEREIN, WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS INCLUDING THAT HE ENGAGED IN AN UNAPPROVED OUTSIDE BUSINESS ACTIVITY, RESPONDENT CONSENTED TO AN EIGHT MONTH SUSPENSION FROM ASSOCIATION WITH ANY FINRA MEMBER AND A \$10,000 FINE. BASED UPON THE SANCTIONS IMPOSED BY FINRA AND THE ALLEGATIONS UNDERLYING THE FINRA ACTION, THE DIVISION HAD GROUNDS TO REVOKE OR SUSPEND RESPONDENT'S REGISTRATION UNDER 11-412(A)(6) AND (A)(7) OF THE SECURITIES ACT.

**Current Status:** Final

**Resolution:** Consent

**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:** 04/24/2014

**Sanctions Ordered:** Other: RESPONDENT SIGNED CONSENT ORDER WITHDRAWING RESISTRATION IN MARYLAND AND AGREEING NOT TO REAPPLY FOR REGISTRATION AS A BROKER-DEALER AGENT, INVESTMENT ADVISER, OR INVESTMENT ADVISER REPRESENTATIVE.

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**Reporting Source:** Broker





<b>Regulatory Action Initiated By:</b>	MARYLAND DIVISION OF SECURITIES
<b>Sanction(s) Sought:</b>	Revocation
<b>Date Initiated:</b>	12/20/2013
<b>Docket/Case Number:</b>	2013-0460
<b>Employing firm when activity occurred which led to the regulatory action:</b>	PORTFOLIO ADVISORS ALLIANCE, INC.
<b>Product Type:</b>	No Product
<b>Allegations:</b>	THIS SUSPENSION BY THE MARYLAND DIVISION OF SECURITIES IS A RESULT OF BEING SUSPENDED BY FINRA AND NOT AS A RESULT OF ANY PARTICULAR ISSUE WITH THE STATE.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent
<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>	04/24/2014
<b>Sanctions Ordered:</b>	Other: RESPONDENT SIGNED CONSENT ORDER WITHDRAWING REGISTRATION IN MARYLAND AND AGREEING NOT TO REAPPLY FOR REGISTRATION AS A BROKER-DEALER AGENT, INVESTMENT ADVISER, OR INVESTMENT ADVISER REPRESENTATIVE
<b>Broker Statement</b>	THE REVOCATION BY THE STATE IS AS A RESULT OF BEING SUSPENDED BY FINRA AND NOT FOR ANY OTHER INDEPENDENT VIOLATIONS.

#### Disclosure 4 of 5

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	INDIANA SECURITIES DIVISION
<b>Sanction(s) Sought:</b>	Suspension
<b>Date Initiated:</b>	01/16/2014



**Docket/Case Number:** 14-0029 SS

**URL for Regulatory Action:**

**Employing firm when activity occurred which led to the regulatory action:** PORTFOLIO ADVISORS ALLIANCE, INC.

**Product Type:** No Product

**Allegations:** THE RESPONDENT WAS SUSPENDED BY AN SRO, IN VIOLATION OF IND. CODE 23-19-4-12(D).

**Current Status:** Final

**Resolution:** Order

**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:** 01/16/2014

**Sanctions Ordered:** Suspension

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** ALL

**Duration:** UNTIL REINSTATED

**Start Date:** 01/16/2014

**End Date:**

**Regulator Statement** Upon showing that his suspension with an SRO was lifted, the individual is no longer suspended in Indiana.

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** INDIANA SECURITIES DIVISION

**Sanction(s) Sought:** Suspension



**Date Initiated:** 01/16/2014

**Docket/Case Number:** 14-0029 SS

**Employing firm when activity occurred which led to the regulatory action:** PORTFOLIO ADVISORS ALLIANCE, INC.

**Product Type:** No Product

**Allegations:** THIS SUSPENSION BY THE INDIANA DIVISION OF SECURITIES IS A RESULT OF BEING SUSPENDED BY FINRA AND NOT AS A RESULT OF ANY PARTICULAR ISSUE WITH THE STATE.

