

BrokerCheck Report

JOHN SEBASTION CANGIALOSI

CRD# 3273830

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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:

- 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.



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.](http://www.finra.org)

Thank you for using FINRA BrokerCheck.

JOHN S. CANGIALOSI

CRD# 3273830

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

- B SW FINANCIAL**
 40 WALL ST
 NEW YORK, NY 10005
 CRD# 145012
 Registered with this firm since: 12/10/2019

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:**

- 1 Self-Regulatory Organization
- 19 U.S. states and territories

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 WORDEN CAPITAL MANAGEMENT LLC**
 CRD# 148366
 New York, NY
 11/2016 - 12/2019
- B LEGEND SECURITIES, INC.**
 CRD# 44952
 NEW YORK, NY
 08/2013 - 11/2016
- B JOSEPH GUNNAR & CO. LLC**
 CRD# 24795
 STATEN ISLAND, NY
 06/2012 - 08/2013

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	3
Customer Dispute	7
Termination	1
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 1 SRO and is licensed in 19 U.S. states and territories through his or her employer.

The individual has 3 inactive or suspended registrations.

[For an explanation on inactive and suspended registrations, click here.](#)

Employment 1 of 1

Firm Name: **SW FINANCIAL**
 Main Office Address: **1295 WALT WHITMAN RD.
 SUITE A
 MELVILLE, NY 11747**
 Firm CRD#: **145012**

SRO	Category	Status	Date
B FINRA	General Securities Representative	SUSPENDED	09/07/2021
B FINRA	Investment Banking Representative	SUSPENDED	09/07/2021

U.S. State/ Territory	Category	Status	Date
B Connecticut	Agent	APPROVED	12/18/2019
B District of Columbia	Agent	APPROVED	01/03/2020
B Georgia	Agent	APPROVED	12/13/2019
B Illinois	Agent	APPROVED	06/22/2020
B Indiana	Agent	APPROVED	01/29/2020
B Iowa	Agent	APPROVED	03/17/2020
B Kansas	Agent	APPROVED	01/03/2020
B Louisiana	Agent	APPROVED	02/06/2020
B Maryland	Agent	APPROVED	12/12/2019



Broker Qualifications

Employment 1 of 1, continued

U.S. State/ Territory	Category	Status	Date
B Nebraska	Agent	APPROVED	01/03/2020
B New Mexico	Agent	APPROVED	01/03/2020
B New York	Agent	APPROVED	12/10/2019
B North Carolina	Agent	APPROVED	03/10/2020
B North Dakota	Agent	APPROVED	01/03/2020
B Pennsylvania	Agent	APPROVED	01/23/2020
B Rhode Island	Agent	APPROVED	01/03/2020
B South Carolina	Agent	APPROVED	12/11/2019
B West Virginia	Agent	APPROVED	01/03/2020
B Wyoming	Agent	APPROVED	01/03/2020

Branch Office Locations

SW FINANCIAL
 40 WALL ST
 NEW YORK, NY 10005



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 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	10/01/2018
B General Securities Representative Examination	Series 7	12/11/2001

State Securities Law Exams

Exam	Category	Date
B Uniform Securities Agent State Law Examination	Series 63	04/15/2002

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
B 11/2016 - 12/2019	WORDEN CAPITAL MANAGEMENT LLC	148366	New York, NY
B 08/2013 - 11/2016	LEGEND SECURITIES, INC.	44952	NEW YORK, NY
B 06/2012 - 08/2013	JOSEPH GUNNAR & CO. LLC	24795	STATEN ISLAND, NY
B 10/2009 - 06/2012	BROOKSTONE SECURITIES, INC.	13366	STATEN ISLAND, NY
B 08/2006 - 02/2009	J.P. TURNER & COMPANY, L.L.C.	43177	STATEN ISLAND, NY
B 06/2004 - 08/2006	GUNNALLEN FINANCIAL, INC	17609	STATEN ISLAND, NY
B 12/2001 - 06/2004	JOSEPH STEVENS & COMPANY, INC.	35459	BROOKLYN, 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
12/2019 - Present	SW FINANCIAL	REGISTERED REPRESENTATIVE	Y	NEW YORK, NY, United States
11/2016 - 12/2019	WORDEN CAPITAL MANAGEMENT LLC	REGISTERED REPRESENTATIVE	Y	NEW YORK, NY, United States
08/2013 - 11/2016	LEGEND SECURITIES, INC.	REGISTERED REPRESENTATIVE	Y	NEW YORK, NY, United States
06/2012 - 08/2013	JOSEPH GUNNAR & CO., LLC	REGISTERED REPRESENTATIVE	Y	STATEN ISLAND, NY, United States
10/2009 - 06/2012	BROOKSTONE SECURITIES, INC.	REGISTERED REPRESENTATIVE	Y	LAKELAND, FL, 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.

