

BrokerCheck Report

RICHARD MICHAEL WESSELT

CRD# 2195569

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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.

RICHARD M. WESSELT

CRD# 2195569

This broker is not currently registered.

Report Summary for this Broker



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

Broker Qualifications

This broker is not currently registered.

This broker has passed:

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

Registration History

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

- B FORTUNE FINANCIAL SERVICES, INC.**
CRD# 42150
Collegeville, PA
09/2017 - 11/2020
- B THE O.N. EQUITY SALES COMPANY**
CRD# 2936
Collegeville, PA
03/2014 - 09/2017
- B STERNE AGEE FINANCIAL SERVICES, INC.**
CRD# 18456
JEFFERSONVILLE, PA
05/2002 - 03/2014

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	2
Customer Dispute	19
Termination	1

Broker Qualifications



Registrations

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

This broker is not currently registered.



Broker Qualifications

Industry Exams this Broker has Passed

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

This individual has passed 0 principal/supervisory exams, 2 general industry/product exams, and 1 state securities law exam.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	10/01/2018
B Investment Company Products/Variable Contracts Representative Examination	Series 6	08/14/1992

State Securities Law Exams

Exam	Category	Date
B Uniform Securities Agent State Law Examination	Series 63	11/20/1992

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 09/2017 - 11/2020	FORTUNE FINANCIAL SERVICES, INC.	42150	Collegeville, PA
B 03/2014 - 09/2017	THE O.N. EQUITY SALES COMPANY	2936	Collegeville, PA
B 05/2002 - 03/2014	STERNE AGEE FINANCIAL SERVICES, INC.	18456	JEFFERSONVILLE, PA
B 04/1997 - 05/2002	AMERICAN INVESTMENT SERVICES, INC.	21111	OKLAHOMA CITY, OK
B 05/1994 - 03/1997	W. S. GRIFFITH & CO., INC.	10410	HARTFORD, CT
B 08/1992 - 05/1994	PML SECURITIES COMPANY	4082	NEWARK, DE

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
09/2017 - Present	Fortune Financial Services, Inc.	registered representative	Y	Monaca, PA, United States
03/2014 - Present	THE O. N. EQUITY SALES COMPANY	REGISTERED REP	Y	CINCINNATI, OH, United States
12/2001 - Present	OHIO NATIONAL FINANCIAL SERVICES	PGA	N	CINCINNATI, OH, United States
04/1994 - Present	PHOENIX HOME LIFE	AGENT - AGENT	N	BALA CYNWYD, PA, United States
03/1990 - Present	PROVIDENT MUTUAL	AGENT - AGENT	N	PHILADELPHIA, PA, United States
05/2002 - 03/2014	SAL FINANCIAL SERVICES, INC.	MASS TRANSFER	Y	BIRMINGHAM, AL, United States

Registration and Employment History



Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

1) WESSELT CAPITAL GROUP; INVESTMENT RELATED; 3441 GERMANTOWN PIKE COLLEGEVILLE PA. 19426;
INSURANCE/INVESTMENTS; OWNER SINCE 1990; 120 HOURS PER MONTH; 6-8 DURING SEC TRADING HOURS; SALES OF
INVESTMENT PRODUCTS,WHOLE LIFE AND EIA.



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	2	0
Customer Dispute	2	17	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 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	Maryland
Sanction(s) Sought:	Revocation
Date Initiated:	12/21/2020
Docket/Case Number:	20200454
URL for Regulatory Action:	
Employing firm when activity occurred which led to the regulatory action:	Fortune Financial Services, In.
Product Type:	No Product
Allegations:	On 11/9/2020, Wesselt consented to a bar from associations with any FINRA member in all capacities.
Current Status:	Final
Resolution:	Revocation



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:	12/21/2020
Sanctions Ordered:	Revocation
Regulator Statement	Registration revoked.

