

BrokerCheck Report

CARL DORSEY CORNAGLIA

CRD# 3067666

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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.

**CARL D. CORNAGLIA**

CRD# 3067666

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

IA KOVACK ADVISORS, INC.
 5 Saint John Street
 Suite 200
 North Haven, CT 06473
 CRD# 140808
 Registered with this firm since: 01/12/2018

B KOVACK SECURITIES INC.
 5 Saint John Street
 Suite 200
 North Haven, CT 06473
 CRD# 44848
 Registered with this firm since: 12/21/2017

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
- 10 U.S. states and territories

This broker has passed:

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

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

- IA SII INVESTMENTS, INC.**
 CRD# 2225
 APPLETON, WI
 06/2009 - 12/2017
- B SII INVESTMENTS, INC.**
 CRD# 2225
 NORTH HAVEN, CT
 06/2009 - 12/2017
- B QUESTAR CAPITAL CORPORATION**
 CRD# 43100
 WALLINGFORD, CT
 12/2006 - 07/2009

Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

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

The following types of disclosures have been reported:

Type	Count
Customer Dispute	9
Financial	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 10 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	01/12/2018

Branch Office Locations

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

5 Saint John Street
 Suite 200
 North Haven, CT 06473

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 Representative	Approved	12/21/2017



Broker Qualifications

Employment 2 of 2, continued

SRO	Category	Status	Date
B FINRA	Invest. Co and Variable Contracts	Approved	12/21/2017
B Nasdaq Stock Market	General Securities Representative	Approved	12/21/2017

U.S. State/ Territory	Category	Status	Date
B Arizona	Agent	Approved	07/21/2023
B California	Agent	Approved	01/18/2018
B Connecticut	Agent	Approved	01/12/2018
B Florida	Agent	Approved	12/22/2017
B New Hampshire	Agent	Approved	03/02/2018
B New York	Agent	Approved	03/06/2018
B North Carolina	Agent	Approved	01/24/2018
B Pennsylvania	Agent	Approved	01/23/2018
B Rhode Island	Agent	Approved	01/17/2025
B South Carolina	Agent	Approved	12/13/2021

Branch Office Locations

KOVACK SECURITIES INC.

5 Saint John Street
Suite 200
North Haven, CT 06473



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, 3 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	10/01/2018
B General Securities Representative Examination	Series 7	06/04/2001
B Investment Company Products/Variable Contracts Representative Examination	Series 6	07/03/1998

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	07/08/2000
B Uniform Securities Agent State Law Examination	Series 63	08/20/1998

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

Broker Qualifications



Professional Designations

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

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

	Registration Dates	Firm Name	CRD#	Branch Location
IA	06/2009 - 12/2017	SII INVESTMENTS, INC.	2225	NORTH HAVEN, CT
B	06/2009 - 12/2017	SII INVESTMENTS, INC.	2225	NORTH HAVEN, CT
B	12/2006 - 07/2009	QUESTAR CAPITAL CORPORATION	43100	WALLINGFORD, CT
IA	07/2006 - 07/2009	QUESTAR ASSET MANAGEMENT, INC.	133358	WALLINGFORD, CT
B	08/2004 - 12/2006	USALLIANZ SECURITIES, INC.	40875	WALLINGFORD, CT
B	11/2003 - 06/2004	SECURITIES SERVICE NETWORK, INC.	13318	KNOXVILLE, TN
IA	09/2000 - 09/2003	METLIFE SECURITIES INC.	14251	WETHERSFIELD, CT
B	07/1998 - 09/2003	METLIFE SECURITIES INC.	14251	SPRINGFIELD, MA
B	07/1998 - 09/2003	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
12/2017 - Present	Kovack Advisors, Inc	Investment Advisor	Y	Fort Lauderdale, FL, United States
12/2017 - Present	Kovack Securities, Inc.	Registered Representative	Y	Fort Lauderdale, FL, United States
06/2009 - 12/2017	SII INVESTMENTS, INC.	INVESTMENT REP	Y	WALLINGFORD, CT, United States

