

**BrokerCheck Report**

**CHRISTOPHER PAUL SCALESE**

CRD# 2922639

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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.

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).

**CHRISTOPHER P. SCALESE**

CRD# 2922639

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:**

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

**Registration History**

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

**SUMMIT BROKERAGE SERVICES, INC.**

CRD# 34643  
DUNMORE, PA  
03/2010 - 11/2012

**NFP SECURITIES, INC.**

CRD# 42046  
DICKSON CITY, PA  
04/2006 - 03/2010

**MIDSOUTH CAPITAL, INC.**

CRD# 35039  
ATLANTA, GA  
11/2001 - 04/2006

**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
Customer Dispute	11

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

### Principal/Supervisory Exams

Exam	Category	Date
General Securities Principal Examination	Series 24	11/19/2002

### General Industry/Product Exams

Exam	Category	Date
General Securities Representative Examination	Series 7	09/09/1997

### State Securities Law Exams

Exam	Category	Date
Uniform Combined State Law Examination	Series 66	06/01/2012
Uniform Investment Adviser Law Examination	Series 65	09/26/1997
Uniform Securities Agent State Law Examination	Series 63	09/26/1997

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
03/2010 - 11/2012	SUMMIT BROKERAGE SERVICES, INC.	34643	DUNMORE, PA
04/2006 - 03/2010	NFP SECURITIES, INC.	42046	DICKSON CITY, PA
11/2001 - 04/2006	MIDSOUTH CAPITAL, INC.	35039	ATLANTA, GA
07/2000 - 11/2001	FSC SECURITIES CORPORATION	7461	ATLANTA, GA
01/1999 - 07/2000	ICBA FINANCIAL SERVICES CORPORATION	35089	MEMPHIS, TN
09/1997 - 06/1998	PRUDENTIAL SECURITIES INCORPORATED	7471	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 Dates	Employer Name	Employer Location
11/2017 - Present	AE Wealth Management, LLC	Topeka, KS
10/2000 - Present	FORTUNE FINANCIAL GROUP	DUNMORE, PA
10/2012 - 11/2017	GLOBAL FINANCIAL PRIVATE CAPITAL	SARASOTA, FL
03/2010 - 10/2012	SUMMIT BROKERAGE SERVICES	DUNMORE, PA
04/2006 - 02/2010	NFP SECURITIES INC	AUSTIN, TX

### 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)FORTUNE FINANCIAL GROUP, INVESTMENT RELATED. FIXED INSURANCE, VP, STARTED 10/00, 15 HRS PER WEEK DURING TRADING HRS. SOME OF THE INVESTMENT ADVICE I OFFER INCLUDES RECOMMENDING FIXED INSURANCE PRODUCTS TO MY CLIENTS.

## Registration and Employment History



### Other Business Activities, continued

2)SCALESE ENTERPRISES-OFFICER. THIS CORPORATION WAS SET UP TO HOLD TITLE TO MY BUSINESS LOCATION.NO COMP.

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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
Customer Dispute	1	10	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.

### 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 9

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Kestra Investment Services, LLC
<b>Allegations:</b>	CLAIM ALLEGES MISREPRESENTATION AND OTHER CAUSES OF ACTION IN CONNECTION WITH THE SALE OF TWO ALTERNATIVE INVESTMENTS IN 2008.
<b>Product Type:</b>	Real Estate Security
<b>Alleged Damages:</b>	\$166,000.00

### Customer Complaint Information

<b>Date Complaint Received:</b>	
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Arbitration/CFTC reparation (the individual is a named party)
<b>Status Date:</b>	12/15/2017
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	

### Arbitration Information

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

<b>Docket/Case #:</b>	17-03321
<b>Date Notice/Process Served:</b>	12/15/2017
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	07/17/2018
<b>Monetary Compensation Amount:</b>	\$51,000.00
<b>Individual Contribution Amount:</b>	\$7,725.00
<b>Firm Statement</b>	Settled on 7/17/18 for \$51,000. Firm A contributed \$6,500, Firm B contributed \$37,275 and RR contributed \$7,725.

