

BrokerCheck Report

BRADLEY CARL MASCHO

CRD# 2039720

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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



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

Thank you for using FINRA BrokerCheck.

BRADLEY C. MASCHO

CRD# 2039720

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
- 2 State Securities Law Exams

Registration History

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

- B WESTERN INTERNATIONAL SECURITIES, INC.**
CRD# 39262
FREDERICK, MD
10/2009 - 12/2017
- B ROYAL ALLIANCE ASSOCIATES, INC.**
CRD# 23131
WASHINGTON, DC
02/2006 - 10/2009
- B LEGG MASON WOOD WALKER, INCORPORATED**
CRD# 6555
BALTIMORE, MD
09/1999 - 02/2006

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	4
Criminal	1
Civil Event	1
Customer Dispute	16
Termination	1

Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at

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

Broker Qualifications



Registrations

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

This broker is not currently registered.



Broker Qualifications

Industry Exams this Broker has Passed

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

This individual has passed 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	12/05/2017
B General Securities Representative Examination	Series 7	03/17/1997

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	03/11/2008
B Uniform Securities Agent State Law Examination	Series 63	05/29/1997

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



Broker Qualifications

Professional Designations

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

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 10/2009 - 12/2017	WESTERN INTERNATIONAL SECURITIES, INC.	39262	FREDERICK, MD
B 02/2006 - 10/2009	ROYAL ALLIANCE ASSOCIATES, INC.	23131	WASHINGTON, DC
B 09/1999 - 02/2006	LEGG MASON WOOD WALKER, INCORPORATED	6555	BALTIMORE, MD
B 03/1997 - 07/1999	AMERICAN EXPRESS FINANCIAL ADVISORS INC.	6363	MINNEAPOLIS, MN
B 03/1997 - 07/1999	IDS LIFE INSURANCE COMPANY	6321	MINNEAPOLIS, MN

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
10/2009 - Present	WESTERN INTERNATIONAL SECURITIES	REGISTERED REPRESENTATIVE	Y	WASHINGTON DC, DC, 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.

MASCHO ASSOCIATES, LLC; INVESTMENT RELATED; 9351 BARRINGTON COURT, FREDERICK, MD 21701; DBA FOR SECURITIES BUSINESS



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	1	3	0
Criminal	0	1	0
Civil Event	0	1	0
Customer Dispute	3	13	N/A
Termination	N/A	1	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

Reporting Source:	Regulator
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Other: n/a
Date Initiated:	01/07/2020
Docket/Case Number:	3-19637
Employing firm when activity occurred which led to the regulatory action:	n/a
Product Type:	No Product
Allegations:	<p>SEC Admin Releases 34-87904, IA 40-5427, / January 7, 2020: The Securities and Exchange Commission deems it appropriate and in the public interest that public administrative proceedings be instituted against Bradley C. Mascho ("Respondent").</p> <p>On the basis of this Order and Respondent's Offer, the Commission finds that on December 23, 2019, a final judgment was entered by consent against Mascho, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Bradley C. Mascho, Civil Action Number 8:17-cv-2453-PX, in the United States District Court for the District of Maryland. On June 18, 2018, Mascho</p>



pled guilty to conspiracy to commit securities fraud, in violation of 18 U.S.C. 371, and making false statements, in violation of 18 U.S.C. 1001, before the United States District Court for the District of Maryland, in United States v. Bradley C. Mascho, Criminal No. 8:17-cr-472-PX. On August 28, 2019, a judgment in the criminal case was entered against Mascho. He was sentenced to 30 months in prison followed by three years of supervised release and ordered to make restitution in the amount of \$4,824,131.

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:	01/07/2020
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

Sanction Type:	Bar (Permanent)
Capacities Affected:	participating in any offering of a penny stock
Duration:	Indefinite
Start Date:	01/07/2020
End Date:	

Sanction 2 of 2



Sanction Type:	Bar (Permanent)
Capacities Affected:	any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or NRSRO
Duration:	Indefinite
Start Date:	01/07/2020
End Date:	
Regulator Statement	<p>Respondent 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, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) 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 (d) 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 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	Maryland
Sanction(s) Sought:	Bar Revocation
Date Initiated:	09/20/2019
Docket/Case Number:	20190206

**URL for Regulatory Action:**

Employing firm when activity occurred which led to the regulatory action:

Bennett Group Financial Services LLC

Product Type:

Promissory Note

Allegations:

Bradley Mascho ("Mascho") violated section 11-301 of the Maryland Securities Act by, among other things, making misleading and false statements to investors and/or advisory clients in connection with soliciting them to invest in DJB Holdings, and misappropriating funds from investors and/or advisory clients and using those funds for his personal use or to repay other investors. Mascho violated sections 11-302(a) and (c) of the Act by, among other things, making misleading and false statements to investors and/or advisory clients in connection with soliciting them to invest in DJB Holdings, and misappropriating funds from investors and/or advisory clients and using those funds for his personal use or to repay other investors. Mascho willfully violated or failed to comply with sections 11-301, 11-302(a) and (c) of the Act, and grounds exist under section 11-412(a)(2) of the Act to revoke Mascho's agent and investment adviser representative registrations. Mascho was convicted of felonies involving conspiracy to commit securities fraud and making a false statement, and grounds exist under section 11-412(a)(3) of the Act to revoke Mascho's agent and investment adviser representative registrations. Mascho engaged in dishonest and unethical practices by, among other things, making misleading and false statements to investors and/or advisory clients and misappropriating funds from investors and/or advisory clients, and grounds exist under section 11-412(a)(7) of the Act to revoke Mascho's agent and investment adviser representative registrations.

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?

Yes

Resolution Date:

12/10/2019

Sanctions Ordered:

Bar (Permanent)
Revocation

Sanction 1 of 1

Sanction Type:

Bar (Permanent)



Capacities Affected: Investment Adviser, Investment Adviser Representative, Broker-Dealer, Broker-Dealer Agent

Duration:

Start Date: 12/10/2019

End Date:

Disclosure 3 of 3

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought:

Date Initiated: 01/12/2018

Docket/Case Number: [2015047682403](#)

Employing firm when activity occurred which led to the regulatory action: Western International Securities, Inc.

Product Type: Other: private securities transactions

Allegations: Without admitting or denying the findings, Mascho consented to the sanction and to the entry of findings that he refused to appear for a FINRA-requested on-the-record testimony during an investigation into his potential serious violations, including fraud, undisclosed outside business activities, and private securities transactions.

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: 01/12/2018

Sanctions Ordered: Bar (Permanent)



If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?

No

(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?

(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or



(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Sanction 1 of 1

Sanction Type:	Bar (Permanent)
Capacities Affected:	All capacities
Duration:	indefinite
Start Date:	01/12/2018
End Date:	



Regulatory - Pending

This type of disclosure event involves a pending formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory agency such as the Securities and Exchange Commission, foreign financial regulatory body) for alleged violations of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source:	Firm
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Monetary Penalty other than Fines Other: Injunction
Date Initiated:	12/01/2017
Docket/Case Number:	8:17cv2453
Employing firm when activity occurred which led to the regulatory action:	Western International Securities, Inc.
Product Type:	Promissory Note
Allegations:	Violations of Section 5(a) and (c), Section 17(a) of Securities Act of 1933, Section 10(b) and 10b-5 of the Securities Exchange Act of 1934
Current Status:	Pending



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

Reporting Source:	Regulator
Formal Charges were brought in:	Federal Court
Name of Court:	U.S. District Court for the District of Maryland
Location of Court:	Greenbelt, MD
Docket/Case #:	8:17cr472
Charge Date:	11/29/2017
Charge(s) 1 of 2	
Formal Charge(s)/Description:	Making a False Statement, in violation of 18 U.S.C. 1001(a)(2)
No of Counts:	2
Felony or Misdemeanor:	Felony
Plea for each charge:	plead guilty
Disposition of charge:	Convicted
Charge(s) 2 of 2	
Formal Charge(s)/Description:	Conspiracy to Commit Securities Fraud, in violation of 18 U.S.C. 371
No of Counts:	1
Felony or Misdemeanor:	Felony
Plea for each charge:	plead guilty
Disposition of charge:	Convicted
Current Status:	Final
Status Date:	08/28/2019
Disposition Date:	08/28/2019
Sentence/Penalty:	Judgment as to Bradley C. Mascho; Count(s) 1s, 2s, imprisonment for a total term of 30 months as to Count 1 of the Superseding Information, 30 months as to Count



2 of the Superseding Information, to run concurrently to Count 1 for a total term of 30 months. Upon release from imprisonment, the defendant shall be on supervised release for a term of 3 years as to Count 1 of the Superseding Information, 3 years as to Count 2 of the Superseding Information to run concurrently to Count 1 for a total term of 3 years. Assessment \$200.00; Restitution \$4,824,131.00.