Disclosure 2 of 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	
Date Initiated:	11/09/2020
Docket/Case Number:	2018059035701
Employing firm when activity occurred which led to the regulatory action:	O.N. Equity Sales Company, Inc.
Product Type:	Annuity-Variable

Allegations: Without admitting or denying the findings, Wesselt consented to the sanction and to the entry of findings that he made unsuitable recommendations that customers purchase a variable annuity. The findings stated that these recommendations were inconsistent with the customers' investment profiles, including their time horizon, liquidity needs, and risk tolerance. Wesselt's recommended investment strategy generally involved three steps. First, Wesselt recommended that his customers liquidate their retirement savings, which they often held in qualified, tax-deferred accounts such as 401(k)s or IRAs. As a result, these customers lost benefits associated with their 401(k)s, including services such as access to investment advice, telephone help lines, educational materials and workshops. Next, Wesselt recommended that customers purchase a variable annuity with funds liquidated from their retirement plans. Finally, after the variable annuity was issued, Wesselt recommended customers take early withdrawals, causing customers to lose benefits associated with the variable annuity and incur surrender charges. These unsuitable recommendations caused the customers to incur surrender charges of \$378,452. The customers were subjected to costly fees and penalties, forfeiture of



expected benefits, lapsed or cancelled policies, and the depletion or complete loss of their retirement savings. Wesselt, by contrast, earned commissions of \$686,025 from the sale of the variable annuities. The findings also stated that, at Wesselt's direction, employees in his office engaged in a practice of obtaining customer signatures on blank or incomplete forms. The forms included, among others, new account agreements and variable annuity withdrawal request forms. Wesselt directed his staff to send or provide partial documents or forms, or signature pages, to customers with instructions to sign and return the document. The forms were then completed by Wesselt or his staff and submitted to the member firm or the variable annuity company for processing. As a result of this practice, many of Wesselt's customers did not have the opportunity to read important disclosures regarding their variable annuities, and thus were unaware of the features, costs, and risks associated with these products. Similarly, blank variable annuity withdrawal forms provided no information about the amount of the withdrawal, the withholding of taxes, or surrender fees. The findings also included that, by directing his employees to have customers sign blank or incomplete forms, Wesselt caused the firm to create and maintain inaccurate books and records.

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:	11/09/2020
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 1

Sanction Type: Bar (Permanent)
Capacities Affected: All capacities
Duration: indefinite
Start Date: 11/09/2020
End Date:

Reporting Source: Firm
Regulatory Action Initiated By: FINRA
Sanction(s) Sought: Bar
Date Initiated: 11/09/2020
Docket/Case Number: Matter No. 2018059035701
Employing firm when activity occurred which led to the regulatory action: As per the AWC from September 2014 until September 2015 Wesselt was registered with Sterne Agee/SA Stone and The O.N. Equity Sales Company
Product Type: Annuity-Variable Insurance



Allegations: Unsuitable Investments and Improper Signatures
Current Status: Final
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 11/09/2020
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 1

Sanction Type:	Bar (Permanent)
Capacities Affected:	All Capacities
Duration:	Permanent
Start Date:	11/09/2020
End Date:	





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 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Sterne Agee & The O.N. Equity Sales Company
Allegations:	Customers allege representative Wesselt misrepresented the sale of life insurance to build wealth for retirement and college funding.
Product Type:	Insurance
Alleged Damages:	\$5,000.00
Alleged Damages Amount Explanation (if amount not exact):	more than \$5000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	09/23/2020
Complaint Pending?	No
Status:	Settled
Status Date:	10/23/2020
Settlement Amount:	\$18,000.00
Individual Contribution Amount:	\$0.00

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Sterne Agee & The O.N. Equity Sales Company



Allegations:	Customers allege representative Wesselt misrepresented the sale of life insurance to build wealth for retirement and college funding.
Product Type:	Insurance
Alleged Damages:	\$5,000.00
Alleged Damages Amount Explanation (if amount not exact):	more than \$5000
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	09/23/2020
Complaint Pending?	Yes
Settlement Amount:	
Individual Contribution Amount:	

Disclosure 2 of 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	SA STONE
Allegations:	UNSUITABLE INVESTMENT RECOMENDATIONS AND OMISSION OF MATERIAL INFORMATION IN CONNECTION WITH INVESTMENTS AND THE INVESTMENT STRATEGY.
Product Type:	Annuity-Variable Insurance
Alleged Damages:	\$100,000.00
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 OFFICE OF DISPUTE RESOLUTION ARBITRATION

Docket/Case #: 19-03657

**Filing date of
arbitration/CFTC reparation
or civil litigation:** 12/13/2019

Customer Complaint Information

Date Complaint Received: 12/26/2019

Complaint Pending? No

Status: Settled

Status Date: 07/09/2020

Settlement Amount: \$25,954.48

**Individual Contribution
Amount:** \$0.00

Reporting Source: Firm

**Employing firm when
activities occurred which led
to the complaint:** The O.N. Equity Sales Company and SA Stone Wealth Management

