

BrokerCheck Report

MICHAEL SZTROM

CRD# 3042821

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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.

MICHAEL SZTROM

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This broker is not currently registered.

Report Summary for this Broker

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

Broker Qualifications

This broker is not currently registered.

This broker has passed:

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

Registration History

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

- B UBS FINANCIAL SERVICES INC.**
CRD# 8174
SAN DIEGO, CA
11/2010 - 09/2015
- B DEUTSCHE BANK SECURITIES INC.**
CRD# 2525
LOS ANGELES, CA
04/2007 - 12/2010
- B SECURITIES AMERICA, INC.**
CRD# 10205
SHELTON, CT
10/2002 - 04/2007

**Disclosure Events**

This broker has been involved in one or more disclosure events involving certain final criminal matters, regulatory actions, civil judicial proceedings, or arbitrations or civil litigations.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1
Civil Event	1

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), states and U.S. territories the broker is currently registered and licensed with, the category of each registration, and the date on which the registration became effective. This section also provides, for each 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. 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, 2 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 Industry Essentials Examination	SIE	09/03/2015
B General Securities Representative Examination	Series 7	07/07/1998

State Securities Law Exams

Exam	Category	Date
B IA Uniform Combined State Law Examination	Series 66	03/02/1999

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 securities firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 11/2010 - 09/2015	UBS FINANCIAL SERVICES INC.	8174	SAN DIEGO, CA
B 04/2007 - 12/2010	DEUTSCHE BANK SECURITIES INC.	2525	LOS ANGELES, CA
B 10/2002 - 04/2007	SECURITIES AMERICA, INC.	10205	SHELTON, CT
B 07/1998 - 10/2002	THE ADVISORS GROUP, INC.	14035	BETHESDA, MD

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
03/2018 - Present	INTEGRATED ADVISORS NETWORK, LLC	INVESTMENT ADVISER REPRESENTATIVE	Y	PALOS VERDES ESTATES, CA, United States
06/2016 - 03/2018	Sztrom Capital Management LLC	Chief Financial Planner	Y	Del Mar, CA, United States
08/2015 - 03/2018	Sztrom Wealth Management	Financial Planning Consultant	Y	Del Mar, CA, United States

Disclosure Events



What you should know about reported disclosure events:

- 1. **Disclosure events in BrokerCheck reports come from different sources:**
 - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, their employing firms, and regulators. When more than one source reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions are separated by a solid line with the reporting source labeled.

For your convenience, below is a matrix of the number and status of regulatory 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.

	Final	On Appeal
Regulatory Event	1	0
Civil Event	1	0



Disclosure Event Details

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 involves a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source:	Broker
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Civil and Administrative Penalty(ies)/Fine(s)
Date Initiated:	01/15/2021
Docket/Case Number:	3:21-cv-0086-H-RBB
Employing firm when activity occurred which led to the regulatory action:	Advanced Practice Advisors, LLC
Product Type:	Other: unspecified securities
Allegations:	The SEC's complaint alleges that Michael Sztrom, David Strzom, and Sztrom Wealth Management, Inc. violated various provisions of Investment Advisers Act of 1940 while affiliated with Advanced Practice Advisors, LLC. The complaint alleges that the investment advisers violated their fiduciary duties and deceived their advisory clients by, among other things, concealing that the father was: (1) not associated with any registered investment adviser; (2) prohibited from providing investment advice under the aegis of the clients' registered investment adviser; and (3) impersonating his son on telephone calls with the registered investment adviser's clearing broker, leading the clearing broker to terminate its agreement with the registered investment adviser.
Current Status:	Final
Resolution:	Consent



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

Resolution Date: 10/05/2022

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

Monetary Sanction 1 of 1

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

Total Amount: \$25,000.00

Portion Levied against individual: \$25,000.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual: 11/02/2022

Was any portion of penalty waived? No

Amount Waived:



Civil - Final

This type of disclosure event involves an injunction issued by a court in connection with investment-related activity or a finding by a court of a violation of any investment-related statute or regulation.

Disclosure 1 of 1

Reporting Source: Regulator

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Relief Sought: Civil and Administrative Penalty(ies)/Fine(s)
Injunction

Date Court Action Filed: 01/15/2021

Product Type: Other: unspecified securities

Type of Court: Federal Court

Name of Court: The United States District Court Southern District of California

Location of Court: Southern District of California

Docket/Case #: 3:21-cv-00086

Employing firm when activity occurred which led to the action: Advanced Practice Advisors, LLC; Sztrom Wealth Management, Inc.