JOHN S. CANGIALOSI, CORP, PRESIDENT: 4 KATHLEEN CT, MANALAPAN , NJ 07726. PAY BILLS AND EXPENSES, NON-INVESTMENT RELATED. 3 HOURS/WEEK, 0 DURING TRADING HOURS. STARTED JULY, 2019



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
Regulatory Event	0	3	0
Customer Dispute	0	7	N/A
Termination	N/A	1	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.

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 3

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought:

Date Initiated: 08/12/2021

Docket/Case Number: [2017056432605](#)

Employing firm when activity occurred which led to the regulatory action: SALOMON WHITNEY LLC

Product Type: Other: Unspecified Securities

Allegations: Without admitting or denying the findings, Cangialosi consented to the sanctions and to the entry of findings that he engaged in quantitatively unsuitable trading in three customer accounts. The findings stated that Cangialosi recommended high frequency trading in the accounts, with each customer often holding concentrated positions in one or two securities for short periods of time. Cangialosi's customers routinely followed his recommendations and, as a result, he exercised de facto control over the accounts. Cangialosi's trading also resulted in high turnover rates and cost-to-equity ratios as well as significant losses. Cangialosi's trading in the customers' accounts was excessive and unsuitable given the customers' investment profiles. As a result, the customers suffered collective realized losses of \$405,255, while paying total trading costs of \$311,229, including commissions of



\$292,657.

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:

08/12/2021

Sanctions Ordered:

Civil and Administrative Penalty(ies)/Fine(s)
Restitution
Suspension

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

No

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



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

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

Sanction 1 of 1

Sanction Type:	Suspension
Capacities Affected:	All Capacities
Duration:	Nine Months
Start Date:	09/07/2021
End Date:	06/06/2022



Monetary Sanction 1 of 2

Monetary Related Sanction: Restitution
Total Amount: \$271,622.00
Portion Levied against individual: \$271,622.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 2 of 2

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)
Total Amount: \$7,500.00
Portion Levied against individual: \$7,500.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Reporting Source: Broker
Regulatory Action Initiated By: FINRA

Sanction(s) Sought:

Date Initiated: 08/12/2021

Docket/Case Number: [2017056432605](#)



Employing firm when activity occurred which led to the regulatory action: WORDEN CAPITAL MANAGEMENT LLC

Product Type: Other: UNSPECIFIED SECURITIES

Allegations: Without admitting or denying the findings, Cangialosi consented to the sanctions and to the entry of findings that he engaged in quantitatively unsuitable trading in three customer accounts. The findings stated that Cangialosi recommended high frequency trading in the accounts, with each customer often holding concentrated positions in one or two securities for short periods of time. Cangialosi's customers routinely followed his recommendations and, as a result, he exercised de facto control over the accounts. Cangialosi's trading also resulted in high turnover rates and cost-to-equity ratios as well as significant losses. Cangialosi's trading in the customers' accounts was excessive and unsuitable given the customers' investment profiles. As a result, the customers suffered collective realized losses of \$405,255, while paying total trading costs of \$311,229, including commissions of \$292,657.

