

## BrokerCheck Report

**SEAN JOSEPH KELLY**

CRD# 2294170

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



Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

## About BrokerCheck®



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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

**Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at [brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit [www.finra.org](http://www.finra.org).

**SEAN J. KELLY**

CRD# 2294170

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
- 3 General Industry/Product Exams
- 1 State Securities Law Exam

### Registration History

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

- B CENTER STREET SECURITIES, INC.**  
CRD# 26898  
MARIETTA, GA  
08/2017 - 10/2018
- B CAPITAL FINANCIAL SERVICES, INC.**  
CRD# 8408  
MARIETTA, GA  
08/2012 - 08/2017
- B SECURITIES AMERICA, INC.**  
CRD# 10205  
MARIETTA, GA  
12/2010 - 08/2012

### Disclosure Events

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

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

**The following types of disclosures have been reported:**

Type	Count
Regulatory Event	1
Criminal	1
Civil Event	1
Customer Dispute	10
Financial	1
Judgment/Lien	3

## Broker Qualifications



### Registrations

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

This 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, 3 general industry/product exams, and 1 state securities law exam.**

### Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> General Securities Representative Examination	Series 7	09/14/2016
<b>B</b> Investment Company Products/Variable Contracts Representative Examination	Series 6	11/01/2000

### State Securities Law Exams

Exam	Category	Date
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	12/01/2000

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

## Broker Qualifications



## Professional Designations

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

No information reported.



## Registration and Employment History

### Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
<b>B</b> 08/2017 - 10/2018	CENTER STREET SECURITIES, INC.	26898	MARIETTA, GA
<b>B</b> 08/2012 - 08/2017	CAPITAL FINANCIAL SERVICES, INC.	8408	MARIETTA, GA
<b>B</b> 12/2010 - 08/2012	SECURITIES AMERICA, INC.	10205	MARIETTA, GA
<b>B</b> 02/2007 - 12/2010	CAPITAL FINANCIAL SERVICES, INC.	8408	MARIETTA, GA
<b>B</b> 09/2006 - 02/2007	UNITED SECURITIES ALLIANCE, INC.	36487	MARIETTA, GA
<b>B</b> 02/2006 - 09/2006	PROEQUITIES, INC.	15708	ATLANTA, GA
<b>B</b> 08/2002 - 02/2006	USALLIANZ SECURITIES, INC.	40875	MINNEAPOLIS, MN
<b>B</b> 11/2000 - 08/2002	PFS INVESTMENTS INC.	10111	DULUTH, GA

### 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
08/2017 - Present	CENTER STREET SECURITIES, INC.	REGISTERED REPRESENTATIVE	Y	NASHVILLE, TN, United States
09/2006 - Present	VARIOUS INSURANCE COMPANIES	AGENT	N	MARIETTA, GA, United States
08/2012 - 08/2017	CAPITAL FINANCIAL SERVICES, INC.	REGISTERED REPRESENTATIVE	Y	MINOT, ND, 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.

## Registration and Employment History



### Other Business Activities, continued

BUSINESS NAME: LIONS SHARE TAX SERVICE, 3535 ROSWELL RD. SUITE #1 MARIETTA GA 30062 TITLE: OWNER, BUSINESS NATURE: TAX PREPERATION. TAX PREPERATION FOR INDIVIDUAL AND FAMILIES, MAINLY 1040 SIMPLIFIED RETURNS. APPROX. 10 HOURS PER MONTH OR 2.5 HOURS PER WEEK. APPROX. START DATE OCTOBER 2008. BUSINESS NAME: LIONS SHARE FINANCIAL, TITLE: OWNER, BUSINESS NATURE: INSURANCE SALES. FIXED INSURANCE SALES THROUGH VARIOUS INSURANCE COMPANIES. DBA LION SHARE FINANCIAL OF EAST COBB

---



## Disclosure Events



### What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
  - A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
  -
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
  -
4. **There are different statuses and dispositions for disclosure events:**
  - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - A "pending" event involves allegations that have not been proven or formally adjudicated.
    - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - A "final" event has been concluded and its resolution is not subject to change.
  - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Pending	Final	On Appeal
Regulatory Event	0	1	0
Criminal	0	1	0
Civil Event	0	1	0
Customer Dispute	3	7	N/A
Financial	0	1	N/A



Judgment/Lien	3	N/A	N/A
---------------	---	-----	-----



## Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

### Regulatory - Final

This type of disclosure event may involve (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of a broker's authority to act as an attorney, accountant, or federal contractor.

#### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
<b>Sanction(s) Sought:</b>	Other: n/a
<b>Date Initiated:</b>	08/07/2019
<b>Docket/Case Number:</b>	3-19323
<b>Employing firm when activity occurred which led to the regulatory action:</b>	Center Street Securities, Inc.,
<b>Product Type:</b>	No Product
<b>Allegations:</b>	<p>SEC Admin Release 34-86595, IA Release 5316 / August 7, 2019: The Securities and Exchange Commission deems it appropriate and in the public interest that public administrative proceedings be instituted against Sean Kelly ("Respondent" or "Kelly").</p> <p>After an investigation, the Division of Enforcement alleges that on July 11, 2019, a final judgment was entered against Kelly, permanently enjoining him from future violations of Sections 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and (2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Kelly, et al., Civil Action Number 1:18-CV-4939, in the United States District Court for the Northern District of Georgia.</p>



<b>Current Status:</b>	Final
<b>Resolution:</b>	Order
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	04/28/2022
<b>Sanctions Ordered:</b>	Bar (Permanent)
<b>If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?</b>	No

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



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

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

#### **Sanction 1 of 1**

<b>Sanction Type:</b>	Bar (Permanent)
<b>Capacities Affected:</b>	Any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or NRSRO
<b>Duration:</b>	Indefinite
<b>Start Date:</b>	04/28/2022
<b>End Date:</b>	

**Regulator Statement**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine: whether the allegations are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and what, if any, remedial action is appropriate in the public interest against Respondent.

It is ordered that a public hearing before the Commission for the purpose of taking evidence shall be convened at a time and place to be fixed by further order of the Commission. It is further ordered that the Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order.

April 28, 2022: The order instituting proceedings ("OIP") alleged that Kelly had been permanently enjoined from violating the antifraud provisions of the federal securities laws based on conduct that occurred while he was associated with a broker-dealer and was acting as an unregistered investment adviser. Kelly failed to file an answer to the OIP, failed to respond to an order to show cause why he should not be found in default, and failed to respond to the Division of Enforcement's motion for entry of default and sanctions. The SEC finds Kelly to be in default, deem the allegations of the OIP to be true, and bar him from the securities industry. On the basis of the Commission's opinion issued this day, it is ordered that Sean Kelly is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization (NRSRO).



## Criminal - Final Disposition

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

### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Formal Charges were brought in:</b>	Federal Court
<b>Name of Court:</b>	U.S. District Court for the Northern District of Georgia
<b>Location of Court:</b>	Atlanta, GA
<b>Docket/Case #:</b>	1:18cr475
<b>Charge Date:</b>	10/26/2018
<b>Charge(s) 1 of 2</b>	
<b>Formal Charge(s)/Description:</b>	Securities Fraud
<b>No of Counts:</b>	1
<b>Felony or Misdemeanor:</b>	Felony
<b>Plea for each charge:</b>	guilty
<b>Disposition of charge:</b>	Pled guilty
<b>Charge(s) 2 of 2</b>	
<b>Formal Charge(s)/Description:</b>	Mail Fraud
<b>No of Counts:</b>	1
<b>Felony or Misdemeanor:</b>	Felony
<b>Plea for each charge:</b>	guilty
<b>Disposition of charge:</b>	Pled guilty
<b>Current Status:</b>	Final
<b>Status Date:</b>	06/17/2019
<b>Disposition Date:</b>	06/17/2019
<b>Sentence/Penalty:</b>	Defendant plead guilty to both counts and was sentenced to imprisonment for 60 months on each Count 1 and 2, to run concurrently followed by 3 years supervised



release. Defendant was also ordered to pay restitution totaling \$1,457,043.99.