Allegations: The SEC alleges that this action concerns father and son investment advisers who, in violation of their fiduciary duties, deceived their advisory clients by, among other things, concealing that the father was: (1) not associated with any registered investment adviser, (2) prohibited from providing investment advice under the aegis of the clients' registered investment adviser, and (3) impersonating his son on telephone calls with the registered investment adviser's clearing broker, leading the clearing broker to terminate its agreement with the registered investment adviser.

In August 2015, Michael Sztrom ("Michael"), who had been an investment adviser and/or broker for over fifteen years, resigned from his investment advisory firm and planned to form his own investment advisory business. Upon resigning from his investment advisory firm, he learned that he was under a regulatory investigation and that several of the clearing broker-dealers would not allow Michael to use their platform while the investigation was pending, meaning he could no longer execute trades for his clients.

Michael and his inexperienced son David Sztrom ("David"), who was in his early 20s at the time and had just passed his securities licensing exam, contacted Advanced Practice Advisors, LLC ("APA"), a registered investment adviser in La Quinta, California, and its CEO, Paul C. Spitzer, seeking to associate with APA. Because Michael was under investigation and banned from the clearing broker-



dealers, Spitzer did not let Michael associate with APA but agreed that his son David could serve as an investment adviser representative ("IAR") with the firm. David and his company, Sztrom Wealth Management, Inc. ("SWM"), an unregistered investment adviser, provided investment advice to a group of APA clients. This group of clients had been advised by David's father, Michael, at another firm and followed Michael to APA.

Despite being told he could not associate with APA and despite being banned from the clearing broker-dealers, Michael continued to serve as an investment adviser to clients and used the services of APA's broker-dealer Charles Schwab & Co. ("Schwab") by impersonating David on at least 38 separate telephone calls, sometimes when David was present. When Schwab discovered Michael's deception, it immediately terminated David's access to its platform and gave all of the APA clients 90 days to either find an investment adviser other than APA or move their brokerage accounts to another brokerage firm. Michael and David owed clients they advised a fiduciary duty, which prohibited them from, among other things, omitting to state material facts necessary to make their statements not misleading, employing any device scheme or artifice to defraud, and engaging in any transaction, practice or course of business which operated as a fraud or deceit upon any client.

Nevertheless, from November 2015 through March 2018, Michael and David breached their fiduciary duties and defrauded the clients whom they advised through APA. David was complicit in misleading advisory clients because he assisted Michael in accessing confidential information from the APA system, including client information, provided Michael with access to APA's broker-dealer, including the APA master account number, and was aware that Michael was communicating with APA clients using his personal cell phone rather than the APA email system. Michael's use of his personal phone to exchange text messages with APA clients was not only in violation of APA's corporate policies and procedures but also meant that Michael's communications with APA clients, including investment advice and messages about trades he was executing, were not monitored or preserved as required by the firm. Defendants concealed from the advisory clients that Michael was providing investment advice to them without being associated with APA and without compliance oversight by APA or any other entity.

Current Status:	Final
Resolution:	Judgment Rendered
Resolution Date:	10/05/2022
Sanctions Ordered or Relief Granted:	Civil and Administrative Penalty(ies)/Fine(s) Injunction
Capacities 1 of 1	
Capacities Affected:	N/A



Duration: Permanent

Start Date: 10/05/2022

End Date:

Monetary Sanction 1 of 1

Monetary Sanction: Monetary Fine

Total Amount: \$25,000.00

Portion against individual: 25000

Date Paid:

Portion Waived: No

Amount Waived:

Regulator Statement

On October 5, 2022, the U.S. District Court for the Southern District of California issued a Final Judgement as to Defendant Michael Sztrom. The Securities and Exchange Commission having filed a Complaint and Defendant Michael Sztrom ("Sztrom") having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment. It is hereby ordered, adjudged, and decreed that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 206 of the Investment Advisers Act of 1940. It is further ordered, adjudged, and decreed that Defendant shall pay a civil penalty in the amount of \$25,000 to the SEC. The Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

End of Report



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