

## BrokerCheck Report

**JEFFREY PAUL DAVIS**

CRD# 2501354

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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](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).

**JEFFREY P. DAVIS**

CRD# 2501354

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

**IA KOVACK ADVISORS, INC.**  
BRISTOL, CT  
CRD# 140808  
Registered with this firm since: 11/04/2013

**B KOVACK SECURITIES INC.**  
BRISTOL, CT  
CRD# 44848  
Registered with this firm since: 11/01/2013

**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
- 8 U.S. states and territories

**This broker has passed:**

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

**Registration History**

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

**IA HARVEST CAPITAL ADVISORS, LLC**  
CRD# 125920  
AVON, CT  
09/2002 - 11/2013

**B HARVEST CAPITAL LLC**  
CRD# 35723  
WETHERSFIELD, CT  
07/2001 - 11/2013

**B NATIONAL PLANNING CORPORATION**  
CRD# 29604  
LOS ANGELES, CA  
06/2000 - 01/2001

**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
Customer Dispute	10
Termination	1



## Broker Qualifications

### Registrations

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

**This individual is currently registered with 2 SROs and is licensed in 8 U.S. states and territories through his or her employer.**

### Employment 1 of 2

Firm Name: **KOVACK ADVISORS, INC.**  
 Main Office Address: **6451 N. FEDERAL HWY  
 SUITE 1201  
 FT. LAUDERDALE, FL 33308**  
 Firm CRD#: **140808**

	U.S. State/ Territory	Category	Status	Date
IA	Connecticut	Investment Adviser Representative	Approved	11/19/2013
IA	Illinois	Investment Adviser Representative	Approved	11/04/2013

### Branch Office Locations

6451 N. FEDERAL HWY  
 SUITE 1201  
 FT. LAUDERDALE, FL 33308

BRISTOL, CT

### Employment 2 of 2

Firm Name: **KOVACK SECURITIES INC.**  
 Main Office Address: **6451 N. FEDERAL HWY.  
 SUITE 1201  
 FT. LAUDERDALE, FL 33308**  
 Firm CRD#: **44848**

	SRO	Category	Status	Date
B	FINRA	General Securities Principal	Approved	11/01/2013



## Broker Qualifications

### Employment 2 of 2, continued

SRO	Category	Status	Date
<b>B</b> FINRA	General Securities Representative	Approved	11/01/2013
<b>B</b> FINRA	Invest. Co and Variable Contracts	Approved	11/01/2013
<b>B</b> Nasdaq Stock Market	General Securities Principal	Approved	11/01/2013
<b>B</b> Nasdaq Stock Market	General Securities Representative	Approved	11/01/2013

U.S. State/ Territory	Category	Status	Date
<b>B</b> Connecticut	Agent	Approved	11/19/2013
<b>B</b> Florida	Agent	Approved	11/05/2013
<b>B</b> Georgia	Agent	Approved	11/01/2013
<b>B</b> Illinois	Agent	Approved	11/04/2013
<b>B</b> New York	Agent	Approved	12/19/2013
<b>B</b> North Carolina	Agent	Approved	01/06/2017
<b>B</b> South Carolina	Agent	Approved	10/26/2022
<b>B</b> West Virginia	Agent	Approved	06/01/2023

### Branch Office Locations

**KOVACK SECURITIES INC.**  
BRISTOL, CT



## 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 1 principal/supervisory exam, 3 general industry/product exams, and 2 state securities law exams.**

### Principal/Supervisory Exams

Exam	Category	Date
<b>B</b> General Securities Principal Examination	Series 24	12/24/1996

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> General Securities Representative Examination	Series 7	08/26/1996
<b>B</b> Investment Company Products/Variable Contracts Representative Examination	Series 6	06/21/1994

### State Securities Law Exams

Exam	Category	Date
<b>IA</b> Uniform Investment Adviser Law Examination	Series 65	07/28/2001
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	03/06/1996

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

## Broker Qualifications



## Professional Designations

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

No information reported.



## Registration and Employment History

### Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
<b>IA</b> 09/2002 - 11/2013	HARVEST CAPITAL ADVISORS, LLC	125920	WETHERSFIELD, CT
<b>B</b> 07/2001 - 11/2013	HARVEST CAPITAL LLC	35723	WETHERSFIELD, CT
<b>B</b> 06/2000 - 01/2001	NATIONAL PLANNING CORPORATION	29604	LOS ANGELES, CA
<b>B</b> 11/1995 - 06/2000	INVEST FINANCIAL CORPORATION	12984	APPLETON, WI
<b>B</b> 06/1994 - 10/1995	METLIFE SECURITIES INC.	14251	SPRINGFIELD, MA
<b>B</b> 06/1994 - 10/1995	METROPOLITAN LIFE INSURANCE COMPANY	4095	NEW YORK, NY

### 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
11/2013 - Present	KOVACK ADVISORS, INC.	INVESTMENT ADVISOR REP	Y	FORT LAUDERDALE, FL, United States
11/2013 - Present	KOVACK SECURITIES, INC.	REGISTERED REPRESENTATIVE	Y	FORT LAUDERDALE, FL, United States
07/2001 - Present	INSURANCE AGENT APPOINTED WITH VARIOUS CARRIERS	INDEPENDENT AGENT	Y	WETHERSFIELD, CT, 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.

