

## BrokerCheck Report

**JAMES BLAKE DAUGHTRY**

CRD# 3272282

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

## 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).



**JAMES B. DAUGHTRY**  
CRD# 3272282

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
- 2 State Securities Law Exams

Registration History

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

- B** **KESTRA INVESTMENT SERVICES, LLC**  
CRD# 42046  
Dothan, AL  
02/2015 - 03/2020
- B** **AMERIPRISE FINANCIAL SERVICES, INC.**  
CRD# 6363  
DOTHAN, AL  
10/2010 - 02/2015
- B** **SECURITIES AMERICA, INC.**  
CRD# 10205  
LAVISTA, NE  
11/2010 - 10/2011

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	2
Civil Event	1
Customer Dispute	5
Termination	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) 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 0 principal/supervisory exams, 2 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>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> General Securities Representative Examination	Series 7	08/12/1999

### State Securities Law Exams

Exam	Category	Date
<b>IA</b> Uniform Investment Adviser Law Examination	Series 65	09/12/2005
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	08/27/1999

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/](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>B</b> 02/2015 - 03/2020	KESTRA INVESTMENT SERVICES, LLC	42046	Dothan, AL
<b>B</b> 10/2010 - 02/2015	AMERIPRISE FINANCIAL SERVICES, INC.	6363	DOTHAN, AL
<b>B</b> 11/2010 - 10/2011	SECURITIES AMERICA, INC.	10205	LAVISTA, NE
<b>B</b> 11/2008 - 10/2010	STERNE AGEE FINANCIAL SERVICES, INC.	18456	DOTHAN, AL
<b>B</b> 04/2005 - 11/2008	WACHOVIA SECURITIES, LLC	19616	DOTHAN, AL
<b>B</b> 08/1999 - 04/2005	SOUTHTRUST SECURITIES, LLC	17922	BIRMINGHAM, AL
<b>B</b> 09/1999 - 04/2000	LIBERTY SECURITIES CORPORATION	14416	PURCHASE, 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
04/2016 - Present	KESTRA FINANCIAL SERVICES, INC.	REGISTERED REP	Y	AUSTIN, TX, United States
10/2010 - Present	AMERIPRISE FINANCIAL SERVICES INC	FINANCIAL ADVISOR	Y	DOTHAN, AL, United States
02/2015 - 04/2016	NFP SECURITIES, INC.	REGISTERED REP	Y	AUSTIN, TX, 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.

Business Name: James Blake Daughtry Investment Related: Yes Address: 3306 Ross Clark Cir. Dothan AL 36303 Nature of Business: Real Estate Position, Title or Relationship: I own the real estate where my business is located Start Date: 6/1/2013 Hours per month: 0% - 10% (0 - 16 hours) Hours per month during trading hours: 0% - 10% (0 - 14 hours) Duties: Just make sure building is maintained Business Name: Dothan National League Investment Related: No Address: PO Box 6423 Dothan AL 36302 Nature of Business: Community/Charitable/Civic Position, Title or Relationship: Board Member - President Start Date: 6/1/2015 Hours per month: 0% - 10% (0 - 16 hours) Hours per month during trading