Reporting Source: Firm

Formal Charges were brought in: Federal Court

Name of Court: U.S. District Court for the District of Maryland

Location of Court: Greenbelt, MD

Docket/Case #: 8:17cr472

Charge Date: 11/29/2017

Charge(s) 1 of 3

Formal Charge(s)/Description: Conspiracy to commit securities fraud

No of Counts: 1

Felony or Misdemeanor: Felony

Plea for each charge: Not Provided

Disposition of charge:

Charge(s) 2 of 3

Formal Charge(s)/Description: Wire Fraud Conspiracy

No of Counts: 1

Felony or Misdemeanor: Felony

Plea for each charge: Not Provided

Disposition of charge:

Charge(s) 3 of 3

Formal Charge(s)/Description: Securities Fraud; Aiding and Abetting

No of Counts: 4

Felony or Misdemeanor: Felony



Plea for each charge: Not Provided
Disposition of charge:
Current Status: Pending
Status Date:



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

Reporting Source:	Regulator
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Relief Sought:	Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Injunction Monetary Penalty other than Fines
Date Court Action Filed:	12/01/2017
Product Type:	Promissory Note
Type of Court:	Federal Court
Name of Court:	United States District Court for the District of Maryland
Location of Court:	Greenbelt, MD
Docket/Case #:	8:17cv2453
Employing firm when activity occurred which led to the action:	DJB HOLDINGS, LLC, d/b/a DJBennett and DJBennett.com
Allegations:	<p>The Securities and Exchange Commission ("Commission") alleges that this matter involves an offering fraud orchestrated by the founder and owner of Defendant DJB Holdings, LLC ("DJBennett"), a Washington D.C.-based retail sports apparel business, and aided and abetted by Defendant Bradley C. Mascho ("Mascho"), Chief Financial Officer of DJBennett, and DJBennett's owner's long-time confidante (collectively, "Defendants").</p> <p>From December 2014 through at least July 2017, Defendants raised more than \$20 million from at least 46 investors through the unregistered offering of DJBennett convertible and promissory notes (collectively, the "Notes") by fraudulently misrepresenting and omitting material facts to investors regarding DJBennett's financial condition and operating performance, the risks associated with the investment, and the intended use of investor proceeds.</p> <p>DJBennett's owner for years operated a financial advisory business. By the outset of the fraud, however, DJBennett's owner had lost a significant portion of her financial advisory clientele, and DJBennett had incurred millions of dollars in losses. As her financial condition rapidly deteriorated, DJBennett's owner began accumulating a variety of personal financial obligations, but nonetheless continued</p>



to spend considerable sums to fund her extravagant lifestyle. In an effort to sustain DJBennett and tap a new income stream, DJBennett's owner, assisted by Mascho, turned to the fraudulent sale of the Notes. Defendants frequently targeted elderly and financially unsophisticated investors by materially misrepresenting the company's profitability and by claiming the company had the resources to pay an annual rate of return of 15%. Defendants also lied about DJBennett's extensive liabilities and the risks associated with the investment. Although Defendants represented that investor funds would be used for corporate purposes, much of the proceeds were diverted for a variety of improper purposes, including payments to earlier investors in the nature of a Ponzi scheme, to service debt, and to finance a variety of luxuries on behalf of DJBennett's owner, such as jewelry, high-end clothing, mystics, and a \$500,000 annual lease for a luxury suite at AT&T Stadium in Dallas.

DJBennett's owner and Mascho also employed a variety of other fraudulent devices to further the scheme and avoid detection. For example, DJBennett's owner and Mascho took steps to circumvent Broker-Dealer 1's surveillance system to prevent the firm from learning of their unauthorized Note sales to Broker-Dealer 1 customers. They also fraudulently obtained several loans through the submission of fabricated brokerage statements that inflated DJBennett's owner's assets; these loans afforded Defendants the funds necessary to meet investor demands for interest and redemption payments.

Additionally, upon learning that a regulator was investigating their sale of long-term convertible notes, and as part of a misguided effort to place their activities outside the jurisdiction of the antifraud provisions of the federal securities laws, DJBennett's owner and Mascho directed investors to execute new short-term promissory notes. Defendants then, in effect, backdated the new short-term promissory notes to the date of the investors' original convertible note investment. This fraudulent "backdating" scheme allowed DJBennett's owner and Mascho to corroborate the lies they told to the investigating regulator and Broker-Dealer 1 about their involvement in the sale of the convertible notes.