- 1) DBA: DAVIS FINANCIAL - 71 SUFFOLK PLACE BRISTOL CT, 06010; DBA/INVESTMENTS; INVESTMENT RELATED; FINANCIAL ADVISOR; ADVISE CLIENTS ON INVESTMENTS; 75% OF TIME SPENT
- 2) FIXED INSURANCE SALES - 71 SUFFOLK PLACE, BRISTOL, CT 06010; FIXED INSURANCE SALES THROUGH APPROVED KOVACK

## Registration and Employment History



### Other Business Activities, continued

SECURITIES GENERAL AGENCIES; NON INVESTMENT RELATED; INSURANCE AGENT; PROVIDING LIFE INSURANCE AND FIXED INSURANCE PRODUCTS TO MY CLIENTS; 5% OF TIME SPENT

3) BRISTOL SOCCER CLUB- 411 EMMETT ST BRISTOL, CT 06010; NON-INVESTMENT RELATED; VOLUNTEER COACHING; COACH; 3% OF TIME SPENT.

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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:**
  - 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.
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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
Customer Dispute	0	10	N/A
Termination	N/A	1	N/A



## Disclosure Event Details

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

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

### Regulatory - Final

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

#### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	04/05/2017
<b>Docket/Case Number:</b>	2013039456301
<b>Employing firm when activity occurred which led to the regulatory action:</b>	Harvest Capital LLC
<b>Product Type:</b>	Other: REITs
<b>Allegations:</b>	Without admitting or denying the findings, Davis consented to the sanctions and to the entry of findings that he recommended and effected unsuitable transactions in the accounts of customers by over-concentrating their assets in illiquid non-traded REITs. The findings stated that the investments totaled \$566,000, and represented between approximately 30% and 52% of the customers' liquid net worth. These excessive concentrations in illiquid investments were unsuitable in light of the customers' financial situations, risk tolerances and investment objectives.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Does the order constitute a</b>	No



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

**Resolution Date:** 04/05/2017

**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>	all capacities
<b>Duration:</b>	one month
<b>Start Date:</b>	05/01/2017
<b>End Date:</b>	05/31/2017

**Monetary Sanction 1 of 1****Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)**Total Amount:** \$5,000.00**Portion Levied against individual:** \$5,000.00**Payment Plan:****Is Payment Plan Current:****Date Paid by individual:** 05/18/2017**Was any portion of penalty waived?** No**Amount Waived:****Reporting Source:** Broker**Regulatory Action Initiated By:** FINRA**Sanction(s) Sought:** Other: N/A**Date Initiated:** 04/05/2017**Docket/Case Number:** 2013039456301**Employing firm when activity occurred which led to the regulatory action:** Harvest Capital, LLC**Product Type:** Other: REITs

**Allegations:** Without admitting or denying the findings, Davis consented to the sanctions and to the entry of findings that he recommended and effected unsuitable transactions in the accounts of customers by over-concentrating their assets in illiquid non-traded REITs. The findings stated that the investments totaled \$566,000, and represented between approximately 30% and 52% of the customers' liquid net worth. These excessive concentrations in illiquid investments were unsuitable in light of the customers' financial situations, risk tolerances and investment objectives.

**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>	04/05/2017
<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>	05/01/2017
<b>End Date:</b>	05/31/2017
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$5,000.00
<b>Portion Levied against individual:</b>	\$5,000.00
<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>	
<b>Broker Statement</b>	The actions taken against me were based on transactions placed for three different clients between 2006 and 2012. All of these clients remain clients of mine. There were no complaints by these clients about the transactions in question or any other products that they have purchased through me as a financial advisor, agent, or financial representative. Every transaction that was submitted was approved by my supervisor or firm's compliance department. I believed that each transaction was in the best interest of my clients. All of these transactions were affected in accordance with what I believed were the written supervisory procedures that were



in effect at the firm at that time. My former sponsoring Broker-Dealer is out of business. It was never disciplined in any way as a result of these transactions.



