

BrokerCheck Report
JOHN R SCHOLZ
 CRD# 2447665

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.
 Please contact FINRA with any concerns.

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



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

For more information about FINRA, visit www.finra.org.

JOHN R. SCHOLZ

CRD# 2447665

Currently employed by and registered with the following Firm(s):

- B AVATAR SECURITIES, LLC**
 148 MADISON AVE
 5TH FLOOR
 NEW YORK, NY 10016
 CRD# 147763
 Registered with this firm since: 09/19/2014

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 registered with:**

- 2 Self-Regulatory Organizations
- 0 U.S. states and territories

This broker has passed:

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

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

- B QUASAR TRADING, LLC**
 CRD# 151974
 SAN JUAN, PR
 03/2013 - 08/2014
- B COASTAL TRADE SECURITIES, LLC**
 CRD# 148246
 SHORT HILLS, NJ
 05/2011 - 06/2013
- B ASSENT LLC**
 CRD# 104162
 HOBOKEN, NJ
 03/2003 - 06/2009

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 |



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 individual is currently registered with 2 SROs and is licensed in 0 U.S. states and territories through his or her employer.

Employment 1 of 1

Firm Name: **AVATAR SECURITIES, LLC**
Main Office Address: **148 MADISON AVE
5TH FLOOR
NEW YORK, NY 10016**
Firm CRD#: **147763**

| | SRO | Category | Status | Date |
|---|-----------------|-----------------------------------|----------|------------|
| B | FINRA | General Securities Representative | Approved | 02/26/2024 |
| B | FINRA | Securities Trader | Approved | 02/26/2024 |
| B | Nasdaq PHLX LLC | General Securities Representative | Approved | 09/19/2014 |
| B | Nasdaq PHLX LLC | Securities Trader | Approved | 01/04/2016 |

Branch Office Locations

AVATAR SECURITIES, LLC
148 MADISON AVE
5TH FLOOR
NEW YORK, NY 10016



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. A passed exam or exam waiver does not permit a broker to do business without an active SRO or state registration.

This individual has passed 0 principal/supervisory exams, 4 general industry/product exams, and 1 state securities law exam.

Principal/Supervisory Exams

| Exam | Category | Date |
|--------------------------|----------|------|
| No information reported. | | |

General Industry/Product Exams

| Exam | Category | Date |
|--|-------------|------------|
| B Securities Trader Exam | Series 57TO | 01/02/2023 |
| B Securities Industry Essentials Examination | SIE | 10/01/2018 |
| B Limited Representative-Equity Trader Exam | Series 55 | 06/13/2002 |
| B General Securities Representative Examination | Series 7 | 03/11/1994 |

State Securities Law Exams

| Exam | Category | Date |
|---|-----------|------------|
| B Uniform Securities Agent State Law Examination | Series 63 | 05/09/1994 |

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

Broker Qualifications



Professional Designations

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

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

| Registration Dates | Firm Name | CRD# | Branch Location |
|----------------------------|-----------------------------------|--------|-----------------|
| B 03/2013 - 08/2014 | QUASAR TRADING, LLC | 151974 | SAN JUAN, PR |
| B 05/2011 - 06/2013 | COASTAL TRADE SECURITIES, LLC | 148246 | SHORT HILLS, NJ |
| B 03/2003 - 06/2009 | ASSENT LLC | 104162 | HOBOKEN, NJ |
| B 02/2002 - 03/2003 | ANDOVER BROKERAGE, L.L.C. | 33848 | MONTEBELLO, NY |
| B 08/2000 - 09/2000 | ON-LINE INVESTMENT SERVICES, INC. | 36816 | NEW YORK, NY |
| B 05/1996 - 01/1999 | ON-LINE INVESTMENT SERVICES, INC. | 36816 | NEW YORK, NY |
| B 12/1995 - 05/1996 | QUICK & REILLY, INC. | 11217 | NEW YORK, NY |
| B 05/1994 - 07/1995 | PAINWEBBER INCORPORATED | 8174 | WEEHAWKEN, NJ |

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 |
|-------------------|------------------------|----------|--------------------|-----------------------------|
| 08/2014 - Present | AVATAR SECURITIES, LLC | TRADER | Y | NEW YORK, NY, United States |

Other Business Activities

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

SCHOLZ CAPITAL AND CONSULTING LLC, SOLE MEMBER and principal, INVESTMENT RELATED, 29 Katherine St. Fair Haven, NJ 07704. Alternative Investment and consulting. STARTED 1/2011.Hrs vary/month and Partially during trading hours. Small Business consulting and lending, Restaurant and real estate investments, convertible debt analysis, portfolio management introductions and consulting to alternative investment funds.

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 |



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

| | |
|--|--|
| Reporting Source: | Regulator |
| Regulatory Action Initiated By: | FINRA |
| Sanction(s) Sought: | Other: N/A |
| Date Initiated: | 12/29/2009 |
| Docket/Case Number: | 2007010853901 |
| Employing firm when activity occurred which led to the regulatory action: | ASSENT LLC |
| Product Type: | No Product |
| Allegations: | NASD RULES 2110, 3030, 3050: SCHOLZ, WHILE ASSOCIATED WITH A MEMBER FIRM, MAINTAINED A BROKERAGE ACCOUNT AT ANOTHER MEMBER FIRM FROM WHERE HE LENT MONEY TO CUSTOMERS OF THE OTHER FIRM FOR INTEREST AS COMPENSATION FOR MAKING THE LOANS. THE LENDING OF FUNDS CONSTITUTED AN OUTSIDE BUSINESS ACTIVITY TO WHICH SCHOLZ DID NOT PROVIDE, AT ANY TIME, PROMPT WRITTEN NOTICE TO HIS FIRM THAT HE WAS LOANING MONEY TO CUSTOMERS OF ANOTHER FIRM, FURTHERMORE HIS FIRM HAD WRITTEN SUPERVISORY PROCEDURES AND COMPLIANCE MATERIALS, WHICH REQUIRED THAT ALL OUTSIDE BUSINESS ACTIVITIES BE FULLY DISCLOSED IN WRITING AND APPROVED BY MANAGEMENT, BUT SCHOLZ FALSELY ANSWERED "NO" ON |