**Current Status:** Final

**Resolution:** Order

**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:** 03/13/2014

**Sanctions Ordered:** Suspension

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** ALL

**Duration:** UNTIL FINRA LIFTS THE SUSPENSION

**Start Date:** 03/13/2014

**End Date:**

**Broker Statement** THE SUSPENSION BY THE STATE IS AS A RESULT OF BEING SUSPENDED BY THE FINRA NOT FOR ANY OTHER INDEPENDENT VIOLATIONS AND WILL BE LIFTED UPON REINSTATEMENT BY FINRA AND NOTICE SENT TO THE STATE THAT SUCH SUSPENSION HAS BEEN LIFTED.

#### Disclosure 5 of 5

**Reporting Source:** Regulator



**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Other: N/A

**Date Initiated:** 12/05/2012

**Docket/Case Number:** [2010022586201](#)

**Employing firm when activity occurred which led to the regulatory action:** J.P. TURNER & COMPANY, L.L.C. AND PORTFOLIO ADVISORS ALLIANCE, INC.

**Product Type:** Promissory Note

**Allegations:** FINRA RULE 2010, NASD RULES 2110, 3040: ALLEN, ACTING OUTSIDE THE COURSE AND SCOPE OF HIS EMPLOYMENT WITH HIS MEMBER FIRMS PARTICIPATED IN SEVERAL PRIVATE SECURITIES TRANSACTIONS WITH INVESTORS FROM WHICH HE RECEIVED SELLING COMPENSATION, WITHOUT PROVIDING PRIOR WRITTEN NOTICE OR ORAL NOTICE TO THESE FIRMS OF HIS PROPOSED ROLES IN, OR THE SELLING COMPENSATION THAT HE MAY RECEIVE FROM, THE TRANSACTIONS. ALLEN PARTICIPATED IN THE TRANSACTIONS BY RAISING MONEY FOR HIS COMPANIES AND ALSO PARTICIPATED IN THE TRANSACTIONS WITH INVESTORS BY EXECUTING THE PROMISSORY NOTES ISSUED TO THE INVESTORS ON BEHALF OF HIS COMPANIES.

**Current Status:** Final

**Resolution:** Decision & Order of Offer of Settlement

**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:** 11/16/2013

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
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:** ANY CAPACITY  
**Duration:** EIGHT MONTHS  
**Start Date:** 01/06/2014  
**End Date:** 09/05/2014

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)  
**Total Amount:** \$10,000.00  
**Portion Levied against individual:** \$10,000.00  
**Payment Plan:**  
**Is Payment Plan Current:** Yes  
**Date Paid by individual:** 10/23/2014  
**Was any portion of penalty waived?** No

**Amount Waived:**

**Regulator Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, ALLEN CONSENTED



TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS THEREFORE, HE IS FINED \$10,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR EIGHT MONTHS. THE SUSPENSION IS IN EFFECT FROM JANUARY 6, 2014 THROUGH SEPTEMBER 5, 2014.  
FINE PAID IN FULL ON OCTOBER 23, 2014.

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Other: N/A

**Date Initiated:** 12/05/2012

**Docket/Case Number:** [2010022586201](#)

**Employing firm when activity occurred which led to the regulatory action:** J.P. TURNER & COMPANY, L.L.C. AND PORTFOLIO ADVISORS ALLIANCE, INC.

**Product Type:** Promissory Note

**Allegations:** FINRA RULE 2010, NASD RULES 2110, 3040: ALLEN, ACTING OUTSIDE THE COURSE AND SCOPE OF HIS EMPLOYMENT WITH HIS MEMBER FIRMS PARTICIPATED IN SEVERAL PRIVATE SECURITIES TRANSACTIONS WITH INVESTORS FROM WHICH HE RECEIVED SELLING COMPENSATION, WITHOUT PROVIDING PRIOR WRITTEN NOTICE OR ORAL NOTICE TO THESE FIRMS OF HIS PROPOSED ROLES IN, OR THE SELLING COMPENSATION THAT HE MAY RECEIVE FROM, THE TRANSACTIONS. ALLEN PARTICIPATED IN THE TRANSACTIONS BY RAISING MONEY FOR HIS COMPANIES AND ALSO PARTICIPATED IN THE TRANSACTIONS WITH INVESTORS BY EXECUTING THE PROMISSORY NOTES ISSUED TO THE INVESTORS ON BEHALF OF HIS COMPANIES.