Registration and Employment History



Other Business Activities

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

- 1) AMERICAN HERITAGE INSURANCE, LLC - 5 SAINT JOHN STREET NORTH HAVEN, CT 06473; MANAGING PRINCIPAL; INVOLVED WITH PROPERTY & CASUALTY INSURANCE SALES; NON-INVESTMENT RELATED BUSINESS; 2% OF TIME SPENT
 - 2) Heritage Financial dba American Heritage Financial 5 St. John St., Ste 200, North Haven CT 06473, managing principal
 - 3) BRBG LLC - 4 ARMSTRONG ROAD, SHELTON, CT; NON-INVESTMENT RELATED; START DATE JULY 16, 2024; PROPERTY AND CASUALTY INSURANCE; BROKER; 2 HOURS/MONTH DEVOTED TO OTHER BUSINESS; LESS THAN 1 HOUR/MONTH DEVOTED TO OTHER BUSINESS DURING SECURITIES TRADING HOURS.
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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
Customer Dispute	0	9	N/A
Financial	0	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.

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 7

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	QUESTAR CAPITAL CORPORATION
Allegations:	ALLEGED NEGLIGENCE, BREACH OF FIDUCIARY DUTY, NEGLIGENT SUPERVISION, BREACH OF CONTRACT, AND FRAUD IN THE SALE OF \$50,000 DBSI 2008 NOTES ON 7/18/2008.
Product Type:	Real Estate Security
Alleged Damages:	\$50,000.00
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 #:	13-00356
Filing date of arbitration/CFTC reparation or civil litigation:	02/04/2013

Customer Complaint Information

Date Complaint Received: 03/19/2013



Complaint Pending? No

Status: Settled

Status Date: 02/26/2014

Settlement Amount: \$27,500.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: QUESTAR CAPITAL CORPORATION

Allegations: ALLEGED NEGLIGENCE, BREACH OF FIDUCIARY DUTY, NEGLIGENT SUPERVISION, BREACH OF CONTRACT, AND FRAUD IN THE SALE OF \$50,000 DBSI 2008 NOTES ON 7/18/2008

Product Type: Real Estate Security

Alleged Damages: \$50,000.00

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 #: 13-00356

Filing date of arbitration/CFTC reparation or civil litigation: 02/04/2013

Customer Complaint Information

Date Complaint Received: 03/19/2013

Complaint Pending? No

Status: Settled

Status Date: 02/26/2014



Settlement Amount:	\$27,500.00
Individual Contribution Amount:	\$0.00
Broker Statement	QUESTAR CAPITAL CORPORATION PAID THE ENTIRE SETTLEMENT AND NO MONETARY CONTRIBUTION WAS REQUIRED FROM ME.

Disclosure 2 of 7

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	QUESTAR CAPITAL CORPORATION
Allegations:	CLIENT ALLEGES NEGLIGENCE, BREACH OF FIDUCIARY DUTY, NEGLIGENT SUPERVISION, BREACH OF CONTRACT, AND FRAUD IN THREE SEPARATE INVESTMENTS TOTALING \$320,409 ON SALE OF DBSI 2008 NOTES BETWEEN 4/24/08 AND 7/28/08.
Product Type:	Real Estate Security
Alleged Damages:	\$868,708.00
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 #:	11-02929
Filing date of arbitration/CFTC reparation or civil litigation:	07/26/2011

Customer Complaint Information

Date Complaint Received:	08/08/2011
Complaint Pending?	No
Status:	Settled
Status Date:	12/07/2012



Settlement Amount: \$147,403.67

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: QUESTAR CAPITAL CORPORATION

Allegations: CLIENT ALLEGES NEGLIGENCE, BREACH OF FIDUCIARY DUTY, NEGLIGENT SUPERVISION, BREACH OF CONTRACT, AND FRAUD IN THREE SEPARATE INVESTMENTS TOTALING \$320,409 ON SALE OF DBSI 2008 NOTES BETWEEN 4/24/2008 AND 7/28/2008.

Product Type: Real Estate Security

Alleged Damages: \$868,708.00

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 #: 11-02929

Filing date of arbitration/CFTC reparation or civil litigation: 07/26/2011

Customer Complaint Information

Date Complaint Received: 10/04/2011

Complaint Pending? No

Status: Settled

Status Date: 12/07/2012

Settlement Amount: \$147,403.67

Individual Contribution Amount: \$0.00

**Broker Statement**

QUESTAR CAPITAL CORPORATION PAID THE ENTIRE SETTLEMENT AND NO MONETARY CONTRIBUTION WAS REQUIRED FROM ME.