HIS FIRM'S REGISTERED REPRESENTATIVE'S ANNUAL AFFIRMATION FORMS TO QUESTION ON IF HE CONDUCTED ANY OUTSIDE BUSINESS ACTIVITY, AND HE AFFIRMED THAT HE MAY NOT CONDUCT ANY OUTSIDE BUSINESS ACTIVITY OTHER THAN HIS FIRM'S. SCHOLZ FAILED TO FULFILL HIS DISCLOSURE OBLIGATIONS AS AN ASSOCIATED PERSON CONCERNING SECURITIES ACCOUNTS WITH MEMBERS; WHEN HE FAILED TO PROVIDE HIS FIRM WITH PROMPT WRITTEN NOTIFICATION REGARDING SECURITIES ACCOUNT HE MAINTAIN AT A MEMBER FIRM BEFORE BECOMING ASSOCIATED WITH HIS FIRM; WHEN HE FAILED TO PROVIDE HIS FIRM WITH WRITTEN NOTIFICATION ABOUT ACCOUNTS AT OTHER FIRMS PRIOR TO OPENING THEM; WHEN HE FAILED TO PROVIDE MEMBER FIRMS WITH WRITTEN NOTIFICATION REGARDING HIS ASSOCIATION WITH HIS FIRM PRIOR TO OPENING HIS ACCOUNTS AT THOSE FIRMS; AND SIGNED AN OUTSIDE BROKERAGE ACCOUNTS FORM FOR HIS FIRM FALSELY STATING THAT HE DID NOT HAVE SUCH AN ACCOUNT. SCHOLZ FINALLY DISCLOSED HIS OUTSIDE ACCOUNTS TO THE FIRM DURING A FINRA INVESTIGATION OF THE MATTER.

Current Status:

Final

Resolution:

Decision & Order of Offer of Settlement

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

No

Resolution Date:

08/25/2010

Sanctions Ordered:

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

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

No



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

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



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

Sanction 1 of 1

| | |
|-----------------------------|----------------|
| Sanction Type: | Suspension |
| Capacities Affected: | ALL CAPACITIES |
| Duration: | SEVEN MONTHS |
| Start Date: | 09/07/2010 |
| End Date: | 04/06/2011 |

Monetary Sanction 1 of 1

| | |
|---|---|
| Monetary Related Sanction: | Civil and Administrative Penalty(ies)/Fine(s) |
| Total Amount: | \$15,000.00 |
| Portion Levied against individual: | \$15,000.00 |
| Payment Plan: | |
| Is Payment Plan Current: | |
| Date Paid by individual: | |
| Was any portion of penalty waived? | No |

Amount Waived:

| | |
|----------------------------|--|
| Regulator Statement | WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, SCHOLZ |
|----------------------------|--|



CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE HE IS FINED \$15,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR SEVEN MONTHS. THE FINE SHALL BE DUE AND PAYABLE EITHER IMMEDIATELY UPON REASSOCIATION WITH A MEMBER FIRM FOLLOWING THE SEVEN MONTH SUSPENSION, OR PRIOR TO ANY APPLICATION OR REQUEST FOR RELIEF FROM STATUTORY DISQUALIFICATION RESULTING FROM THIS OR ANY OTHER EVENT OF PROCEEDING, WHICHEVER IS EARLIER. THE SUSPENSION IS IN EFFECT SEPTEMBER 7, 2010 THROUGH APRIL 6, 2011.

| | |
|---|--|
| Reporting Source: | Broker |
| Regulatory Action Initiated By: | FINRA |
| Sanction(s) Sought: | Suspension |
| Date Initiated: | 12/29/2009 |
| Docket/Case Number: | 2007010853901 |
| Employing firm when activity occurred which led to the regulatory action: | ASSENT LLC |
| Product Type: | No Product |
| Allegations: | NON DISCLOSURE OF OUTSIDE BROKERAGE ACCOUNTS AND OUTSIDE BUSINESS ACTIVITY VIOLATING RULES NASD 2110, 3030, 3050 |
| Current Status: | Final |
| Resolution: | Decision & Order of Offer of Settlement |
| Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? | No |
| Resolution Date: | 08/25/2010 |
| Sanctions Ordered: | Civil and Administrative Penalty(ies)/Fine(s) Suspension |
| Sanction 1 of 1 | |
| Sanction Type: | Suspension |



| | |
|---|--|
| Capacities Affected: | SUSPENSION |
| Duration: | 7 MONTHS |
| Start Date: | 09/07/2010 |
| End Date: | 04/06/2011 |
| Monetary Sanction 1 of 1 | |
| Monetary Related Sanction: | Civil and Administrative Penalty(ies)/Fine(s) |
| Total Amount: | \$15,000.00 |
| Portion Levied against individual: | \$0.00 |
| Payment Plan: | PAYABLE UPON RE-ASSOCIATION WITH ANY FINRA MEMBER FIRM |
| Is Payment Plan Current: | |
| Date Paid by individual: | |
| Was any portion of penalty waived? | No |
| Amount Waived: | |

End of Report



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