**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:** 12/10/2013  
**Sanctions Ordered:** Suspension  
Other: SANCTIONED IMPOSED IN THE AMOUNT OF \$10,000  
**Sanction 1 of 1**  
**Sanction Type:** Suspension  
**Capacities Affected:** ALL CAPACITIES  
**Duration:** 8 MONTHS  
**Start Date:** 01/06/2014  
**End Date:** 09/05/2014





## Criminal - Final Disposition

This type of disclosure event involves a criminal charge against the broker that has resulted in a conviction, acquittal, dismissal, or plea. The criminal matter may pertain to any felony or certain misdemeanor offenses, including bribery, perjury, forgery, counterfeiting, extortion, fraud, and wrongful taking of property.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Broker
<b>Court Details:</b>	CITY COURT OF TONAWANDA, DOCKET NUMBER C92-6372
<b>Charge Date:</b>	12/27/1992
<b>Charge Details:</b>	ONE COUNT OF ASSAULT, FELONY CHARGE, PLEAD GUILTY TO A REDUCED MISDEMEANOR CHARGE. ALSO ONE COUNT OF DISORDERLY CONDUCT, A MISDEMEANOR, CHARGE DISMISSED.
<b>Felony?</b>	Yes
<b>Current Status:</b>	Final
<b>Status Date:</b>	02/23/1992
<b>Disposition Details:</b>	FELONY ASSAULT CHARGE REDUCED TO MISDEMEANOR ASSAULT ON 02/23/1992, DISORDERLY CONDUCT CHARGE DISMISSED ON 02/23/1992. FINED \$250, PAID ON 05/04/1993.
<b>Broker Statement</b>	I WAS IN A RESTAURANT EATING DINNER WITH FIVE OTHER INDIVIDUALS WHEN A GROUP OF DRUNKEN AND DISORDERLY MEN STARTED HARASSING US. ONE THING LEAD TO ANOTHER AND A SCUFFLE BROKE OUT. THE POLICE CAME AND ARRESTED ALL INDIVIDUALS INVOLVED. IN AN EFFECT TO AVOID LEGAL FEES AND COURT TIME I PLEAD GUILTY TO A MISDEMEANOR.



## Civil - Final

This type of disclosure event involves (1) an injunction issued by a court in connection with investment-related activity, (2) a finding by a court of a violation of any investment-related statute or regulation, or (3) an action brought by a state or foreign financial regulatory authority that is dismissed by a court pursuant to a settlement agreement.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Initiated By:</b>	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
<b>Relief Sought:</b>	Other: N/A
<b>Date Court Action Filed:</b>	02/03/2016
<b>Product Type:</b>	Other: high-yield securities
<b>Type of Court:</b>	Federal Court
<b>Name of Court:</b>	U.S. District Court for the Southern District of New York
<b>Location of Court:</b>	Manhattan, New York
<b>Docket/Case #:</b>	16-cv-00828
<b>Employing firm when activity occurred which led to the action:</b>	Portfolio Advisors Alliance, Inc.
<b>Allegations:</b>	<p>SEC Litigation Release 23459, February 3, 2016: On February 3, 2016, the SEC charged a Manhattan-based lending company ("Company") and its owner with repeatedly lying to investors purchasing high-yield securities. The SEC also charged a brokerage firm ("Firm") that acted as the placement agent and two of its executives. The SEC alleges that the Company and its owner promised investors 12-percent annual returns and falsely claimed its financial statements were being audited each year. The Company, which raises capital from investors to provide loans to businesses, also made misrepresentations in offering documents about its management and concealed details about deteriorating loan values that could imperil full payment of the promised returns to investors. The Firm, its owner Howard Allen, and its president allegedly knew the offering documents were inaccurate yet continued using them to solicit sales of the Company's securities. According to the SEC's complaint filed in federal district court in Manhattan: While the Firm acted as the placement agent, Allen became aware that the Company's offering documents were not accurate. But he continued using them to solicit investors without informing them the financial statements were unaudited. Allen informed the Firm's president that the Company's offering documents contained false information, but the president took no action and the Firm's brokers continued using misleading documents to solicit investors.</p>



**Current Status:** Final

**Resolution:** Judgment Rendered

**Resolution Date:** 10/01/2019

**Sanctions Ordered or Relief Granted:** Civil and Administrative Penalty(ies)/Fine(s)  
Disgorgement  
Injunction  
Monetary Penalty other than Fines  
Other: permanently restrained

