

**BrokerCheck Report**

**ERNEST JULIUS ROMER III**

CRD# 2311741

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



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

**Thank you for using FINRA BrokerCheck.**

**ERNEST J. ROMER III**

CRD# 2311741

This broker is not currently registered.

**Report Summary for this Broker**

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

**Broker Qualifications**

**This broker is not currently registered.**

**This broker has passed:**

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

**Registration History**

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

**CORECAP INVESTMENTS, INC.**

CRD# 37068  
STERLING HEIGHTS, MI  
10/2012 - 01/2017

**L.M. KOHN & COMPANY**

CRD# 27913  
STERLING HEIGHTS, MI  
07/2012 - 10/2012

**LEONARD & COMPANY**

CRD# 36527  
STERLING HEIGHTS, MI  
12/2005 - 07/2012

**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	5
Criminal	9
Investigation	2
Civil Event	1
Customer Dispute	23
Termination	4
Financial	2
Judgment/Lien	3

**Investment Adviser Representative Information**

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

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

## Broker Qualifications



### Registrations

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

This broker is not currently registered.



## Broker Qualifications

### Industry Exams this Broker has Passed

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

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

### Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

### General Industry/Product Exams

Exam	Category	Date
Securities Industry Essentials Examination	SIE	01/27/2017
General Securities Representative Examination	Series 7	03/27/1993

### State Securities Law Exams

Exam	Category	Date
Uniform Combined State Law Examination	Series 66	09/01/2004
Uniform Securities Agent State Law Examination	Series 63	04/01/1993

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/).



## Registration and Employment History

### Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
10/2012 - 01/2017	CORECAP INVESTMENTS, INC.	37068	STERLING HEIGHTS, MI
07/2012 - 10/2012	L.M. KOHN & COMPANY	27913	STERLING HEIGHTS, MI
12/2005 - 07/2012	LEONARD & COMPANY	36527	STERLING HEIGHTS, MI
02/1999 - 12/2005	COMERICA SECURITIES	17079	WARREN, MI
12/1995 - 11/1998	FIRST OF AMERICA BROKERAGE SERVICE, INC.	16989	CLEVELAND, OH
04/1998 - 11/1998	NATCITY INVESTMENTS, INC.	17490	CLEVELAND, OH
01/1994 - 12/1995	INDEPENDENCE ONE BROKERAGE SERVICES, INC.	17529	FARMINGTON HILLS, MI
11/1993 - 12/1993	SIGMA FINANCIAL CORPORATION	14303	ANN ARBOR, MI
04/1993 - 11/1993	PORTFOLIO ASSET MGT/USA FINANCIAL GROUP INC.	13741	EL PASO, TX

### 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 Dates	Employer Name	Employer Location
10/2012 - Present	WINDSOR SHEFFIELD	WAYNE, PA
07/2012 - 10/2012	L.M. KOHN & COMPANY	CINCINNATI, OH
12/2005 - 07/2012	LEONARD & COMPANY	TROY, MI

## 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.

No information reported.

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## Disclosure Events

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

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

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

	Pending	Final	On Appeal
Regulatory Event	0	5	0





Criminal	0	9	0
Civil Event	1	0	0
Customer Dispute	3	20	N/A
Investigation	2	N/A	N/A
Termination	N/A	4	N/A
Financial	0	2	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 5

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	Michigan
<b>Sanction(s) Sought:</b>	Other: Notice of Intent to Revoke Securities Agent Registration
<b>Date Initiated:</b>	08/08/2017
<b>Docket/Case Number:</b>	332099, 332685, 332805
<b>URL for Regulatory Action:</b>	
<b>Employing firm when activity occurred which led to the regulatory action:</b>	CoreCap Investments, Inc.
<b>Product Type:</b>	No Product
<b>Allegations:</b>	<p>The Administrator finds that this ORDER is authorized, appropriate, and in the public interest based on the above-cited facts and law.</p> <p>IT IS ORDERED as follows:</p> <p>1. The Administrator intends TO REVOKE THE SECURITIES AGENT REGISTRATION OF ERNEST J. ROMER III under section 412(2) of the Securities Act, MCL 451.2412(2), because he is subject to an order by a self-regulatory organization barring him from registration with a broker-dealer, and because he</p>



has engaged in dishonest or unethical business practices in the securities industry within the previous 10 years, which support the revocation of his securities agent registration under the above-cited provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 et seq.

<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>	03/23/2018
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Revocation
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$500,000.00
<b>Portion Levied against individual:</b>	\$500,000.00
<b>Payment Plan:</b>	
<b>Is Payment Plan Current:</b>	
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	

#### Disclosure 2 of 5

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	Michigan
<b>Sanction(s) Sought:</b>	Cease and Desist
<b>Date Initiated:</b>	08/08/2017



**Docket/Case Number:** 332099, 332685, 332805

**URL for Regulatory Action:**

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

**Product Type:** No Product

**Allegations:** 1.Respondent Ernest J. Romer III engaged in an act, practice, or course of business that operated as a fraud or deceit on another person in connection with the offer or sale of securities when he convinced Customer MR to liquidate securities, then accepted the proceeds of the liquidation to invest on Customer MR's behalf, but instead deposited the funds into an account that he controlled, and used the funds for his own benefit, rather than the benefit of Customer MR. Respondent's act, practice, or course of business was in violation of section 501(c) of the Securities Act, MCL 451.2501(c).

2.Respondent Ernest J. Romer III engaged in an act, practice, or course of business that operated as a fraud or deceit on another person in connection with the offer or sale of securities when he convinced Customer GP to liquidate securities, then accepted the proceeds of the liquidation to invest on Customer GP's behalf, but instead deposited the funds into an account that he controlled, and used the funds for his own benefit, rather than the benefit of Customer GP. Respondent's act, practice, or course of business was in violation of section 501(c) of the Securities Act, MCL 451.2501(c).

3.Respondent Ernest J. Romer III engaged in an act, practice, or course of business that operated as a fraud or deceit on another person in connection with the offer or sale of securities when he convinced Customer RK to liquidate securities, then accepted the proceeds of the liquidation to invest on Customer RK's behalf, but instead deposited the funds into an account that he controlled, and used the funds for his own benefit, rather than the benefit of Customer RK. Respondent's act, practice, or course of business was in violation of section 501(c) of the Securities Act, MCL 451.2501(c).

**Current Status:** Final

**Resolution:** Order



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** Yes

**Resolution Date:** 09/13/2017

**Sanctions Ordered:** Cease and Desist  
Civil and Administrative Penalty(ies)/Fine(s)

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$1,000,000.00

**Portion Levied against individual:** \$1,000,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:**

**Was any portion of penalty waived?** No

**Amount Waived:**

### Disclosure 3 of 5

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Suspension

**Date Initiated:** 04/13/2017

**Docket/Case Number:** 2017053029101

**Employing firm when activity occurred which led to the regulatory action:** n/a

**Product Type:** No Product



**Allegations:** Respondent Romer failed to respond to FINRA request for information.

**Current Status:** Final

**Resolution:** letter

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Resolution Date:** 07/17/2017

**Sanctions Ordered:** Bar (Permanent)

**If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?** No

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



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

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

**Sanction 1 of 2**

**Sanction Type:** Bar (Permanent)

**Capacities Affected:** All Capacities

**Duration:** Indefinite

**Start Date:** 07/17/2017

**End Date:**

**Sanction 2 of 2**



<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	All Capacities
<b>Duration:</b>	n/a
<b>Start Date:</b>	05/08/2017
<b>End Date:</b>	07/16/2017
<b>Regulator Statement</b>	Pursuant to FINRA Rule 9552(h) and in accordance with FINRA's Notice of Suspension and Suspension from Association letters dated April 13, 2017 and May 8, 2017 respectively, on July 17, 2017, Romer is barred from association with any FINRA member in all capacities. Respondent failed to request termination of his suspension within three months of the date of the Notice of Suspension; therefore, he is automatically barred from association with any FINRA member in all capacities.