Mascho violated Sections 5(a) and 5(c) of the Securities Act of 1933 ("Securities Act"). Mascho aided and abetted in the violations of 17(a) of the Securities Act and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder.

Current Status:	Final
Resolution:	Judgment Rendered
Resolution Date:	12/23/2019
Sanctions Ordered or Relief Granted:	Disgorgement Injunction Monetary Penalty other than Fines Other: permanently restrained; undertakings and agreements



Capacities 1 of 1

Capacities Affected: n/a
Duration: permanently
Start Date: 12/23/2019
End Date:

Monetary Sanction 1 of 2

Monetary Sanction: prejudgment interest
Total Amount: \$4,117.59
Portion against individual: 4117.59
Date Paid:
Portion Waived: No

Amount Waived:

Monetary Sanction 2 of 2

Monetary Sanction: Disgorgement
Total Amount: \$37,700.00
Portion against individual: 37700
Date Paid:
Portion Waived: No

Amount Waived:

Regulator Statement

Final Judgment filed December 23, 2019, as to Defendant Bradley C. Mascho: It is ordered that Defendant is permanently restrained and enjoined from violating Sections 5 and 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5. Defendant is liable for disgorgement of \$37,700, together with prejudgment interest thereon in the amount of \$4,117.59, for a total of \$41,817.59, provided, however, that this disgorgement and prejudgment interest obligation shall be deemed satisfied by the entry of the order of restitution in the amount of \$4,824,131 in United States v. Bradley C. Mascho, Criminal No. PX-8-17-CR-00472-002. The defendant shall comply with all of the undertakings and agreements set forth therein.



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 13

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Western International Securities, Inc.
Allegations:	Offer and Sale of an Unregistered Securities; Unsuitable Recommendations, Misrepresentations and Omissions of Material Fact; Fraud; Breach of Fiduciary Duty
Product Type:	Promissory Note
Alleged Damages:	\$427,538.00
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 #:	19-00748
Filing date of arbitration/CFTC reparation or civil litigation:	03/18/2019

Customer Complaint Information

Date Complaint Received:	03/21/2019
Complaint Pending?	No
Status:	Settled
Status Date:	11/06/2019
Settlement Amount:	\$202,271.14
Individual Contribution Amount:	\$0.00



Disclosure 2 of 13

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Western International Securities, Inc.
Allegations:	Unsuitable Recommendations; Fraud; Breach of Fiduciary Duty
Product Type:	Promissory Note Other: Exchange Traded Fund
Alleged Damages:	\$100,000.01
Alleged Damages Amount Explanation (if amount not exact):	Between \$100,000.01 and \$500,000
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	19-01012
Filing date of arbitration/CFTC reparation or civil litigation:	04/12/2019

Customer Complaint Information

Date Complaint Received:	04/17/2019
Complaint Pending?	No
Status:	Settled
Status Date:	08/14/2019
Settlement Amount:	\$8,500.00
Individual Contribution Amount:	\$0.00

Disclosure 3 of 13



Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Western International Securities, Inc.

Allegations: Unsuitable Recommendations; Fraud; Breach of Fiduciary Duty

Product Type: Promissory Note
Other: Exchange Traded Fund

Alleged Damages: \$100,000.01

Alleged Damages Amount Explanation (if amount not exact): Between \$100,000.01 and \$500,000

Is this an oral complaint? No

Is this a written complaint? Yes

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

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 19-00977

Filing date of arbitration/CFTC reparation or civil litigation: 04/09/2019

Customer Complaint Information

Date Complaint Received: 04/16/2019

Complaint Pending? No

Status: Settled

Status Date: 12/04/2019

Settlement Amount: \$88,500.00

Individual Contribution Amount: \$0.00

Disclosure 4 of 13

Reporting Source: Firm



Employing firm when activities occurred which led to the complaint:	Western International Securities, Inc.
Allegations:	Breach of Fiduciary Duty; Fraud; Unsuitable Recommendations, Misrepresentations & Omission of Material Fact
Product Type:	Promissory Note
Alleged Damages:	\$2,444,388.00
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 #:	19-00517
Filing date of arbitration/CFTC reparation or civil litigation:	02/18/2019