**Capacities 1 of 1**

**Capacities Affected:** n/a

**Duration:** permanently

**Start Date:** 10/01/2019

**End Date:**

**Monetary Sanction 1 of 5**

**Monetary Sanction:** Disgorgement

**Total Amount:** \$860,000.00

**Portion against individual:** 860000

**Date Paid:**

**Portion Waived:** No

**Amount Waived:**

**Monetary Sanction 2 of 5**

**Monetary Sanction:** prejudgment interest; jointly and severally

**Total Amount:** \$199,721.28

**Portion against individual:** 199721.28

**Date Paid:**

**Portion Waived:** No

**Amount Waived:**

**Monetary Sanction 3 of 5**

**Monetary Sanction:** Monetary Fine

**Total Amount:** \$120,000.00



**Portion against individual:** 120000  
**Date Paid:**  
**Portion Waived:** No  
**Amount Waived:**  
**Monetary Sanction 4 of 5**  
**Monetary Sanction:** prejudgment interest  
**Total Amount:** \$38,649.97  
**Portion against individual:** 38649.97

**Date Paid:**  
**Portion Waived:** No  
**Amount Waived:**

**Monetary Sanction 5 of 5**  
**Monetary Sanction:** Disgorgement  
**Total Amount:** \$166,427.00  
**Portion against individual:** 166427

**Date Paid:**  
**Portion Waived:** No  
**Amount Waived:**

**Regulator Statement**

The SEC's complaint charges the Company, the Firm, and Allen with violating Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5. The complaint also charges Allen with aiding and abetting and control person liability.

SEC Press Release 2019-70 issued May 15, 2019, wherein jurors in Manhattan federal court returned a verdict in the SEC's favor against a brokerage firm and two of its executives. The jury found Portfolio Advisors Alliance, Inc., Howard J. Allen III, and Kerri L. Wasserman liable on all counts, finding that they violated the antifraud provisions 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 thereunder. The jury also found that Allen and Wasserman aided and abetted the firm's violations of those antifraud provisions and that Wasserman aided and abetted Allen's violations of those antifraud provisions. In addition, the jury found Allen and Wasserman liable as control persons under Section 20(a) of the Exchange Act for the firm's violations.

The SEC's litigation is ongoing.



SEC Litigation Release No. 24663 / November 12, 2019 and the Final Judgment granted on October 1, 2019: On October 1, 2019, the Honorable Judge of the United States District Court for the Southern District of New York entered final judgment ordering over \$1.6 million in monetary relief against broker-dealer Portfolio Advisors Alliance (PAA), its owner, Howard J. Allen, and its President, Kerri L. Wasserman, following a jury verdict that found them liable for securities fraud.

Pursuant to the Jury Verdict against Defendants Howard J. Allen III ("Allen") and Portfolio Advisors Alliance, Inc. ("PAA") ("collectively "Defendants"), entered on May 16, 2019, and the Court's Opinion & Order on remedies, entered on September 24, 2019: the Court has rendered its Final Judgment. The Court ordered that the Defendant Allen is permanently restrained and enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5, and Section 17(a) of the Securities Act of 1933. Defendant Allen is jointly and severally liable for disgorgement of \$860,000, together with prejudgment interest thereon for \$199,721.28, for a total of \$1,059,721.28. The Defendant shall satisfy this obligation by paying \$1,059,721.28 within 60 days after entry of this Final Judgment. The Defendant, also, shall alone pay additional disgorgement of \$166,427, together with prejudgment interest thereon for \$38,649.97, and pay a civil penalty for \$120,000. The Defendant shall satisfy this obligation by paying the amounts within 60 days after entry of this Final Judgment.