## 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 4

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	Kovack Securities, Inc.
<b>Allegations:</b>	Client alleges unsuitability of a fixed index annuity and mutual funds and the overconcentration of REITs in her account.
<b>Product Type:</b>	Annuity-Fixed Mutual Fund Real Estate Security
<b>Alleged Damages:</b>	\$5,380.77
<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>	06/10/2019
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	01/13/2020
<b>Settlement Amount:</b>	\$4,814.71
<b>Individual Contribution Amount:</b>	\$4,814.71
<b>Broker Statement</b>	Representative vehemently denies the allegations made by the claimant. The investments were purchased by the client as she sought investments that provided preservation of capital and capital appreciation. Representative maintains that the clients investments have performed well and are suitable based on her goals and investment profile.

### Disclosure 2 of 4



<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	HARVEST CAPITAL LLC
<b>Allegations:</b>	CLIENT DIDN'T UNDERSTAND THE INVESTMENT
<b>Product Type:</b>	Other: REAL ESTATE INVESTMENT TRUST
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	CLIENT CLAIMS SHE DIDN'T UNDERSTAND THE INVESTMENT DUE TO LIMITED COMMAND OF ENGLISH.
<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>	03/01/2012
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	11/21/2013
<b>Settlement Amount:</b>	\$24,778.95
<b>Individual Contribution Amount:</b>	\$22,778.95
<b>Broker Statement</b>	THE INVESTMENT WAS CLEARLY EXPLAINED TO THE CLIENT, BUT WHEN THE INVESTMENT PERFORMED POORLY, THE CLIENT CLAIMED TO HAVE NOT UNDERSTOOD IT. I ENTERED INTO A SETTLEMENT AGREEMENT AT THE SUGGESTION OF THE CONNECTICUT BANKING DEPARTMENT SO THAT ANY REGULATORY ACTION MIGHT BE AVOIDED. THE STATUTE OF LIMITATIONS AND ELIGIBILITY PERIODS HAD RUN AND THE CLIENT WAS UNABLE TO BRING ANY ACTION; HOWEVER, I DIDN'T WANT AN UNHAPPY CLIENT.

### Disclosure 3 of 4

<b>Reporting Source:</b>	Firm
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**Employing firm when activities occurred which led to the complaint:**

NPC

**Allegations:**

MISREPRESENTATION OF INVESTMENT PRODUCT

**Product Type:**

Mutual Fund(s)

**Alleged Damages:**

\$48,000.00

### Customer Complaint Information

**Date Complaint Received:**

07/14/2003

**Complaint Pending?**

No

**Status:**

Litigation

**Status Date:**

04/29/2005

**Settlement Amount:**

**Individual Contribution Amount:**

### Civil Litigation Information

**Court Details:**

NEW BRITAIN SUPERIOR COURT, NEW BRITAIN CT HHB-CV-04-4001336.

**Date Notice/Process Served:**

04/29/2005

**Litigation Pending?**

No

**Disposition:**

Settled

**Disposition Date:**

12/28/2007

**Monetary Compensation Amount:**

\$35,000.00

**Individual Contribution Amount:**

\$0.00

**Firm Statement**

NPC DENIED CUSTOMER COMPLAINT OCTOBER 13,2003. SUBSEQUENT TO DENIAL OF CLAIM, CUSTOMER COMMENCES CIVIL LITIGATION. (NPC AND REGISTERED REPRESENTATIVE ARE NOT NAMED PARTIES TO THE SUIT) DEFENDANT IN THE CIVIL LITIGATION THEN FILES MOTION TO IMPEAD NPC AND REGISTERED REPRESENTATIVE APRIL 29, 2005.

**Reporting Source:**

Broker



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

NATIONAL PLANNING CORPORATION (29604)

**Allegations:**

MISREPRESENTATION OF INVESTMENT PRODUCT  
BREACH OF FIDUCIARY DUTY.  
CLIENT ALLEGES THAT SYTEMATIC MONTHLY WITHDRAWALS FROM THE ACCOUNT PURCHASED IN 2000 WERE REPRESENTED TO BE INTEREST AND DIVIDENDS, NOT PRINCIPAL AND THEREFORE WITHDRAWALS AND MARKET FORCES DECREASED HER ACCOUNT VALUE BELOW THE ORIGINAL PRINCIPAL INVESTED, AND THAT WHILE KNOWING THAT IN ORDER TO RECEIVE THE FULL PRINCIPAL PROTECTION PROVISION OF THE FUND THE PRINCIPAL WOULD HAVE HAD TO REMAIN INVESTED FOR FIVE YEARS, IT WAS NOT REALIZED THAT THOSE WITHDRAWALS REDUCED THE GUARANTEE. UPON REALIZING THAT, THE ACCOUNT WAS REDEEMED IN 2002. THEREFORE CLIENT ALLEGES THAT CLIENT IS OWED INTEREST ON ORIGINAL INVESTMENT PLUS LOST PRINCIPAL AND ATTORNEYS FEES.