Allegations: Clients alleged former ONESCO representative Wesselt recommended high commission products such as annuities and life insurance which were not suitable investments

Product Type: Annuity-Variable
Insurance

Alleged Damages: \$100,000.00

Is this an oral complaint? No

Is this a written complaint? No

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



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

Docket/Case #: 19-03657

**Filing date of
arbitration/CFTC reparation
or civil litigation:** 12/11/2019

Customer Complaint Information

Date Complaint Received: 12/30/2019

Complaint Pending? No

Status: Settled

Status Date: 07/09/2020

Settlement Amount: \$75,000.00

**Individual Contribution
Amount:** \$0.00

Reporting Source: Broker

**Employing firm when
activities occurred which led
to the complaint:** The O.N. Equity Sales Company and SA Stone Wealth Management

Allegations: Clients alleged former ONESCO representative Wesselt recommended high commission products such as annuities and life insurance which were not suitable investments

Product Type: Annuity-Variable
Insurance

Alleged Damages: \$100,000.00

Is this an oral complaint? No

Is this a written complaint? No

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

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

Docket/Case #: 19-03657



Filing date of arbitration/CFTC reparation or civil litigation: 12/11/2019

Customer Complaint Information

Date Complaint Received: 01/07/2020

Complaint Pending? No

Status: Settled

Status Date: 07/09/2020

Settlement Amount: \$75,000.00

Individual Contribution Amount: \$0.00

Broker Statement Rich Wesselt is not named party to the arbitration, only the broker dealer ONESCO. Clients do not own any registered investment products.

Disclosure 3 of 14

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Sterne Agee/ The O.N. Equity Sales Company

Allegations: Customer alleges sale of whole life insurance policies was unsuitable

Product Type: Insurance

Alleged Damages: \$20,000.00

Is this an oral complaint? No

Is this a written complaint? Yes

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

Customer Complaint Information

Date Complaint Received: 09/19/2019

Complaint Pending? No

Status: Settled

Status Date: 01/07/2021



Settlement Amount: \$12,000.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: Stern Agee / The O.N. Equity Sales Company

Allegations: Customer alleges sale of whole life insurance policies was unsuitable.

Product Type: Insurance

Alleged Damages: \$20,000.00

Is this an oral complaint? No

Is this a written complaint? Yes

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

Customer Complaint Information

Date Complaint Received: 11/06/2019

Complaint Pending? Yes

Settlement Amount:

Individual Contribution Amount:

Broker Statement Agent categorically denies any unsuitable recommendations. The issue in question is whole life insurance. Nothing was done improper and agent would defend vigorously. Agent believes this is frivolous and nothing more than someone trying to grab money in an unscrupulous way.

Disclosure 4 of 14

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Sterne Agee/ The O.N. Equity Sales Company

Allegations: Customer alleges several transactions related to the sale of life insurance were unsuitable



Product Type: Insurance
Alleged Damages: \$100,000.00
Is this an oral complaint? No
Is this a written complaint? Yes
**Is this an arbitration/CFTC
reparation or civil litigation?** No

Customer Complaint Information

Date Complaint Received: 09/06/2019
Complaint Pending? No
Status: Settled
Status Date: 09/13/2019
Settlement Amount: \$112,725.00
**Individual Contribution
Amount:** \$0.00

Reporting Source: Broker
**Employing firm when
activities occurred which led
to the complaint:** Stern Agee / The O.N. Equity Sales Company
Allegations: Customer alleges several transactions related to the sale of life insurance were
unsuitable.
Product Type: Insurance
Alleged Damages: \$100,000.00
Is this an oral complaint? No
Is this a written complaint? Yes
**Is this an arbitration/CFTC
reparation or civil litigation?** No

Customer Complaint Information

Date Complaint Received: 11/06/2019
Complaint Pending? No



Status:	Settled
Status Date:	09/13/2019
Settlement Amount:	\$112,725.00
Individual Contribution Amount:	\$0.00
Broker Statement	The life insurance policies are over 4 years old. Statute of limitations would come into question. Agent categorically denies any wrong doing. Agent contributed no money to any settlement. The life insurance company settled with no discussion with agent on policies that were over 4 years old and in some cases, over 6 years old.

