

## BrokerCheck Report

**LEONID YUROVSKY**

CRD# 4554905

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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).



**LEONID YUROVSKY**  
CRD# 4554905

This broker is not currently registered.

Report Summary for this Broker

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

Broker Qualifications

This broker is not currently registered.

This broker has passed:

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

Registration History

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

- B** JOSEPH STONE CAPITAL L.L.C.  
CRD# 159744  
GARDEN CITY, NY  
04/2016 - 11/2023
- B** PHX FINANCIAL, INC.  
CRD# 144403  
NEW YORK, NY  
08/2015 - 03/2016
- B** NATIONAL SECURITIES CORPORATION  
CRD# 7569  
NEW YORK, NY  
07/2013 - 05/2015

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
Customer Dispute	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.

**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>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> General Securities Representative Examination	Series 7	08/19/2002

### State Securities Law Exams

Exam	Category	Date
<b>B</b> <b>IA</b> Uniform Combined State Law Examination	Series 66	09/17/2002

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> 04/2016 - 11/2023	JOSEPH STONE CAPITAL L.L.C.	159744	GARDEN CITY, NY
<b>B</b> 08/2015 - 03/2016	PHX FINANCIAL, INC.	144403	NEW YORK, NY
<b>B</b> 07/2013 - 05/2015	NATIONAL SECURITIES CORPORATION	7569	NEW YORK, NY
<b>B</b> 09/2010 - 06/2013	JOHN THOMAS FINANCIAL	40982	NEW YORK, NY
<b>B</b> 05/2010 - 08/2010	LAIDLAW & COMPANY (UK) LTD.	119037	ROSLYN HEIGHTS, NY
<b>B</b> 05/2009 - 03/2010	GUNNALLEN FINANCIAL, INC	17609	NEW YORK, NY
<b>B</b> 10/2008 - 05/2009	J.P. TURNER & COMPANY, L.L.C.	43177	FOREST HILLS, NY
<b>B</b> 06/2007 - 10/2008	LASALLE ST SECURITIES, L.L.C.	7191	FOREST HILLS, NY
<b>B</b> 05/2005 - 06/2007	BROOKSTREET SECURITIES CORPORATION	14667	FOREST HILLS, NY
<b>B</b> 12/2003 - 05/2005	RAIKE FINANCIAL GROUP INC.	38095	WOODSTOCK, GA
<b>B</b> 04/2005 - 05/2005	S.W. BACH & COMPANY	43522	PORT WASHINGTON, NY
<b>B</b> 06/2003 - 08/2003	HSBC BROKERAGE (USA) INC.	6956	NEW YORK, NY
<b>B</b> 08/2002 - 03/2003	AMERICAN EXPRESS FINANCIAL ADVISORS INC.	6363	MINNEAPOLIS, MN
<b>B</b> 08/2002 - 03/2003	IDS LIFE INSURANCE COMPANY	6321	MINNEAPOLIS, MN

### 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
04/2016 - Present	JOSEPH STONE CAPITAL, LLC	REGISTERED REPRESENTATIVE	Y	MINEOLA, NY, United States
08/2015 - 03/2016	PHX FINANCIAL, INC.	REGISTERED REPRESENTATIVE	Y	NEW YORK, NY, United States
06/2013 - 05/2015	NATIONAL SECURITIES CORP	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.

No information reported.



## Disclosure Events



### What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
  - A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
  -
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
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4. **There are different statuses and dispositions for disclosure events:**
  - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - A "pending" event involves allegations that have not been proven or formally adjudicated.
    - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - A "final" event has been concluded and its resolution is not subject to change.
  - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Pending	Final	On Appeal
Regulatory Event	0	2	0
Customer Dispute	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 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	
Date Initiated:	12/27/2022
Docket/Case Number:	<a href="#">2020066888401</a>
Employing firm when activity occurred which led to the regulatory action:	Joseph Stone Capital L.L.C.
Product Type:	Other: Unspecified Securities
Allegations:	Without admitting or denying the findings, Yurovsky consented to the sanctions and to the entry of findings that he excessively and unsuitably traded customer accounts. The findings stated that Yurovsky recommended that a customer, a farmer with limited investment experience, place trades in his account. The customer's average monthly equity in his firm account was approximately \$158,600, yet Yurovsky's recommended trades resulted in the customer paying approximately \$165,000 in commissions and other trade costs. Collectively, Yurovsky's recommendations resulted in an annualized cost-to-equity ratio of approximately 30 percent. Further, Yurovsky recommended that a senior customer place trades in his account. In several instances, Yurovsky recommended that the senior customer sell a security shortly after purchasing it, even though Yurovsky's



recommendation to purchase the security had resulted in paying a substantial commission. Although the senior customer's account had an average monthly equity of approximately \$42,000, Yurovsky's recommended trades caused him to pay over \$10,600 in commissions and other trade costs and resulted in a cost-to-equity of ratio of approximately 25 percent. Both customers relied on Yurovsky's advice and accepted his recommendations. Those recommended transactions, which collectively resulted in the customers paying approximately \$175,600 in commissions and other charges, were excessive and unsuitable.

