

## BrokerCheck Report

**FRANZ HELMUT LAMBERT**

CRD# 4463792

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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](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).

**FRANZ H. LAMBERT**

CRD# 4463792

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
- 3 General Industry/Product Exams
- 2 State Securities Law Exams

### Registration History

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

- B SPARTAN CAPITAL SECURITIES, LLC**  
CRD# 146251  
NEW YORK, NY  
12/2019 - 10/2021
- B WORDEN CAPITAL MANAGEMENT LLC**  
CRD# 148366  
New York, NY  
11/2016 - 12/2019
- B LEGEND SECURITIES, INC.**  
CRD# 44952  
NEW YORK, NY  
02/2016 - 11/2016

### 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 | 1     |
| Civil Event      | 1     |
| Customer Dispute | 5     |
| Termination      | 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 broker is not currently registered.



## Broker Qualifications

### Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below. A passed exam or exam waiver does not permit a broker to do business without an active SRO or state registration.

**This individual has passed 0 principal/supervisory exams, 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>B</b> General Securities Representative Examination | Series 7TO | 12/02/2022 |
| <b>B</b> Securities Industry Essentials Examination    | SIE        | 10/01/2018 |
| <b>B</b> General Securities Representative Examination | Series 7   | 01/17/2002 |

### State Securities Law Exams

| Exam  | Category  | Date       |
|---|-----------|------------|
| <b>B</b> <b>IA</b> Uniform Combined State Law Examination | Series 66 | 08/11/2011 |
| <b>B</b> Uniform Securities Agent State Law Examination   | Series 63 | 02/28/2002 |

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/](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> 12/2019 - 10/2021 | SPARTAN CAPITAL SECURITIES, LLC   | 146251 | NEW YORK, NY       |
| <b>B</b> 11/2016 - 12/2019 | WORDEN CAPITAL MANAGEMENT LLC     | 148366 | New York, NY       |
| <b>B</b> 02/2016 - 11/2016 | LEGEND SECURITIES, INC.           | 44952  | NEW YORK, NY       |
| <b>B</b> 10/2015 - 02/2016 | DAWSON JAMES SECURITIES, INC.     | 130645 | NEW YORK, NY       |
| <b>B</b> 11/2013 - 10/2015 | LAIDLAW & COMPANY (UK) LTD.       | 119037 | NEW YORK, NY       |
| <b>B</b> 05/2013 - 11/2013 | CLARK DODGE & CO., INC.           | 23288  | NEW YORK, NY       |
| <b>B</b> 11/2011 - 05/2013 | JOHN THOMAS FINANCIAL             | 40982  | NEW YORK, NY       |
| <b>B</b> 08/2009 - 09/2010 | PAULSON INVESTMENT COMPANY, INC.  | 5670   | MIAMI, FL          |
| <b>B</b> 02/2009 - 08/2009 | JESUP & LAMONT SECURITIES CORP    | 39056  | BOCA RATON, FL     |
| <b>B</b> 01/2008 - 02/2009 | VFINANCE INVESTMENTS, INC         | 44962  | BOCA RATON, FL     |
| <b>B</b> 01/2008 - 01/2008 | BROAD STREET SECURITIES, INC.     | 36101  | PLANTATION, FL     |
| <b>B</b> 11/2006 - 12/2007 | INVESTORS CAPITAL CORP.           | 30613  | MIAMI, FL          |
| <b>B</b> 05/2006 - 12/2006 | BROOKSHIRE SECURITIES CORPORATION | 44347  | FT. LAUDERDALE, FL |
| <b>B</b> 11/2004 - 04/2006 | NEWBRIDGE SECURITIES CORPORATION  | 104065 | FT. LAUDERDALE, FL |
| <b>B</b> 09/2003 - 05/2004 | LADENBURG, THALMANN & CO., INC.   | 505    | NEW YORK, NY       |
| <b>B</b> 01/2002 - 05/2004 | GLOBAL TRADING GROUP, INC.        | 103927 | BRONX, NY          |

### Employment History



## Registration and Employment History

### Employment History, continued

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 | Spartan Capital Securities LLC | Registered Representative | Y                  | New York, NY, United States |
| 09/2010 - Present | FRAKA INVESTMENT LLC           | PRESIDENT                 | N                  | MIAMI, FL, United States    |
| 11/2016 - 12/2019 | WORDEN CAPITAL MANAGEMENT LLC  | REGISTERED REPRESENTATIVE | Y                  | NEW YORK, NY, United States |
| 02/2016 - 11/2016 | LEGEND SECURITIES, INC.        | REGISTERED REPRESENTATIVE | Y                  | NEW YORK, NY, United States |
| 10/2015 - 02/2016 | DAWSON JAMES SECURITIES, INC.  | REGISTERED REPRESENTATIVE | Y                  | NEW YORK, NY, 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.