**Product Type:**

Mutual Fund(s)

**Alleged Damages:**

\$48,000.00

### **Customer Complaint Information**

**Date Complaint Received:** 07/14/2003

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 10/13/2003

**Settlement Amount:**

**Individual Contribution Amount:**

### **Civil Litigation Information**

**Court Details:** NEW BRITAIN SUPERIOR COURT  
NEW BRITAIN CT  
HHB-CV-04-4001336

**Date Notice/Process Served:** 05/04/2005

**Litigation Pending?** No

**Disposition:** Settled

**Disposition Date:** 12/28/2007



**Monetary Compensation Amount:** \$35,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** NATIONAL PLANNING CORPORATION DETERMINED THAT BASED ON LANGUAGE FROM THE COMPLAINT ITSELF, MR. DAVIS TRUTHFULLY AND ACCURATELY REPRESENTED THE NATURE OF THIS INVESTMENT. FURTHERMORE, NATIONAL PLANNING CORPORATION ALSO REFERENCES THE CLIENT'S SIGNED AND INITIALED NPC MUTUAL FUND CUSTOMER ACKNOWLEDGEMENT FORM. COMPLAINT WAS DENIED. CUSTOMER SUBSEQUENTLY FILED SUIT AGAINST BANKNORTH, WHICH LATER FILED SUIT TO INTRODUCE NATIONAL PLANNING AND JEFF DAVIS AS THIRD PARTY DEFENDANTS. NATL PLANNING PAID CLAIMANT TO SETTLE CLAIM, BUT BANKNORTH IS REQUESTING ATTORNEY'S FEES FROM NATL PLANNING AND JEFF DAVIS.

#### Disclosure 4 of 4

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** INVEST FINANCIAL CORPORATION

**Allegations:** CLIENT ALLEGES THAT THE REPRESENTATIVE SOLD A VARIABLE ANNUITY TO HIM WITHOUT DISCLOSING THE RISK INVOLVED AND THE TIMEFRAME IN WHICH THE MONEY WOULD BE NEEDED.

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

**Alleged Damages:** \$41,258.38

#### Customer Complaint Information

**Date Complaint Received:** 08/27/2001

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 09/05/2001

**Settlement Amount:** \$41,258.38

**Individual Contribution Amount:** \$0.00



**Reporting Source:** Broker  
**Employing firm when activities occurred which led to the complaint:** INVEST FINANCIAL CORPORATION

**Allegations:** CLIENT ALLEGES THAT THE REPRESENTATIVE SOLD A VARIABLE ANNUITY TO HIM WITHOUT DISCLOSING THE RISK INVOLVED AND THE TIMEFRAME IN WHICH THE MONEY COULD BE ACCESSED. INVEST FINANCIAL CORPORATION SETTLED, BUT REPRESENTATIVE ASSERTS THAT HE WAS NOT CONTACTED BY INVEST FINANCIAL CORPORATION IN REGARDS TO THE COMPLAINT BEFORE SAID SETTLEMENT. THE REPRESENTATIVE ALSO ASSERTS THAT HE DISCLOSED THE RISKS AND WITHDRAWAL LIMITATIONS ON THE CONTRACT, AND THAT THE COMPLAINT AND SETTLEMENT WERE UNWARRANTED.

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

**Alleged Damages:** \$41,258.38

### Customer Complaint Information

**Date Complaint Received:** 08/27/2001

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 09/05/2001

**Settlement Amount:** \$41,258.38

**Individual Contribution Amount:** \$0.00



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

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

### Disclosure 1 of 6

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	HARVEST CAPITAL LLC
<b>Allegations:</b>	CLIENT HAS SEVERAL ISSUES. HE HAS A PROBLEM W/THE IRA FEE DEDUCTED. HE HAS A PROBLEM WITH THE DIVIDENDS BEING SUSPENDED AND THEN REINSTATED. KBS TOLD HIM DIRECTLY THAT HE COULD REDEEM IF HE WAS DISABLED. HE HAS BEEN UNHAPPY ABOUT THE REITS FOR A WHILE AND HAS MADE OTHER COMPLAINTS.
<b>Product Type:</b>	Real Estate Security
<b>Alleged Damages:</b>	\$60,240.00
<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>	04/11/2012
<b>Complaint Pending?</b>	No
<b>Status:</b>	Closed/No Action
<b>Status Date:</b>	07/11/2013
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	
<b>Broker Statement</b>	THE REPRESENTATIVE CONTINUES TO WORK CLOSELY WITH THE CLIENT. CORRESPONDENCE SENT TO THE CLIENT BY THE FIRM ON 7/11/2013 ADVISING THEM THAT THEY MAY CONTACT THE FIRM WITH ANY FURTHER QUESTIONS OR ISSUES.