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: 08/12/2021

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

Sanction 1 of 1

Sanction Type: Suspension

Capacities Affected: ALL CAPACITIES

Duration: NINE MONTHS

Start Date: 09/07/2021

End Date: 06/06/2022

Monetary Sanction 1 of 2



Monetary Related Sanction: Restitution
Total Amount: \$271,622.00
Portion Levied against individual: \$271,622.00

Payment Plan:**Is Payment Plan Current:****Date Paid by individual:****Was any portion of penalty waived?** No**Amount Waived:****Monetary Sanction 2 of 2****Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)**Total Amount:** \$7,500.00**Portion Levied against individual:** \$7,500.00**Payment Plan:** NO**Is Payment Plan Current:****Date Paid by individual:****Was any portion of penalty waived?** No**Amount Waived:****Disclosure 2 of 3****Reporting Source:** Regulator**Regulatory Action Initiated By:** Michigan**Sanction(s) Sought:** Denial**Date Initiated:** 01/29/2016**Docket/Case Number:** 328386**URL for Regulatory Action:**



Employing firm when activity occurred which led to the regulatory action:

Product Type: No Product

Allegations: The Administrator intends to DENY the SECURITIES AGENT REGISTRATION APPLICATION OF JOHN S. CANGIALOSI, under section 412(1) of the Act, MCL 451.2412(1), because Applicant engaged in dishonest and unethical practices within the last 10 years, which supports the denial of his registration application under the above-cited provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 et seq.

Current Status: Final

Resolution: Withdrawn

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: 04/12/2016

Sanctions Ordered: Other: Stipulation and Order for Withdrawal. Applicant does not intend to apply for registration under the Act in Michigan in the future. If Applicant does apply to become an investment adviser representative or securities agent in Michigan in the future, he agrees to waive any assertion or claim that MCL 451.2412(9)'s one-year time limit on the Administrator's action after knowledge of material facts bars the Administrator from using the facts set out in the January 29, 2016 Notice of Intent to Deny Application when considering future applications.

Reporting Source: Broker

Regulatory Action Initiated By: Michigan

Sanction(s) Sought: Denial

Date Initiated: 01/29/2016

Docket/Case Number: 328386



Employing firm when activity occurred which led to the regulatory action:	Legend Securities, Inc.
Product Type:	No Product
Allegations:	The Administrator intends to DENY the SECURITIES AGENT REGISTRATION APPLICATION OF JOHN S. CANGIALOSI, under section 412(1) of the Act, MCL 451.2412(1), because Applicant engaged in dishonest and unethical practices within the last 10 years, which supports the denial of his registration application under the above-cited provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 et seq.
Current Status:	Final
Resolution:	Withdrawn
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:	04/12/2016
Sanctions Ordered:	Other: Stipulation and Order for Withdrawal. Applicant does not intend to apply for registration under the Act in Michigan in the future. If Applicant does apply to become an investment adviser representative or securities agent in Michigan in the future, he agrees to waive any assertion or claim that MCL 451.2412(9)'s one-year time limit on the Administrator's action after knowledge of material fact bars the Administrator from using the facts set out in the January 29, 2016 Notice of Intent to Deny Application when considering future applications.

Disclosure 3 of 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	04/18/2013
Docket/Case Number:	2011029919601
Employing firm when activity	J.P. TURNER & COMPANY, L.L.C., BROOKSTONE SECURITIES, INC. AND



occurred which led to the regulatory action:	JOSEPH GUNNAR & CO. LLC
Product Type:	No Product
Allegations:	FINRA RULES 1122 AND 2010, NASD RULE 2110, AND INTERPRETIVE MATERIAL 1000-1: CANGIALOSI FAILED TO DISCLOSE, AND IN SOME INSTANCES TO TIMELY DISCLOSE ON HIS UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER (FORM U4) SIX UNSATISFIED JUDGMENTS AND/OR LIENS.
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:	04/18/2013
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?	No



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

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



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

Sanction 1 of 1

Sanction Type: Suspension
Capacities Affected: ANY CAPACITY
Duration: THREE MONTHS
Start Date: 05/20/2013
End Date: 08/19/2013

Monetary Sanction 1 of 1

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)
Total Amount: \$5,000.00
Portion Levied against individual: \$5,000.00
Payment Plan:
Is Payment Plan Current:
Date Paid by individual: 12/31/2013
Was any portion of penalty waived? No

Amount Waived:

Regulator Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, CANGIALOSI



CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE HE IS FINED \$5,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR THREE MONTHS. THE SUSPENSION IS IN EFFECT FROM MAY 20, 2013, THROUGH AUGUST 19, 2013. FINE PAID IN FULL ON DECEMBER 31, 2013.