## Civil - Final

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

### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Initiated By:</b>	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
<b>Relief Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Injunction Monetary Penalty other than Fines
<b>Date Court Action Filed:</b>	10/25/2018
<b>Product Type:</b>	No Product
<b>Type of Court:</b>	Federal Court
<b>Name of Court:</b>	United States District Court for the Northern District of Georgia
<b>Location of Court:</b>	Atlanta, GA
<b>Docket/Case #:</b>	1:18-cv-04939
<b>Employing firm when activity occurred which led to the action:</b>	Lion's Share Financial of East Cobb, Inc.; Lionsshare Tax Services, LLC; Lion's Share & Associates, Inc.
<b>Allegations:</b>	<p>The United States Securities and Exchange Commission ("Commission" or "SEC") alleges that this matter involves an ongoing fraudulent scheme by Sean Kelly, a registered stock broker, and various entities that he operates under the "Lion's Share" umbrella. Defendants Lion's Share &amp; Associates, Inc. ("LS Associates"), Lionsshare Tax Services, LLC ("LS Tax"), and Lion's Share Financial of East Cobb, Inc. ("LS Financial") (collectively "Lion's Share") are all involved in Kelly's fraudulent scheme.</p> <p>Since at least 2014, Kelly, through Lion's Share, raised at least \$1,000,000 from at least 12 investors, promising that he would invest the funds in a variety of investment vehicles, such as CDs, private placements and real estate funds. Rather than investing the money, Kelly stole it and spent his victims' money for things like Super Bowl tickets, luxury vacations and cash withdrawals. Many of Kelly's victims are elderly retirees, and his victims include widows, veterans and people with disabilities.</p> <p>Kelly treats Lion's Share as his personal piggy bank, and he has transferred hundreds of thousands of dollars of investor money to bank accounts he controls to support his lifestyle. He has also withdrawn large quantities of investor money in</p>



cash throughout the course of the scheme, and the disposition of those funds is unknown.

**Current Status:** Final

**Resolution:** Judgment Rendered

**Resolution Date:** 07/11/2019

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

#### Capacities 1 of 1

**Capacities Affected:** N/A

**Duration:** permanently

**Start Date:** 07/11/2019

**End Date:**

#### Monetary Sanction 1 of 3

**Monetary Sanction:** Disgorgement

**Total Amount:** \$1,457,043.99

**Portion against individual:** 1457043.99

**Date Paid:**

**Portion Waived:** No

**Amount Waived:**

#### Monetary Sanction 2 of 3

**Monetary Sanction:** Monetary Fine

**Total Amount:** \$250,000.00

**Portion against individual:** 250000

**Date Paid:**

**Portion Waived:** No

**Amount Waived:**

#### Monetary Sanction 3 of 3



<b>Monetary Sanction:</b>	prejudgment interest; jointly and severally
<b>Total Amount:</b>	\$289,586.82
<b>Portion against individual:</b>	289586.82
<b>Date Paid:</b>	
<b>Portion Waived:</b>	No
<b>Amount Waived:</b>	
<b>Regulator Statement</b>	<p>On July 11, 2019, the Court rendered its Final Default Judgment as to Sean Kelly. It is hereby ordered that Defendant is permanently restrained and enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5, Section 17(a) of the Securities Act of 1933, and Sections 206(1) and (2) of the Investment Advisers Act. Defendant is jointly and severally liable for disgorgement of 1,457,043.99, together with prejudgment interest thereon for 289,586.82, and is jointly and severally liable for a civil penalty for \$250,000.00.</p>



## Customer Dispute - Award / Judgment

This type of disclosure event involves a final, consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the broker that resulted in an arbitration award or civil judgment for the customer.