#### Disclosure 4 of 5

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	
<b>Date Initiated:</b>	12/31/2015
<b>Docket/Case Number:</b>	<a href="#">2015044603501</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	CoreCap Investments, Inc., L.M. Kohn & Company and Leonard & Company
<b>Product Type:</b>	No Product
<b>Allegations:</b>	Without admitting or denying the findings, Romer consented to the sanctions and to the entry of findings that he failed to disclose on his initial Form U4 the existence of a federal tax levy and state tax liens filed against him. The findings stated that although Romer was aware of an IRS tax levy and State of Michigan liens filed against him, he never amended his Form U4 while registered with a member firm, nor did he disclose them on his Forms U4 that he submitted to two other member firms.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)





**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?**

No

**Resolution Date:**

12/31/2015

**Sanctions Ordered:**

Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

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

No

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



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

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

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

<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	Any capacity
<b>Duration:</b>	one month
<b>Start Date:</b>	01/19/2016
<b>End Date:</b>	02/18/2016

**Monetary Sanction 1 of 1****Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)**Total Amount:** \$10,000.00**Portion Levied against individual:** \$10,000.00**Payment Plan:****Is Payment Plan Current:****Date Paid by individual:** 02/01/2017**Was any portion of penalty waived?** No**Amount Waived:****Reporting Source:** Broker**Regulatory Action Initiated By:** Financial Industry Regulatory Authority**Sanction(s) Sought:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension**Date Initiated:** 12/31/2015**Docket/Case Number:** 2015244603501**Employing firm when activity occurred which led to the regulatory action:** Leonard & Company**Product Type:** No Product**Allegations:** FINRA alleged, and Registrant neither admitted nor denied, that he had failed to report federal and state tax liens on his Form U-4.**Current Status:** Final**Resolution:** Acceptance, Waiver & Consent(AWC)



<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>	12/31/2015
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	All capacities
<b>Duration:</b>	One month
<b>Start Date:</b>	01/19/2016
<b>End Date:</b>	02/18/2016
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$10,000.00
<b>Portion Levied against individual:</b>	\$10,000.00
<b>Payment Plan:</b>	To be provided by FINRA
<b>Is Payment Plan Current:</b>	Yes
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	
<b>Broker Statement</b>	Leonard & Company was aware of the liens and told Registrant he did not need to amend his U-4. The next firm was simply a reorganization of Leonard, with the same staff, and still did not require the disclosure. The individual who handled Registrant's registration at his current firm had come from the prior firms and did not request the disclosure. When current management became aware of the liens, disclosure was promptly made. Registrant did not willfully avoid making the filings but followed the advice of registration staff at his firms.



### Disclosure 5 of 5

**Reporting Source:** Regulator  
**Regulatory Action Initiated By:** FINRA  
**Sanction(s) Sought:** Other: N/A  
**Date Initiated:** 01/15/2013  
**Docket/Case Number:** [2011025852103](#)  
**Employing firm when activity occurred which led to the regulatory action:** LEONARD & COMPANY

**Product Type:** Other: INVERSE FLOATER COLLATERALIZED MORTGAGE OBLIGATIONS

**Allegations:** FINRA RULE 2010, NASD RULES 2110, 2310, 2510: FOR A PERIOD, ROMER RECOMMENDED NUMEROUS INVERSE FLOATER COLLATERALIZED MORTGAGE OBLIGATIONS (INVERSE FLOATER CMOS) TRANSACTIONS TO SEVERAL OF HIS CUSTOMERS WITHOUT HAVING A REASONABLE UNDERSTANDING OF THE NATURE, RISKS AND REWARDS OF EACH TRANSACTION HE RECOMMENDED. ROMER LACKED A REASONABLE BASIS TO RECOMMEND THE PURCHASE AND SALE OF INVERSE FLOATER CMOS TO HIS CUSTOMERS, AND FAILED TO PERFORM A REASONABLE INVESTIGATION OR APPROPRIATE DUE DILIGENCE OF EACH INVERSE FLOATER CMO HE RECOMMENDED. ROMER ALSO FAILED TO INVESTIGATE EACH INVERSE FLOATER CMO HE RECOMMENDED WITH RESPECT TO SEVERAL KEY RISK FACTORS, INCLUDING, BUT NOT LIMITED TO, THE INVERSE FLOATER CMO'S MORTGAGE POOL, ITS STRUCTURE, AND ITS EXPECTED AVERAGE LIFE. THE TOTAL AMOUNT OF REVENUE EARNED BY ROMER, IN CONNECTION WITH THESE INVERSE FLOATER CMO TRANSACTIONS, WAS APPROXIMATELY \$400,000. FOR THE PERIOD, ROMER USED DISCRETION TO BUY AND SELL AN UNKNOWN NUMBER OF INVERSE FLOATER CMOS ON BEHALF OF SOME CUSTOMERS, WITHOUT HAVING OBTAINED PRIOR WRITTEN AUTHORIZATION FROM THEM TO EXERCISE DISCRETION AND PRIOR WRITTEN ACCEPTANCE OF THEIR ACCOUNTS AS DISCRETIONARY FROM HIS MEMBER FIRM. ALTHOUGH THE FIRM PERMITTED DISCRETIONARY TRADING, ROMER WAS REQUIRED BY HIS FIRM'S WRITTEN SUPERVISORY PROCEDURES TO OBTAIN PRIOR WRITTEN APPROVAL FROM THE FIRM'S EXECUTIVE COMMITTEE BEFORE ENGAGING IN ANY DISCRETIONARY TRADING ACTIVITIES. ROMER DID NOT HAVE ANY PRIOR EXPERIENCE SELLING INVERSE FLOATER CMOS TO RETAIL CUSTOMERS, HAD VERY LITTLE KNOWLEDGE ABOUT THE



CHARACTERISTICS AND RISKS OF THE PRODUCT, HAD NO TRAINING THAT PROVIDED HIM WITH SPECIFIC, OBJECTIVE CRITERIA OR GUIDELINES TO USE IN CONDUCTING AN ANALYSIS OF EACH INVERSE FLOATER CMO, AND FAILED TO OBTAIN PROPER TRAINING PRIOR TO ENGAGING IN SALES ACTIVITIES OF THE PRODUCT.

**Current Status:** Final

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Resolution Date:** 01/15/2013

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?** No

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



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

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

**Sanction 1 of 1**

<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	ANY CAPACITY
<b>Duration:</b>	TWO MONTHS
<b>Start Date:</b>	02/04/2013
<b>End Date:</b>	04/03/2013

**Monetary Sanction 1 of 1****Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)**Total Amount:** \$30,000.00**Portion Levied against individual:** \$30,000.00**Payment Plan:****Is Payment Plan Current:****Date Paid by individual:** 08/02/2013**Was any portion of penalty waived?** No**Amount Waived:**

**Regulator Statement** WITHOUT ADMITTING OR DENYING THE FINDINGS, ROMER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, HE IS FINED \$30,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR TWO MONTHS. THE SUSPENSION IS IN EFFECT FROM FEBRUARY 4, 2013, THROUGH APRIL 3, 2013. FINE PAID.

**Reporting Source:** Broker**Regulatory Action Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY**Sanction(s) Sought:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension**Date Initiated:** 11/29/2012**Docket/Case Number:** 201102582103**Employing firm when activity occurred which led to the regulatory action:** LEONARD & COMPANY**Product Type:** Other: INVERSE FLOATER COLLATERALIZED MORTGAGE OBLIGATIONS**Allegations:** FINRA ALLEGED THAT APPLICANT, WHILE PARTICIPATING IN A FIRM DIRECTED SALES EFFORT RELATING TO INVERSE FLOATER CMOS (HEREAFTER "CMOS") DID NOT HAVE PRIOR EXPERIENCE IN SUCH SALES AND HAD LITTLE KNOWLEDGE ABOUT THE PRODUCT. FINRA ALSO





ALLEGED THAT APPLICANT DID NOT TAKE TRAINING PRIOR TO ENGAGING IN SUCH SALES; APPLICANT DENIED THIS ALLEGATION AND STATED THAT HE HAD PARTICIPATED IN AND COMPLETED ALL FIRM-PROVIDED TRAINING FOR THE CMOS. FINRA, HOWEVER, ALSO ALLEGED THAT THE FIRM TRAINING WAS INADEQUATE EVEN IF COMPLETED. FINRA ALSO ALLEGED THAT APPLICANT HAD NOT MADE APPROPRIATE REASONABLE BASIS SUITABILITY DETERMINATIONS FOR THE CUSTOMERS TO WHOM HE SOLD THE CMOS. FINRA ALSO ALLEGED THAT APPLICANT ENGAGED IN DISCRETIONARY TRADING WITHOUT APPROPRIATE PRIOR WRITTEN AUTHORIZATION IN MAKING SALES OF CMOS TO CERTAIN CLIENTS AND WITHOUT OBTAINING PRIOR AUTHORIZATION FROM THE FIRM'S EXECUTIVE COMMITTEE AS REQUIRED BY THE FIRM. BASED ON THESE ALLEGATIONS APPLICANT, WITHOUT ADMITTING OR DENYING FINRA'S FINDINGS, AND SOLELY FOR THE PURPOSES OF THIS AND ANY OTHER FINRA PROCEEDINGS, ACCEPTED AND CONSENTED TO FINRA'S FINDINGS AND CONSENTED TO THE IMPOSITION OF A TWO-MONTH SUSPENSION FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY AND A \$30,000 FINE, FOR WHICH AN INSTALLMENT PLAN WAS ESTABLISHED. THE SUSPENSION WAS TO RUN FROM 2/4/2013 TO 4/3/2013.