## Disclosure 2 of 6

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** HARVEST CAPITAL LLC

**Allegations:** ON 10-8-2008 CLIENT PURCHASED \$39,500 CORNERSTONE CORE PROPERTIES AND \$39,500 CORNERSTONE GROWTH AND INCOME (AKA CORNERSTONE HEALTHCARE AKA SENTIO HEALTHCARE) CLIENT HAD OWNED WELLS REIT, DIVIDEND CAPITAL WHICH PAID IN FULL AND HE ROLLED INTO KBS I 1/24/07 WHICH RESULTED IN A \$20,000 PROFIT. THE \$39,500 CAME FROM AN ESOP DISTRIBUTION. CLIENT HAS BEEN DISSATISFIED SINCE EARLY LAST YEAR WITH THE ECONOMY DOWNTURN WHICH AFFECTED REAL ESTATE. REPRESENTATIVE JEFF DAVIS SPOKE WITH CLIENT SEVERAL TIMES OVER THE PAST YEAR. [CUSTOMER] HAS BEEN A CLIENT OF MR. DAVIS SINCE 2001, HE IS AN ENGINEER AND READS ALL THE PAPERWORK, EVEN THE PROSPECTUS. HE IS WELL INFORMED OF REITS RISKS AND REWARDS. [CUSTOMER] BOUGHT HIS FIRST REIT THE WELLS IN 3/26/2002. WHEN THE CORNERSTONE REIT REPRICED ON 2/23/12 CLIENT CALLED JEFF AND ADVISED JEFF THAT HE THOUGHT "CORNERSTONE WAS A PONZI SCHEME" AND THAT HE FILED A COMPLAINT ONLINE WITH THE SEC. OUR CCO RECEIVED THE COMPLAINT FROM THE SEC ON MARCH 12. IT WAS FILE #: HO::~00197416~::HO.

**Product Type:** Real Estate Security

**Alleged Damages:** \$79,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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

## Customer Complaint Information

**Date Complaint Received:** 03/12/2012

**Complaint Pending?** No

**Status:** Closed/No Action

**Status Date:** 07/11/2013

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement**

[CUSTOMER'S] COMPLAINT IS UNFAIRLY CRITICAL OF MR. DAVIS, AND HIS DECISION TO COMPLAIN ABOUT HIS INVESTMENT IN CORNERSTONE WAS PREMATURE. [CUSTOMER] FAILS TO MENTION THAT HIS INVESTMENT IN CORNERSTONE CORE WAS A SMALL FRACTION OF HIS SIGNIFICANT NET WORTH -- A NET WORTH HE HAS ESTIMATED AT VARYING TIMES TO BE AS HIGH AS \$1,000,000.

[CUSTOMER] AND [SPOUSE] ARE SAVVY AND EXPERIENCED INVESTORS, AS A REVIEW OF THEIR INVESTING HISTORY REVEALS. THEY HAVE BEEN INVESTING A PORTION OF THEIR ASSETS IN REITS AT LEAST SINCE THEIR FIRST PURCHASE INTO THE WELLS I REIT OF \$15,000 IN MARCH 2002. THE NEW ACCOUNT FORM WHICH THEY SUBMITTED TO HARVEST CAPITAL, LLC, AND WHICH THEY BOTH SIGNED, INDICATES THEIR NET WORTH AT THAT TIME WAS BETWEEN 100,000 - 500,000.

[CUSTOMER] AND [SPOUSE] HAVE APPROXIMATELY 10 YEARS INVESTMENT EXPERIENCE IN REAL ESTATE INVESTMENT TRUSTS (REITS). [CUSTOMER] HAS INVESTED AND RE-INVESTED A PORTION OF HIS ASSETS INTO REITS NOT ONLY FOR POTENTIAL PROFIT BUT ALSO FOR THE HIGH RATE OF INCOME REITS OFFER. THE NEW ACCOUNT FORMS WHICH [CUSTOMER] SIGNED CONSISTENTLY REFLECTED A MODERATE RISK TOLERANCE, AND A 10+ YEAR TIME HORIZON, BOTH OF WHICH COINCIDE WITH THE OBJECTIVES OF REIT INVESTMENT.