Disclosure 3 of 7

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	QUESTAR CAPITAL CORPORATION
Allegations:	CLIENT ALLEGES NEGLIGENCE, BREACH OF FIDUCIARY DUTY, NEGLIGENT SUPERVISION, BREACH OF CONTRACT, AND FRAUD IN THE SALE OF 2008 DBSI NOTES FOR \$39,000 ON 4/25/2008.
Product Type:	Real Estate Security
Alleged Damages:	\$204,890.00
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 #:	11-03079
Filing date of arbitration/CFTC reparation or civil litigation:	08/09/2011

Customer Complaint Information

Date Complaint Received:	09/19/2011
Complaint Pending?	No
Status:	Settled
Status Date:	09/21/2012
Settlement Amount:	\$21,000.00
Individual Contribution Amount:	\$0.00



Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: QUESTAR CAPITAL CORPORATION

Allegations: CLIENT ALLEGES NEGLIGENCE, BREACH OF FIDUCIARY DUTY, NEGLIGENT SUPERVISION, BREACH OF CONTRACT, AND FRAUD IN THE SALE OF 2008 DBSI NOTES FOR \$39,000.00 ON 4/25/2008.

Product Type: Real Estate Security

Alleged Damages: \$204,890.00

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 #: 11-03079

Filing date of arbitration/CFTC reparation or civil litigation: 08/09/2011

Customer Complaint Information

Date Complaint Received: 10/04/2011

Complaint Pending? No

Status: Settled

Status Date: 09/21/2012

Settlement Amount: \$21,000.00

Individual Contribution Amount: \$0.00

Broker Statement QUESTAR CAPITAL CORPORATION PAID THE ENTIRE SETTLEMENT AND NO MONETARY CONTRIBUTION WAS REQUIRED FROM ME.

Disclosure 4 of 7

Reporting Source: Firm



Employing firm when activities occurred which led to the complaint: QUESTAR CAPITAL CORPORATION

Allegations: CLIENT ALLEGES NEGLIGENCE, BREACH OF FIDUCIARY DUTY, NEGLIGENT SUPERVISION, BREACH OF CONTRACT, AND FRAUD IN THE SALE OF \$100,000 IN 2008 DBSI NOTES ON 7/18/08.

Product Type: Real Estate Security

Alleged Damages: \$351,925.00

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 #: 11-03070

Filing date of arbitration/CFTC reparation or civil litigation: 08/03/2011

Customer Complaint Information

Date Complaint Received: 09/26/2011

Complaint Pending? No

Status: Settled

Status Date: 04/09/2013

Settlement Amount: \$70,000.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: QUESTAR CAPITAL CORPORATION

Allegations: CLIENT ALLEGES NEGLIGENCE, BREACH OF FIDUCIARY DUTY, NEGLIGENT



SUPERVISION, BREACH OF CONTRACT, AND FRAUD IN THE SALE OF \$100,000.00 IN 2008 DBSI NOTES ON 7/18/08.

Product Type: Real Estate Security

Alleged Damages: \$351,925.00

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 #: 11-03070

Filing date of arbitration/CFTC reparation or civil litigation: 08/03/2011

Customer Complaint Information

Date Complaint Received: 10/04/2011

Complaint Pending? No

Status: Settled

Status Date: 04/09/2013

Settlement Amount: \$70,000.00

Individual Contribution Amount: \$0.00

Broker Statement QUESTAR CAPITAL CORPORATION PAID THE ENTIRE SETTLEMENT AND NO MONETARY CONTRIBUTION WAS REQUIRED FROM ME.