**Current Status:** Final

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Resolution Date:** 01/15/2013

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** ALL CAPACITIES

**Duration:** 60 DAYS

**Start Date:** 02/04/2013

**End Date:** 04/03/2013

**Monetary Sanction 1 of 1**



<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$30,000.00
<b>Portion Levied against individual:</b>	\$30,000.00
<b>Payment Plan:</b>	25% INITIAL PAYMENT
<b>Is Payment Plan Current:</b>	No
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	



## 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 9

<b>Reporting Source:</b>	Firm
<b>Formal Charges were brought in:</b>	State Court
<b>Name of Court:</b>	District Court of Macomb County
<b>Location of Court:</b>	Macomb County, Michigan
<b>Docket/Case #:</b>	2017-004385-FH
<b>Charge Date:</b>	11/30/2017
<b>Charge(s) 1 of 1</b>	
<b>Formal Charge(s)/Description:</b>	Embezzlement - \$100,000 or more
<b>No of Counts:</b>	1
<b>Felony or Misdemeanor:</b>	Felony
<b>Plea for each charge:</b>	No contest
<b>Disposition of charge:</b>	Plea accepted with restitution of \$220,000; sentencing set for 9/27/2018
<b>Current Status:</b>	Final
<b>Status Date:</b>	07/30/2018
<b>Disposition Date:</b>	07/30/2018
<b>Sentence/Penalty:</b>	Sentence of 7-20 years imposed with time served. Also restitution.
<b>Firm Statement</b>	Firm was not involved in or kept apprised of criminal proceedings. Became aware of disposition through news reports. This was Chirco case.

### Disclosure 2 of 9

<b>Reporting Source:</b>	Firm
<b>Formal Charges were brought in:</b>	State Court
<b>Name of Court:</b>	District Court of Macomb County



**Location of Court:** Macomb County, Michigan  
**Docket/Case #:** 2017-004386-FH  
**Charge Date:** 11/30/2017  
**Charge(s) 1 of 1**  
**Formal Charge(s)/Description:** Embezzlement - \$100,000 or more  
**No of Counts:** 1  
**Felony or Misdemeanor:** Felony  
**Plea for each charge:** No contest  
**Disposition of charge:** Plea accepted; sentencing set for 9/27/2018  
**Current Status:** Final  
**Status Date:** 07/30/2018  
**Disposition Date:** 07/30/2018  
**Sentence/Penalty:** Sentence of 7-20 years imposed with time served. Also restitution.  
**Firm Statement** Firm was not kept apprised of criminal matters; learned of disposition through news reports.

### Disclosure 3 of 9

**Reporting Source:** Firm  
**Formal Charges were brought in:** State Court  
**Name of Court:** District Court of Macomb County  
**Location of Court:** Macomb County, Michigan  
**Docket/Case #:** 2018-000798-FH  
**Charge Date:** 03/08/2018  
**Charge(s) 1 of 1**  
**Formal Charge(s)/Description:** Embezzle-Agent/Trustee over \$20,000  
**No of Counts:** 1  
**Felony or Misdemeanor:** Felony



<b>Plea for each charge:</b>	Guilty
<b>Disposition of charge:</b>	Pled guilty
<b>Current Status:</b>	Final
<b>Status Date:</b>	07/30/2018
<b>Disposition Date:</b>	07/30/2018
<b>Sentence/Penalty:</b>	Sentence of 7-20 years imposed with time served. Also restitution.
<b>Firm Statement</b>	Firm was not kept apprised of criminal matters; became aware of pleas through news reports.

#### Disclosure 4 of 9

<b>Reporting Source:</b>	Firm
<b>Formal Charges were brought in:</b>	State Court
<b>Name of Court:</b>	District Court of Macomb County
<b>Location of Court:</b>	Macomb County, Michigan
<b>Docket/Case #:</b>	2018-000799-FH
<b>Charge Date:</b>	03/08/2018
<b>Charge(s) 1 of 1</b>	
<b>Formal Charge(s)/Description:</b>	Embezzlement - \$100,000 or more
<b>No of Counts:</b>	1
<b>Felony or Misdemeanor:</b>	Felony
<b>Plea for each charge:</b>	No contest
<b>Disposition of charge:</b>	Plea accepted with restitution of \$100,000; sentencing set for 9/27/2018
<b>Current Status:</b>	Final
<b>Status Date:</b>	07/30/2018
<b>Disposition Date:</b>	07/30/2018
<b>Sentence/Penalty:</b>	Sentence of 7-20 years imposed with time served. Also restitution.
<b>Firm Statement</b>	Firm was not kept apprised of criminal matters; became aware of disposition through news reports.



### Disclosure 5 of 9

<b>Reporting Source:</b>	Firm
<b>Formal Charges were brought in:</b>	State Court
<b>Name of Court:</b>	District Court of Macomb County
<b>Location of Court:</b>	Macomb County, Michigan
<b>Docket/Case #:</b>	2018-000800-FH
<b>Charge Date:</b>	03/08/2018
<b>Charge(s) 1 of 1</b>	
<b>Formal Charge(s)/Description:</b>	Embezzle-Agent/Trustee over \$20,000
<b>No of Counts:</b>	1
<b>Felony or Misdemeanor:</b>	Felony
<b>Plea for each charge:</b>	No contest
<b>Disposition of charge:</b>	Plea accepted with restitution of \$50,000; sentencing set for 9/27/2018
<b>Current Status:</b>	Final
<b>Status Date:</b>	07/30/2018
<b>Disposition Date:</b>	07/30/2018
<b>Sentence/Penalty:</b>	Sentence of 7-20 years imposed with time served. Also restitution.
<b>Firm Statement</b>	Firm was not kept apprised of criminal matters; became aware of disposition through news reports.

### Disclosure 6 of 9

<b>Reporting Source:</b>	Firm
<b>Formal Charges were brought in:</b>	State Court
<b>Name of Court:</b>	District Court of Macomb County
<b>Location of Court:</b>	Macomb County, Michigan
<b>Docket/Case #:</b>	2018-001614-FH



**Charge Date:** 05/17/2018

**Charge(s) 1 of 1**

**Formal Charge(s)/Description:** Embezzle-Agent/Trustee over \$20,000

**No of Counts:** 1

**Felony or Misdemeanor:** Felony

**Plea for each charge:** No contest

**Disposition of charge:** Plea accepted with restitution of \$45,000; sentencing set for 9/27/2018

**Current Status:** Final

**Status Date:** 07/30/2018

**Disposition Date:** 07/30/2018

**Sentence/Penalty:** Sentence of 7-20 imposed with time served. Also restitution.

**Firm Statement** Firm was not kept apprised of criminal matters; became aware of disposition through news reports.

#### Disclosure 7 of 9

**Reporting Source:** Firm

**Formal Charges were brought in:** State Court

**Name of Court:** District Court of Macomb County

**Location of Court:** Macomb County, Michigan

**Docket/Case #:** 2018-001615-FH

**Charge Date:** 05/17/2018

**Charge(s) 1 of 1**

**Formal Charge(s)/Description:** Embezzlement - \$100,000 or more

**No of Counts:** 1

**Felony or Misdemeanor:** Felony

**Plea for each charge:** No contest

**Disposition of charge:** Plea accepted with restitution of \$275,000; sentencing set for 9/27/2075



<b>Current Status:</b>	Final
<b>Status Date:</b>	07/30/2018
<b>Disposition Date:</b>	07/30/2018
<b>Sentence/Penalty:</b>	Sentence of 7-20 years imposed with time served. Also restitution.
<b>Firm Statement</b>	Firm was not apprised of criminal matters; became aware of disposition through news reports.