**Current Status:**

Final

**Resolution:**

Acceptance, Waiver &amp; 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:**

12/27/2022

**Sanctions Ordered:**

Restitution

Suspension

Other: In light of Yurovsky's financial status, no monetary fine or prejudgment interest has been imposed. Yurovsky is only required to pay restitution only to a senior customer since his member firm has paid as restitution the commissions and other trading costs charged to another customer as a result of Yurovsky's unsuitable securities recommendations.

**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**

<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	All Capacities
<b>Duration:</b>	five months
<b>Start Date:</b>	01/17/2023
<b>End Date:</b>	06/16/2023

**Monetary Sanction 1 of 1**

<b>Monetary Related Sanction:</b>	Restitution
<b>Total Amount:</b>	\$10,648.61
<b>Portion Levied against individual:</b>	\$10,648.61

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:**

<b>Was any portion of penalty waived?</b>	No
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**Amount Waived:**

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<b>Reporting Source:</b>	Broker
<b>Regulatory Action Initiated By:</b>	FINRA - FINANCIAL INDUSTRY REGULATORY AUTHORITY
<b>Sanction(s) Sought:</b>	
<b>Date Initiated:</b>	12/27/2022
<b>Docket/Case Number:</b>	<a href="#">2020066888401</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	JOSEPH STONE CAPITAL, LLC
<b>Product Type:</b>	Other: UNSPECIFIED SECURITIES
<b>Allegations:</b>	<p>Without admitting or denying the findings, Yurovsky consented to the sanctions and to the entry of findings that he excessively and unsuitably traded customer accounts. The findings stated that Yurovsky recommended that a customer, a farmer with limited investment experience, place trades in his account. The customer's average monthly equity in his firm account was approximately \$158,600, yet Yurovsky's recommended trades resulted in the customer paying approximately \$165,000 in commissions and other trade costs. Collectively, Yurovsky's recommendations resulted in an annualized cost-to-equity ratio of approximately 30 percent. Further, Yurovsky recommended that a senior customer place trades in his account. In several instances, Yurovsky recommended that the senior customer sell a security shortly after purchasing it, even though Yurovsky's recommendation to purchase the security had resulted in paying a substantial commission. Although the senior customer's account had an average monthly equity of approximately \$42,000, Yurovsky's recommended trades caused him to pay over \$10,600 in commissions and other trade costs and resulted in a cost-to-equity of ratio of approximately 25 percent. Both customers relied on Yurovsky's advice and accepted his recommendations. Those recommended transactions, which collectively resulted in the customers paying approximately \$175,600 in commissions and other charges, were excessive and unsuitable.</p>
<b>Current Status:</b>	Final
<b>Resolution:</b>	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:**

12/27/2022

**Sanctions Ordered:**

Restitution

Suspension

Other: In light of Yurovsky's financial status, no monetary fine or prejudgment interest has been imposed. Yurovsky is only required to pay restitution only to a senior customer since his member firm has paid as restitution the commissions and other trading costs charged to another customer as a result of Yurovsky's unsuitable securities recommendations.