Customer Complaint Information

Date Complaint Received:	02/22/2019
Complaint Pending?	No
Status:	Settled
Status Date:	02/07/2020
Settlement Amount:	\$750,000.00
Individual Contribution Amount:	\$0.00

Disclosure 5 of 13

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Western International Securities, Inc.
Allegations:	Breach of Fiduciary Duty



Product Type: Futures Commodity
Promissory Note

Alleged Damages: \$500,000.00

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 #: 18-03902

**Filing date of
arbitration/CFTC reparation
or civil litigation:** 11/12/2018

Customer Complaint Information

Date Complaint Received: 11/13/2018

Complaint Pending? No

Status: Settled

Status Date: 01/08/2020

Settlement Amount: \$186,000.00

**Individual Contribution
Amount:** \$0.00

Disclosure 6 of 13

Reporting Source: Firm

**Employing firm when
activities occurred which led
to the complaint:** Western International Securities, Inc.

Allegations: Breach of Fiduciary Duty; Fraud; Unsuitable Recommendations,
Misrepresentations & Omission of Material Fact

Product Type: Promissory Note

Alleged Damages: \$200,000.00

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 #: 18-03888

Filing date of arbitration/CFTC reparation or civil litigation: 11/09/2018

Customer Complaint Information

Date Complaint Received: 11/13/2018

Complaint Pending? No

Status: Settled

Status Date: 11/06/2019

Settlement Amount: \$100,168.32

Individual Contribution Amount: \$0.00

Disclosure 7 of 13

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Western International Securities, Inc.

Allegations: Breach of Fiduciary Duty; Fraud; Unsuitable Recommendations, Misrepresentations & Omission of Material Fact

Product Type: Promissory Note

Alleged Damages: \$353,000.00

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 #: 18-03080

**Filing date of
arbitration/CFTC reparation
or civil litigation:** 08/30/2018

Customer Complaint Information

Date Complaint Received: 11/09/2018

Complaint Pending? No

Status: Settled

Status Date: 11/06/2019

Settlement Amount: \$186,775.38

**Individual Contribution
Amount:** \$0.00

Disclosure 8 of 13

Reporting Source: Firm

**Employing firm when
activities occurred which led
to the complaint:** Western International Securities, Inc.

Allegations: Breach of Fiduciary Duty; Fraud; Unsuitable Recommendations,
Misrepresentations & Omission of Material Fact

Product Type: Promissory Note

Alleged Damages: \$150,000.00

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 #: 18-03958



Filing date of arbitration/CFTC reparation or civil litigation: 11/16/2018

Customer Complaint Information

Date Complaint Received: 11/20/2018

Complaint Pending? No

Status: Settled

Status Date: 11/06/2019

Settlement Amount: \$92,463.06

Individual Contribution Amount: \$0.00

Disclosure 9 of 13

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Western International Securities, Inc.

Allegations: Negligence; Breach of Fiduciary Duty

Product Type: Promissory Note

Alleged Damages: \$250,000.00

Is this an oral complaint? No

Is this a written complaint? Yes

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

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 19-00608

Filing date of arbitration/CFTC reparation or civil litigation: 02/27/2019

Customer Complaint Information

Date Complaint Received: 02/27/2019



Complaint Pending?	No
Status:	Settled
Status Date:	05/20/2019
Settlement Amount:	\$22,500.00
Individual Contribution Amount:	\$0.00

Disclosure 10 of 13

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Western International Securities, Inc.
Allegations:	Breach of Fiduciary Duty; Fraud; Unsuitable Recommendations, Misrepresentations & Omission of Material Fact
Product Type:	Promissory Note
Alleged Damages:	\$250,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	18-03941
Filing date of arbitration/CFTC reparation or civil litigation:	11/15/2018

Customer Complaint Information

Date Complaint Received:	11/15/2018
Complaint Pending?	No
Status:	Settled
Status Date:	11/06/2019



Settlement Amount: \$154,105.10
Individual Contribution Amount: \$0.00

Disclosure 11 of 13

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: Western International Securities, Inc.
Allegations: Unsuitable recommendations
Product Type: Other: ETF's
Alleged Damages: \$800,000.00
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 #: 18-01137
Filing date of arbitration/CFTC reparation or civil litigation: 03/27/2018

Customer Complaint Information

Date Complaint Received: 04/13/2018
Complaint Pending? No
Status: Settled
Status Date: 04/29/2019
Settlement Amount: \$247,500.00
Individual Contribution Amount: \$0.00

Disclosure 12 of 13



Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Western International Securities, Inc.