#### Disclosure 8 of 9

<b>Reporting Source:</b>	Firm
<b>Formal Charges were brought in:</b>	State Court
<b>Name of Court:</b>	District Court of Macomb County
<b>Location of Court:</b>	Macomb County, Michigan
<b>Docket/Case #:</b>	2018-001618-FH
<b>Charge Date:</b>	05/17/2018
<b>Charge(s) 1 of 1</b>	
<b>Formal Charge(s)/Description:</b>	Embezzlement - \$100,000 or more
<b>No of Counts:</b>	1
<b>Felony or Misdemeanor:</b>	Felony
<b>Plea for each charge:</b>	No contest
<b>Disposition of charge:</b>	Plea accepted with restitution of \$600,000; sentencing set for 9/27/2018
<b>Current Status:</b>	Final
<b>Status Date:</b>	07/30/2018
<b>Disposition Date:</b>	07/30/2018
<b>Sentence/Penalty:</b>	Sentence of 7-20 imposed with time served. Also restitution.
<b>Firm Statement</b>	Firm was not kept apprised of criminal matters; became aware of disposition through news reports.

#### Disclosure 9 of 9





<b>Reporting Source:</b>	Firm
<b>Formal Charges were brought in:</b>	State Court
<b>Name of Court:</b>	District Court of Macomb County
<b>Location of Court:</b>	Macomb County, Michigan
<b>Docket/Case #:</b>	2018-001622-FH
<b>Charge Date:</b>	05/21/2018
<b>Charge(s) 1 of 1</b>	
<b>Formal Charge(s)/Description:</b>	Embezzlement - \$100,000 or more
<b>No of Counts:</b>	1
<b>Felony or Misdemeanor:</b>	Felony
<b>Plea for each charge:</b>	No contest
<b>Disposition of charge:</b>	Plea accepted with restitution of \$250,000; sentencing set for 9/27/2018
<b>Current Status:</b>	Final
<b>Status Date:</b>	07/30/2018
<b>Disposition Date:</b>	07/30/2018
<b>Sentence/Penalty:</b>	Sentence of 7-20 imposed with time served. Also restitution.
<b>Firm Statement</b>	Firm was not kept apprised of criminal matters; became aware of disposition through news reports.



## Investigation

This type of disclosure event involves any ongoing formal investigation by an entity such as a grand jury state or federal agency, self-regulatory organization or foreign regulatory authority. Subpoenas, preliminary or routine regulatory inquiries, and general requests by a regulatory entity for information are not considered investigations and therefore are not included in a BrokerCheck report.

### Disclosure 1 of 2

<b>Reporting Source:</b>	Firm
<b>Initiated By:</b>	Michigan Dept of Licensing & Regulatory Affairs
<b>Notice Date:</b>	08/28/2017
<b>Details:</b>	Investigation into complaint of Robert Kowalewski that registrant stole funds from him.
<b>Is Investigation pending?</b>	Yes
<b>Firm Statement</b>	Michigan has revoked registrant's securities license but is continuing its investigation.

### Disclosure 2 of 2

<b>Reporting Source:</b>	Firm
<b>Initiated By:</b>	Michigan Dept of Licensing & Regulatory Affairs
<b>Notice Date:</b>	09/01/2017
<b>Details:</b>	Gary L. Pannecouck alleges that registrant stole funds from him.
<b>Is Investigation pending?</b>	Yes
<b>Firm Statement</b>	LARA continues to investigate but has revoked Romer's securities license.



## Civil - Pending

This type of disclosure event involves a pending civil court action that seeks an injunction in connection with any investment-related activity or alleges a violation of any investment-related statute or regulation.

### 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>	09/18/2018
<b>Product Type:</b>	Other: funds
<b>Type of Court:</b>	Federal Court
<b>Name of Court:</b>	United States District Court for the Eastern District of Michigan
<b>Location of Court:</b>	Eastern District of Michigan, Southern Division
<b>Docket/Case #:</b>	2:18-cv-12927
<b>Employing firm when activity occurred which led to the action:</b>	CoreCap Investments, Inc.; P&R Capital, LLC; CoreCap Solutions, LLC
<b>Allegations:</b>	<p>The United States Securities and Exchange Commission ("SEC") alleges that the SEC brings this civil law enforcement action to address Defendant Ernest J. Romer, III's ("Romer") multi-million-dollar securities fraud. From approximately 2014 through 2016, Romer defrauded at least 30 of his retail brokerage customers out of approximately \$2.7 million. During that time period, Romer worked as a registered representative associated with CoreCap Investments, Inc., a registered broker-dealer with the SEC ("CoreCap Investments").</p> <p>Romer persuaded at least 30 of his customers to sell securities in their CoreCap Investments accounts and transfer the proceeds to either P&amp;R Capital, LLC ("P&amp;R Capital") or CoreCap Solutions, LLC ("CoreCap Solutions"). Romer represented to customers that upon transferring money to P&amp;R Capital and CoreCap Solutions, he would invest their money in the stock market and earn them a better return than their current investments. Based on Romer's representations, the customers understood that CoreCap Solutions and P&amp;R Capital were affiliated with CoreCap Investments.</p> <p>Romer's statements to his customers were false. P&amp;R Capital and CoreCap Solutions were Romer's personal businesses and had no relationship to CoreCap Investments. Romer did not invest the customers' money in the stock market for</p>



their benefit. He instead stole the money for his own personal use. Romer commingled approximately \$2.7 million of customer funds with his advances from CoreCap Investments and other sources for a total of approximately \$4.4 million. Of that, Romer used approximately \$3.5 million for trading in his personal brokerage accounts, paid approximately \$714,000 to cover his personal expenses, paid approximately \$343,000 to customers of his prior brokerage firms, paid approximately \$302,000 to customers of CoreCap Investments, and transferred approximately \$41,000 to family members.

By engaging in this conduct, Romer violated Section 17(a) of the Securities Act of 1933 ("Securities Act") and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder.

**Current Status:** Pending

**Limitations or Restrictions in Effect During Appeal:** n/a



## 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>	CORECAP INVESTMENTS, INC.
<b>Allegations:</b>	Negligence; violation of Michigan Blue Sky Law; breach of contract; breach of fiduciary duty; fraud and misrepresentation; respondeat superior; omission of facts; suitability; and failure to supervise.
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$50,000.00

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** [FINRA - CASE #17-01082](#)

**Date Notice/Process Served:** 04/27/2017

**Arbitration Pending?** No

**Disposition:** Award

**Disposition Date:** 04/24/2018

**Disposition Detail:** Romer is liable for and shall pay to Respondent the sum of \$50,000.00 in compensatory damages; is liable for and shall pay to Respondent interest on the sum of \$50,000.00 in compensatory damages at a rate of 6% per annum from and including the date this Award is issued, through and including the date this Award is paid in full; is liable for and shall pay to Claimants \$975.00 to reimburse Claimants for the filing fee previously paid to FINRA Office of Dispute Resolution; and is liable for and shall pay to Respondent \$1,750.00 to reimburse Respondent for the Third-Party Claim filing fee previously paid to FINRA Office of Dispute Resolution.

**Reporting Source:** Firm



**Employing firm when activities occurred which led to the complaint:** CoreCap Investments, Inc.

**Allegations:** Complainants allege that Romer solicited \$50,000 from them to invest in "Corecap Solutions" but converted the money to his own use. Claimants did not name Romer, but firm has brought him in as third party defendant as of July 27, 2017.