Reporting Source: Broker

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Suspension
Other: FINE

Date Initiated: 04/18/2013

Docket/Case Number: 20110299196-01

Employing firm when activity occurred which led to the regulatory action: J.P. TURNER & COMPANY, L.L.C., BROOKSTONE SECURITIES, INC. AND JOSEPH GUNNAR & CO. LLC

Product Type: No Product

Allegations: FINRA RULES 1122 AND 2010, NASD RULE 2110, AND INTERPRETIVE MATERIAL 1000-1: CANGIALOSI FAILED TO DISCLOSE, AND IN SOME INSTANCES TO TIMELY DISCLOSE ON HIS UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER (FORM U4) SIX UNSATISFIED JUDGMENTS AND/OR LIENS.

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: 04/18/2013

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

Sanction 1 of 1

Sanction Type: Suspension



Capacities Affected: ANY CAPACITY
Duration: THREE MONTHS
Start Date: 05/20/2013
End Date: 08/19/2013

Monetary Sanction 1 of 1

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

Total Amount: \$5,000.00

Portion Levied against individual: \$5,000.00

Payment Plan:

Is Payment Plan Current: No

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Broker Statement

WITHOUT ADMITTING OR DENYING THE FINDINGS, CANGIALOSI CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE HE IS FINED \$5,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR THREE MONTHS. THE SUSPENSION IS IN EFFECT FROM MAY 20, 2013, THROUGH AUGUST 19, 2013.



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

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Legend Securities, Inc.
Allegations:	Churning/quantitative suitability; unsuitable investments; unauthorized trading; negligence; breach of fiduciary duty; and, breach of contract.
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$386,279.09

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA Dispute Resolution
Docket/Case #:	17-03396
Date Notice/Process Served:	01/08/2018
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	11/24/2018
Monetary Compensation Amount:	\$30,000.00
Individual Contribution Amount:	\$30,000.00
Broker Statement	I vehemently deny all allegations made in this claim, however the client and I determined that it would be in our best interest to settle this dispute.

Disclosure 2 of 4

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Brookstone Securities, Inc.



Allegations: Statement of Claim alleges: Fraudulent and Negligent Acts, Breach of Contractual Requirements, Churning, Unsuitability, and Negligent Misrepresentation.

Product Type: Equity-OTC
Equity Listed (Common & Preferred Stock)

Alleged Damages: \$100,000.00

Arbitration Information

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

Docket/Case #: 15-03051

Date Notice/Process Served: 11/20/2015

Arbitration Pending? No

Disposition: Settled

Disposition Date: 05/26/2016

Monetary Compensation Amount: \$9,999.00

Individual Contribution Amount: \$4,999.50

Broker Statement This claim was settled for nuisance value to avoid the much higher cost and uncertainty of arbitration. The settlement was jointly paid by myself and another representative. We maintain that the claimant's allegations are without merit, that the actual losses in the account of approximately \$6,000 were attributable to market losses, and that neither I nor the other representative committed any misconduct.

Disclosure 3 of 4

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: LEGEND SECURITIES, INC.

Allegations: CUSTOMER, THROUGH COUNSEL, ALLEGES THAT "RESPONDENTS" BREACHED A CONTRACT, ENGAGED IN FRAUD, BREACHED THEIR FIDUCIARY DUTIES, AND WERE OTHERWISE NEGLIGENT RESULTING IN DAMAGES OF \$250,000.

Product Type: Equity-OTC



Alleged Damages: \$250,000.00

Arbitration Information

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

Docket/Case #: 15-00292

Date Notice/Process Served: 02/10/2015

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/14/2016

Monetary Compensation Amount: \$50,000.00

Individual Contribution Amount: \$50,000.00

Broker Statement REGISTERED REPRESENTATIVE, JOHN CANGIALOSI'S STATEMENT: "THIS SOPHISTICATED CUSTOMER CAREFULLY REVIEWED AND AUTHORIZED EVERY TRADE IN HIS ACCOUNT. ALL TRANSACTIONS WERE SUITABLE AND IN ACCORDANCE WITH THIS CUSTOMER'S WISHES. THESE ARE FALSE CLAIMS OF WRONG DOING BY A CUSTOMER SEEKING ONLY TO IMPROPERLY RECOUP HIS OWN LOSSES.