## Registration and Employment History



### Other Business Activities, continued

hours: 0% - 10% (0 - 14 hours) Duties: Help manage youth baseball league Business Name: The Daughtry Group Investment Related: Yes Address: 3306 Ross Clark Circle Dothan AL 36303 Nature of Business: Registered Rep Activities through Kestra Investment Services, LLC using a DBA name; Insurance; Investment Advisory services through Kestra Advisory Services, LLC Position, Title or Relationship: Owner/President Start Date: 10/15/2008 Hours per month: 61% - 70% (97 - 112 hours) Hours per month during trading hours: 71% - 80% (99 - 112 hours) Duties: Managing money for clients Business Name: Kestra Advisory Services, LLC Investment Related: Yes Address: 5707 Southwest Parkway Building 2, Suite 400 Austin TX 78735 Nature of Business: Investment Advisory services through Kestra Advisory Services, LLC Position, Title or Relationship: Investment Advisor Representative Start Date: 4/4/2016 Hours per month: Up to 100% (0 to 160 hours) Hours per month during trading hours: Up to 100% (0 to 160 hours) Duties: Investment advisory services Business Name: DH Group, LLC Sharps MD of Alabama, LLC Investment Related: No Address: 210 Speigner St Dothan AL 36303 Nature of Business: Other Other/None of the Above MEical waste services Position, Title or Relationship: Member of the LLC Start Date: 5/24/2017 Hours per month: 0% - 10% (0 - 16 hours) Hours per month during trading hours: 0% - 10% (0 - 14 hours) Duties: I have invested in the company with a friend who will handle the day to day operations Business Name: Carmack Drug Company, LLC Investment Related: No Address: 506 North Main St Opp AL 36303 Nature of Business: Other Other/None of the Above Retail Pharmacy. Fill prescriptions Position, Title or Relationship: Owner. Have a Pharmacist in Charge that will run all day to day operations Start Date: 1/1/2019 Hours per month: 0% - 10% (0 - 16 hours) Hours per month during trading hours: 0% - 10% (0 - 14 hours) Duties: Oversight only

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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.
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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	2	0
Civil Event	1	0	0
Customer Dispute	1	4	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 2

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	Alabama Securities Commission
<b>Sanction(s) Sought:</b>	Bar
<b>Date Initiated:</b>	09/29/2022
<b>Docket/Case Number:</b>	S22-0055
<b>URL for Regulatory Action:</b>	
<b>Employing firm when activity occurred which led to the regulatory action:</b>	JAMES B DAUGHTRY, GRAYSAIL
<b>Product Type:</b>	Promissory Note Other: SELF DIRECTED IRA, STOCK
<b>Allegations:</b>	On 9/28/22 an Order to Bar (OB-2022-0023) was issued against the Respondent by Alabama Securities Commission. OB issued due to Respondent failed to make full & complete disclosure that clients' accounts were being sold, moved to Graysail & lack of respondent's involvement with their accounts. For more info contact the Alabama Securities Commission at 334-242-2984
<b>Current Status:</b>	Final
<b>Limitation Details:</b>	Order to Bar in the State of Alabama



**Resolution:** NO RESPONSE

**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:** 11/17/2022

**Sanctions Ordered:** Bar (Permanent)  
Other: NONE

#### Sanction 1 of 1

**Sanction Type:** Bar (Permanent)

**Capacities Affected:** ALL CAPACITIES

**Duration:** UNLIMITED-FOREVER

**Start Date:** 11/17/2022

**End Date:**

**Regulator Statement** For more information contact SA Leighton Greenlee at 334-242-2984.

#### Disclosure 2 of 2

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:**

**Date Initiated:** 03/18/2020

**Docket/Case Number:** [2020065293201](#)

**Employing firm when activity occurred which led to the regulatory action:** Kestra Investment Services, LLC

**Product Type:** No Product

**Allegations:** Without admitting or denying the findings, Daughtry consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with an investigation into potentially fraudulent



and unauthorized transactions in customers' accounts.

**Current Status:**

Final

**Resolution:**

Acceptance, Waiver & Consent(AWC)

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

No

**Resolution Date:**

03/18/2020

**Sanctions Ordered:**

Bar (Permanent)