**Product Type:** No Product

**Alleged Damages:** \$50,000.00

**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

**Docket/Case #:** 17-01082

**Filing date of arbitration/CFTC reparation or civil litigation:** 05/19/2017

### Customer Complaint Information

**Date Complaint Received:** 07/27/2017

**Complaint Pending?** No

**Status:** Arbitration Award/Monetary Judgment (for claimants/plaintiffs)

**Status Date:** 05/01/2018

**Settlement Amount:** \$50,000.00

**Individual Contribution Amount:** \$0.00

### Arbitration Information

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

**Docket/Case #:** [17-01082](#)

**Date Notice/Process Served:** 08/01/2017



<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Award to Customer
<b>Disposition Date:</b>	05/01/2018
<b>Monetary Compensation Amount:</b>	\$50,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Firm Statement</b>	Judgment against Romer for the full amount of the award was made to CoreCap. Romer, in jail at the present, is essentially uncollectable.

## Disclosure 2 of 2

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	COMERICA SECURITIES, INC.
<b>Allegations:</b>	THE CUSTOMER'S STATEMENT OF CLAIM ALLEGES THAT IN JUNE AND JULY OF 2001, THE RR RECOMMENDED THE PURCHASE OF VARIABLE ANNUITIES. CLAIMANT ALLEGES THAT THE SUB-ACCOUNT ALLOCATION RECOMMENDED BY THE RR WAS NOT SUITABLE GIVEN CLAIMANT'S CIRCUMSTANCES AND INVESTMENT OBJECTIVES AND THAT RR FAILED TO DISCLOSE THE RISKS OF THE INVESTMENT.
<b>Product Type:</b>	Annuity(ies) - Variable
<b>Alleged Damages:</b>	\$184,000.00

## Customer Complaint Information

<b>Date Complaint Received:</b>	11/17/2003
<b>Complaint Pending?</b>	No
<b>Status:</b>	Arbitration/Reparation
<b>Status Date:</b>	11/17/2003
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	

## Arbitration Information



**Arbitration/Reparation Claim filed with and Docket/Case No.:** [NASD ARBITRATION NO. 03-07960](#)

**Date Notice/Process Served:** 11/17/2003

**Arbitration Pending?** No

**Disposition:** Award to Customer

**Disposition Date:** 01/14/2005

**Monetary Compensation Amount:** \$100,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** RESULTED IN AWARD TO CLAIMANT





## 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 16

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	CoreCap Investments, Inc., Leonard & Co., Inc., L.M. Kohn Inc.
<b>Allegations:</b>	Claimant alleged RR stole money from her, representing it as loans and/or investments
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$220,000.00
<b>Is this an oral complaint?</b>	Yes
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

### Customer Complaint Information

<b>Date Complaint Received:</b>	07/16/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	08/09/2018
<b>Settlement Amount:</b>	\$130,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Firm Statement</b>	Firm, without admitting or denying liability, settled solely to avoid the costs and risks of litigation. Romer did not contribute to or participate in the settlement.

### Disclosure 2 of 16

<b>Reporting Source:</b>	Firm
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**Employing firm when activities occurred which led to the complaint:** CoreCap Investments, Inc.

**Allegations:** Clients allege theft of funds

**Product Type:** No Product

**Alleged Damages:** \$167,500.00

**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 #:** 18-01172

**Filing date of arbitration/CFTC reparation or civil litigation:** 04/12/2018

### Customer Complaint Information

**Date Complaint Received:** 04/12/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 08/09/2018

**Settlement Amount:** \$148,000.00

**Individual Contribution Amount:** \$0.00

### Arbitration Information

**Disposition:** Settled

**Disposition Date:** 08/09/2018

**Firm Statement** Firm, without admitting or denying liability, settled solely to avoid the costs and risks of litigation. Romer did not contribute to or participate in the settlement.



**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** CoreCap Investments, Inc.

**Allegations:** Alleged that Romer stole \$222,000 from Claimant through requesting funds for non-existent investments.

**Product Type:** No Product

**Alleged Damages:** \$222,000.00

**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 #:** 18-00859

**Filing date of arbitration/CFTC reparation or civil litigation:** 02/28/2018

### Customer Complaint Information

**Date Complaint Received:** 03/01/2018

**Complaint Pending?** No

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

**Status Date:** 03/01/2018

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 18-00859

**Date Notice/Process Served:** 03/01/2018



<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	08/09/2018
<b>Monetary Compensation Amount:</b>	\$110,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Firm Statement</b>	Firm, without admitting or denying liability, settled solely to avoid the costs and risks of litigation. Romer did not contribute to or participate in the settlement.

#### Disclosure 4 of 16

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	CoreCap Investments, Inc.
<b>Allegations:</b>	Complainants allege Rep stole funds from them.
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$203,000.00
<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>	05/31/2017
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	08/08/2018
<b>Settlement Amount:</b>	\$116,532.50
<b>Individual Contribution Amount:</b>	\$0.00
<b>Firm Statement</b>	Counsel advises as of April 19, 2018, that Claimant has retained counsel and it is



anticipated that Claimant will file an arbitration shortly. Firm, without admitting or denying liability, settled solely to avoid the costs and risks of litigation. Romer did not contribute to or participate in the settlement.

#### Disclosure 5 of 16

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Leonard & Company; L.M. Kohn, CoreCap Investments
<b>Allegations:</b>	Plaintiffs allege that for a period of many years Romer solicited investments in an entity called P&R Capital which turned out to be Romer's personal LLC, all of which resulted in the conversion of Plaintiffs' funds.
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$590,708.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<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
<b>Docket/Case #:</b>	18-01283
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	04/10/2018

#### Customer Complaint Information

<b>Date Complaint Received:</b>	04/16/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Arbitration/CFTC reparation (the individual is a named party)
<b>Status Date:</b>	04/10/2018

#### Settlement Amount:

**Individual Contribution Amount:**

#### Arbitration Information



<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA Dispute Resolution
<b>Docket/Case #:</b>	18-01283
<b>Date Notice/Process Served:</b>	04/16/2018
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	08/09/2018
<b>Monetary Compensation Amount:</b>	\$170,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Firm Statement</b>	Firm, without admitting or denying liability, settled solely to avoid the costs and risks of litigation. Romer did not contribute to or participate in the settlement.

#### Disclosure 6 of 16

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	CoreCap Investments, Inc.
<b>Allegations:</b>	Alleges fraud and theft of money against rep and negligent supervision against firm.
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$535,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<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
<b>Docket/Case #:</b>	17-03326



**Filing date of arbitration/CFTC reparation or civil litigation:** 12/13/2017

### Customer Complaint Information

**Date Complaint Received:** 12/19/2017

**Complaint Pending?** No

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

**Status Date:** 03/01/2018

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 17-03326

**Date Notice/Process Served:** 12/19/2017

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 08/09/2018

**Monetary Compensation Amount:** \$210,000.00

**Individual Contribution Amount:** \$0.00

**Firm Statement** Firm, without admitting or denying liability, settled solely to avoid the costs and risks of litigation. Romer did not contribute to or participate in the settlement.

### Disclosure 7 of 16

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** CoreCap Investments, Inc.



**Allegations:** Complainant alleges that Romer stole \$45000 from him through alleged investments in Romer's company.

**Product Type:** No Product

**Alleged Damages:** \$45,000.00

**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 #:** 18-00113

**Filing date of arbitration/CFTC reparation or civil litigation:** 01/22/2018

### Customer Complaint Information

**Date Complaint Received:** 02/26/2018

**Complaint Pending?** No

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

**Status Date:** 02/26/2018

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 18-00113

**Date Notice/Process Served:** 02/26/2018

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 08/09/2018





<b>Monetary Compensation Amount:</b>	\$27,500.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Firm Statement</b>	Firm, without admitting or denying liability, settled solely to avoid the costs and risks of litigation. Romer did not contribute to or participate in the settlement.

#### Disclosure 8 of 16

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	CoreCap Investments, Inc.
<b>Allegations:</b>	Claimants allege fraud and embezzlement in that RR "borrowed" money from them which he failed to repay.
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$250,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<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
<b>Docket/Case #:</b>	18-00198
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	01/26/2018

#### Customer Complaint Information

<b>Date Complaint Received:</b>	01/26/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Arbitration/CFTC reparation (the individual is a named party)
<b>Status Date:</b>	01/26/2018
<b>Settlement Amount:</b>	

**Individual Contribution****Amount:****Arbitration Information**

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

**Docket/Case #:** 18-00198

**Date Notice/Process Served:** 01/26/2018

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 08/09/2018

**Monetary Compensation Amount:** \$150,000.00

**Individual Contribution Amount:** \$0.00

**Firm Statement** Firm, without admitting or denying liability, settled solely to avoid the costs and risks of litigation. Romer did not contribute to or participate in the settlement.