Disclosure 5 of 7

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: QUESTAR CAPITAL CORPORATION

Allegations: ALLEGATIONS OF SUITABILITY, MISREPRESENTATION, NEGLIGENCE AND BREACH OF FIDUCIARY DUTY IN THE SALE OF DBSI 2008 NOTES



Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$300,000.00

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 #: 11-01243

Filing date of arbitration/CFTC reparation or civil litigation: 03/29/2011

Customer Complaint Information

Date Complaint Received: 04/05/2011

Complaint Pending? No

Status: Settled

Status Date: 03/27/2012

Settlement Amount: \$75,000.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: QUESTAR CAPITAL CORPORATION

Allegations: ALLEGATIONS OF SUITABILITY, MISREPRESENTATION, NEGLIGENCE AND BREACH OF FIDUCIARY DUTY IN THE SALE OF DBSI 2008 NOTES

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$300,000.00

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 #:

11-01243

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

03/29/2011

Customer Complaint Information

Date Complaint Received:

04/08/2011

Complaint Pending?

No

Status:

Settled

Status Date:

03/27/2012

Settlement Amount:

\$75,000.00

**Individual Contribution
Amount:**

\$0.00

Broker Statement

QUESTAR CAPITAL CORPORATION PAID THE ENTIRE SETTLEMENT AND NO
MONETARY CONTRIBUTION WAS REQUIRED FROM ME.

Disclosure 6 of 7

Reporting Source:

Firm

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

QUESTAR CAPITAL CORPORATION

Allegations:

CLIENT IS SEEKING MEDIATION ALLEGING THE REGISTRANT COMMITTED
SALES PRACTICES VIOLATIONS IN RECOMMENDING A NUMBER OF
VARIABLE ANNUITY SURRENDERS AND EXCHANGES AND RECOMMENDED
THE PURCHASE OF AN UNREGISTERED SECURITY WHICH IS NOW IN
BANKRUPTCY WHEN THE CLIENT STATED SHE WANTED TO INVEST IN
SOMETHING SAFE. COMPLAINT HAS NOW ESCALATED TO AN ARBITRATION
NAMING QUESTAR CAPITAL CORPORATION ONLY WHICH CONTAINS
ALLEGATIONS OF BREACH OF FIDUCIARY DUTY, FRAUD, VIOLATION OF
INDUSTRY RULES AND FAILURE TO SUPERVISE.

Product Type:

Annuity-Fixed
Annuity-Variable



Real Estate Security
Other: UNREGISTERED SECURITY

Alleged Damages: \$600,000.00

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 #: 10-02599

Filing date of arbitration/CFTC reparation or civil litigation: 07/30/2010

Customer Complaint Information

Date Complaint Received: 08/03/2010

Complaint Pending? No

Status: Settled

Status Date: 10/11/2010

Settlement Amount: \$32,500.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: QUESTAR CAPITAL CORPORATION

Allegations: CLIENT IS SEEKING MEDIATION ALLEGING THE REGISTRANT COMMITTED SALES PRACTICES VIOLATIONS IN RECOMMENDING A NUMBER OF VARIABLE ANNUITY SURRENDERS AND EXCHANGES AND RECOMMENDED THE PURCHASE OF AN UNREGISTERED SECURITY WHICH IS NOW IN BANKRUPTCY WHEN THE CLIENT STATED SHE WANTED TO INVEST IN SOMETHING SAFE. COMPLAINT HAS NOW ESCALATED TO AN ARBITRATION NAMING QUESTAR CAPITAL CORPORATION ONLY WHICH CONTAINS ALLEGATIONS OF BREACH OF FIDUCIARY DUTY, FRAUD, VIOLATION OF



INDUSTRY RULES AND FAILURE TO SUPERVISE.

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

Alleged Damages: \$600,000.00

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 #: 10-02599

**Filing date of
arbitration/CFTC reparation
or civil litigation:** 08/03/2009

Customer Complaint Information

Date Complaint Received: 08/03/2009

Complaint Pending? No

Status: Settled

Status Date: 10/11/2010

Settlement Amount: \$32,500.00

**Individual Contribution
Amount:** \$0.00

Broker Statement QUESTAR CAPITAL CORPORATION PAID THE ENTIRE SETTLEMENT AND NO MONETARY CONTRIBUTION WAS REQUIRED FROM ME.

Disclosure 7 of 7

Reporting Source: Firm

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

Allegations: THE CLIENTS CLAIM THAT REGISTRANT AND FIRM'S CONDUCT BREACHED ITS FIDUCIARY DUTY BY MAKING MATERIAL MISREPRESENTATIONS AND



OMISSIONS SELLING AN UNSUITABLE INVESTMENT.