**Disclosure 2 of 9**

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Kestra Investment Svcs, GF Investment Services LLC, Summit Brokerage Services
<b>Allegations:</b>	Sale of Unsuitable Securities. Unsuitable Recommendations in REITS.
<b>Product Type:</b>	Equipment Leasing Real Estate Security Other: Icon Leasing Fund XI, XII, XII, XIV, Wells REIT, Inland American REIT, Dividend Capital REIT, II
<b>Alleged Damages:</b>	\$1,032,000.00
<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>	

**Customer Complaint Information**

<b>Date Complaint Received:</b>	01/17/2017
<b>Complaint Pending?</b>	No



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

**Status Date:** 01/17/2017

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 17-00093

**Date Notice/Process Served:** 01/05/2017

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 01/18/2018

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

**Individual Contribution Amount:** \$15,000.00

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** Kestra Investment Services, LLC and Summit Brokerage Services, Inc.

**Allegations:** Claim alleging suitability, misrepresentation, and other causes of action in connection with the sale of various REITS and an equipment leasing fund.

**Product Type:** Equipment Leasing  
Real Estate Security

**Alleged Damages:** \$1,326,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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



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

**Docket/Case #:** 17-00093

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 01/10/2017

### Customer Complaint Information

**Date Complaint Received:** 01/10/2017

**Complaint Pending?** No

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

**Status Date:** 02/24/2017

**Settlement Amount:** \$0.00

**Individual Contribution  
Amount:** \$0.00

### Arbitration Information

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

**Docket/Case #:** 17-00093

**Date Notice/Process Served:** 01/10/2017

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 12/12/2017

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

**Individual Contribution  
Amount:** \$15,000.00

**Firm Statement** Party A: \$15,000 Party B: \$75,000 Party C: \$10,000

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**Reporting Source:** Broker



<b>Employing firm when activities occurred which led to the complaint:</b>	Kestra Investment Services, LLC and Summit Brokerage Services
<b>Allegations:</b>	Claim alleging suitability, misrepresentations, and other causes of action with the sale of various REITs and an equipment leasing fund.
<b>Product Type:</b>	Equipment Leasing Real Estate Security
<b>Alleged Damages:</b>	\$1,326,000.00
<b>Arbitration Information</b>	
<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	17-00093
<b>Date Notice/Process Served:</b>	01/10/2017
<b>Arbitration Pending?</b>	Yes

### Disclosure 3 of 9

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	NFP Securities Inc & Fortune Financial Group
<b>Allegations:</b>	Misrepresentation approx. May 2007
<b>Product Type:</b>	Direct Investment-DPP & LP Interests Other: ICON Fund 12, Inland AMERICAN, Dividend Capital
<b>Alleged Damages:</b>	\$157,800.00

### Customer Complaint Information

<b>Date Complaint Received:</b>	
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Arbitration/CFTC reparation (the individual is a named party)
<b>Status Date:</b>	10/12/2016
<b>Settlement Amount:</b>	



**Individual Contribution  
Amount:**

**Arbitration Information**

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

**Docket/Case #:** 16-02926

**Date Notice/Process Served:** 10/12/2016

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 07/27/2017

**Monetary Compensation  
Amount:** \$6,500.00

**Individual Contribution  
Amount:** \$0.00

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**Reporting Source:** Firm

**Employing firm when  
activities occurred which led  
to the complaint:** Kestra Investment Services, LLC

**Allegations:** Claim alleging misrepresentation and other causes of action in connection with the sale of three alternative investments in approximately May 2007.

**Product Type:** Direct Investment-DPP & LP Interests

**Alleged Damages:** \$157,860.00

**Arbitration Information**

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

**Docket/Case #:** 16-02926

**Date Notice/Process Served:** 09/30/2016

**Arbitration Pending?** No

**Disposition:** Settled



**Disposition Date:** 07/18/2017  
**Monetary Compensation Amount:** \$41,500.00  
**Individual Contribution Amount:** \$13,750.00

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**Reporting Source:** Broker  
**Employing firm when activities occurred which led to the complaint:** NFP Securities and Kestra Investment Services, LLC  
**Allegations:** Claim alleging misrepresentation and other causes of action in connection with the sale of three alternative investments in approximately May 2007.  
**Product Type:** Direct Investment-DPP & LP Interests  
**Alleged Damages:** \$157,860.00

### Arbitration Information

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA  
**Docket/Case #:** 16-02926  
**Date Notice/Process Served:** 09/30/2016  
**Arbitration Pending?** Yes

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### Disclosure 4 of 9

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** Summit Brokerage Services  
**Allegations:** Unsuitable purchase of a private placement ICON Fund 14 March and May 2011.  
**Product Type:** Other: Icon Fund 14  
**Alleged Damages:** \$350,000.00  
**Is this an oral complaint?** No  
**Is this a written complaint?** Yes