**Disclosure 9 of 16**

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** L.M. Kohn; CoreCap Investments, Inc.

**Allegations:** Clients claim that Romer solicited funds for investment which were converted to his personal use.

**Product Type:** No Product

**Alleged Damages:** \$250,000.00

**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:** Michigan Circuit Court, Macomb County



**Docket/Case #:** 17-4260-NZ  
**Filing date of arbitration/CFTC reparation or civil litigation:** 11/09/2017

### Customer Complaint Information

**Date Complaint Received:** 11/20/2017  
**Complaint Pending?** No  
**Status:** Evolved into Civil litigation (the individual is a named party)  
**Status Date:** 11/20/2017

### Settlement Amount:

**Individual Contribution Amount:**

### Civil Litigation Information

**Type of Court:** State Court  
**Name of Court:** Michigan Circuit Court, Macomb County  
**Location of Court:** Macomb County Michigan  
**Docket/Case #:** 17-4260-NZ  
**Date Notice/Process Served:** 11/20/2017  
**Litigation Pending?** No  
**Disposition:** Settled  
**Disposition Date:** 08/09/2018  
**Monetary Compensation Amount:** \$125,000.00  
**Individual Contribution Amount:** \$0.00  
**Firm Statement** Firm, without admitting or denying liability, settled solely to avoid the costs and risks of litigation. Romer did not contribute to or participate in the settlement.

### Disclosure 10 of 16

**Reporting Source:** Firm



**Employing firm when activities occurred which led to the complaint:** CoreCap Investments, Inc., Leonard & Co., Inc., L.M. Kohn Inc.

**Allegations:** Client alleges that Representative took funds from her under false pretenses for alleged investments in two companies which actually belonged to Representative.

**Product Type:** No Product

**Alleged Damages:** \$250,000.00

**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

**Docket/Case #:** 17-02794

**Filing date of arbitration/CFTC reparation or civil litigation:** 10/19/2017

### Customer Complaint Information

**Date Complaint Received:** 10/23/2017

**Complaint Pending?** No

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

**Status Date:** 10/23/2017

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 17-02794

**Date Notice/Process Served:** 10/23/2017

**Arbitration Pending?** No



<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	08/09/2018
<b>Monetary Compensation Amount:</b>	\$115,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Firm Statement</b>	Firm, without admitting or denying liability, settled solely to avoid the costs and risks of litigation. Romer did not contribute to or participate in the settlement.

#### Disclosure 11 of 16

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	CoreCap Investments, Inc.
<b>Allegations:</b>	Claimant alleges that he loaned money to registrant and did not receive it back; false representations about tax consequences.
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$115,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA Office of Dispute Resolution
<b>Docket/Case #:</b>	17-02142
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	09/11/2017

#### Customer Complaint Information

<b>Date Complaint Received:</b>	09/14/2017
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Arbitration/CFTC reparation (the individual is a named party)



**Status Date:** 09/11/2017

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 17-02412

**Date Notice/Process Served:** 09/14/2017

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 08/09/2018

**Monetary Compensation Amount:** \$60,000.00

**Individual Contribution Amount:** \$0.00

**Firm Statement** Firm, without admitting or denying liability, settled solely to avoid the costs and risks of litigation. Romer did not contribute to or participate in the settlement. On November 27, 2018, the firm was notified that the matter had been assigned a new number, 18-03285, to maintain the action against Mr. Romer, while Maurer and Pett had previously settled and were therefore not named in the new bifurcated matter.

### Disclosure 12 of 16

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** CoreCap Investments, Inc.

**Allegations:** Claimant alleges that Romer stole \$80,000 from him by borrowing it, purporting to make an investment with it and failing to return or invest the money.

**Product Type:** No Product

**Alleged Damages:** \$80,000.00

**Is this an oral complaint?**

**Is this a written complaint?**

**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 #:** 17-01710

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 09/01/2017

**Customer Complaint Information**

**Date Complaint Received:** 09/01/2017

**Complaint Pending?** No

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

**Status Date:** 09/01/2017

**Settlement Amount:**

**Individual Contribution  
Amount:**

**Arbitration Information**

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

**Docket/Case #:** [17-01710](#)

**Date Notice/Process Served:** 09/06/2017

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 05/11/2018

**Monetary Compensation  
Amount:** \$57,500.00

**Individual Contribution  
Amount:** \$0.00

**Firm Statement** Claimant did not originally name Romer, even though his statement clearly refers to actions solely by Romer. Defendants have added Romer as a third party



defendant. Third party award against Romer has been requested for the full amount of the settlement and the FINRA fees paid by the firm.

### Disclosure 13 of 16

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	CoreCap Investments, Inc.
<b>Allegations:</b>	Claimants alleges that Romer solicited funds from them to invest in a firm owned by him P&R Capital. They further allege that no such investment was ever made and that Romer converted the funds to his own use. Plaintiffs also allege that there were improper sales practices the sale of an annuity to them. Rep's conduct is the subject of the complaint and rep is named in the complaint.
<b>Product Type:</b>	Annuity-Variable
<b>Alleged Damages:</b>	\$110,000.00
<b>Is this an oral complaint?</b>	
<b>Is this a written complaint?</b>	
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	Michigan Circuit Court
<b>Docket/Case #:</b>	2017-0028730CZ
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	08/04/2017

### Customer Complaint Information

<b>Date Complaint Received:</b>	08/15/2017
<b>Complaint Pending?</b>	Yes
<b>Settlement Amount:</b>	

**Individual Contribution Amount:**

### Civil Litigation Information

<b>Type of Court:</b>	State Court
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<b>Name of Court:</b>	Michigan Circuit Court, Macomb County
<b>Location of Court:</b>	30 North Main, Mt. Clemens, MI
<b>Docket/Case #:</b>	2017-002873-CA
<b>Date Notice/Process Served:</b>	08/15/2017
<b>Litigation Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	08/09/2018
<b>Monetary Compensation Amount:</b>	\$75,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Firm Statement</b>	Firm, without admitting or denying liability, settled solely to avoid the costs and risks of litigation. Romer did not contribute to or participate in the settlement.

#### Disclosure 14 of 16

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	CoreCap Investments, Inc.
<b>Allegations:</b>	Complainant alleges that Romer converted \$46,000 of his funds through an alleged investment in P&R Capital.
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$46,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	Michigan Circuit Court, Macomb County
<b>Docket/Case #:</b>	2017-00`829-NZ



**Filing date of arbitration/CFTC reparation or civil litigation:** 05/17/2017

### Customer Complaint Information

**Date Complaint Received:** 07/18/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 08/09/2018

**Settlement Amount:** \$28,000.00

**Individual Contribution Amount:** \$0.00

### Civil Litigation Information

**Type of Court:** State Court

**Name of Court:** Michigan Circuit Court, Macomb County

**Location of Court:** Macomb County Michigan

**Docket/Case #:** 2017-001829-NZ

**Date Notice/Process Served:** 07/18/2017

**Litigation Pending?** No

**Disposition:** Settled

**Disposition Date:** 08/09/2018

**Monetary Compensation Amount:** \$28,000.00

**Individual Contribution Amount:** \$0.00

**Firm Statement** Firm, without admitting or denying liability, settled solely to avoid the costs and risks of litigation. Romer did not contribute to or participate in the settlement.

### Disclosure 15 of 16

**Reporting Source:** Broker

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



**Allegations:** TRANSACTION: PURCHASE OF 75,000 SHARES OF (SYMBOL)CIEN TOTALLING \$396,000 IN MARCH 2004. THE CUSTOMER ALLEGES: FAILURE TO FOLLOW INSTRUCTIONS IN THAT THE CUSTOMER CLAIMS HE AUTHORIZED ONLY A \$200,000 INVESTMENT AMOUNT; FAILURE TO FOLLOW INSTRUCTIONS IN THAT THE RR DID NOT PLACE A STOP LOSS ORDER; AND, THAT THE RR DID NOT MANAGE THE ACCOUNT ACCORDING TO THE CUSTOMER'S INVESTMENT GOALS. THE FIRM SETTLED WITH THE CUSTOMER.