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**Reporting Source:** Broker

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Relief Sought:** Other: N/A

**Date Court Action Filed:** 02/03/2016

**Date Notice/Process Served:** 02/08/2016

**Product Type:** Other: HIGH-YIELD SECURITIES

**Type of Court:** Federal Court

**Name of Court:** U.S. District Court for the Southern District of New York

**Location of Court:** New York, New York

**Docket/Case #:** 16-CV-00828

**Employing firm when activity occurred which led to the action:** Portfolio Advisors Alliance



**Allegations:** SEC Litigation Release 23459, February 3, 2016: On February 3, 2016, the SEC charged a Manhattan-based lending company ("Company") and its owner with repeatedly lying to investors purchasing high-yield securities. The SEC also charged a brokerage firm ("Firm") that acted as the placement agent and two of its executives. The SEC alleges that the Company and its owner promised investors 12-percent annual returns and falsely claimed its financial statements were being audited each year. The Company, which raises capital from investors to provide loans to businesses, also made misrepresentations in offering documents about its management and concealed details about deteriorating loan values that could imperil full payment of the promised returns to investors. The Firm, its owner Howard Allen, and its president allegedly knew the offering documents were inaccurate yet continued using them to solicit sales of the Company's securities. According to the SEC's complaint filed in federal district court in Manhattan: While the Firm acted as the placement agent, Allen became aware that the Company's offering documents were not accurate. But he continued using them to solicit investors without informing them the financial statements were unaudited. Allen informed the Firm's president that the Company's offering documents contained false information, but the president took no action and the Firm's brokers continued using misleading documents to solicit investors.

**Current Status:** Final

**Resolution:** Judgment Rendered

**Resolution Date:** 10/01/2019

**Sanctions Ordered or Relief Granted:** Civil and Administrative Penalty(ies)/Fine(s)  
Disgorgement  
Injunction  
Monetary Penalty other than Fines

#### Capacities 1 of 1

**Capacities Affected:** n/a

**Duration:** permanently

**Start Date:** 10/01/2019

**End Date:**

#### Monetary Sanction 1 of 5

**Monetary Sanction:** Disgorgement

**Total Amount:** \$860,000.00

**Portion against individual:** 860000

**Date Paid:**



**Portion Waived:** No  
**Amount Waived:**  
**Monetary Sanction 2 of 5**  
**Monetary Sanction:** prejudgment interest; jointly and severally  
**Total Amount:** \$199,721.28  
**Portion against individual:** 199721.28  
**Date Paid:**  
**Portion Waived:** No  
**Amount Waived:**  
**Monetary Sanction 3 of 5**  
**Monetary Sanction:** Monetary Fine  
**Total Amount:** \$120,000.00  
**Portion against individual:** 12000  
**Date Paid:**  
**Portion Waived:** No  
**Amount Waived:**  
**Monetary Sanction 4 of 5**  
**Monetary Sanction:** prejudgment interest  
**Total Amount:** \$38,649.97  
**Portion against individual:** 38649.97  
**Date Paid:**  
**Portion Waived:** No  
**Amount Waived:**  
**Monetary Sanction 5 of 5**  
**Monetary Sanction:** Disgorgement  
**Total Amount:** \$166,427.00  
**Portion against individual:** 166427  
**Date Paid:**  
**Portion Waived:**



**Amount Waived:**

**Broker Statement**

The SEC's complaint charges the Company, the Firm, and Allen with violating Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5. The complaint also charges Allen with aiding and abetting and control person liability. SEC Press Release 2019-70 issued May 15, 2019 wherein jurors in Manhattan federal court returned a verdict in the SEC's favor against a brokerage firm and two of its executives. The jury found Portfolio Advisors Alliance, Inc., Howard J. Allen III, and Kerri L. Wasserman liable on all counts, finding that they violated the antifraud provisions 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 thereunder. The jury also found that Allen and Wasserman aided and abetted the firm's violations of those antifraud provisions, and that Wasserman aided and abetted Allen's violations of those antifraud provisions. In addition, the jury found Allen and Wasserman liable as control persons under Section 20(a) of the Exchange Act for the firm's violations. The SEC's litigation is ongoing.





## 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:** SANDS BROTHERS & CO., LTD.

**Allegations:** CHURNING; UNAUTHORIZED TRADES

**Product Type:** Other

**Other Product Type(s):** UNSPECIFIED FINANCIAL PRODUCTS

**Alleged Damages:** \$551,135.00

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** [NASD - CASE #00-02784](#)

**Date Notice/Process Served:** 06/30/2000

**Arbitration Pending?** No

**Disposition:** Award

**Disposition Date:** 07/18/2002

**Disposition Detail:** RESPONDENT IS JOINTLY AND SEVERALLY LIABLE AND SHALL PAY TO CLAIMANT \$551,135 AS COMPENSATORY DAMAGES, PLUS INTEREST.