### Disclosure 1 of 2

<b>Reporting Source:</b>	Regulator
<b>Employing firm when activities occurred which led to the complaint:</b>	CAPITAL FINANCIAL SERVICES, INC.
<b>Allegations:</b>	Kelly was a subject of the customers' complaint against his member firm and other named respondents that asserted the following causes of action: breach of fiduciary duty; violations of the Georgia Uniform Securities Act (O.C.G.A. § 10-5-1 et seq.); breach of contract; and negligence.
<b>Product Type:</b>	Other: Unspecified Securities
<b>Alleged Damages:</b>	\$473,972.15

### Arbitration Information

<b>Arbitration/Reparation Claim filed with and Docket/Case No.:</b>	FINRA - CASE #20-02358
<b>Date Notice/Process Served:</b>	07/27/2020
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Award
<b>Disposition Date:</b>	10/29/2021
<b>Disposition Detail:</b>	Kelly was a Subject Of the customers' complaint alleging Kelly and his member firm and other named respondents caused sales practice violations. Kelly's member firm and other named respondents are jointly and severally liable for and shall pay to one Claimant the sum of \$50,000 in compensatory damages and are jointly and severally liable for and shall pay to that Claimant interest on the aforementioned sum in the amount of \$14,678. Kelly's member firm and other named respondents are jointly and severally liable for and shall pay to a second Claimant the sum of \$50,000 in compensatory damages and are jointly and severally liable for and shall pay to the second Claimant interest on the aforementioned sum in the amount of \$10,887.50. Kelly's member firm and other named respondents are jointly and severally liable for and shall pay to a third Claimant the sum of \$65,961.56 in compensatory damages and are jointly and severally liable for and shall pay to the third Claimant interest on the aforementioned sum in the amount of \$19,254. Kelly's member firm and other named respondents are jointly and severally liable for and shall pay to a fourth



Claimant the sum of \$58,000.00 in compensatory damages and are jointly and severally liable for and shall pay to the fourth Claimant interest on the aforementioned sum in the amount of \$8,100. Kelly's member firm and other named respondents are jointly and severally liable for and shall pay to a fifth Claimant the sum of \$42,684.76 in compensatory damages and are jointly and severally liable for and shall pay to the fifth Claimant interest on the aforementioned sum in the amount of \$14,868. Kelly's member firm and other named respondents are jointly and severally liable for and shall pay to a sixth Claimant the sum of \$20,715.45 in compensatory damages and are jointly and severally liable for and shall pay to the sixth Claimant interest on the aforementioned sum in the amount of \$7,998. Kelly's member firm and other named respondents are jointly and severally liable for and shall pay to a seventh Claimant the sum of \$39,804.28 in compensatory damages and are jointly and severally liable for and shall pay to the seventh Claimant interest on the aforementioned sum in the amount of \$8,964. Kelly's member firm and other named respondents are jointly and severally liable for and shall pay to an eighth Claimant the sum of \$79,806.30 in compensatory damages and are jointly and severally liable for and shall pay to the eighth Claimant interest on the aforementioned sum in the amount of \$31,092. Kelly's member firm and other named respondents are jointly and severally liable for and shall pay to a ninth Claimant the sum of \$40,000 in compensatory damages and are jointly and severally liable for and shall pay to the ninth Claimant interest on the aforementioned sum in the amount of \$16,032. Kelly's member firm and other named respondents are jointly and severally liable for and shall pay to Claimants the sum of \$173,653.76 in attorneys' fees, are jointly and severally liable for and shall pay to Claimants the sum of \$2,923.33 in costs, and are jointly and severally liable for and shall pay to Claimants \$300.00 to reimburse Claimants for the non-refundable portion of the filing fee previously paid to FINRA Dispute Resolution Services.

---

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Capital Financial Services, Inc
<b>Allegations:</b>	Clients allege breach of fiduciary duty, breach of contract, negligence.
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$5,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	The firm has made a good faith determination that the damage amount is more than \$5,000.