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

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

**Docket/Case #:** 16-01058

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 04/13/2016

### Customer Complaint Information

**Date Complaint Received:** 05/13/2016

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 08/28/2015

**Settlement Amount:** \$110,000.00

**Individual Contribution  
Amount:** \$0.00

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**Reporting Source:** Broker

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

**Allegations:** Unsuitable purchase of a private placement ICON fund 14 March and May 2011.

**Product Type:** Other: Icon Fund 14

**Alleged Damages:** \$350,000.00

**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:** 05/13/2016

**Complaint Pending?** Yes

**Settlement Amount:****Individual Contribution Amount:****Disclosure 5 of 9**

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Summit Brokerage Services & Kestra f/k/a NFP Securities & Fortune Financial Group
<b>Allegations:</b>	Unsuitability, overconcentration, misrepresentation and omission.
<b>Product Type:</b>	Equipment Leasing Real Estate Security
<b>Alleged Damages:</b>	\$169,600.00

**Arbitration Information**

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	16-00495
<b>Date Notice/Process Served:</b>	02/29/2016
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	02/27/2017
<b>Monetary Compensation Amount:</b>	\$15,750.00
<b>Individual Contribution Amount:</b>	\$8,250.00

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<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	NFP Advisor Services
<b>Allegations:</b>	Complaint alleging misrepresentation and other causes of action in connection with the sale of two non-traded REITs and an equipment leasing fund between 2005



and 2009.

**Product Type:** Equipment Leasing  
Real Estate Security

**Alleged Damages:** \$169,600.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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

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

**Docket/Case #:** 16-00495

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 02/18/2016

### Customer Complaint Information

**Date Complaint Received:** 03/09/2016

**Complaint Pending?** No

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

**Status Date:** 03/21/2016

**Settlement Amount:**

**Individual Contribution  
Amount:**

### Arbitration Information

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

**Docket/Case #:** 16-00495

**Date Notice/Process Served:** 03/09/2016

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 02/08/2017



**Monetary Compensation Amount:** \$62,500.00

**Individual Contribution Amount:** \$8,250.00

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**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** Summit Brokerage Services and NFP Advisor Services

**Allegations:** Complaint alleging misrepresentation and other causes of action in connection with the sale of two non-traded REITs and an equipment leasing fund between 2005 and 2009.

**Product Type:** Equipment Leasing  
Real Estate Security

**Alleged Damages:** \$169,600.00

### Arbitration Information

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

**Docket/Case #:** 16-00495

**Date Notice/Process Served:** 02/29/2016

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 02/27/2017

**Monetary Compensation Amount:** \$15,750.00

**Individual Contribution Amount:** \$8,250.00

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### Disclosure 6 of 9

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** MidSouth Capital, Inc.



**Allegations:** Complaint alleging unsuitability and other causes of action involving the sale of variable annuities and non-traded REITS in approximately 2003.

**Product Type:** Annuity-Variable  
Real Estate Security

**Alleged Damages:** \$450,000.00

### Arbitration Information

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

**Docket/Case #:** 15-02712

**Date Notice/Process Served:** 11/06/2015

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 06/22/2016

**Monetary Compensation Amount:** \$37,125.00

**Individual Contribution Amount:** \$7,875.00

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** Summit Brokerage Services & NFP Securities

**Allegations:** Misrepresentation, unsuitable recommendations. Violation of Section 12 of the Securities Act of 1933. Violation of various PA Securities Acts. Breach of Fiduciary Duty

**Product Type:** Annuity-Variable  
Other: Non-traded REITS

**Alleged Damages:** \$450,000.00

### Customer Complaint Information

**Date Complaint Received:**

**Complaint Pending?** No

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



**Status Date:** 11/05/2015

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 15-02712

**Date Notice/Process Served:** 11/09/2015

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 06/22/2016

**Monetary Compensation Amount:** \$7,500.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** Midsouth Capital, Inc., Summit Brokerage Services and NFP Securities

**Allegations:** Complaint alleging unsuitability and other causes of action involving the sale of variable annuities and non-traded REITs in approximately 2003.

