

## BrokerCheck Report

**MICHAEL CIRO COLLETTI**

CRD# 4577898

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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).



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
- 5 U.S. states and territories

This broker has passed:

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

Registration History

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

- IA IC ADVISORY SERVICES, INC.**  
CRD# 140190  
BEDMINSTER, NJ  
01/2017 - 01/2020
- B THE INVESTMENT CENTER, INC.**  
CRD# 17839  
GLEN COVE, NY  
01/2017 - 01/2020
- IA CADARET GRANT & CO INC**  
CRD# 10641  
SYRACUSE, NY  
05/2015 - 12/2016

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	2
Termination	2

MICHAEL C. COLLETTI

CRD# 4577898

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

- B SOVEREIGN GLOBAL ADVISORS LLC**  
501 S CHERRY STREET  
11TH FLOOR  
DENVER, CO 80246  
CRD# 167663  
Registered with this firm since: 02/04/2020
- IA SOVEREIGN GLOBAL ADVISORS, LLC**  
50 Glen Street  
Ste 218  
Glen Cove, NY 11542  
CRD# 167663  
Registered with this firm since: 03/03/2020



## 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 5 U.S. states and territories through his or her employer.**

### Employment 1 of 1

Firm Name: **SOVEREIGN GLOBAL ADVISORS, LLC**

Main Office Address: **501 SOUTH CHERRY STREET  
11TH FLOOR  
DENVER, CO 80246**

Firm CRD#: **167663**

	SRO	Category	Status	Date
B	FINRA	General Securities Principal	Approved	02/04/2020
B	FINRA	General Securities Representative	Approved	02/04/2020
B	FINRA	Investment Banking Representative	Approved	02/04/2020

	U.S. State/ Territory	Category	Status	Date
B	Kansas	Agent	Approved	02/28/2020
B	New Jersey	Agent	Approved	02/04/2020
IA	New Jersey	Investment Adviser Representative	Approved	03/03/2020
B	New York	Agent	Approved	02/04/2020
B	Pennsylvania	Agent	Approved	05/21/2021
B	Texas	Agent	Approved	02/18/2020
IA	Texas	Investment Adviser Representative	Approved	07/08/2020

### Branch Office Locations

This individual does not have any registered Branch Office where the individual is located.

**Broker Qualifications**



**Employment 1 of 1, continued**

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## 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 1 principal/supervisory exam, 3 general industry/product exams, and 2 state securities law exams.**

### Principal/Supervisory Exams

Exam	Category	Date
<b>B</b> General Securities Principal Examination	Series 24	07/20/2006

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Investment Banking Registered Representative Examination	Series 79TO	01/02/2023
<b>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> General Securities Representative Examination	Series 7	09/04/2002

### State Securities Law Exams

Exam	Category	Date
<b>IA</b> Uniform Investment Adviser Law Examination	Series 65	05/27/2020
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	11/06/2002

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>IA</b> 01/2017 - 01/2020	IC ADVISORY SERVICES, INC.	140190	GLEN COVE, NY
<b>B</b> 01/2017 - 01/2020	THE INVESTMENT CENTER, INC.	17839	GLEN COVE, NY
<b>IA</b> 05/2015 - 12/2016	CADARET GRANT & CO INC	10641	MELVILLE, NY
<b>B</b> 12/2014 - 12/2016	CADARET, GRANT & CO., INC.	10641	MELVILLE, NY
<b>B</b> 12/2014 - 12/2014	SECURITIES AMERICA, INC.	10205	JERICO, NY
<b>B</b> 03/2012 - 11/2014	NATIONAL SECURITIES CORPORATION	7569	MELVILLE, NY
<b>B</b> 01/2010 - 03/2012	FIRST MIDWEST SECURITIES, INC.	21786	HAUPPAUGE, NY
<b>B</b> 07/2004 - 01/2010	AMERICAN CAPITAL PARTNERS, LLC	119249	EAST MEADOW, NY
<b>B</b> 09/2002 - 07/2004	COMMERCE ONE FINANCIAL INC.	100340	SYOSSET, 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
02/2020 - Present	Sovereign Global Advisors, LLC	Registered Representative	Y	kings park, NY, United States
01/2017 - 01/2020	IC ADVISORY SERVICES INC	REGISTERED REPRESENTATIVE	Y	GLEN COVE, NY, United States
01/2017 - 01/2020	THE INVESTMENT CENTER INC	REGISTERED REPRESENTATIVE	Y	GLEN COVE, NJ, United States
12/2014 - 01/2017	CADARET, GRANT & CO., INC.	REGISTERED REPRESENTATIVE	Y	MELVILLE, NY, United States
11/2014 - 12/2014	SECURITIES AMERICA ADVISORS	INVESTMENT ADVISOR REPRESENTATIVE	Y	JERICO, NY, United States





Registration and Employment History

Employment History, continued

Employment	Employer Name	Position	Investment Related	Employer Location
		REPRESENTATIVE		
11/2014 - 12/2014	SECURITIES AMERICA INC	REGISTERED REPRESENTATIVE	Y	JERICOHO, NY, United States
03/2012 - 11/2014	NATIONAL SECURITIES CORP	REGISTERED REPRESENTATIVE	Y	MELVILLE, 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.

DBA POLARIS FINANCIAL GROUP, INC.SOLE PROPRIETOR. WEALTH MANAGEMENT, SALE OF SECURITIES, FIXED INCOME, ANNUITIES, LIFE INSURANCE. DEVOTE >60%. ANNUAL INCOME >60%.OWN > 60%ESTABLISHED 11/30/2017.