Allegations: Unsuitable Recommendations

Product Type: Other: ETF's

Alleged Damages: \$545,000.00

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 #: 18-02068

Filing date of arbitration/CFTC reparation or civil litigation: 06/01/2018

Customer Complaint Information

Date Complaint Received: 06/07/2018

Complaint Pending? No

Status: Settled

Status Date: 05/24/2019

Settlement Amount: \$80,000.00

Individual Contribution Amount: \$0.00

Disclosure 13 of 13

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Western International Securities, Inc.

Allegations: Unsuitable recommendations



Product Type: Equity Listed (Common & Preferred Stock)
Alleged Damages: \$305,000.00
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 #: 15-00343
Filing date of arbitration/CFTC reparation or civil litigation: 02/10/2015

Customer Complaint Information

Date Complaint Received: 03/02/2015
Complaint Pending? No
Status: Settled
Status Date: 04/01/2016
Settlement Amount: \$137,500.00
Individual Contribution Amount: \$0.00

Reporting Source: Broker
Employing firm when activities occurred which led to the complaint: WESTERN INTERNATIONAL SECURITIES, INC.
Allegations: UNSUITABLE RECOMMENDATIONS
Product Type: Equity Listed (Common & Preferred Stock)
Alleged Damages: \$305,000.00
Is this an oral complaint? No
Is this a written complaint? Yes
Is this an arbitration/CFTC Yes



reparation or civil litigation?

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

Docket/Case #: 15-00343

**Filing date of
arbitration/CFTC reparation
or civil litigation:** 02/10/2015

Customer Complaint Information

Date Complaint Received: 03/13/2015

Complaint Pending? No

Status: Settled

Status Date: 04/01/2016

Settlement Amount: \$137,500.00

**Individual Contribution
Amount:** \$0.00

Broker Statement

Mr. Mascho was not named as a Respondent in the arbitration by the customer-Claimants. He objected to the settlement and was prepared to testify at the arbitration. Not only did the securities recommendations in questions find their genesis in Respondent Dawn Bennett, not Mr. Mascho, but the recommendations were entirely suitable to the Claimants, given their repeatedly stated investment objective and risk tolerance, their constant awareness of account value (accessing the account online 375 times) and their years of rejecting recommendations to diversify and reduce margin risk. Claimants retained the securities positions they claimed were unsuitable for over a half year after they left Western for a discount brokerage firm. There was no claim of unauthorized trading since all trades were approved beforehand by the Claimants.



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 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Western International Securities, Inc.
Allegations:	Unsuitable Recommendations
Product Type:	Promissory Note
Alleged Damages:	\$180,000.00
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 #:	20-00702
Filing date of arbitration/CFTC reparation or civil litigation:	03/02/2020

Customer Complaint Information

Date Complaint Received:	03/17/2020
Complaint Pending?	Yes
Settlement Amount:	
Individual Contribution Amount:	

Disclosure 2 of 3

Reporting Source:	Firm
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Employing firm when activities occurred which led to the complaint: Western International Securities, Inc.

Allegations: Unsuitable Recommendations

Product Type: Promissory Note

Alleged Damages: \$500,000.00

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 #: 20-00034

Filing date of arbitration/CFTC reparation or civil litigation: 01/02/2020

Customer Complaint Information

Date Complaint Received: 03/09/2020

Complaint Pending? Yes

Settlement Amount:

Individual Contribution Amount:

Disclosure 3 of 3

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Western International Securities, Inc.

Allegations: Unsuitable recommendations; Misrepresentation

Product Type: Debt-Corporate
Other: ETF's

Alleged Damages: \$5,000.00



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

No damage amount was alleged. Firm has made a good faith determination that the damages are greater than \$5,000.

Arbitration Information

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

FINRA

Docket/Case #:

18-00968

Date Notice/Process Served:

03/21/2018

Arbitration Pending?

Yes



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 1

Reporting Source:	Firm
Employer Name:	Western International Securities, Inc.
Termination Type:	Voluntary Resignation
Termination Date:	12/05/2017
Allegations:	Violations of Section 5(a) and (c), Section 17(a) of Securities Act of 1933, Section 10(b) and 10b-5 of the Securities Exchange Act of 1934
Product Type:	No Product

End of Report



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