Product Type: Real Estate Security

Alleged Damages: \$400,000.00

Arbitration Information

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

Docket/Case #: 09-02522

Date Notice/Process Served: 05/11/2009

Arbitration Pending? No

Disposition: Settled

Disposition Date: 03/09/2011

Monetary Compensation Amount: \$187,500.00

Individual Contribution Amount: \$10,000.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: QUESTAR CAPITAL

Allegations: THE CLIENTS CLAIM THAT REGISTRANT AND FIRM'S CONDUCT BREACHED ITS FIDUCIARY DUTY BY MAKING MATERIAL MISREPRESENTATIONS AND OMISSIONS SELLING AN UNSUITABLE INVESTMENT.

Product Type: Real Estate Security

Alleged Damages: \$400,000.00

Is this an oral complaint?

Is this a written complaint?

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

Arbitration/Reparation forum or court name and location: FINRA



Docket/Case #: 09-02522

Filing date of arbitration/CFTC reparation or civil litigation: 05/06/2009

Customer Complaint Information

Date Complaint Received: 05/11/2009

Complaint Pending?

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Docket/Case #: 09-02522

Date Notice/Process Served: 05/11/2009

Arbitration Pending? No

Disposition: Settled

Disposition Date: 03/09/2011

Monetary Compensation Amount: \$187,500.00

Individual Contribution Amount: \$10,000.00

Broker Statement THE CLIENTS HAD FULL DISCLOSURE OF THE PRODUCTS WHICH THEY UNDERSTOOD AFTER ATTENDING SEVERAL MEETINGS TO DISCUSS THE PRODUCTS INCLUDING THE RISKS. THE CLIENTS SIGNED AND INITIALED MULTIPLE FORMS THAT CONFIRM THIS.



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

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

Disclosure 1 of 2

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: QUESTAR CAPITAL CORPORATION

Allegations: CLIENT ALLEGES THAT THIS INVESTMENT IN DBSI WAS NOT A SUITABLE INVESTMENT BECAUSE IT WAS NOT SAFE AND LIQUID AS HE INTENDED IT TO BE.

Product Type: Other

Other Product Type(s): CORPORATE NOTE

Alleged Damages: \$320,439.00

Customer Complaint Information

Date Complaint Received: 11/24/2008

Complaint Pending? No

Status: Denied

Status Date: 12/15/2008

Settlement Amount:

Individual Contribution Amount:

Broker Statement QUALIFIED CLIENT AS AN ACCREDITED INVESTOR THROUGH FACT FINDER. CLIENT SIGNED AND INITIALED ACKNOWLEDGEMENT FORMS ON BOTH QUESTAR AND DBSI SUITABILITY AND SUBSCRIPTION AGREEMENTS, AND THAT CLIENT UNDERSTOOD RISKS ASSOCIATED WITH SUCH AN INVESTMENT.

Disclosure 2 of 2

Reporting Source: Broker



Employing firm when activities occurred which led to the complaint:

METLIFE

Allegations:

CLIENT ALLEGES MR. CORNAGLIA GROSSLY MISREPRESENTED HOW TWO MUTUAL FUNDS WOULD PERFORM AND THAT HE KNOWINGLY GAVE INAPPROPRIATE INVESTMENT RECOMMENDATIONS

Product Type:

Mutual Fund(s)

Alleged Damages:

\$11,000.00

Customer Complaint Information

Date Complaint Received:

09/25/2001

Complaint Pending?

No

Status:

Denied

Status Date:

12/20/2001

Settlement Amount:

Individual Contribution Amount:

**Financial - Final**

This type of disclosure event involves a bankruptcy, compromise with one or more creditors, or Securities Investor Protection Corporation liquidation involving the broker or an organization/brokerage firm the broker controlled that occurred within the last 10 years.

Disclosure 1 of 1

Reporting Source:	Broker
Action Type:	Compromise
Action Date:	05/25/2022
Organization Investment-Related?	
Action Pending?	No
Disposition:	Compromise Accepted
Disposition Date:	05/31/2022
If a compromise with creditor, provide:	
Name of Creditor:	Mr. Cooper
Original Amount Owed:	\$495,000.00
Terms Reached with Creditor:	\$276,000

End of Report



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