Disclosure 4 of 4

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: J.P. TURNER & COMPANY LLC

Allegations: UNAUTHORIZED TRADES

Product Type: No Product

Alleged Damages: \$75,584.47

Is this an oral complaint? No

Is this a written complaint? Yes

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



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

Docket/Case #: 09-00103

**Filing date of
arbitration/CFTC reparation
or civil litigation:** 01/08/2009

Customer Complaint Information

Date Complaint Received: 01/17/2009

Complaint Pending? No

Status: Settled

Status Date: 01/30/2009

Settlement Amount: \$67,832.50

**Individual Contribution
Amount:** \$67,832.50

Arbitration Information

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

Docket/Case #: 09-00103

Date Notice/Process Served: 01/17/2009

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/30/2009

**Monetary Compensation
Amount:** \$67,832.50

**Individual Contribution
Amount:** \$67,832.50

Broker Statement 1. CUSTOMER COMPLAINT OF [CUSTOMER], (CRD DISCLOSURE #1436280)

AND

2. TERMINATION FROM J.P. TURNER & CO. (CRD DISCLOSURE # 1442932)
THESE TWO DISCLOSURES ARE THE RESULT OF A SINGLE TRANSACTION



AND OCCURRENCE CONCERNING UNAUTHORIZED TRADING IN [CUSTOMER'S] ACCOUNT.

I ABSOLUTELY REJECT THE CLAIM THAT ANY UNAUTHORIZED TRADES WERE PLACED IN [CUSTOMER'S] ACCOUNT. [CUSTOMER] WAS CONSULTED PRIOR TO EVERY TRANSACTION SINCE THE OPENING OF THE ACCOUNT IN 2004. I ENJOYED A TREMENDOUS WORKING RELATIONSHIP WITH [CUSTOMER] FOR 4 ½ YEARS. [CUSTOMER] WAS VERY ACTIVE IN THE STOCK MARKET; HE WAS EXPERIENCED AT TRADING ON MARGIN, AND, BEFORE THE DISPUTE, [CUSTOMER] WAS PLEASED TO BE MAKING SUBSTANTIAL PROFITS IN THE ACCOUNT. UNFORTUNATELY, A PARTICULAR TRADE WAS UNFORTUITOUS. UPON MY ADVICE, [CUSTOMER] PURCHASED 1,000 SHARES OF RIMM IN AUGUST, 2008. THIS PURCHASE OF 1,000 SHARES INCREASED HIS TOTAL POSITION TO 1,200 SHARES. IN SEPTEMBER, 2008, RIMM REPORTED DISAPPOINTING EARNINGS, AND THE STOCK DROPPED 30% IN ONE DAY.

[CUSTOMER] LEARNED ABOUT THE POOR EARNINGS ANNOUNCEMENT AND CORRESPONDING STOCK DECLINE AND CALLED ME SAYING THAT HE ONLY REMEMBERED BUYING 200 SHARES. I TRIED TO EXPLAIN TO [CUSTOMER] THAT HE GAVE HIS FULL ASSENT TO PURCHASING ANOTHER 1,000 SHARES. [CUSTOMER] INSISTED THAT HE DIDN'T BUY THE ADDITIONAL 1,000 SHARES, AND I SOON RECEIVED NOTICE FROM J.P. TURNER'S COMPLIANCE DEPARTMENT THAT HE HAD CONTACTED FINRA REGARDING THE DISPUTE.

IN RESPONDING TO THE DISPUTE, I INFORMED FINRA THAT [CUSTOMER] AND I SPOKE AT LEAST ONE OR TWICE, WEEKLY, FOR 4 ½ YEARS. DURING OUR FREQUENT DISCUSSIONS, WE COVERED TRADING, INVESTMENTS AND ACCOUNT UPDATES. I CANNOT MORE FULLY EMPHASIZE THAT [CUSTOMER] AUTHORIZED EACH AND EVERY TRADE PLACED IN HIS ACCOUNT. I AM COMPLETELY STUNNED THAT [CUSTOMER] WOULD BRING SUCH AN ALLEGATION AGAINST ME.