Disclosure 5 of 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Sterne Agee Financial Services, Inc.
Allegations:	Unsuitable investment recommendations, investment strategy and misrepresentations and omissions.
Product Type:	Annuity-Variable Insurance Mutual Fund
Alleged Damages:	\$10,000,000.00
Alleged Damages Amount Explanation (if amount not exact):	5-10 million plus interest, costs, attorney's fees, treble damages and forum fees
Is this an oral complaint?	No
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	19-01187



Filing date of arbitration/CFTC reparation or civil litigation: 04/29/2019

Customer Complaint Information

Date Complaint Received: 05/13/2019

Complaint Pending? No

Status: Settled

Status Date: 08/25/2020

Settlement Amount: \$326,000.00

Individual Contribution Amount: \$29,000.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: Sterne Agee Financial Services, Inc.

Allegations: Unsuitable investment recommendations, investment strategy and misrepresentations and omissions

Product Type: Annuity-Variable Insurance

Alleged Damages: \$10,000,000.00

Is this an oral complaint? No

Is this a written complaint? No

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

Arbitration/Reparation forum or court name and location: FINRA Dispute Resolution

Docket/Case #: 19-01187

Filing date of arbitration/CFTC reparation or civil litigation: 04/29/2019

Customer Complaint Information



Date Complaint Received: 06/19/2019

Complaint Pending? Yes

Settlement Amount:

Individual Contribution Amount:

Disclosure 6 of 14

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Stern Agee/ The O.N. Equity Sales Company

Allegations: Customer alleges Mr. Wesselt recommended the purchase of whole life insurance products funded by taking loans against cash values of existing policies and withdrawing money from annuities, IRA and 529 savings accounts. Client alleges strategy was unsuitable based on their goals and objectives.

Product Type: Insurance

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? No

Customer Complaint Information

Date Complaint Received: 04/22/2019

Complaint Pending? No

Status: Settled

Status Date: 12/06/2019

Settlement Amount: \$207,500.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker



Employing firm when activities occurred which led to the complaint:	Stern Agee/The O.N. Equity Sales Company
Allegations:	Customer alleges Mr. Wesselt recommended the purchase of whole life insurance products funded by taking loans against cash values of existing policies and withdrawing money from annuities, IRA and 529 savings accounts. Client alleges strategy was unsuitable based on their goals and objectives.
Product Type:	Insurance
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?	No

Customer Complaint Information

Date Complaint Received:	04/22/2019
Complaint Pending?	No
Status:	Settled
Status Date:	12/06/2019
Settlement Amount:	\$207,500.00
Individual Contribution Amount:	\$0.00

Disclosure 7 of 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Sterne Agee Financial Services, Inc.
Allegations:	Unsuitable investment recommendations, investment strategy and misrepresentations and omissions.
Product Type:	Annuity-Variable Insurance Mutual Fund
Alleged Damages:	\$350,000.00



Is this an oral complaint? No
Is this a written complaint? No
Is this an arbitration/CFTC reparation or civil litigation? Yes
Arbitration/Reparation forum or court name and location: FINRA
Docket/Case #: 19-00728
Filing date of arbitration/CFTC reparation or civil litigation: 03/14/2019

Customer Complaint Information

Date Complaint Received: 03/21/2019
Complaint Pending? No
Status: Settled
Status Date: 06/30/2020
Settlement Amount: \$92,500.00
Individual Contribution Amount: \$0.00

Reporting Source: Broker
Employing firm when activities occurred which led to the complaint: Stern Agee Financial Services, Inc.
Allegations: Unsuitable investment recommendations and investment strategy.
Product Type: Annuity-Variable
 Insurance
 Mutual Fund
Alleged Damages: \$350,000.00
Is this an oral complaint? No
Is this a written complaint? No
Is this an arbitration/CFTC reparation or civil litigation? Yes



Arbitration/Reparation forum or court name and location: FINRA Office of Dispute Resolution, Midwest Regional Office

Docket/Case #: 19-00728

Filing date of arbitration/CFTC reparation or civil litigation: 03/14/2019

Customer Complaint Information

Date Complaint Received: 03/27/2019

Complaint Pending? Yes

Settlement Amount:

Individual Contribution Amount:

Disclosure 8 of 14

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Stern Agee and The ON Equity Sales Co mpany

Allegations: Customer alleges Mr. Wesselt recommended financial plan that was illogical unsuitable and fraudulent.