**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 Dispute Resolution  
**Docket/Case #:** 20-02358  
**Filing date of arbitration/CFTC reparation or civil litigation:** 07/24/2020

### Customer Complaint Information

**Date Complaint Received:** 07/30/2020  
**Complaint Pending?** Yes  
**Settlement Amount:**  
**Individual Contribution Amount:**

### Disclosure 2 of 2

**Reporting Source:** Regulator  
**Employing firm when activities occurred which led to the complaint:** Capital Financial Services, Inc.  
**Allegations:** Kelly was a subject of the customer's complaint against his member firm that asserted the following causes of action: violations of federal securities laws, violation of the Georgia Securities Act, breach of contract, breach of fiduciary duty, common law fraud, and negligence and gross negligence.  
**Product Type:** Other: Private placement offerings  
**Alleged Damages:** \$120,354.47

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** FINRA - CASE #20-00604  
**Date Notice/Process Served:** 02/24/2020



**Arbitration Pending?** No

**Disposition:** Award

**Disposition Date:** 11/01/2021

**Disposition Detail:** Kelly was a Subject Of the customer's complaint alleging Kelly and his member firm caused sales practice violations. Kelly's member firm is liable for and shall pay to Claimant the sum of \$88,760.00 in compensatory damages. Kelly's member firm is liable for and shall pay to Claimant the sum of \$88,760.00 in punitive damages. Kelly's member firm is liable for and shall pay to Claimant the sum of \$14,668.00 in attorneys' fees. Kelly's member firm is liable for and shall pay to Claimant the sum of \$1,916.13 in costs and is liable for and shall pay to Claimant the sum of \$300.00 to reimburse Claimant for the non-refundable portion of filing fee previously paid to FINRA Dispute Resolution Services.

---

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** Capital Financial Services, Inc

**Allegations:** Client alleges Violations of Federal Securities Laws, Violations of the Georgia Securities Act Unsuitable Recommendations, Breach of Contract, Breach of Fiduciary Duty

**Product Type:** Direct Investment-DPP & LP Interests  
Real Estate Security

**Alleged Damages:** \$5,000.00

**Alleged Damages Amount Explanation (if amount not exact):** The firm has made a good faith determination that the damage amount is not less than \$5,000.

**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 Office of Dispute Resolution

**Docket/Case #:** 20-00604



**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 02/20/2020

**Customer Complaint Information**

**Date Complaint Received:** 03/02/2020

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution  
Amount:**





## Customer Dispute - Settled

This type of disclosure event involves a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit containing allegations of sale practice violations against the broker that resulted in a monetary settlement to the customer.

### Disclosure 1 of 3

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	CAPITAL FINANCIAL SERVICES, INC. and center street securities
<b>Allegations:</b>	unsuitable, misrepresentations, breach of fiduciary duty , failure to supervise
<b>Product Type:</b>	Other: alternatives
<b>Alleged Damages:</b>	\$160,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	losses, interest and commissions , attorney fees , punitive damages
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	finra dispute resolution services
<b>Docket/Case #:</b>	21-02842
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	11/15/2021

### Customer Complaint Information

<b>Date Complaint Received:</b>	11/24/2021
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	03/20/2023
<b>Settlement Amount:</b>	\$10,000.00
<b>Individual Contribution Amount:</b>	\$0.00



**Firm Statement** the client bought 60000.00 GPB holdings II at CSS

### Disclosure 2 of 3

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** CENTER STREET SECURITIES, INC.and CAPITAL FINANCIAL SERVICES

**Allegations:** bought 50,000 through CSS and 100,000 through CFS--unsuitable

**Product Type:** Other: alternative

**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 office of dispute resolution

**Docket/Case #:** 20-03497

**Filing date of arbitration/CFTC reparation or civil litigation:** 10/13/2020

### Customer Complaint Information

**Date Complaint Received:** 10/20/2020

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 12/01/2021

**Settlement Amount:** \$22,500.00

**Individual Contribution Amount:** \$0.00

### Disclosure 3 of 3

**Reporting Source:** Firm



**Employing firm when activities occurred which led to the complaint:** CENTER STREET SECURITIES, INC.

**Allegations:** unsuitable

**Product Type:** Other: alternatives

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

**Alleged Damages Amount Explanation (if amount not exact):** the client did not put an amount down..the cost all his 4 alternatives is 255,000.00