IN CONCLUSION, [CUSTOMER] HAS BEEN A CLIENT OF MR. DAVIS FOR MANY YEARS, AND UNTIL THE RECENT DEVELOPMENTS SURROUNDING THE CORNERSTONE REITS, [CUSTOMER] HAS NEVER COMPLAINED TO MR. DAVIS REGARDING HIS INVESTMENTS IN REITS. WE BELIEVE THAT THE REITS HE PURCHASED TO DATE HAVE PERFORMED AS BOTH HE AND MR. DAVIS EXPECTED, HOWEVER CERTAIN INVESTMENTS DO NOT LIVE UP TO A CLIENTS, OR A REPRESENTATIVES, EXPECTATIONS, AND CLIENTS TEND TO FORGET, OR IGNORE, THE ASSOCIATED RISKS. IN OUR OPINION, THIS IS WHAT HAPPENED WITH [CUSTOMER] -- OVER THE COURSE OF MANY YEARS HE RECEIVED PROFITS, HIGHER INCOME, AND EXCELLENT PERFORMANCE ON REIT INVESTMENTS -- WHICH HAS PERHAPS CREATED AN UNREALISTIC EXPECTATION IN [CUSTOMER] AND [SPOUSE] THAT ALL REITS WOULD CONTINUE TO SO PERFORM REGARDLESS OF THE REALITIES OF THE REAL ESTATE MARKET, THE STOCK MARKET AND/OR THE ECONOMY. FURTHER, [CUSTOMER] LODGED HIS COMPLAINT A SCANT FEW HOURS AFTER THE FIRST SIGN OF TROUBLE FROM CORNERSTONE. WE ARE ADVISED BY CORNERSTONE THAT IT IS TAKING STEPS ITS MANAGEMENT BELIEVES NECESSARY FOR LONG-TERM VIABILITY AND TO REALIZE THEIR LONG-TERM GOALS.

[CUSTOMER] SIGNED OUR FIRM'S REIT DISCLOSURE FORM. MR. DAVIS STATES THAT THEY HAD MANY DISCUSSIONS CONCERNING REITS AND THE RISKS ASSOCIATED, AND [CUSTOMER] ACKNOWLEDGED TO HIM THAT HE READ THE PROSPECTUS AND HE WAS AND IS WELL AWARE OF THE



RISKS INVOLVED IN THE PURCHASE OF REITS. AS THE INFORMATION ABOVE REVEALS, [CUSTOMER] WAS WELL INFORMED REGARDING, AND VERY EXPERIENCED WITH, REIT INVESTMENT PRODUCTS. ANY POTENTIAL LOSS HE MAY SUSTAIN WITH CORNERSTONE IS A SMALL FRACTION OF HIS NET WORTH. THERE IS NO EVIDENCE WHATSOEVER OF ANY IMPROPER ACT ON THE PART OF MR. DAVIS IN HIS SERVICE TO [CUSTOMER] AND [SPOUSE]. AS TO [CUSTOMER'S] BELIEF THAT CORNERSTONE IS A "PONZI SCHEME", WE CANNOT COMMENT AS NEITHER WE NOR MR. DAVIS HAVE ANY FIRST HAND KNOWLEDGE, OR EVIDENCE, THAT WOULD LEAD US TO BELIEVE THIS TO BE THE CASE. [CUSTOMER] WAS A LONGSTANDING CLIENT OF HARVEST CAPITAL AND MR. DAVIS AND WE ARE SORRY THAT HE CHOSE TO COMPLAINT, AND TO MOVE HIS ACCOUNTS, BUT WE FEEL THAT NEITHER MR. DAVIS, NOR THE FIRM, HAS VIOLATED ANY SALES PRACTICE OR SUITABILITY RULES. JULY 2013 - CLIENT SENT CORRESPONDENCE BY THE FIRM ADVISING THEM THAT WHILE THE MATTER IS CONSIDERED CLOSED THEY COULD CONTACT THE FIRM DIRECTLY WITH ANY QUESTIONS.

### Disclosure 3 of 6

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	HARVEST CAPITAL LLC
<b>Allegations:</b>	SALES PRACTICE VIOLATION FROM 05/20/2010
<b>Product Type:</b>	Real Estate Security
<b>Alleged Damages:</b>	\$40,000.00
<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>	10/24/2011
<b>Complaint Pending?</b>	No
<b>Status:</b>	Withdrawn
<b>Status Date:</b>	12/27/2011