Product Type: Insurance

Alleged Damages: \$220,000.00

Is this an oral complaint? No

Is this a written complaint? No

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

Arbitration/Reparation forum or court name and location: FINRA Philadelphia, PA

Docket/Case #: 19-00475

Filing date of arbitration/CFTC reparation or civil litigation: 02/12/2019



Customer Complaint Information

Date Complaint Received: 04/01/2019
Complaint Pending? No
Status: Settled
Status Date: 11/04/2019
Settlement Amount: \$100,000.00
Individual Contribution Amount: \$0.00

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: Sterne Agee Financial Services, Inc
Allegations: Unsuitable investment recommendations, investment strategy and misrepresentations and omissions.
Product Type: Annuity-Variable Insurance
Alleged Damages: \$220,000.00
Is this an oral complaint? No
Is this a written complaint? No
Is this an arbitration/CFTC reparation or civil litigation? Yes
Arbitration/Reparation forum or court name and location: FINRA
Docket/Case #: 19-00475
Filing date of arbitration/CFTC reparation or civil litigation: 02/15/2019

Customer Complaint Information

Date Complaint Received: 02/21/2019
Complaint Pending? No



Status: Settled
Status Date: 11/11/2019
Settlement Amount: \$100,000.00
Individual Contribution Amount: \$0.00

Reporting Source: Broker
Employing firm when activities occurred which led to the complaint: Sterne Agee Financial Services, Inc., O.N Equity Sales Company
Allegations: Unsuitable investment recommendations, investment strategy and misrepresentations and omissions
Product Type: Annuity-Variable Insurance
Alleged Damages: \$220,000.00
Is this an oral complaint? No
Is this a written complaint? No
Is this an arbitration/CFTC reparation or civil litigation? Yes
Arbitration/Reparation forum or court name and location: FINRA
Docket/Case #: 19-00475
Filing date of arbitration/CFTC reparation or civil litigation: 02/15/2019

Customer Complaint Information

Date Complaint Received: 02/21/2019
Complaint Pending? No
Status: Settled
Status Date: 11/11/2019
Settlement Amount: \$100,000.00



Individual Contribution Amount: \$0.00

Disclosure 9 of 14

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: The O. N. Equity Sales Company

Allegations: customer alleges Mr. Wesselt engaged in unsuitable sales practices relating to sale of insurance and annuities.

Product Type: Annuity-Variable Insurance

Alleged Damages: \$750,000.00

Is this an oral complaint? No

Is this a written complaint? Yes

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

Customer Complaint Information

Date Complaint Received: 12/22/2018

Complaint Pending? No

Status: Settled

Status Date: 03/06/2020

Settlement Amount: \$275,000.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: The O.N. Equity Sales Company

Allegations: [REDACTED] alleges Mr. Wesselt engaged in unsuitable sales of insurance and annuities



Product Type:	Annuity-Variable Insurance
Alleged Damages:	\$750,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	12/22/2018
Complaint Pending?	No
Status:	Settled
Status Date:	03/06/2020
Settlement Amount:	\$275,000.00
Individual Contribution Amount:	\$0.00
Broker Statement	Mr. Wesselt was not required to contribute any funds to the settlement.

Disclosure 10 of 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Sterne Agee Financial Services
Allegations:	Claimant alleges unsuitable investment recommendations, deceptive and unfair trade practices
Product Type:	Annuity-Variable Insurance
Alleged Damages:	\$300,000.00
Is this an oral complaint?	No
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	Yes



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

Docket/Case #: 18-03363

**Filing date of
arbitration/CFTC reparation
or civil litigation:** 09/25/2018

Customer Complaint Information

Date Complaint Received: 10/05/2018

Complaint Pending? No

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

Status Date: 09/25/2018

Settlement Amount:

**Individual Contribution
Amount:**

Arbitration Information

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

Docket/Case #: 18-03363

Date Notice/Process Served: 09/25/2018

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/21/2020

**Monetary Compensation
Amount:** \$85,000.00

**Individual Contribution
Amount:** \$0.00

Reporting Source: Firm

**Employing firm when
activities occurred which led
to the complaint:** Sterne Agee, Fortune Financial, The O.N. Equity Sales Company



Allegations:	Customer allege unsuitable investment recommendations in breach of customer protection rules
Product Type:	Annuity-Fixed Annuity-Variable
Alleged Damages:	\$900,000.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	18-03363
Date Notice/Process Served:	11/29/2018
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	01/21/2020
Monetary Compensation Amount:	\$85,000.00
Individual Contribution Amount:	\$0.00

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Stern Agee Financial Services, Inc.