**Product Type:** Equity - OTC

**Alleged Damages:** \$228,495.00

### Customer Complaint Information

**Date Complaint Received:** 10/26/2005

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 11/15/2005

**Settlement Amount:** \$102,208.53

**Individual Contribution Amount:** \$0.00

### Disclosure 16 of 16

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** NATCITY

**Allegations:** Unauthorized option trades

**Product Type:**

**Alleged Damages:**

### Customer Complaint Information

**Date Complaint Received:** 10/21/1998

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 11/09/1998



**Settlement Amount:** \$130,110.71

**Individual Contribution Amount:**

**Firm Statement** Settled with customer calverley for \$130,110.71 on 11/09/1998.  
NA.

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**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** NATCITY

**Allegations:** UNAUTHORIZED OPTION TRADES

**Product Type:**

**Alleged Damages:**

### Customer Complaint Information

**Date Complaint Received:** 10/21/1998

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 11/09/1998

**Settlement Amount:** \$130,110.71

**Individual Contribution Amount:**

**Broker Statement** NAT CITY BROKERAGE SETTLED WITH CLIENT (PER PREVIOUS DISCLOSURE: FOR \$130,110.71)  
NAT CITY SETTLED WITH CLIENT WITHOUT INVESTIGATING THE FACTS OF CLIENT PHONE RECORDS SHOWING DATE OF TRADES OR CONSULTING WITH MYSELF, THIS SETTLEMENT WAS MADE WITHOUT MY KNOWLEDGE OR ACCEPTANCE.



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

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

#### Disclosure 1 of 2

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** COMERICA SECURITIES

**Allegations:** CUSTOMER PURCHASED INVESTMENT IN MARCH OF 2003 AFTER MEETING AND SPEAKING WITH THE RR SEVERAL TIMES REGARDING THE INVESTMENT. CUSTOMER ALLEGES THAT RR MISREPRESENTED THE INVESTMENT AND THAT THE PRODUCT WAS UNSUITABLE.

**Product Type:** CD(s)

**Alleged Damages:** \$6,000.00

#### Customer Complaint Information

**Date Complaint Received:** 10/24/2003

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 11/12/2003

**Settlement Amount:** \$0.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** AFTER INVESTIGATION,THE FIRM FOUND THE COMPLAINT TO BE WITHOUT MERIT.RR INDICATES"CUSTOMER CLOSED 4.5YR CD AFTER ONLY 7 MOS.,AND INCURRED A LOSS BCS OF HIS EARLY LIQUIDATION"

#### Disclosure 2 of 2

**Reporting Source:** Broker

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



**Allegations:** CUSTOMER ALLEGES THAT ON 4/10/02 HE GAVE RR INSTRUCTIONS TO LIQUIDATE POSITIONS IN THE REFERENCED ANNUITIES.RR INDICATES THAT THE CUSTOMER DID NOT GIVE THESE INSTRUCTIONS.CUSTOMER ALLEGES THAT RR CAUSED THE DELAY OF THE TRANSFER OF THE REFERENCED ANNUITIES TO ANOTHER INSITUTION, RESULTING IN FURTHER LOSS.RR INDICATES THAT HE PROMPTLY PROVIDED CUSTOMER WITH INFORMATION RELATED TO THE TRANSFER, AND THAT THE CUSTOMER DID NOT ON THE INFORMATION IN A TIMELY MANNER, THEREBY CAUSING THE DELAY. CUSTOMER ALLEGES COMPENSATORY DAMAGES BASED ON VALUE OF THE ANNUTIES AS OF 4/10/02.

**Product Type:** Annuity(ies) - Variable

**Alleged Damages:** \$24,932.50

### **Customer Complaint Information**

**Date Complaint Received:** 12/30/2002

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 02/04/2003

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement** AFTER COMPLETING ITS REVIEW, THE FIRM DETERMINED THAT THE CUSTOMER'S ALLEGATIONS APPEAR TO BE WITHOUT MERIT.



## Customer Dispute - Pending

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

### Disclosure 1 of 3

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	CoreCap Investments, Inc.
<b>Allegations:</b>	Theft
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$115,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	Mr. Hipple originally named CoreCap, Romer, Max Pett and Holly Maurer. This is a bifurcated matter from the original case seeking the balance of the alleged damages not paid by CoreCap in the settlement.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA Office of Dispute Resolution
<b>Docket/Case #:</b>	18-03285
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	11/27/2018

### Customer Complaint Information

<b>Date Complaint Received:</b>	11/27/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Arbitration/CFTC reparation (the individual is a named party)
<b>Status Date:</b>	11/27/2018
<b>Settlement Amount:</b>	



### Individual Contribution Amount:

### Arbitration Information

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA Office of Dispute Resolution
<b>Docket/Case #:</b>	18-03285
<b>Date Notice/Process Served:</b>	11/27/2018
<b>Arbitration Pending?</b>	Yes
<b>Firm Statement</b>	Romer, currently in prison, defaulted on the original case. CCI is not aware of what, if anything, he has done in response to this filing.

### Disclosure 2 of 3

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	CoreCap Investments, Inc.
<b>Allegations:</b>	Alleges that Romer took \$60000 from her under false pretenses and has failed to invest or return the money.
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$60,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA Office of Dispute Resolution
<b>Docket/Case #:</b>	17-01838
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	07/25/2017

### Customer Complaint Information

**Date Complaint Received:** 08/25/2017





**Complaint Pending?** Yes

**Status:**

**Status Date:** 09/28/2017

**Settlement Amount:**

**Individual Contribution Amount:**

**Firm Statement** Firm intends to name Romer as third party defendant.

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### Disclosure 3 of 3

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** CoreCap Investments, Inc.

**Allegations:** Client alleges that Romer stole funds from him in the amount of approximately \$150,000 and failed to make promised investments.

**Product Type:** Annuity-Variable  
Oil & Gas  
Other: Loans to Broker

**Alleged Damages:** \$150,000.00

**Alleged Damages Amount Explanation (if amount not exact):** Claimant's alleged losses include the loan, a failure to invest and other difficult to define damages.

**Is this an oral complaint?**

**Is this a written complaint?**

**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 #:** 17-02255

**Filing date of arbitration/CFTC reparation or civil litigation:** 08/22/2017



## Customer Complaint Information

**Date Complaint Received:** 08/28/2017  
**Complaint Pending?** No  
**Status:** Evolved into Arbitration/CFTC reparation (the individual is a named party)  
**Status Date:** 08/28/2017

### Settlement Amount:

**Individual Contribution Amount:**

## Arbitration Information

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

**Docket/Case #:** 17-02255  
**Date Notice/Process Served:** 08/28/2017  
**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 4

<b>Reporting Source:</b>	Firm
<b>Employer Name:</b>	CoreCap Investments, Inc.
<b>Termination Type:</b>	Discharged
<b>Termination Date:</b>	01/20/2017
<b>Allegations:</b>	Failure to report outside business activity and violations of firm policies relating to transactions with clients.
<b>Product Type:</b>	No Product
<b>Firm Statement</b>	Romer obtained loans from three clients for the stated purpose of starting a business; he was instructed to return the funds and not to engage in the business. To the firm's knowledge, no funds have been returned as of the date of this filing.

### Disclosure 2 of 4

<b>Reporting Source:</b>	Firm
<b>Employer Name:</b>	COMERICA SECURITIES, INC.
<b>Termination Type:</b>	Permitted to Resign
<b>Termination Date:</b>	12/01/2005
<b>Allegations:</b>	CUSTOMER COMPLAINT WAS RECEIVED ALLEGING: FAILURE TO FOLLOW INSTRUCTIONS IN THAT THE CUSTOMER AUTHORIZED THE USE OF ONLY \$200,000 AS THE INVESTMENT AMOUNT; FAILURE TO FOLLOW INSTRUCTIONS IN THAT THE RR DID NOT PLACE A STOP LOSS ORDER; AND, THAT THE RR DID NOT MANAGE THE ACCOUNT ACCORDING TO THE CUSTOMER'S INVESTMENT GOALS.
<b>Product Type:</b>	Equity - OTC
<b>Other Product Types:</b>	

<b>Reporting Source:</b>	Broker
<b>Employer Name:</b>	COMERICA SECURITIES



**Termination Type:** Permitted to Resign

**Termination Date:** 12/01/2005

**Allegations:** FAILURE TO FOLLOW INSTRUCTIONS IN THAT CUSTOMER AUTHORIZED THE USE OF ONLY \$ 200,000 AS INVESTMENT AMOUNT, RR DID NOT PLACE A STOP LOSS ORDER, RR DIDN'T MANAGE ACCOUNT PER CUSTOMER'S INVESTMENT GOALS.