**Settlement Amount:****Individual Contribution Amount:****Broker Statement**

THE COMPLAINANT'S MOTHER HAD BEEN JEFF DAVIS'S CLIENT FOR YEARS. SHE ALWAYS LIKED BUYING REITS BECAUSE OF THE INCOME AND UNDERSTOOD REAL ESTATE AS WELL AS REIT INVESTMENTS. AS HER MOTHER GOT OLDER SHE ASKED THE COMPLAINANT TO HANDLE HER FINANCES AND TRANSFERRED FUNDS TO HER TO CONTINUE TO WORK W/JEFF AND FOR INVESTMENTS. WHEN HARVEST'S CCO SPOKE TO THE COMPLAINANT ON 10/25 IN ANSWER TO HER COMPLAINT AND AGAIN 10/10/26 AS THE COMPLAINANT PUT IT "SHE JUST DID WHAT HER MOTHER TOLD HER TO DO AND NEVER QUESTIONED OR UNDERSTOOD THE INVESTMENTS. ON 5/20/10 SHE BOUGHT THRU DAVIS, AS PER HER MOTHER'S INSTRUCTIONS \$40,000 KBS 11 REIT. THIS PURCHASE PUT HER ACCOUNT OVER OUR MINIMUM HIGH PERCENTAGE OF NET WORTH ALLOWABLE IN REITS. WE SENT A LETTER FOR HER TO SIGN ACKN THE RISKS. SHE NEVER RETURNED THE LETTER. WHEN JEFF CALLED TO OBT THE LETTER SHE KEPT TELLING HIM SHE WOULD GET TO IT. WHEN SHE FINALLY GO TO IT ON OR ABOUT 10/24 SHE GOT EXTREMELY NERVOUS. REALIZED SHE DIDN'T UNDERSTAND AND SENT IN A WRITTEN COMPLAINT. WHEN THE CCO SPOKE TO HER ON 10/25 AND AGAIN 10/26 SHE SAID SHE OVER REACTED. SHE HAD SPOKEN WITH HER MOTHER, HER MOTHER WAS OKAY AND LIKED THE INCOME. SHE APOLOGIZED FOR ALL THE CONFUSION, DIDN'T WANT TO COMPLAIN ABOUT JEFF (HER MOTHER HAS MUCH CONFIDENCE IN JEFF) AND HAS SINCE DECIDED TO KEEP THE REITS. SHE WAS GOING TO WRITE A LETTER TO RESCIND THE COMPLAINT - BUT WE HAD A MASSIVE STORM HERE - SHE'S STILL OUT OF POWER AND HAS 2" WATER IN HER BASEMENT. I SPOKE W/HER 11-3 AND AGAIN 11-8 SHE'LL CALL ME NEXT WEEK TO DISCUSS LETTER. SHE APOLOGIZED FOR CAUSING A PROBLEM, SHE SAT DOWN WITH JEFF TO UNDERSTAND REITS (10-26-11) SHE WORKS IN A RE OFC AND UNDERSTANDS AND SHE TOO IS HAPPY WITH THE PURCHASE AND HER MOTHER IS CONTENT ALSO.

**Disclosure 4 of 6****Reporting Source:** Firm**Employing firm when activities occurred which led to the complaint:** INVEST FINANCIAL CORPORATION**Allegations:** CLIENT ALLEGES MISREPRESENTATION REGARDING PRINCIPAL GUARANTEE FEATURES OF A VARIABLE ANNUITY PURCHASED FOR \$60,000.00 ON 9/28/1998



**Product Type:** Insurance

**Alleged Damages:** \$10,502.11

### Customer Complaint Information

**Date Complaint Received:** 02/20/2002

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 05/24/2002

**Settlement Amount:**

**Individual Contribution Amount:**

**Firm Statement** COMPLAINT DENIED BASED ON EXTENSIVE SIGNED DOCUMENTATION AND DISCLOSURES. REVIEW OF TRANSACTION HISTORY INDICATED CLIENT UNDERSTOOD RISK TO PRINCIPAL.

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**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** INVEST FINANCIAL CORP

**Allegations:** CLIENT ALLEGES MISREPRESENTATION REGARDING PRINCIPAL GUARANTEE OF A VARIABLE ANNUITY PURCHASED FOR \$60,000 ON 09/28/1998

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

**Alleged Damages:** \$10,502.11

### Customer Complaint Information

**Date Complaint Received:** 02/20/2002

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 05/24/2002

**Settlement Amount:**

**Individual Contribution Amount:**



### Disclosure 5 of 6

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** INVEST FINANCIAL CORPORATION

**Allegations:** CLIENT PREVIOUSLY ALLEGED SUITABILITY COMPLAINT SURROUNDING 1999 ANNUITY EXCHANGE. COMPLAINT WAS DENIED. CLIENT RESPONDED WITH ALLEGATION THAT HER SIGNATURE ON A SWITCH LETTER USED IN THE TRANSACTION WAS FORGED.

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

**Alleged Damages:** \$3,013.73

### Customer Complaint Information

**Date Complaint Received:** 02/21/2002

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 03/21/2002

**Settlement Amount:** \$0.00

**Individual Contribution Amount:** \$0.00

**Firm Statement** ALTHOUGH THERE IS NO CLEAR EVIDENCE SUPPORTING OR REFUTING CLIENT'S FORGERY ALLEGATION (REP DENIES SIGNATURE WAS FORGED) SUFFICIENT EVIDENCE EXISTS TO DEMONSTRATE THE PRODUCT IN QUESTION (VARIABLE ANNUITY) WAS A SUITABLE RECOMMENDATION. THE CLIENT'S ORIGINAL COMPLAINT CENTERED ON THE SUITABILITY OF THE PRODUCT.