Allegations: Unsure if this is filed in error. The claimants are the same the same for both occurrence numbers 2034218 and 2008563 but SA Stone (18456) filed it with a claim of \$300k on 12/5/18. ON Equity (2936) files the same claimants on 6/4/19 with a \$900k claim. Both firms filed as settled for \$85k/\$0 on 1/21/2020

Product Type:	Annuity-Variable Insurance
Alleged Damages:	\$300,000.00

Arbitration Information



Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA Office of Dispute Resolution, Midwest Regional Office
Docket/Case #:	18-03363
Date Notice/Process Served:	04/03/2019
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	01/21/2020
Monetary Compensation Amount:	\$85,000.00
Individual Contribution Amount:	\$0.00
Broker Statement	Mr. Wesselt was not required to contribute any funds to the settlement.

Disclosure 11 of 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	The O.N. Equity Sales Company
Allegations:	customer alleges unsuitable investment recommendations and misrepresentation
Product Type:	Annuity-Variable Insurance
Alleged Damages:	\$400,000.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	18-02233
Date Notice/Process Served:	06/26/2018
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	01/16/2020



Monetary Compensation Amount: \$56,250.00

Individual Contribution Amount: \$0.00

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Sterne Agee Financial Services

Allegations: Claimant alleges unsuitable investment recommendations and misrepresentations and/or omission of material information

Product Type: Annuity-Variable
Insurance

Alleged Damages: \$150,000.00

Is this an oral complaint? No

Is this a written complaint? No

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

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

Docket/Case #: 18-02233

Filing date of arbitration/CFTC reparation or civil litigation: 06/19/2018

Customer Complaint Information

Date Complaint Received: 07/02/2018

Complaint Pending? No

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

Status Date: 06/19/2018

Settlement Amount:

Individual Contribution Amount:



Arbitration Information

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

Docket/Case #: 18-02233

Date Notice/Process Served: 07/02/2018

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/17/2020

Monetary Compensation Amount: \$56,250.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: The O.N. Equity Sales Company

Allegations: Customer alleges unsuitable investment recommendations and misrepresentation.

Product Type: Annuity-Variable
Insurance

Alleged Damages: \$400,000.00

Is this an oral complaint? No

Is this a written complaint? No

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

Arbitration/Reparation forum or court name and location: FINRA Dispute Resolution

Docket/Case #: 18-02233

Filing date of arbitration/CFTC reparation or civil litigation: 06/15/2018



Customer Complaint Information

Date Complaint Received: 06/19/2018
Complaint Pending? No
Status: Evolved into Arbitration/CFTC reparation (the individual is a named party)
Status Date: 06/15/2018
Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): FINRA
Docket/Case #: 18-02233
Date Notice/Process Served: 06/19/2018
Arbitration Pending? No
Disposition: Settled
Disposition Date: 01/17/2020
Monetary Compensation Amount: \$56,250.00
Individual Contribution Amount: \$0.00
Broker Statement Mr. Wesselt was not required to contribute to the settlement.

Disclosure 12 of 14

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: The ON Equity Sales Company
Allegations: Customer alleges sale of variable annuity was not suitable. The time period is 8/14/2016 to 8/17/2017
Product Type: Annuity-Variable
Alleged Damages: \$5,736.00



Is this an oral complaint? No
 Is this a written complaint? Yes
 Is this an arbitration/CFTC
 reparation or civil litigation? No

Customer Complaint Information

Date Complaint Received: 08/17/2017
 Complaint Pending? No
 Status: Settled
 Status Date: 11/07/2017
 Settlement Amount: \$25,674.00
 Individual Contribution
 Amount: \$25,674.00

Reporting Source: Broker
 Employing firm when
 activities occurred which led
 to the complaint: The ON Equity Sales Company
 Allegations: Customer alleges sale of variable annuity was not suitable. The time period is
 8/14/2016 to 8/17/2017
 Product Type: Annuity-Variable
 Alleged Damages: \$5,736.00
 Is this an oral complaint? No
 Is this a written complaint? Yes
 Is this an arbitration/CFTC
 reparation or civil litigation? No
 Arbitration/Reparation forum
 or court name and location:
 Docket/Case #:
 Filing date of
 arbitration/CFTC reparation
 or civil litigation: 08/17/2017



Customer Complaint Information

Date Complaint Received:	08/17/2017
Complaint Pending?	No
Status:	Settled
Status Date:	11/07/2017
Settlement Amount:	\$25,674.00
Individual Contribution Amount:	\$25,674.00
Broker Statement	Update in response to U5 filing