#### Sanction 1 of 1

**Sanction Type:**

Suspension

**Capacities Affected:**

ALL CAPACITIES

**Duration:**

5 MONTHS

**Start Date:**

01/17/2023

**End Date:**

06/16/2023

#### Monetary Sanction 1 of 1

**Monetary Related Sanction:**

Restitution

**Total Amount:**

\$10,648.61

**Portion Levied against individual:**

\$10,648.61

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:**

**Was any portion of penalty waived?**

No

**Amount Waived:**

#### Disclosure 2 of 2



<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	ARKANSAS
<b>Sanction(s) Sought:</b>	Undertaking
<b>Date Initiated:</b>	12/16/2014
<b>Docket/Case Number:</b>	S-14-0041
<b>URL for Regulatory Action:</b>	
<b>Employing firm when activity occurred which led to the regulatory action:</b>	JOHN THOMAS FINANCIAL (CRD NO. 40982)
<b>Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Allegations:</b>	<p>1. YUROVSKY, CRD NO. 4554905, IS A NEW YORK RESIDENT WHO WAS REGISTERED WITH THE ARKANSAS SECURITIES DEPARTMENT ("DEPARTMENT") FROM NOVEMBER 3, 2010, TO JUNE 18, 2013. YUROVSKY HAS NOT BEEN REGISTERED WITH THE DEPARTMENT IN ANY CAPACITY SINCE HIS REGISTRATION LAPSED ON JUNE 18, 2013.</p> <p>2. ON MARCH 4, 2011, YUROVSKY OPENED A JOINT ACCOUNT ON BEHALF OF ARKANSAS RESIDENT ONE ("AR1") AND ARKANSAS RESIDENT TWO ("AR2"). THE STAFF CONTENDS THAT YUROVSKY ENGAGED IN EXCESSIVE TRADING AND UNSUITABLE SECURITIES SALES WHILE ACTING AS THE AGENT FOR AR1 AND AR2. ALTHOUGH DOCUMENTARY EVIDENCE INDICATED THAT AR1 AND AR2 HAD FILLED OUT PAPERWORK MARKING THE CHARACTER OF THE ACCOUNT AS "SPECULATIVE" AND THEIR RISK TOLERANCE AS "AGGRESSIVE," AR1 CONTENDED THAT HE INFORMED YUROVSKY PRIOR TO OPENING THE ACCOUNT THAT HE WAS ONLY INTERESTED IN CONSERVATIVE INVESTMENTS AND COULD NOT AFFORD TO LOSE VALUE IN THE ACCOUNT. THE ACCOUNT STATEMENTS REVIEWED BY THE STAFF REFLECTED THAT FROM MARCH 2011 THROUGH OCTOBER 2012 THE ACCOUNT LOST VALUE WHILE BEING CHARGED A TOTAL OF \$106,817.25 IN COMMISSIONS, ADDITIONAL COMMISSIONS, AND SETTLEMENT FEES.</p> <p>3. THE STAFF FURTHER CONTENDS THAT YUROVSKY ENGAGED IN UNSUITABLE SECURITIES SALES WHEN HE TWICE SOLD NON-TRADITIONAL EXCHANGE TRADED FUNDS (ETFs) TO AR1 AND AR2 AND HELD THEM IN THE ACCOUNT FOR LONGER THAN ONE DAY. THE ETFs TRADED BY YUROVSKY WERE ISSUED BY PROSHARES. THE PROSHARES PROSPECTUSES STATE THAT THE ETFs "RESET" DAILY, MEANING THEY ARE DESIGNED TO ACHIEVE THEIR DESIRED OBJECTIVE ON A DAILY BASIS AND THE EFFECTS OF COMPOUNDING PRESENT UNIQUE RISKS OVER</p>





LONGER HOLDING PERIODS. ON NOVEMBER 11, 2011, YUROVSKY PURCHASED PROSHARES TRUST ULTRASHORT AND HELD IT IN THE ACCOUNT OF AR1 AND AR2 UNTIL IT WAS LIQUIDATED AT A LOSS ON NOVEMBER 20, 2011. ON AUGUST 21, 2012, YUROVSKY AGAIN PURCHASED PROSHARES TRUST ULTRASHORT AND HELD IT IN THE ACCOUNT OF AR1 AND AR2 UNTIL IT WAS LIQUIDATED AT A LOSS ON SEPTEMBER 19, 2012.

<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent
<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>	12/16/2014
<b>Sanctions Ordered:</b>	Undertaking
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Restitution
<b>Total Amount:</b>	\$55,000.00
<b>Portion Levied against individual:</b>	\$55,000.00
<b>Payment Plan:</b>	MONTHLY PAYMENTS OF AT LEAST \$5,000.00 PER MONTH UNTIL PAID IN FULL ON OR BEFORE AUGUST 31, 2015
<b>Is Payment Plan Current:</b>	Yes
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	
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<b>Reporting Source:</b>	Broker
<b>Regulatory Action Initiated By:</b>	ARKANSAS
<b>Sanction(s) Sought:</b>	Undertaking