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

No

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



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

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

#### **Sanction 1 of 1**

**Sanction Type:** Bar (Permanent)

**Capacities Affected:** All Capacities

**Duration:** Indefinite

**Start Date:** 03/18/2020

**End Date:**



<b>Reporting Source:</b>	Firm
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Bar
<b>Date Initiated:</b>	03/18/2020
<b>Docket/Case Number:</b>	AWC 2020065293201
<b>Employing firm when activity occurred which led to the regulatory action:</b>	Kestra Investment Services, LLC
<b>Product Type:</b>	No Product
<b>Allegations:</b>	Daughtry refused to appear for on-the-record testimony that was requested pursuant to FINRA Rule 8210. As a result, Daughtry violated FINRA Rules 8210 and 2010.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	03/18/2020
<b>Sanctions Ordered:</b>	Bar (Permanent)
<b>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?</b>	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>	Bar (Permanent)
<b>Capacities Affected:</b>	General Securities
<b>Duration:</b>	
<b>Start Date:</b>	03/18/2020
<b>End Date:</b>	





## Civil - Pending

This type of disclosure event involves a pending civil court action that seeks an injunction in connection with any investment-related activity or alleges a violation of any investment-related statute or regulation.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Initiated By:</b>	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
<b>Relief Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Injunction Monetary Penalty other than Fines
<b>Date Court Action Filed:</b>	09/28/2022
<b>Product Type:</b>	Promissory Note
<b>Type of Court:</b>	Federal Court
<b>Name of Court:</b>	United States District Court for the Middle District of Florida - Jacksonville Division
<b>Location of Court:</b>	Florida
<b>Docket/Case #:</b>	3:22-cv-01055
<b>Employing firm when activity occurred which led to the action:</b>	Kestra Investment Services, LLC; Kestra Advisory Services, LLC
<b>Allegations:</b>	Plaintiff, the United States Securities and Exchange Commission ("Commission" or "SEC"), alleges that between at least January 2019 and December 2019, Defendant Jared D. Eakes misappropriated over \$2.6 million from clients of GraySail Advisers, LLC, an investment advisor firm that Eakes owned and controlled. Eakes did so primarily by causing these clients to purchase fake promissory notes purportedly issued by a company called Small World Capital, LLC. In truth, the notes were not issued by Small World Capital, as Eakes had no authority to act on behalf of that entity. Several of the defrauded clients had previously been advisory clients of Defendant James Blake Daughtry prior to joining GraySail. Daughtry failed to tell these clients that Eakes was paying him for selling his advisory and brokerage business and moving his clients to GraySail. For these clients, after the sale to GraySail was complete, Daughtry expected to continue his existing practice of reviewing transactions in the client's account with the client before those transactions were executed by Eakes. In fact, Daughtry did not do this, but never told these clients that he had stopped reviewing transactions with them. Daughtry also recruited new clients to GraySail following the sale of his advisory business to Eakes. He told these clients that he would monitor their accounts, and review any proposed investments with GraySail before such



investments were consummated. Daughtry failed to abide by these promises, even when several clients raised questions about certain investments that had been made in their accounts with GraySail. Daughtry's failure to exercise the requisite care for his clients, once their accounts were at GraySail, enabled Eakes to defraud these clients. As a result of the conduct described herein, Daughtry violated Section 206(2) of the Advisers Act.

<b>Current Status:</b>	Pending
<b>Limitations or Restrictions in Effect During Appeal:</b>	n/a



## 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>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	KESTRA INVESTMENT SERVICES, LLC
<b>Allegations:</b>	Plaintiff alleged losses in excess of \$200,000 in connection with Daughtry allegedly soliciting clients to open account with a third party registered investment advisor who the SEC found to have been engaged in fraud.
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$200,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	plus interest, costs, attorney's fees, and all relief available under Alabama law
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA Dispute Resolution
<b>Docket/Case #:</b>	21-01127
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	04/28/2021

### Customer Complaint Information

<b>Date Complaint Received:</b>	04/30/2021
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	10/01/2021
<b>Settlement Amount:</b>	\$20,000.00



**Individual Contribution Amount:** \$0.00

#### Disclosure 2 of 4

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** KESTRA INVESTMENT SERVICES, LLC

**Allegations:** Plaintiff alleged losses in connection with Daughtry allegedly soliciting clients to open account with a third party registered investment advisor who the SEC found to have been engaged in fraud.