Disclosure 13 of 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Sterne Agee Financial Services, Inc.
Allegations:	claimant alleges rep negligently sold unsuitable products in violation of his fiduciary duty
Product Type:	Other: insurance products - non securities
Alleged Damages:	\$100,000.00
Alleged Damages Amount Explanation (if amount not exact):	Approx 100k-150k
Is this an oral complaint?	No
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	17-00534
Filing date of arbitration/CFTC reparation or civil litigation:	02/28/2017



Customer Complaint Information

Date Complaint Received: 03/02/2017
Complaint Pending? No
Status: Settled
Status Date: 04/17/2018
Settlement Amount: \$15,000.00
Individual Contribution Amount: \$0.00

Reporting Source: Broker
Employing firm when activities occurred which led to the complaint: Sterne Agee Financial Services, Inc.
Allegations: Claimant alleges rep negligently sold unsuitable products in violation of his fiduciary duty.
Product Type: Other: insurance products - non securities
Alleged Damages: \$100,000.00
Alleged Damages Amount Explanation (if amount not exact): Approx \$100k-150k
Is this an oral complaint? No
Is this a written complaint? No
Is this an arbitration/CFTC reparation or civil litigation? Yes
Arbitration/Reparation forum or court name and location: FINRA
Docket/Case #: 17-00534
Filing date of arbitration/CFTC reparation or civil litigation: 02/28/2017

Customer Complaint Information

Date Complaint Received: 03/02/2017



Complaint Pending?	No
Status:	Settled
Status Date:	04/17/2018
Settlement Amount:	\$15,000.00
Individual Contribution Amount:	\$0.00

Disclosure 14 of 14

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	The O.N. Equity Sales Company
Allegations:	customers alleges sale of variable annuity and life insurance were unsuitable
Product Type:	Annuity-Variable Insurance
Alleged Damages:	\$25,709.94
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	08/10/2016
Complaint Pending?	No
Status:	Settled
Status Date:	10/24/2016
Settlement Amount:	\$24,257.14
Individual Contribution Amount:	\$3,000.00



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

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

Disclosure 1 of 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	The O.N Equity Sales Company
Allegations:	Customer Alleges representative sold her life insurance policy which was unsuitable for her needs.
Product Type:	Insurance
Alleged Damages:	\$33,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	12/03/2020
Complaint Pending?	No
Status:	Denied
Status Date:	11/24/2020
Settlement Amount:	
Individual Contribution Amount:	

Disclosure 2 of 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	The O.N. Equity Sales Company and Sterne Agee
Allegations:	Customer alleges Richard Wesselt failed to provide necessary fiduciary and



professional guidance regarding insurance and variable annuity investments.

Product Type: Annuity-Variable

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?** No

Customer Complaint Information

Date Complaint Received: 06/26/2020

Complaint Pending? No

Status: Denied

Status Date: 07/24/2020

Settlement Amount:

**Individual Contribution
Amount:**

Reporting Source: Broker

**Employing firm when
activities occurred which led
to the complaint:** The O.N. Equity Sales Company and Sterne Agee

Allegations: Customer alleges Richard Wesselt failed to provide necessary fiduciary and professional guidance regarding insurance and variable annuity investments

Product Type: Annuity-Variable

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?** No

Customer Complaint Information

Date Complaint Received: 09/09/2020



Complaint Pending? Yes

Settlement Amount:

Individual Contribution Amount:

Disclosure 3 of 3

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: STERNE AGEE FINANCIAL SERVICES, INC.

Allegations: CLAIMANT ALLEGES THAT REP MADE UNSUITABLE RECOMMENDATIONS AND MISREPRESENTATIONS IN CONNECTION WITH A VARIABLE ANNUITY DURING THE PERIOD 12/1/04 TO 2/11/08.

Product Type: Annuity(ies) - Variable

Alleged Damages: \$45,576.00

Customer Complaint Information

Date Complaint Received: 03/12/2008

Complaint Pending? No

Status: Denied

Status Date: 12/24/2008

Settlement Amount:

Individual Contribution Amount:

Broker Statement FILE CLOSED AFTER FINRA DETERMINATION AND NO FURTHER CONTACT FROM COMPLAINANT.



Customer Dispute - Pending

This type of disclosure event involves (1) a pending consumer-initiated, investment-related arbitration or civil suit that contains allegations of sales practice violations against the broker; or (2) a pending, consumer-initiated, investment-related written complaint containing allegations that the broker engaged in, sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities.