I AM THE OWNER AND PRESIDENT OF FRAKA INVESTMENTS LLC. This is not investment related. I started the business in February 2007. The business IS LOCATED AT 18303 SW 149TH PLACE MIAMI, FLORIDA 33187. THROUGH FRAKA INVESTMENTS LLC I OWN RENTAL PROPERTY AND COLLECT RENT, CONDUCT REPAIRS OR IMPROVEMENTS, AND MAKE SURE PROPERTIES ARE KEPT IN ORDER. I DEVOTE APPROXIMATELY 2 HOURS PER MONTH TO THIS OUTSIDE BUSINESS, NONE DURING TRADING HOURS.



## 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.
  -
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       | 1     | 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 1

|  |   |
|--|---|
| <b>Reporting Source:</b>   | Regulator   |
| <b>Regulatory Action Initiated By:</b>   | FINRA   |
| <b>Sanction(s) Sought:</b>   | Other: N/A  |
| <b>Date Initiated:</b>   | 07/13/2022  |
| <b>Docket/Case Number:</b>   | <a href="#">2019060753504</a>   |
| <b>Employing firm when activity occurred which led to the regulatory action:</b> | Worden Capital Management LLC   |
| <b>Product Type:</b>   | Other: Unspecified securities   |
| <b>Allegations:</b>  | Without admitting or denying the findings, Lambert consented to the sanctions and to the entry of findings that he engaged in excessive and quantitatively unsuitable trading in a senior customer's account. The findings stated that Lambert recommended high frequency trading in the account, and the customer routinely followed his recommendations. As a result, Lambert exercised de facto control over the customer's account. Lambert's trading in the customer's account generated total trading costs of \$308,983, including \$289,660 in commissions, and caused \$320,906 in realized losses. The customer brought and settled an arbitration claim against Lambert and won an arbitration award against the firm relating to the account at issue here. |
| <b>Current Status:</b>   | Final   |



|   |   |
|---|---|
| <b>Resolution:</b>  | Acceptance, Waiver & Consent(AWC)                           |
| <b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>   | No  |
| <b>Resolution Date:</b>   | 07/13/2022  |
| <b>Sanctions Ordered:</b>   | Civil and Administrative Penalty(ies)/Fine(s)<br>Suspension |
| <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  |
| <b>(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?</b> |   |



**(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>       | Suspension     |
| <b>Capacities Affected:</b> | All capacities |
| <b>Duration:</b>            | Five months    |
| <b>Start Date:</b>          | 07/18/2022     |
| <b>End Date:</b>            | 12/17/2022     |



**Monetary Sanction 1 of 1**

|   |   |
|---|---|
| <b>Monetary Related Sanction:</b>         | Civil and Administrative Penalty(ies)/Fine(s) |
| <b>Total Amount:</b>                      | \$5,000.00                                    |
| <b>Portion Levied against individual:</b> | \$5,000.00                                    |
| <b>Payment Plan:</b>                      | Deferred                                      |
| <b>Is Payment Plan Current:</b>           |   |
| <b>Date Paid by individual:</b>           |   |
| <b>Was any portion of penalty waived?</b> | No  |
| <b>Amount Waived:</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)<br>Disgorgement<br>Injunction<br>Monetary Penalty other than Fines  |
| <b>Date Court Action Filed:</b>                                       | 01/31/2025  |
| <b>Product Type:</b>  | Other: Unspecified Pre-IPO Shares   |
| <b>Type of Court:</b>   | Federal Court   |
| <b>Name of Court:</b>   | United States District Court for the Eastern District of New York   |
| <b>Location of Court:</b>   | Brooklyn, NY  |
| <b>Docket/Case #:</b>   | 1:25-CV-00549   |
| <b>Employing firm when activity occurred which led to the action:</b> | Grand Level Consulting Inc.; Franz & Anthony Holdings Corp.   |
| <b>Allegations:</b>   | Plaintiff SEC, for its Complaint against Max Infinity Management LLC d/b/a Max Infinity Fund, Max Infinity Venture Partners, Inc., Elder Fund Management LLC, JJRP United Corp, Grand Level Consulting Inc., John S. Cangialosi, Jr., Peter N. Girgis, Gene "Jerry" Sarabella, Enrico A. "Ed" Carini, Caner "John" Otari, Chester E. "Chett" Scotland, and Franz H. Lambert II (collectively, Defendants), and Relief Defendants alleges that they engaged in a scheme to defraud investors and prospective investors using high pressure sales tactics, false and misleading statements, and other means of trickery and deception to offer and sell investment fund interests purportedly representing shares of stock in companies that had not yet held an IPO (pre-IPO). The investments were offered by Max Infinity Fund and Elder Fund. The scheme raised over \$70 million from more than 550 investors throughout the United States. The scheme was orchestrated and controlled by Cangialosi, Girgis, and Sarabella (the "Max Principals"). Cangialosi and Girgis are veterans in the securities industry, but each were suspended by FINRA during a portion of the scheme and now are barred by FINRA. Their control of the operations was hidden from investors, while Sarabella, having virtually no experience in financial services, was held out as the investment funds' owner, organizer, adviser, and, at times, manager. The Max Principals operated the |