**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

**Docket/Case #:** 20-02785

**Filing date of arbitration/CFTC reparation or civil litigation:** 08/25/2020

### Customer Complaint Information

**Date Complaint Received:** 09/01/2020

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 08/30/2021

**Settlement Amount:** \$65,000.00

**Individual Contribution Amount:** \$0.00



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

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

### Disclosure 1 of 2

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Capital Financial Services, Inc
<b>Allegations:</b>	Clients allege Violations of Georgia Uniform Securities Act, negligence and that representative stole clients money instead of investing it.
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$5,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	The firm has made a good faith determination that the damage amount is more than \$5,000.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	US District Court Northern District of Georgia Atlanta Division
<b>Docket/Case #:</b>	1:19-CV-4666-Lmm
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	10/17/2019

### Customer Complaint Information

<b>Date Complaint Received:</b>	10/22/2019
<b>Complaint Pending?</b>	No
<b>Status:</b>	Denied
<b>Status Date:</b>	04/17/2020
<b>Settlement Amount:</b>	



## Individual Contribution Amount:

### Disclosure 2 of 2

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Securities America, Inc.
<b>Allegations:</b>	Client alleges the representative misrepresented the features of their variable annuity.
<b>Product Type:</b>	Annuity-Variable
<b>Alleged Damages:</b>	\$5,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	SAI has made a good faith determination that the losses associated with the complaint exceeds \$5,000.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

### Customer Complaint Information

<b>Date Complaint Received:</b>	09/08/2017
<b>Complaint Pending?</b>	No
<b>Status:</b>	Denied
<b>Status Date:</b>	10/11/2017
<b>Settlement Amount:</b>	

## Individual Contribution Amount:

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	securities america



**Allegations:** on aug 2,2017--client alleges misrepresentation of a V.A.

**Product Type:** Annuity-Variable

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

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

**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:** 09/08/2017

**Complaint Pending?** No

**Status:** Closed/No Action

**Status Date:** 10/11/2017

**Settlement Amount:**

**Individual Contribution  
Amount:**



## 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:** CENTER STREET SECURITIES, INC.

**Allegations:** unsuitable per client. bought 4 alternatives 12/2017 to 2/2018

**Product Type:** Other: alternatives

**Alleged Damages:** \$155,000.00

**Alleged Damages Amount Explanation (if amount not exact):** cost of the alternatives

**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:** 09/13/2019

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution Amount:**

### Disclosure 2 of 3

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** Capital Financial Services, Inc

**Allegations:** Individual is claiming the representative misrepresented certain features of the



variable annuity.

**Product Type:**

Annuity-Variable

**Alleged Damages:**

\$5,000.00

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

The complaint does not allege a damage amount. The firm has made a good faith estimate that the alleged damage amount would be greater than \$5,000.

**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:**

12/07/2018

**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:**

Capital Financial Services, Inc

**Allegations:**

Individual is claiming the representative guaranteed 7% return on his annuity through Jackson National.

**Product Type:**

Annuity-Variable

**Alleged Damages:**

\$5,000.00

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

The complaint does not allege a damage amount. The firm has made a good faith estimate that the alleged damage amount would be greater than \$5,000.