Disclosure 1 of 2

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	The O.N. Equity Sales Company
Allegations:	Customer alleges unsuitable recommendations negligent representation by placing clients funds in life insurance rather than investing
Product Type:	Insurance
Alleged Damages:	\$60,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	12/17/2020
Complaint Pending?	Yes
Settlement Amount:	
Individual Contribution Amount:	

Disclosure 2 of 2

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	SA Stone Wealth Management
Allegations:	Unsuitable investment and strategy recommendations.
Product Type:	Insurance
Alleged Damages:	\$500,000.00



Arbitration Information

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

Docket/Case #: 20-00696

Date Notice/Process Served: 04/09/2020

Arbitration Pending? No

Disposition: Settled

Disposition Date: 12/21/2020

Monetary Compensation Amount: \$80,000.00

Individual Contribution Amount: \$0.00

Civil Litigation Information

Type of Court: Federal Court

Name of Court: N/A

Location of Court: N/A

Docket/Case #: N/A

Date Notice/Process Served: 04/27/2020

Litigation Pending? Yes

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: SA Stone Wealth Management

Allegations: Unsuitable investment and strategy recommendations

Product Type: Insurance

Alleged Damages: \$500,000.00

Arbitration Information



Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	20-00696
Date Notice/Process Served:	04/09/2020
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: Broker

Employer Name: W. S. GRIFFITH & CO., INC.

Termination Type: Discharged

Termination Date: 02/26/1997

Allegations: N/A
PLACING A CUSTOMER'S SIGNATURE ON A DOCUMENT.

Product Type:

Other Product Types:

Broker Statement

MY TERMINATION FROM W.S. GRIFFITH & CO.
 MY TERMINATION FROM W.S. GRIFFITH & CO. RESULTED FROM A MEMO I PREPARED ON BEHALF OF MY CUSTOMER, [CUSTOMER]. [CUSTOMER] HAS NOT FILED A COMPLAINT THAT I AM AWARE OF. HE HAS BEEN A LIFE LONG FRIEND OF 21 YEARS. [CUSTOMER] WAS CONTACTED BY AN AGENT FROM WESTERN RESERVE LIFE AND PURCHASED AN ADDITIONAL VARIABLE LIFE POLICY FROM HIM. LATER, THIS SAME AGENT CONTACTED [CUSTOMER] ABOUT DOING A 1035 EXCHANGE ON THE PHOENIX LIFE VARIABLE POLICY HE HAD PURCHASED FROM ME. THE WESTERN RESERVE AGENT INFORMED [CUSTOMER] THAT HIS COULD BE DONE AT A MINIMAL CHARGE, BUT HE DID NOT EXPLAIN THAT THIS COULD ELIMINATE THE CASH VALUE THE POLICY HAD ACCRUED. THIS WOULD HAVE RESULTED IN A \$2000.00 LOSS TO [CUSTOMER]. AFTER DISCUSSING THIS WITH [CUSTOMER], HE GAVE ME HIS EXPRESSED AUTHORIZATION TO DO WHATEVER WAS NEEDED NOT TO LOSE HIS CASH VALUE. WITH THIS IN MIND, AND BEING UNABLE TO REACH [CUSTOMER], I SENT A MEMO WITH [CUSTOMER'S] NAME ON IT TO STOP THE EXECUTION OF THE 1035 EXCHANGE, NOT REALIZING I WAS VIOLATING FIRM POLICY. I FELT I WAS ACTING IN MY FRIEND'S BEST INTEREST. I ACTED ON [CUSTOMER'S] BEHALF WITH HIS ORAL AUTHORIZATION TO STOP HIM FROM TAKING A \$2000.00 LOSS, WHICH HE DID NOT SUFFER. I HAVE ATTACHED A DEPOSITION FROM [CUSTOMER] TO AFFIRM MY ACTIONS



WERE IN
HIS BEST INTEREST AND WITH HIS APPROVAL. IT IS ONLY NOW, SINCE
BEING TERMINATED, THAT I REALIZE THE PROBLEMS CREATED FOR
MYSELF BY MY ACTIONS. I ACTED HONESTLY WITH MY CLIENT'S BEST
INTEREST AT HEART, BUT I AM NOW AWARE THAT THIS COULD HAVE
DAMAGE TO MY CAREER. I DO NOT WISH TO LOSE AN OPPORTUNITY TO
CONTINUE IN A PROFESSION THAT MEANS SO MUCH TO ME AND WILL NOT
ALLOW MYSELF TO REPEAT SUCH A MISTAKE AS THIS ONE.

End of Report



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