scheme through a variety of entities, including Max Infinity Management, Max Infinity Venture Partners, and Elder Fund Management (Max and Elder Entities) and entities that operated boiler rooms, JJRP and Grand Level. Lambert owned Grand Level but established it at the direction of, and controlled it jointly with, the Max Principals. Scotland, who had no experience in fund management, was held out publicly as the "manager" of most of the investment funds. The Max Principals hired and trained a workforce of unregistered sales agents, including Carini and Otter, to cold call and pitch pre-IPO stock to prospective investors, many of them senior citizens, using scripts and rebuttals that were riddled with false and misleading statements and deceptive devices. Carini and Otter made false and misleading statements to investors and were each in charge of a team of other agents. Defendants and their agents represented to investors that their funds had a record of success in pre-IPO stock, that they held shares at the funds, and that investors' proceeds would be held in an escrow account until the IPO. None of this was true and in reality, the funds were not registered with the SEC, had no record of success, and were organized, advised, and managed by people with no expertise in investment fund management. The funds did not hold investor proceeds in escrow, investments were not shielded from market volatility, and Defendants had no reasonable basis for representing to investors that they could expect substantial short-term profits with little or no risk. Despite telling investors that there were no upfront fees or commissions, Defendants sold interests at a price marked-up by 45% to over 100% above the price that the Max and Elder Entities paid, securing immediate, substantial profits for themselves, while increasing the risk that investors would incur substantial losses. Defendants used these undisclosed charges to pay sizable and undisclosed commissions to their sales agents, as well as to fund bank accounts held in the name of the Relief Defendants, from which monies were then withdrawn for personal expenses, including (in the case of some Defendants) to buy cars and jewelry and take expensive vacations. To date, only one pre-IPO company at issue has gone public, and this event resulted in substantial financial losses for fund investors. Neither Defendants, nor the offer and sale of fund interests, were registered with the Commission or eligible for an exemption from registration.

**Current Status:** Pending

**Limitations or Restrictions in Effect During Appeal:** 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 2

|  |  |
|--|--|
| <b>Reporting Source:</b>   | Regulator  |
| <b>Employing firm when activities occurred which led to the complaint:</b> | Worden Capital Management, LLC   |
| <b>Allegations:</b>  | Lambert was named in a customer complaint that asserted the following causes of action: qualitative and quantitative unsuitability (Rule 2111); negligent misrepresentation and omissions; churning for commissions and quantitative unsuitability (fraud) Rules 2111 and Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5; failure to supervise and negligent supervision (Rule 3010); breach of fiduciary contract and implied covenant of good faith and fair dealing; and standards of commercial honor and principles of trade (Rule 2010). |
| <b>Product Type:</b>   | Equity Listed (Common & Preferred Stock)   |
| <b>Alleged Damages:</b>  | \$21,228.61  |

### Arbitration Information

|   |  |
|---|--|
| <b>Arbitration/Reparation Claim filed with and Docket/Case No.:</b> | FINRA - CASE #21-02859   |
| <b>Date Notice/Process Served:</b>                                  | 09/01/2021   |
| <b>Arbitration Pending?</b>   | No   |
| <b>Disposition:</b>   | Settled  |
| <b>Disposition Date:</b>  | 04/05/2022   |
| <b>Disposition Detail:</b>  | The claimant was awarded \$0.00 for Actual / Compensatory Damages. |