I FULLY BELIEVE THAT THE PRECIPITOUS DECLINE IN STOCK VALUE SPARKED THIS DISPUTE, AS RIMM'S VALUE WAS CUT IN HALF IN A SHORT PERIOD. [CUSTOMER] ULTIMATELY FILED A FINRA ARBITRATION WHICH WAS DIVERTED INTO A MEDIATION. I WAS ADVISED BY MY LAWYER OF THE ACTUAL AND POTENTIAL COSTS OF PURSUING FURTHER LITIGATION, AND I DECIDED TO SETTLE AT MEDIATION TO AVOID FURTHER EXPENSE. WHILE I AM DISAPPOINTED THAT SUCH ALLEGATIONS WERE MADE AGAINST ME, AND I HAVE BEEN FINANCIALLY HURT BY THE SETTLEMENT, I AM PLEASED THAT THE MATTER IS RESOLVED, AND I AM HOPEFUL THAT INCIDENT WILL NOT PREVENT ME FROM RESUMING MY CAREER.

I CONSIDER MYSELF TO BE A GOOD, THOROUGH AND DILIGENT BROKER WHO PROVIDES A HIGH LEVEL OF SERVICE AND COMPETENCE TO HIS CLIENTS. I EARNESTLY HOPE THAT THIS INCIDENT WILL NOT PREVENT ME FROM BECOMING LICENSED.



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 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Legend Securities Inc.
Allegations:	Customers Claims Representative overstated account value by \$38000-\$40000 and did not send check promptly.
Product Type:	Equity-OTC Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$38,000.00
Alleged Damages Amount Explanation (if amount not exact):	Customer gave range of overstatement as \$38000-\$40000
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:	08/11/2015
Complaint Pending?	No
Status:	Closed/No Action
Status Date:	12/23/2016
Settlement Amount:	
Individual Contribution Amount:	

Reporting Source:	Broker
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Employing firm when activities occurred which led to the complaint:	Legend Securities Inc.
Allegations:	Customers Claims Representative overstated account value by \$38000-\$40000 and did not send check promptly.
Product Type:	Equity-OTC Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$38,000.00
Alleged Damages Amount Explanation (if amount not exact):	Customer gave range of overstatement as \$38000-\$40000
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:	08/11/2015
Complaint Pending?	No
Status:	Closed/No Action
Status Date:	12/23/2016

Settlement Amount:

Individual Contribution Amount:

Broker Statement

[customer] claims that his account value was over-stated and that his check was not received on a timely basis are both without merit. At no point in time have I ever indicated to [customer] that his account was worth more than it was. During our conversations, I would simply relay the current account value at the time. [customer] decided not to liquidate his holdings after I indicated that the market had potential to recoup some of the recent losses. [customer] subsequently requested his account be liquidated and the funds remitted. It was Legend Securities firm policy requiring the client to sign a funds request for any amount over \$10,000. The signed request was not received from [customer] on a timely basis. Once received, [customer's] funds were immediately sent.



Disclosure 2 of 3

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	BROOKSTONE SECURITIES
Allegations:	IN MAY 2012 CANGIALOSI SOLICITED THE PURCHASE OF 5000 CYPRESS SEMI CONDUCTOR FROM [CUSTOMER]. IT WAS ALLEGED THAT THE TRADE WAS UNSUITABLE FOR A PURCHASE IN AN INDIVIDUAL ACCOUNT DUE TO THE FACT THE FUNDS WERE WITHDRAWN FROM HIS IRA ACCOUNT TO PAY FOR THE TRADE.
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$0.00
Alleged Damages Amount Explanation (if amount not exact):	THERE WAS A \$9500 LOSS ON THE TRADE PLUS IT IS ALLEGED BY HIS ATTORNEY THAT HIS CLIENT HAS TO PAY TAXES ON THE WITHDRAWAL OF FUNDS FROM HIS IRA ACCOUNT
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:	08/13/2012
Complaint Pending?	No
Status:	Closed/No Action
Status Date:	02/18/2015
Settlement Amount:	
Individual Contribution Amount:	