**Product Type:** No Product

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** No damages specified

#### Civil Litigation Information

**Type of Court:** State Court

**Name of Court:** CIRCUIT COURT OF HOUSTON COUNTY, AL

**Location of Court:** Houston County, Alabama

**Docket/Case #:** 38-CV-2021-900239.00

**Date Notice/Process Served:** 06/16/2021

**Litigation Pending?** No

**Disposition:** Settled

**Disposition Date:** 01/14/2022

**Monetary Compensation Amount:** \$65,000.00

**Individual Contribution Amount:** \$10,000.00

#### Disclosure 3 of 4

**Reporting Source:** Firm



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

**Allegations:** Client alleges unauthorized transactions, misrepresentations, negligence and breach of fiduciary duties.

**Product Type:** No Product

**Alleged Damages:** \$65,000.00

**Alleged Damages Amount Explanation (if amount not exact):** plus interest, costs, attorney's fees and punitive damages

**Is this an oral complaint?** No

**Is this a written complaint?** No

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

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

**Docket/Case #:** 20-01649

**Filing date of arbitration/CFTC reparation or civil litigation:** 05/26/2020

### Customer Complaint Information

**Date Complaint Received:** 06/22/2020

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 06/08/2021

**Settlement Amount:** \$29,900.00

**Individual Contribution Amount:** \$0.00

### Disclosure 4 of 4

**Reporting Source:** Firm



<b>Employing firm when activities occurred which led to the complaint:</b>	KESTRA INVESTMENT SERVICES
<b>Allegations:</b>	Plaintiffs allege losses of approximately \$1.5 million in connection with Daughtry allegedly soliciting clients to open account with a third party registered investment advisor who the SEC found to have been engaged in fraud.
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$1,500,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	plus interest, costs, attorney's fees, and all relief available under Alabama or Florida law.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	CIRCUIT COURT OF HOUSTON COUNTY, AL
<b>Docket/Case #:</b>	38-CV-2020-900301
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	07/10/2020

### Customer Complaint Information

<b>Date Complaint Received:</b>	07/23/2020
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	08/07/2023
<b>Settlement Amount:</b>	\$2,000,000.00
<b>Individual Contribution Amount:</b>	\$0.00



## 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>	KESTRA INVESTMENT SERVICES, LLC
<b>Allegations:</b>	Plaintiff alleged losses of approximately \$231,752 in connection with Daughtry allegedly soliciting clients to open account with a third party registered investment advisor who the SEC found to have been engaged in fraud.
<b>Product Type:</b>	No Product
<b>Alleged Damages:</b>	\$231,752.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	plus interest, costs, attorney's fees, and all relief available under Alabama or Florida law.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	CIRCUIT COURT OF HOUSTON COUNTY, AL
<b>Docket/Case #:</b>	38-CV-2020-900337.00
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	07/29/2020

### Customer Complaint Information

<b>Date Complaint Received:</b>	08/14/2020
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Civil litigation (the individual is a named party)
<b>Status Date:</b>	07/29/2020



**Settlement Amount:**

**Individual Contribution  
Amount:**

**Civil Litigation Information**

<b>Type of Court:</b>	State Court
<b>Name of Court:</b>	CIRCUIT COURT OF HOUSTON COUNTY, AL
<b>Location of Court:</b>	Houston County, Alabama
<b>Docket/Case #:</b>	38-CV-2020-900337.00
<b>Date Notice/Process Served:</b>	08/14/2020
<b>Litigation Pending?</b>	Yes





## 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>	Firm
<b>Employer Name:</b>	Kestra Investment Services, LLC
<b>Termination Type:</b>	Discharged
<b>Termination Date:</b>	03/18/2020
<b>Allegations:</b>	Daughtry violated FINRA Rules 8210 and 2010 and was bar from associating with any FINRA member firm in any capacity
<b>Product Type:</b>	No Product

## End of Report



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