### Disclosure 2 of 2

|  |   |
|--|---|
| <b>Reporting Source:</b>   | Firm  |
| <b>Employing firm when activities occurred which led to the complaint:</b> | Worden Capital Management LLC   |
| <b>Allegations:</b>  | Negligence, unsuitability, breach of fiduciary duty, breach of contract, negligent misrepresentation and omissions. |





|  |  |
|--|--|
| <b>Product Type:</b>   | Equity-OTC<br>Equity Listed (Common & Preferred Stock)   |
| <b>Alleged Damages:</b>  | \$115,271.00   |
| <b>Alleged Damages Amount Explanation (if amount not exact):</b> | This is a multi-customer, multi-RR claim involving 11 clients and 12 registered representatives, with claims totalling \$559,293.00. The amount noted is what is attributed to the RR within the Statement of Claim. |

### Arbitration Information

|   |             |
|---|-------------|
| <b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b> | FINRA       |
| <b>Docket/Case #:</b>   | 19-01580    |
| <b>Date Notice/Process Served:</b>  | 07/01/2019  |
| <b>Arbitration Pending?</b>   | No          |
| <b>Disposition:</b>   | Settled     |
| <b>Disposition Date:</b>  | 09/01/2020  |
| <b>Monetary Compensation Amount:</b>  | \$29,999.98 |
| <b>Individual Contribution Amount:</b>  | \$14,999.99 |

|  |   |
|--|---|
| <b>Reporting Source:</b>   | Broker  |
| <b>Employing firm when activities occurred which led to the complaint:</b> | Worden Capital Management LLC   |
| <b>Allegations:</b>  | Negligence, unsuitability, breach of fiduciary duty, breach of contract, negligent misrepresentation and omissions.   |
| <b>Product Type:</b>   | Equity-OTC<br>Equity Listed (Common & Preferred Stock)  |
| <b>Alleged Damages:</b>  | \$115,271.00  |
| <b>Alleged Damages Amount Explanation (if amount not exact):</b>           | This is a multi-customer, multi-RR claim involving 11 clients and 12 registered representatives, with claims totaling \$559,293.00. The amount noted is what is attributed to the RR within the Statement of Claim. |

### Arbitration Information



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

**Docket/Case #:** 19-01580

**Date Notice/Process Served:** 07/01/2019

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 09/01/2019

**Monetary Compensation Amount:** \$25,998.00

**Individual Contribution Amount:** \$14,999.00

**Broker Statement**

This claim was initially brought via a third party non-attorney representative (NAR) on behalf of 11 unrelated customers, each of whom had different brokers at the same firm. Only 2 of the customers in this claim, were customers in which the registered representative (RR) covered their accounts. The NAR has known ties to an individual who has been barred from the securities industry by FINRA. The claim is totally without merit and is one of many slanderous attempts to coerce a settlement by this NAR. The RR settled 1 customer for a fraction of his alleged losses solely to avoid the high costs of litigation. The other customers claim, along with all of the other customer claims, were severed and dismissed by the Panel on or about June 10, 2020.



## 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

|  |  |
|--|--|
| <b>Reporting Source:</b>   | Firm   |
| <b>Employing firm when activities occurred which led to the complaint:</b> | INVESTORS CAPITAL CORP.                          |
| <b>Allegations:</b>  | UNAUTHORIZED TRADING, CHURNING/EXCESSIVE TRADING |
| <b>Product Type:</b>   | Equity Listed (Common & Preferred Stock)         |
| <b>Alleged Damages:</b>  | \$40,000.00                                      |
| <b>Is this an oral complaint?</b>  | No   |
| <b>Is this a written complaint?</b>  | Yes  |
| <b>Is this an arbitration/CFTC reparation or civil litigation?</b>         | No   |

### Customer Complaint Information

|                                 |            |
|---------------------------------|------------|
| <b>Date Complaint Received:</b> | 10/06/2009 |
| <b>Complaint Pending?</b>       | No         |
| <b>Status:</b>                  | Denied     |
| <b>Status Date:</b>             | 10/28/2009 |
| <b>Settlement Amount:</b>       |            |

### Individual Contribution Amount:

### Firm Statement

COMMENTS: CLIENT FILED THIS COMPLAINT WITH FINRA SEVERAL MONTHS AFTER VERBALLY COMPLAINING TO THE FIRM ABOUT ANOTHER BROKER ON THE SAME ACCOUNT (FINRA EXAM NO.: 20090193356). THIS MOST RECENT VERSION OF CLIENT'S COMPLAINT HAS EXPANDED THE TIMEFRAME OF THE ALLEGEDLY UNAUTHORIZED TRADES AND INCORPORATED ALLEGATIONS AGAINST RR. THE FIRM WAS UNABLE TO DETERMINE A GOOD FAITH REASON BEHIND CLIENT SUBSEQUENTLY EXPANDING HIS ALLEGATIONS IN THIS MANNER. IN ADDITION, CLIENT HAS GROSSLY OVERSTATED HIS ALLEGED DAMAGES. COMPLAINT REMAINS



DENIED.