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** SANDS BROTHERS & CO., LTD.

**Allegations:** [CUSTOMER] ALLEGED DUE TO THE EXCESSIVE TRADING AND UNAUTHORIZED TRADES IN HIS ACCOUNT FROM FEBRUARY 1999 THROUGH MARCH 2000, HE INCURRED LOSSES OF \$551,135.

**Product Type:** Equity - OTC

**Other Product Type(s):** EQUITY - LISTED (COMMON & PREFERRED)



**Alleged Damages:** \$551,135.00

**Customer Complaint Information**

**Date Complaint Received:** 04/18/2000

**Complaint Pending?** No

**Status:** Arbitration/Reparation

**Status Date:** 05/01/2000

**Settlement Amount:**

**Individual Contribution Amount:**

**Arbitration Information**

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD-DR ARBITRATION NO. 00=02784

**Date Notice/Process Served:** 07/05/2000

**Arbitration Pending?** No

**Disposition:** Award to Customer

**Disposition Date:** 07/18/2002

**Monetary Compensation Amount:** \$551,135.00

**Individual Contribution Amount:** \$0.00

**Civil Litigation Information**

**Appeal Date:** 07/18/2002



## 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 3

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	SANDS BROTHERS & CO., LTD.
<b>Allegations:</b>	[CUSTOMER] ALLEGED THAT THE 4,000 SHARE PURCHASE OF ADVANCED FIBRE COMMUNICATIONS ON MARCH 29TH, 2000 WAS WITHOUT HIS AUTHORIZATION. THE SHARES WERE SOLD ON APRIL 5TH, 2000 FOR AN \$80,000 LOSS.
<b>Product Type:</b>	Equity - OTC
<b>Alleged Damages:</b>	\$80,000.00

### Customer Complaint Information

<b>Date Complaint Received:</b>	06/01/2000
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	12/11/2000
<b>Settlement Amount:</b>	\$100,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	I CATEGORICALLY DENY [CUSTOMER'S] ALLEGATIONS. WITHOUT ADMITTING LIABILITY, THE MATTER WAS SETTLED TO AVOID THE DISTRACTION AND SIGNIFICANT LEGAL AND ADMINISTRATIVE EXPENSES ASSOCIATED WITH PROTRACTED LITIGATION

### Disclosure 2 of 3

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	SANDS BROTHERS & CO., LTD.
<b>Allegations:</b>	[CUSTOMER] ALLEGED THAT THE 5000 SHARES OF ENTRUST PURCHASED ON MARCH 30, 2000 WERE NOT AT HIS DIRECTION. HE ALSO STATED THAT



HIS INSTRUCTIONS FOR WIRE TRANSFERRING FUNDS WERE NOT FOLLOWED. IN SUBSEQUENT CORRESPONDENCE, [CUSTOMER] ACKNOWLEDGED THAT HE AUTHORIZED THE PURCHASE OF 2,500 SHARES OF ENTRUST ON MARCH 30, 2000.

**Product Type:** Equity - OTC

**Alleged Damages:** \$211,624.00

### Customer Complaint Information

**Date Complaint Received:** 04/25/2000

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 05/01/2000

**Settlement Amount:** \$105,812.50

**Individual Contribution Amount:** \$0.00

**Broker Statement** I CATEGORICALLY DENY [CUSTOMER] ALLEGATIONS. IN THE INTEREST OF CUSTOMER SERVICE WITHOUT ADMITTING LIABILITY, THE MATTER WAS SETTLED FOR \$105,812.50.