**Product Type:** Annuity-Variable  
Real Estate Security

**Alleged Damages:** \$450,000.00

### Arbitration Information

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

**Docket/Case #:** 15-02712



<b>Date Notice/Process Served:</b>	11/06/2015
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	06/22/2016
<b>Monetary Compensation Amount:</b>	\$37,125.00
<b>Individual Contribution Amount:</b>	\$7,875.00

#### Disclosure 7 of 9

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	NFP SECURITIES, INC.
<b>Allegations:</b>	CLAIM ALLEGES MISREPRESENTATION AND OTHER CAUSES OF ACTION IN CONNECTION WITH THE SALE OF TWO ALTERNATIVE INVESTMENTS IN 2008.
<b>Product Type:</b>	Equipment Leasing Real Estate Security
<b>Alleged Damages:</b>	\$34,775.00

#### Arbitration Information

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	14-01747
<b>Date Notice/Process Served:</b>	06/13/2014
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	09/16/2014
<b>Monetary Compensation Amount:</b>	\$22,000.00
<b>Individual Contribution Amount:</b>	\$11,000.00



<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	NFP Securities
<b>Allegations:</b>	Misrepresentation and other causes of action in connection with the sale of two alternative investments in 2008.
<b>Product Type:</b>	Equipment Leasing Real Estate Security
<b>Alleged Damages:</b>	\$34,775.00
<b>Arbitration Information</b>	
<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	14-01747
<b>Date Notice/Process Served:</b>	06/13/2014
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	09/16/2014
<b>Monetary Compensation Amount:</b>	\$22,000.00
<b>Individual Contribution Amount:</b>	\$11,000.00

#### Disclosure 8 of 9

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	NFP SECURITIES
<b>Allegations:</b>	COMPLAINT ALLEGES UNSUITABILITY AND OTHER CAUSES OF ACTION IN CONNECTION WITH THE SALE OF ALTERNATIVE INVESTMENTS IN 2007.
<b>Product Type:</b>	Direct Investment-DPP & LP Interests Real Estate Security





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

**Alleged Damages Amount Explanation (if amount not exact):** COMPENSATORY DAMAGES WERE NOT SPECIFIED BUT ARE BELIEVED TO BE OVER \$5,000.00

### Arbitration Information

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

**Docket/Case #:** 13-03456

**Date Notice/Process Served:** 12/04/2013

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 01/29/2015

**Monetary Compensation Amount:** \$50,000.00

**Individual Contribution Amount:** \$25,000.00

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**Reporting Source:** Broker

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

**Allegations:** Complaint alleges unsuitability and other causes of action in connection with the sale of alternative investments in 2007.

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

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

**Alleged Damages Amount Explanation (if amount not exact):** Compensatory damages were not specified but are believed to be over \$5,000.

### Arbitration Information



<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	13-03456
<b>Date Notice/Process Served:</b>	12/04/2013
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	01/29/2015
<b>Monetary Compensation Amount:</b>	\$50,000.00
<b>Individual Contribution Amount:</b>	\$25,000.00

#### Disclosure 9 of 9

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	FSC SECURITIES CORPORATION
<b>Allegations:</b>	CUSTOMERS ALLEGE INVESTMENTS WERE UNSUITABLE BASED ON THEIR FINANCIAL NEEDS.
<b>Product Type:</b>	Annuity(ies) - Variable
<b>Other Product Type(s):</b>	VARIABLE UNIVERSAL LIFE
<b>Alleged Damages:</b>	\$15,303.00

#### Customer Complaint Information

<b>Date Complaint Received:</b>	01/23/2006
<b>Complaint Pending?</b>	No
<b>Status:</b>	Arbitration/Reparation
<b>Status Date:</b>	01/23/2006
<b>Settlement Amount:</b>	\$9,999.00
<b>Individual Contribution Amount:</b>	\$2,500.00

#### Arbitration Information



**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD CASE NO. 06-00241

**Date Notice/Process Served:** 01/23/2006

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 04/26/2006

**Monetary Compensation Amount:** \$9,999.00

**Individual Contribution Amount:** \$2,500.00

**Reporting Source:** Broker

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

**Allegations:** CUSTOMER ALLEGES INVESTMENTS WERE UNSUITABLE BASED ON THEIR FINANCIAL NEEDS

**Product Type:** Annuity-Variable  
Other: VARIABLE UNIVERSAL LIFE

**Alleged Damages:** \$15,303.00

### Customer Complaint Information

**Date Complaint Received:**

**Complaint Pending?** No

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

**Status Date:** 01/23/2006

**Settlement Amount:** \$9,999.00

**Individual Contribution Amount:** \$2,500.00

### Arbitration Information

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



<b>Docket/Case #:</b>	06-00241
<b>Date Notice/Process Served:</b>	01/23/2006
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	04/26/2006
<b>Monetary Compensation Amount:</b>	\$9,999.00
<b>Individual Contribution Amount:</b>	\$2,500.00



## 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 1

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** MIDSOUTH CAPITAL, INC.