**Product Type:** Equity - OTC

**Other Product Types:**

**Broker Statement** LEONARD AND COMPANY IS CONDUCTING AN INTERNAL INVESTIGATION OF THE ABOVE MENTIONED ALLEGATIONS, AND HAS, BASED ON PRIOR HISTORY, IMPLEMENTED A HEIGHTENED SUPERVISION PLAN.

#### Disclosure 3 of 4

**Reporting Source:** Broker

**Employer Name:** INDEPENDENCE ONE BROKERAGE SERVICES, INC.

**Termination Type:** Voluntary Resignation

**Termination Date:** 11/08/1995

**Allegations:** INTERNAL INVESTIGATION ALLEGED I BORROWED AND/OR LENT MONEY FROM/TO CUSTOMER IN VIOLATION OF WRITTEN B/D POLICY. I VOLUNTARILY RESIGNED PRIOR TO INVESTIGATION BEING CONCLUDED.

**Product Type:** Other

**Other Product Types:**

**Broker Statement** I PURCHASED HOME ON LAND CONTRACT FROM PERSON PRIOR TO HIM BEING A CUSTOMER OF THE FIRM AND 2 YEARS PRIOR TO MY BEING EMPLOYED BY THE FIRM.I WAS MAKING PAYMENTS ON THE PRE-EMPLOYMENT OBLIGATION FOR APPRX THE 4 YEARS PRIOR TO INVESTIGATION.I VOLUNTARILY RESIGNED FROM FIRM TO PURSUE BETTER OFFER.RESIGNATION WAS NOT RELATED TO THESE FALSE ALLEGATIONS. FIRM ASSURED ME THERE WERE NO INCIDENTS AT TIME I RESIGNED THAT WOULD AFFECT MY FORM U-5.

#### Disclosure 4 of 4

**Reporting Source:** Broker

**Employer Name:** NAT CITY INVESTMENTS, INC.



**Termination Type:** Permitted to Resign  
**Termination Date:** 10/11/1998  
**Allegations:** NONE  
UNAUTHORIZED OPTION TRADES

**Product Type:**

**Other Product Types:**

**Broker Statement**

PERMITTED TO RESIGN  
NAT CITY INVESTMENTS SETTLED CUSTOMER COMPLAINT  
WITHOUT MY KNOWLEDGE OR CONSENT. MY ATTORNEY AND MY  
ASSISTANT  
AND I ARRIVED ON 10/10/98 IN CLEVELAND TO SHOW PHONE RECORDS  
AND STATEMENTS OF COMPLIANCE TO INVESTIGATE, BUT NAT CITY HAD  
ALREADY SETTLED WITH CUSTOMER. THEY DID NOT WANT TO HEAR OR  
SEE  
ANY MORE INFORMATION. IT WAS AT THIS TIME MY ATTORNEY AND I  
DECIDED TO TERMINATE MY EMPLOYMENT WITH NAT CITY. THE  
FOLLOWING  
MORNING I FAXED MY LETTER OF RESIGNATION TO NAT CITY.



## 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 2

<b>Reporting Source:</b>	Broker
<b>Action Type:</b>	Bankruptcy
<b>Bankruptcy:</b>	Chapter 13
<b>Action Date:</b>	08/01/2014
<b>Organization Investment-Related?</b>	No
<b>Type of Court:</b>	Federal Court
<b>Name of Court:</b>	US BANKRUPTCY COURT EASTERN DISTRICT OF MICHIGAN
<b>Location of Court:</b>	SOUTHERN DIVISION - DETROIT, MICHIGAN
<b>Docket/Case #:</b>	14-52571-TJT
<b>Action Pending?</b>	No
<b>Disposition:</b>	Dismissed
<b>Disposition Date:</b>	08/19/2014
<b>Broker Statement</b>	CASE WAS FILED ON ADVICE OF COUNSEL IN RELATION TO SEEKING A MORTGAGE LOAN MODIFICATION. DISMISSED ON ADVICE OF COUNSEL WHEN BANK BEGAN TO CONSIDER MODIFICATION.

### Disclosure 2 of 2

<b>Reporting Source:</b>	Broker
<b>Action Type:</b>	Bankruptcy
<b>Bankruptcy:</b>	Chapter 13
<b>Action Date:</b>	08/21/2014
<b>Organization Investment-Related?</b>	
<b>Type of Court:</b>	Federal Court
<b>Name of Court:</b>	US BANKRUPTCY COURT



**Location of Court:** EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION, DETROIT, MI

**Docket/Case #:** 14-53514-TJT

**Action Pending?** No

**Disposition:** Dismissed

**Disposition Date:** 09/05/2014

**Broker Statement** CASE WAS FILED ON ADVICE OF COUNSEL IN RELATION TO SEEKING A MORTGAGE LOAN MODIFICATION. DISMISSED ON ADVICE OF COUNSEL WHEN BANK BEGAN TO CONSIDER MODIFICATION



## 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>	State of Michigan
<b>Judgment/Lien Amount:</b>	\$4,466.56
<b>Judgment/Lien Type:</b>	Tax
<b>Date Filed with Court:</b>	03/17/2015
<b>Date Individual Learned:</b>	09/29/2016
<b>Type of Court:</b>	County Court
<b>Name of Court:</b>	Macomb County, Michigan
<b>Location of Court:</b>	Macomb County, Michigan
<b>Docket/Case #:</b>	32416
<b>Judgment/Lien Outstanding?</b>	Yes
<b>Broker Statement</b>	Registrant is working with counsel to dispute the lien and resolve on a final amount, if any.

### Disclosure 2 of 3

<b>Reporting Source:</b>	Broker
<b>Judgment/Lien Holder:</b>	STATE OF MICHIGAN DEPARTMENT OF TREASURY
<b>Judgment/Lien Amount:</b>	\$18,683.00
<b>Judgment/Lien Type:</b>	Tax
<b>Date Filed with Court:</b>	08/29/2011
<b>Date Individual Learned:</b>	09/01/2011
<b>Type of Court:</b>	State Court
<b>Name of Court:</b>	MACOMB COUNTY MICHIGAN
<b>Location of Court:</b>	MACOMB COUNTY, MICHIGAN
<b>Docket/Case #:</b>	1689305,1656545, 1909655
<b>Judgment/Lien Outstanding?</b>	Yes



**Broker Statement**

MR. ROMER SIGNED AND SUBMITTED U-4 CHANGES ON THESE LIENS AND BELIEVED THAT HIS THEN BROKER-DEALER HAD FILED THEM TIMELY. The liens originally consisted of \$1027 (8/30/2011), \$3553 (02/26/2008) and a balance due on a third lien. Each was satisfied by the \$18683 specified in Item 1 above.

**Disclosure 3 of 3**

**Reporting Source:** Broker

**Judgment/Lien Holder:** INTERNAL REVENUE SERVICE/DEPARTMENT OF THE TREASURY

**Judgment/Lien Amount:** \$160,633.56

**Judgment/Lien Type:** Tax

**Date Filed with Court:** 01/17/2011

**Date Individual Learned:** 01/17/2011

**Type of Court:** Federal Court

**Name of Court:** INTERNAL REVENUE SERVICES

**Location of Court:** CINCINNATI, OHIO

**Judgment/Lien Outstanding?** Yes

**Broker Statement**

THE DISPUTE OVER THE ACTUAL AMOUNT OF TAXES CONTINUES AND THE IRS WILL NOT ADJUST THE AMOUNT OWING UNTIL THAT DISPUTE IS RESOLVED. The amounts in this dispute began with an IRS claim that \$53589 was owed on a tax return. When that was challenged, the IRS revised the claim to \$198335. The amount in Item 1 above is the amount that continues in dispute.

## End of Report



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