### Disclosure 3 of 3

**Reporting Source:** Regulator

**Employing firm when activities occurred which led to the complaint:** SANDS BROTHERS & CO LTD

**Allegations:** MISREPRESENTATION; SUITABILITY; UNAUTHORIZED TRADING; BRCH OF FIDUCIARY DT

**Product Type:**

**Alleged Damages:** \$72,924.94

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD - CASE #95-02310

**Date Notice/Process Served:** 06/30/1995

**Arbitration Pending?** No



**Disposition:** Withdrawn

**Disposition Date:** 01/13/1997

**Disposition Detail:** CLOSED - PARTIES SETTLED THRU MEDIATION  
ACTUAL/COMPENSATORY DAMAGES, RELIEF  
REQUEST IS WITHDRAWN/SETTLED/ETC, AWARD AMOUNT JOINTLY AND  
SEVERALLY; PUNITIVE/EXEMPLARY DAMAGES, RELIEF REQUEST IS  
WITHDRAWN/SETTLED/ETC, AWARD AMOUNT; TREBLE DAMAGES, RELIEF  
REQUEST IS WITHDRAWN/SETTLED/ETC, AWARD AMOUNT JOINTLY AND  
SEVERALLY; ACTUAL/COMPENSATORY DAMAGES, RELIEF REQUEST IS  
WITHDRAWN/SETTLED/ETC, AWARD AMOUNT JOINTLY AND SEVERALLY;  
OTHER MONETARY RELIEF, RELIEF REQUEST IS  
WITHDRAWN/SETTLED/ETC,  
AWARD AMOUNT JOINTLY AND SEVERALLY

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**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** SANDS BROTHERS & CO LTD

**Allegations:** EXCESSIVE TRADING, UNSUITABILITY,  
UNAUTHORIZED TRADING.

**Product Type:** Equity - OTC

**Alleged Damages:** \$72,924.94

### Customer Complaint Information

**Date Complaint Received:** 06/30/1995

**Complaint Pending?** No

**Status:** Arbitration/Reparation

**Status Date:** 06/30/1995

### Settlement Amount:

**Individual Contribution Amount:**

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD; 95-02310



**Date Notice/Process Served:** 06/30/1995

**Arbitration Pending?** No

**Disposition:** Dismissed

**Disposition Date:** 01/13/1997

**Monetary Compensation Amount:** \$10,000.00

**Individual Contribution Amount:**

**Broker Statement**

CUSTOMER VOLUNTARILY WITHDREW HIS COMPLAINT AND  
DISMISSED HIS CLAIM AGAINST ME.  
\*\*JANUARY 13, 1997 RR WAS DISMISSED AS PART OF THE SETTLEMENT.



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

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 1

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** SANDS BROTHERS & CO., LTD.

**Allegations:** CUSTOMER CLAIMD THAT RR ALLEN PLACED AN ORDER TO PURCHASE SHARES OF ENTRUST TECHNOLOGIES ("ENTU") WITHOUT DISCUSSING TH SIZE AND/OR DOLLAR AMOUNT INCREASING THE MARGIN EXPOSURE IN HIS ACCOUNT AND FURTHER FAILED TO EXECUTE A STOP LOSS ORDER TO LIMIT DOWNSIDE RISK.

**Product Type:** Equity - OTC

**Alleged Damages:** \$500,000.00

### Customer Complaint Information

**Date Complaint Received:** 05/18/2000

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 06/16/2000

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement** I CATEGORICALLY DENY CUSTOMER'S ALLEGATIONS. CUSTOMER WAS INVOLVED IN THE MANAGEMENT OF HIS ACCOUNT AND AUTHORIZED THE ADDITIONAL PURCHASE OF ENTU WHICH WAS CONFIRMED TO THE CLIENT VIA E-MAIL ON MARCH 30, 2000. CUSTOMER WAS ADVISED THAT STOP-LOSS ORDERS CANNOT BE ACCEPTED FOR OTC STOCKS AND HE DID NOT PLACE A STOP-LOSS ORDER FOR THE ENTU SHARES. THEREFORE, HIS CLAIM HAS NO MERIT.



## 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 1

<b>Reporting Source:</b>	Regulator
<b>Employing firm when activities occurred which led to the complaint:</b>	Portfolio Advisors Alliance
<b>Allegations:</b>	Allen was named in a customer complaint that asserted the following causes of action: unauthorized trading, fraud, misrepresentation, negligence, breach of contract and breach of fiduciary duty.
<b>Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Alleged Damages:</b>	\$37,761.00
<b>Arbitration Information</b>	
<b>Arbitration/Reparation Claim filed with and Docket/Case No.:</b>	FINRA - CASE #20-02805
<b>Date Notice/Process Served:</b>	08/26/2020
<b>Arbitration Pending?</b>	Yes



## End of Report



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