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** INVEST FINANCIAL CORP

**Allegations:** CLIENT PREVIOUSLY ALLEGED SUITABILITY COMPLAINT SURROUNDING 1999 ANNUITY EXCHANGE WITH ALLEGED COMPENSATORY DAMAGE AMOUNT OF \$3013.73, WHICH WAS DENIED. CLIENT RESPONDED WITH



ALLEGATION THAT SWITCH LETTER USED IN TRANSACTION WAS FORGED

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

**Alleged Damages:** \$3,013.37

### Customer Complaint Information

**Date Complaint Received:** 02/21/2002

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 03/21/2002

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement** INVEST FINANCIAL CORP DENIED THE COMPLAINT, STATING THAT WHILE THERE WAS NO CLEAR EVIDENCE SUPPORTING OR REFUTING THE CLIENT'S FORGERY ALLEGATION (WHICH REP DENIES THAT THE SIGNATURE WAS FORGED), INVEST FINANCIAL CORP FOUND SUFFICIENT EVIDENCE TO DEMONSTRATE THAT HER PURCHASE OF A VARIABLE ANNUITY WAS A SUITABLE RECOMMENDATION, WHICH IS WHAT THE CLIENT'S ORIGINAL COMPLAINT WAS CENTERED ON.

### Disclosure 6 of 6

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** INVEST FINANCIAL CORPORATION

**Allegations:** CLIENT ALLEGES THAT REPRESENTATIVE MADE UNSUITABLE RECOMMENDATIONS REGARDING THE PURCHASE AND EXCHANGE OF VARIOUS FRANKLIN MUTUAL FUNDS. ORIGINAL TRADES OCCURRED 6/21/1999.

**Product Type:** Mutual Fund(s)

**Alleged Damages:** \$5,821.00

### Customer Complaint Information

**Date Complaint Received:** 09/05/2001

**Complaint Pending?** No



**Status:** Denied

**Status Date:** 10/15/2001

**Settlement Amount:**

**Individual Contribution Amount:**

**Firm Statement**

A REVIEW OF THE DETAILS SURROUNDING THE CLIENT'S ALLEGATIONS REVEALED THAT THE CLIENT INITIATED THE EXCHANGES. ALL DISCLOSURES APPEAR TO HAVE BEEN MADE AND PROSPECTUSES WERE PROVIDED BY THE REPRESENTATIVE AND THE FIRM. CLIENT'S FINANCIAL RISK TOLERANCE WAS IN LINE WITH THE INVESTMENT RISK. DENIED COMPLAINT.

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** INVEST FINANCIAL CORPORATION

**Allegations:** CLIENT ALLEGES THAT REPRESENTAIVE MADE UNSUITABLE RECOMMENDATIONS REGARDING THE PURCHASE AND EXCHANGE OF VARIOUS FRANKLIN MUTUAL FUNDS. ORIGINAL TRADES OCCURRED 6/21/1999. INVEST FINANCIAL CORPORATION DENIED THE CLAIM AND STATES THE FOLLOWING:  
A REVIEW OF THE DETAILS SURROUNDING THE CLIENT'S ALLEGATIONS REVEALED THAT THE CLIENT INITIATED THE EXCHANGES. ALL DISCLOSURES APPEAR TO HAVE BEEN MADE AND PROSPECTUSES WERE PROVIDED BY THE REPRESENTATIVE AND THE FIRM. CLIENT'S FINANCIAL RISK TOLERANCE WAS IN LINE WITH THE INVESTMANT RISK. DENIED COMPLAINT.

**Product Type:** Mutual Fund(s)

**Alleged Damages:** \$5,821.00

### Customer Complaint Information

**Date Complaint Received:** 09/05/2001

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 10/15/2001



**Settlement Amount:**

**Individual Contribution  
Amount:**



## Employment Separation After Allegations

This type of disclosure event involves a situation where the broker voluntarily resigned, was discharged, or was permitted to resign after being accused of (1) violating investment-related statutes, regulations, rules or industry standards of conduct; (2) fraud or the wrongful taking of property; or (3) failure to supervise in connection with investment-related statutes, regulations, rules, or industry standards of conduct.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Broker
<b>Employer Name:</b>	NATIONAL PLANNING CORPORATION
<b>Termination Type:</b>	Discharged
<b>Termination Date:</b>	01/10/2001
<b>Allegations:</b>	SIGNED CLIENT'S NAME TO A FORM
<b>Product Type:</b>	Mutual Fund(s)
<b>Other Product Types:</b>	
<b>Broker Statement</b>	SIGNED CLIENT'S NAME TO ADMINISTRATIVE FORM TO SAVE CLIENT SOME MONEY. CLIENT DID NOT FILE A COMPLAINT AND THERE WAS NO ALLEGATION OF OTHER IMPROPRIETY. RECEIVED LETTER OF CAUTION FROM NASD, AND WAS INFORMED THAT THIS ITEM NEED NOT BE DISCLOSED ON FORM U-4.

## End of Report



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