Broker Statement	THESE ALLEGATIONS ARE COMPLETELY FALSE. [CUSTOMER] ADMITS TO SOLICITING [CUSTOMER] TO MAKE A PURCHASE BUT NEVER HAD DISCUSSIONS REGARDING THE USE OF IRA MONIES TO FUND THE INVESTMENT. [CUSTOMER] USED FUNDS FROM HIS IRA TO PURCHASE THE ISSUE OF HIS OWN ACCORD AND WITHOUT GUIDENCE OR INSTRUCTION FROM MR. CANGIALOSI. SOMETIME AFTER THE TRADE WAS SETTLED AND PAID FOR, [CUSTOMER] INFORMED MR. CANGIALOSI THAT
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THE FUNDS ORIGINATED FROM [CUSTOMER'S] IRA. MR. CANGIALOSI ATTEMPTED TO ASSIST [CUSTOMER] WITH THE RETURNING OF THE FUNDS TO THE IRA ACCOUNT IN TIME TO AVOID TAX CONSEQUENCES, BUT BECAUSE MR. CANGIALOSI'S PRIOR FIRM (BROOKSTONE) UNEXPECTEDLY AND ABRUPTLY CLOSED, THERE WAS A DELAY IN HAVING THESE FUNDS RETURNED TO THE IRA ACCOUNT. MR. CANGIALOSI'S ATTORNEY HAS ATTEMPTED SEVERAL TIMES TO SPEAK TO [CUSTOMER'S] ATTORNEY ABOUT THIS MATTER TO NO AVAIL.

Disclosure 3 of 3

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	BROOKSTONE SECURITIES, INC.
Allegations:	[CUSTOMER] ALLEGES UNAUTHORIZED TRADES IN MPEL AND EXCESSIVE COMMISSION CHARGES.
Product Type:	Equity-OTC Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$37,243.00
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:	11/28/2011
Complaint Pending?	No
Status:	Closed/No Action
Status Date:	09/26/2013
Settlement Amount:	
Individual Contribution Amount:	
Broker Statement	ORIGINAL COMPLAINT IS WITH BROOKSTONE WHO IS NO LONGER IN BUSINESS. BROKER AND HIS ATTORNEY HAVE MADE NUMEROUS ATTEMPTS TO CONTACT THE CLIENT TO NO AVAIL. MR. CANGIALOSI



CONTENDS THAT THE CLIENT KNEW OF AND APPROVED ALL TRADES IN AND OUT OF HIS ACCOUNT AS WELL AS ALL FEES AND COMMISSIONS.



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

Reporting Source: Firm
Employer Name: J.P. TURNER & COMPANY, LLC
Termination Type: Permitted to Resign
Termination Date: 02/06/2009
Allegations: UNAUTHORIZED TRADING. SEE OCCURENCE#1436280
Product Type: No Product
Other Product Types:

Reporting Source: Broker
Employer Name: J.P. TURNER & COMPANY, LLC
Termination Type: Permitted to Resign
Termination Date: 02/06/2009
Allegations: UNAUTHORIZED TRADING. SEE OCCURENCE#1436280
Product Type: No Product
Broker Statement

AND

2. TERMINATION FROM J.P. TURNER & CO. (CRD DISCLOSURE # 1442932)
 THESE TWO DISCLOSURES ARE THE RESULT OF A SINGLE TRANSACTION
 AND OCCURRENCE CONCERNING UNAUTHORIZED TRADING IN
 [CUSTOMER'S] ACCOUNT.