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**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** INVESTORS CAPITAL CORP.

**Allegations:** CLIENT ALLEGES UNAUTHORIZED TRANSACTIONS, CHURNING, AND EXCESSIVE TRADING.

**Product Type:** Equity Listed (Common & Preferred Stock)

**Alleged Damages:** \$40,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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

### Customer Complaint Information

**Date Complaint Received:** 10/05/2009

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 10/28/2009

**Settlement Amount:**

### Individual Contribution Amount:

**Broker Statement** CLIENT FILED THIS COMPLAINT WITH FINRA SEVERAL MONTHS AFTER VERBALLY COMPLAINING TO THE INVESTORS CAPITAL CORP. ABOUT ANOTHER BROKER ON THE SAME ACCOUNT (FINRA EXAM NUMBER 20090193356). THIS MOST RECENT VERSION OF CLIENT'S COMPLAINT HAS EXPANDED THE TIMEFRAME OF THE ALLEGEDLY UNAUTHORIZED TRADES AND INCORPORATED ALLEGATIONS AGAINST REGISTERED REPRESENTATIVE. THE INVESTORS CAPITAL CORP. WAS UNABLE TO DETERMINE A GOOD FAITH REASON BEHIND CLIENT SUBSEQUENTLY EXPANDING HIS ALLEGATIONS IN THIS MATTER. IN ADDITION, CLIENT HAS GROSSLY OVERSTATED HIS ALLEGED DAMAGES. COMPLAINT IS DENIED.



## Disclosure 2 of 2

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** VFINANCE INVESTMENTS, INC.

**Allegations:** UNAUTHORIZED TRADING, JANUARY 2009

**Product Type:** Equity Listed (Common & Preferred Stock)

**Alleged Damages:** \$8,547.02

**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:** 03/17/2009

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 06/05/2009

**Settlement Amount:**

**Individual Contribution Amount:**

**Reporting Source:** Broker

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

**Allegations:** UNAUTHORIZED TRADING

**Product Type:** Equity-OTC

**Alleged Damages:** \$8,500.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC** No



reparation or civil litigation?

**Customer Complaint Information**

**Date Complaint Received:** 03/17/2009

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 06/05/2009

**Settlement Amount:**

**Individual Contribution  
Amount:**



## 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>  | Broker   |
| <b>Employing firm when activities occurred which led to the complaint:</b>    | Worden Capital Management LLC  |
| <b>Allegations:</b>   | Breach of fiduciary duty, negligence, negligent supervision, negligent misrepresentation, fraud, churning, unauthorized trading, and Iowa securities law violations. |
| <b>Product Type:</b>  | Equity-OTC<br>Equity Listed (Common & Preferred Stock)   |
| <b>Alleged Damages:</b>   | \$781,500.57   |
| <b>Arbitration Information</b>  |  |
| <b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b> | FINRA Dispute Resolution   |
| <b>Docket/Case #:</b>   | 19-02523   |
| <b>Date Notice/Process Served:</b>  | 08/29/2019   |
| <b>Arbitration 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

**Reporting Source:** Firm

**Employer Name:** GLOBAL TRADING GROUP INC

**Termination Type:** Discharged

**Termination Date:** 09/09/2002

**Allegations:** VIOLATION OF EMPLOYMENT ACCORD. OBJECT TO REPAY ADVANCES MADE TO HIM AS HE WAS PREPARING HIS SERIES7 & 63 EXAMINATIONS.

**Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Types:** OTC-BONDS

**Firm Statement** WHEN MR. LAMBERT WAS HIRED , HE WAS PAID ADVANCES AGAINST FUTURE COMMISSION.MR. LAMBERT WAS TRAINED AT THE EXPENSES OF THE COMPANY. AFTER HE PASSED HIS EXAMINATIONS ( SERIES 7 & 63. HE REFUSED TO REPAY THE ADVANCES HE RECEIVED.

**Reporting Source:** Broker

**Employer Name:** GLOBAL TRADING GROUP

**Termination Type:** Discharged

**Termination Date:** 09/09/2002

**Allegations:** VIOLATION OF EMPLOYMENT ACCORD. OBJECT TO REPAY ADVANCES MADE TO HIM AS HE WAS PREPARING FOR HIS SERIES 7 & 63 EXAMINATIONS

**Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Types:** OTC-BONDS

**Broker Statement** I WILL VIGOROUSLY DEFEND MYSELF AGAINST THE ALLEGATIONS GLOBAL TRADING GROUP HAS MADE AGAINST ME.



## End of Report



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