**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:** 11/27/2018

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution  
Amount:**



## Financial - Final

This type of disclosure event involves a bankruptcy, compromise with one or more creditors, or Securities Investor Protection Corporation liquidation involving the broker or an organization/brokerage firm the broker controlled that occurred within the last 10 years.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Broker
<b>Action Type:</b>	Bankruptcy
<b>Bankruptcy:</b>	Chapter 13
<b>Action Date:</b>	04/01/2014
<b>Organization Investment-Related?</b>	No
<b>Type of Court:</b>	Federal Court
<b>Name of Court:</b>	US BANKRUPTCY COURT
<b>Location of Court:</b>	NORTHERN DISTRICT OF GEORGIA--ATLANTA DIVISION
<b>Docket/Case #:</b>	14-56699-BEM
<b>Action Pending?</b>	No
<b>Disposition:</b>	Discharged
<b>Disposition Date:</b>	05/25/2018
<b>Amount Paid:</b>	\$2,800.00
<b>SIPA (Securities Investor Protection Act) Trustee:</b>	MARY IDA TOWNSON
<b>Currently Open?</b>	Yes
<b>Date Direct Payment Initiated/Filed or Trustee Appointed:</b>	09/01/2014
<b>Broker Statement</b>	THIS IS A CONTINUATION OF THE FIRST BANKRUPTCY IN PLACE. THEY ISSUED A NEW CASE # IN APRIL OF 2014 AND THE AMOUNT WAS CHANGED FROM \$1,500.00 A MONTH TO \$2,800.00 A MONTH IN SEPTEMBER OF 2014.



## Judgment / Lien

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

### Disclosure 1 of 3

<b>Reporting Source:</b>	Broker
<b>Judgment/Lien Holder:</b>	GEORGIA DEPARTMENT OF REVENUE
<b>Judgment/Lien Amount:</b>	\$620.00
<b>Judgment/Lien Type:</b>	Tax
<b>Date Filed:</b>	11/06/2008
<b>Type of Court:</b>	State Court
<b>Name of Court:</b>	SUPERIOR COURT
<b>Location of Court:</b>	COBB COUNTY, GA
<b>Docket/Case #:</b>	BK33PG4165
<b>Judgment/Lien Outstanding?</b>	Yes
<b>Broker Statement</b>	THE TAX LIABILITY RESULTING IN THIS LIEN IS INCLUDED IN MY CHAPTER 13 BANKRUPTCY. MY MONTHLY PAYMENT OF \$1,700 TO THE BANKRUPTCY TRUSTEE IS REDUCING THIS TAX BILL EACH MONTH.

### Disclosure 2 of 3

<b>Reporting Source:</b>	Broker
<b>Judgment/Lien Holder:</b>	INTERNAL REVENUE SERVICE
<b>Judgment/Lien Amount:</b>	\$16,173.00
<b>Judgment/Lien Type:</b>	Tax
<b>Date Filed:</b>	05/15/2008
<b>Type of Court:</b>	State Court
<b>Name of Court:</b>	SUPERIOR COURT
<b>Location of Court:</b>	COBB COUNTY, GA
<b>Docket/Case #:</b>	BK29PG3046
<b>Judgment/Lien Outstanding?</b>	Yes
<b>Broker Statement</b>	THE TAX LIABILITY RESULTING IN THIS LIEN IS INCLUDED IN MY CHAPTER 13 BANKRUPTCY. MY MONTHLY PAYMENT OF \$1,700 TO THE BANKRUPTCY



TRUSTEE IS REDUCING THIS TAX BILL EACH MONTH.

### Disclosure 3 of 3

<b>Reporting Source:</b>	Broker
<b>Judgment/Lien Holder:</b>	INTERNAL REVENUE SERVICE
<b>Judgment/Lien Amount:</b>	\$38,633.00
<b>Judgment/Lien Type:</b>	Tax
<b>Date Filed:</b>	12/09/2008
<b>Type of Court:</b>	State Court
<b>Name of Court:</b>	SUPERIOR COURT
<b>Location of Court:</b>	COBB COUNTY, GA
<b>Docket/Case #:</b>	BK34PG2540
<b>Judgment/Lien Outstanding?</b>	Yes
<b>Broker Statement</b>	THE TAX LIABILITY RESULTING IN THIS LIEN IS INCLUDED IN MY CHAPTER 13 BANKRUPTCY. THE MONTHLY PAYMENT OF \$1,700 TO THE BANKRUPTCY TRUSTEE IS REDUCING THIS TAX BILL EACH MONTH.

## End of Report



**This page is intentionally left blank.**