**Date Initiated:** 12/16/2014

**Docket/Case Number:** S-14-0041

**Employing firm when activity occurred which led to the regulatory action:** JOHN THOMAS FINANCIAL (CRD#40982)

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

**Allegations:** 1. YUROVSKY, CRD NO. 4554905, IS A NEW YORK RESIDENT WHO WAS REGISTERED WITH THE ARKANSAS SECURITIES DEPARTMENT ("DEPARTMENT") FROM NOVEMBER 3, 2010, TO JUNE 18, 2013. YUROVSKY HAS NOT BEEN REGISTERED WITH THE DEPARTMENT IN ANY CAPACITY SINCE HIS REGISTRATION LAPSED ON JUNE 18, 2013. 2. ON MARCH 4, 2011, YUROVSKY OPENED A JOINT ACCOUNT ON BEHALF OF ARKANSAS RESIDENT ONE ("AR1") AND ARKANSAS RESIDENT TWO ("AR2"). THE STAFF CONTENDS THAT YUROVSKY ENGAGED IN EXCESSIVE TRADING AND UNSUITABLE SECURITIES SALES WHILE ACTING AS THE AGENT FOR AR1 AND AR2. ALTHOUGH DOCUMENTARY EVIDENCE INDICATED THAT AR1 AND AR2 HAD FILLED OUT PAPERWORK MARKING THE CHARACTER OF THE ACCOUNT AS "SPECULATIVE" AND THEIR RISK TOLERANCE AS "AGGRESSIVE," AR1 CONTENDED THAT HE INFORMED YUROVSKY PRIOR TO OPENING THE ACCOUNT THAT HE WAS ONLY INTERESTED IN CONSERVATIVE INVESTMENTS AND COULD NOT AFFORD TO LOSE VALUE IN THE ACCOUNT. THE ACCOUNT STATEMENTS REVIEWED BY THE STAFF REFLECTED THAT FROM MARCH 2011 THROUGH OCTOBER 2012 THE ACCOUNT LOST VALUE WHILE BEING CHARGED A TOTAL OF \$106,817.25 IN COMMISSIONS, ADDITIONAL COMMISSIONS, AND SETTLEMENT FEES. 3. THE STAFF FURTHER CONTENDS THAT YUROVSKY ENGAGED IN UNSUITABLE SECURITIES SALES WHEN HE TWICE SOLD NON-TRADITIONAL EXCHANGE TRADED FUNDS (ETFs) TO AR1 AND AR2 AND HELD THEM IN THE ACCOUNT FOR LONGER THAN ONE DAY. THE ETFs TRADED BY YUROVSKY WERE ISSUED BY PROSHARES. THE PROSHARES PROSPECTUSES STATE THAT THE ETFs "RESET" DAILY, MEANING THEY ARE DESIGNED TO ACHIEVE THEIR DESIRED OBJECTIVE ON A DAILY BASIS AND THE EFFECTS OF COMPOUNDING PRESENT UNIQUE RISKS OVER LONGER HOLDING PERIODS. ON NOVEMBER 11, 2011, YUROVSKY PURCHASED PROSHARES TRUST ULTRASHORT AND HELD IT IN THE ACCOUNT OF AR1 AND AR2 UNTIL IT WAS LIQUIDATED AT A LOSS ON NOVEMBER 20, 2011. ON AUGUST 21, 2012, YUROVSKY AGAIN PURCHASED PROSHARES TRUST ULTRASHORT AND HELD IT IN THE ACCOUNT OF AR1 AND AR2 UNTIL IT WAS LIQUIDATED AT A LOSS ON SEPTEMBER 19, 2012.

**Current Status:** Final



<b>Resolution:</b>	Consent
<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>	12/16/2014
<b>Sanctions Ordered:</b>	Undertaking
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Restitution
<b>Total Amount:</b>	\$55,000.00
<b>Portion Levied against individual:</b>	\$55,000.00
<b>Payment Plan:</b>	MONTHLY PAYMENTS OF AT LEAST \$5000 PER MONTH UNTIL PAID IN FULL ON OR BEFORE AUGUST 31, 2015
<b>Is Payment Plan Current:</b>	Yes
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	
<b>Broker Statement</b>	I ENTERED THE CONSENT ORDER WITHOUT ADMITTING THE FINDINGS OF FACT OR CONCLUSIONS OF LAW, AND BOTH I AND THE DEPARTMENT OF SECURITIES ACKNOWLEDGED THAT THE CONSENT ORDER CONSTITUTES A COMPROMISE OF DISPUTED ALLEGATIONS AND POTENTIAL CLAIMS FOR WHICH I SUBMITTED DOCUMENTS IN SUPPORT OF MY DEFENSES, AND WAS ENTERED FOR THE SOLE PURPOSE OF RESOLVING THE ISSUES AND AVOIDING COSTLY LITIGATION.



## 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 1

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	JOHN THOMAS FINANCIAL
<b>Allegations:</b>	CUSTOMERS ALLEGES UNSUITABILITY AND MISREPRESENTATION.
<b>Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Alleged Damages:</b>	\$150,000.00
<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>	04/16/2013
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	12/16/2014
<b>Settlement Amount:</b>	\$55,000.00
<b>Individual Contribution Amount:</b>	\$55,000.00
<b>Broker Statement</b>	I ENTERED THE CONSENT ORDER WITHOUT ADMITTING THE FINDINGS OF FACT OR CONCLUSIONS OF LAW, AND BOTH I AND THE DEPARTMENT OF SECURITIES ACKNOWLEDGED THAT THE CONSENT ORDER CONSTITUTES A COMPROMISE OF DISPUTED ALLEGATIONS AND POTENTIAL CLAIMS FOR WHICH I SUBMITTED DOCUMENTS IN SUPPORT OF MY DEFENSES, AND WAS ENTERED FOR THE SOLE PURPOSE OF RESOLVING THE ISSUES AND AVOIDING COSTLY LITIGATION.

## End of Report



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