**Allegations:** THE CLIENT IS REQUESTING A WAIVER OF THE REMAINING SURRENDER CHARGE, WHICH WE ESTIMATE AT JUST OVER \$5,800, AND STATES THAT SHE WANTS TO INVEST IN ANOTHER INSURANCE COMPANY'S PRODUCT. THE CLIENT ALLEDGES THAT THE PRODUCT WAS MISREPRESENTED TO HER. THE TRANSACTION DATE WAS AUGUST 12, 2004.

**Product Type:** Other

**Other Product Type(s):** THE PRODUCT IS AN EQUITY INDEX ANNUITY.

**Alleged Damages:** \$5,837.00

### Customer Complaint Information

**Date Complaint Received:** 06/21/2006

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 07/18/2006

**Settlement Amount:**

**Individual Contribution Amount:**

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** Midsouth Capital, Inc.

**Allegations:** The client is requesting a waiver of the remaining surrender charge, which we estimate as just over \$5,800, and states that she wants to invest in another



insurance company's product. The client alleges that the product was misrepresented to her. The transaction date was 8/12/2004.

**Product Type:** Other: THE PRODUCT IA AN EQUITY INDEX ANNUITY.  
**Alleged Damages:** \$5,837.00  
**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:** 07/18/2006  
**Complaint Pending?** No  
**Status:** Denied  
**Status Date:** 10/19/2006  
**Settlement Amount:**

**Individual Contribution Amount:**

**Arbitration Information**

**Date Notice/Process Served:**  
**Arbitration Pending?**  
**Disposition:**  
**Disposition Date:**



## 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 1

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	NFP SECURITIES, LLC, SUMMIT BROKERAGE SERVICES INC. AND GLOBAL FINANCIAL INVESTMENT SERVICES INC.
<b>Allegations:</b>	CLAIMANT ALLEGES MISREPRESENTATION OF INVESTMENTS, MISINFORMATION GIVEN, AND OTHER CAUSES OF ACTION IN CONNECTION WITH THE SALE OF ALTERNATIVE INVESTMENTS AND THE LIQUIDATION OF ANNUITIES IN 2008 AND CONTINUED THROUGH 2017.
<b>Product Type:</b>	Annuity-Fixed Equipment Leasing
<b>Alleged Damages:</b>	\$176,112.00
<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>	11/29/2018
<b>Complaint Pending?</b>	Yes
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	NFP Advisory, LLC (Now Kestra Investment Services, LLC), Summit Brokerage Services Inc. and Global Financial Investment Services Inc.
<b>Allegations:</b>	Claimant alleges misrepresentation and other causes of action in connection with the sale of one alternative investment and the liquidation of annuities on or around



2008 or 2009.

**Product Type:** Annuity-Fixed  
Equipment Leasing

**Alleged Damages:** \$176,112.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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

### Customer Complaint Information

**Date Complaint Received:** 11/29/2018

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution  
Amount:**

**Firm Statement** Mr. Scalese denies any wrong doing in this matter.

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**Reporting Source:** Broker

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

**Allegations:** Misrepresentation and other causes of action in connection with the sale of one alternative investment, and the liquidation/purchase of annuities for which dates are not provided. Advisor represents that the activity at issue occurred in 2008 or 2009.

**Product Type:** Annuity-Fixed  
Equipment Leasing

**Alleged Damages:** \$121,113.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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





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

**Docket/Case #:** 18-04081

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 11/29/2018

### **Customer Complaint Information**

**Date Complaint Received:** 12/03/2018

**Complaint Pending?** No

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

**Status Date:** 12/03/2018

**Settlement Amount:**

**Individual Contribution  
Amount:**

### **Arbitration Information**

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

**Docket/Case #:** 18-04081

**Date Notice/Process Served:** 12/03/2018

**Arbitration Pending?** Yes

**Broker Statement** Mr. Scalese denies any wrong doing in this matter.

## End of Report



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