I ABSOLUTELY REJECT THE CLAIM THAT ANY UNAUTHORIZED TRADES
 WERE PLACED IN [CUSTOMER'S] ACCOUNT. [CUSTOMER] WAS
 CONSULTED PRIOR TO EVERY TRANSACTION SINCE THE OPENING OF THE
 ACCOUNT IN 2004. I ENJOYED A TREMENDOUS WORKING RELATIONSHIP
 WITH MR. WODKA FOR 4 ½ YEARS. [CUSTOMER] WAS VERY ACTIVE IN THE
 STOCK MARKET; HE WAS EXPERIENCED AT TRADING ON MARGIN, AND,
 BEFORE THE DISPUTE, [CUSTOMER] WAS PLEASED TO BE MAKING
 SUBSTANTIAL PROFITS IN THE ACCOUNT. UNFORTUNATELY, A PARTICULAR



TRADE WAS UNFORTUITOUS. UPON MY ADVICE, [CUSTOMER] PURCHASED 1,000 SHARES OF RIMM IN AUGUST, 2008. THIS PURCHASE OF 1,000 SHARES INCREASED HIS TOTAL POSITION TO 1,200 SHARES. IN SEPTEMBER, 2008, RIMM REPORTED DISAPPOINTING EARNINGS, AND THE STOCK DROPPED 30% IN ONE DAY.

[CUSTOMER] LEARNED ABOUT THE POOR EARNINGS ANNOUNCEMENT AND CORRESPONDING STOCK DECLINE AND CALLED ME SAYING THAT HE ONLY REMEMBERED BUYING 200 SHARES. I TRIED TO EXPLAIN TO [CUSTOMER] THAT HE GAVE HIS FULL ASSENT TO PURCHASING ANOTHER 1,000 SHARES. [CUSTOMER] INSISTED

THAT HE DIDN'T BUY THE ADDITIONAL 1,000 SHARES, AND I SOON RECEIVED NOTICE FROM J.P. TURNER'S COMPLIANCE DEPARTMENT THAT HE HAD CONTACTED FINRA REGARDING THE DISPUTE.

IN RESPONDING TO THE DISPUTE, I INFORMED FINRA THAT [CUSTOMER] AND I SPOKE AT LEAST ONE OR TWICE, WEEKLY, FOR 4 ½ YEARS. DURING OUR FREQUENT DISCUSSIONS, WE COVERED TRADING, INVESTMENTS AND ACCOUNT UPDATES. I CANNOT MORE FULLY EMPHASIZE THAT [CUSTOMER] AUTHORIZED EACH AND EVERY TRADE PLACED IN HIS ACCOUNT. I AM COMPLETELY STUNNED THAT [CUSTOMER] WOULD BRING SUCH AN ALLEGATION AGAINST ME.

I FULLY BELIEVE THAT THE PRECIPITOUS DECLINE IN STOCK VALUE SPARKED THIS DISPUTE, AS RIMM'S VALUE WAS CUT IN HALF IN A SHORT PERIOD. [CUSTOMER] ULTIMATELY FILED A FINRA ARBITRATION WHICH WAS DIVERTED INTO A MEDIATION. I WAS ADVISED BY MY LAWYER OF THE ACTUAL AND POTENTIAL COSTS OF PURSUING FURTHER LITIGATION, AND I DECIDED TO SETTLE AT MEDIATION TO AVOID FURTHER EXPENSE. WHILE I AM DISAPPOINTED THAT SUCH ALLEGATIONS WERE MADE AGAINST ME, AND I HAVE BEEN FINANCIALLY HURT BY THE SETTLEMENT, I AM PLEASED THAT THE MATTER IS RESOLVED, AND I AM HOPEFUL THAT INCIDENT WILL NOT PREVENT ME FROM RESUMING MY CAREER.

I CONSIDER MYSELF TO BE A GOOD, THOROUGH AND DILIGENT BROKER WHO PROVIDES A HIGH LEVEL OF SERVICE AND COMPETENCE TO HIS CLIENTS. I EARNESTLY HOPE THAT THIS INCIDENT WILL NOT PREVENT ME FROM BECOMING LICENSED.



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:	Bankruptcy
Bankruptcy:	Chapter 13
Action Date:	12/12/2013
Organization Investment-Related?	
Type of Court:	Federal Court
Name of Court:	UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY
Location of Court:	TRENTON, NJ
Docket/Case #:	13-36995-KCF
Action Pending?	No
Disposition:	Discharged
Disposition Date:	06/13/2019

End of Report



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