## Disclosure Events



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

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

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

	Pending	Final	On Appeal
Regulatory Event	0	1	1
Termination	N/A	2	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

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	07/31/2017
Docket/Case Number:	2014042520501
Employing firm when activity occurred which led to the regulatory action:	National Securities Corporation
Product Type:	Other: Unspecified securities
Allegations:	Colletti was named a respondent in a FINRA complaint alleging that he failed to reasonably supervise cold callers in his branch office that he had hired without following his member firm's procedures. The complaint alleges that Colletti was the designated supervisor and branch office manager for the office opened by his firm. Because of Colletti's failure to enforce the firm's written supervisory procedures (WSPs) regarding hiring practices, including those specific to cold callers, the firm was unaware of some of the cold callers for months after they began working in the branch, if at all, and some of the cold callers were not subject to a background check, much less approved by the firm's hiring committee. Despite working in the same room as the cold callers, Colletti either missed or did not act upon red flags that the cold callers were engaging in impermissible activities. Because Colletti did



not reasonably supervise the cold callers, some of the cold callers' unauthorized scripts contained misrepresentations and improper questions.

**Current Status:**

Final

**Resolution:**

Decision & Order of Offer of Settlement

**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:**

01/29/2018

**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**

<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	Any principal capacity
<b>Duration:</b>	three months
<b>Start Date:</b>	02/20/2018
<b>End Date:</b>	05/19/2018



### Monetary Sanction 1 of 1

**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:** 02/16/2019

**Was any portion of penalty waived?** No

**Amount Waived:**

### Regulator Statement

Without admitting or denying the allegations, Colletti consented to the sanctions and to the entry of findings that he failed to reasonably supervise cold callers in his branch office that he had hired without following his member firm's procedures. The findings stated that Colletti was the designated supervisor and branch office manager for the branch office opened by his firm. The branch hired and employed several cold callers, the majority of whom were not registered through the firm. Colletti and another registered representative, with whom he split expenses for the branch, paid the cold callers a weekly salary from corporations they controlled or from the other registered representative's personal bank account. The firm did not pay any of the cold callers. The findings also stated that Colletti did not follow the firm's written supervisory procedures (WSPs) regarding hiring practices, including those specific to cold callers. Because of Colletti's failure to enforce his firm's written procedures regarding hiring and cold callers, the firm was unaware of some of the cold callers for months after they began working in the branch office, if at all, and some of the cold callers were not subject to a background check, much less approved by the hiring committee. The findings also included that despite working in the same room as the cold callers, Colletti either missed or did not act upon red flags that the cold callers were engaging in impermissible activities. Because Colletti did not reasonably supervise the cold callers, some of the cold callers' unauthorized scripts contained misrepresentations and improper questions. Fines paid in full on February 16, 2019.

**Reporting Source:** Broker

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Other: N/A



**Date Initiated:** 07/31/2017

**Docket/Case Number:** 2014042520501

**Employing firm when activity occurred which led to the regulatory action:** NATIONAL SECURITIES CORPORATION

**Product Type:** Other: UNSPECIFIED SECURITIES

**Allegations:** COLLETTI WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT, AS A DESIGNATED SUPERVISOR AND BRANCH OFFICE MANAGER OF HIS MEMBER FIRM'S BRANCH OFFICE, HE FAILED TO REASONABLY SUPERVISE COLD CALLERS IN THE BRANCH OFFICE THAT HE HIRED WITHOUT FOLLOWING FIRM PROCEDURES. THE COMPLAINT ALLEGES THAT BECAUSE OF COLLETTI'S FAILURE TO ENFORCE THE FIRM'S WRITTEN PROCEDURES REGARDING HIRING AND COLD CALLERS, THE FIRM WAS UNAWARE OF SOME OF THE COLD CALLERS FOR MONTHS AFTER THEY BEGAN WORKING IN THE BRANCH, IF AT ALL, AND SOME OF THE COLD CALLERS WERE NOT SUBJECT TO A BACKGROUND CHECK, MUCH LESS APPROVED BY THE FIRM'S HIRING COMMITTEE. DESPITE WORKING IN THE SAME ROOM AS THE COLD CALLERS, COLLETTI EITHER MISSED OR DID NOT ACT UPON RED FLAGS THAT THE COLD CALLERS WERE ENGAGING IN IMPERMISSIBLE ACTIVITIES. THOSE RED FLAGS INCLUDED THE SCRIPTS WRITTEN ON NOTEPADS, TAPED TO FURNITURE, AND IN THE COLD CALLERS' DESK DRAWERS AND WHITE BOARD CONTAINING COLD CALLERS' NAMES AND COLUMNS FOR "ACCT OPENED" "ACCT GOAL" AND "MONEY RAISED". THE WHITE BOARD NEAR THE DESKS OF SOME OF THE COLD CALLERS LISTED THE NAMES OF THE COLD CALLERS, WITH A COLUMN FOR THE NUMBER OF ACCOUNTS OPENED, A COLUMN FOR THEIR "ACCT GOALS", AND A COLUMN FOR THEIR "MONEY RAISED". THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS ) LIMITED COLD CALLERS TO A HANDFUL OF SPECIFIC PERMISSIBLE ACTIVITIES, NONE OF WHICH INCLUDED OPENING ACCOUNTS OR RAISING MONEY. BECAUSE COLLETTI DID NOT REASONABLY SUPERVISE THE COLD CALLERS, SOME OF THE COLD CALLERS' UNAUTHORIZED SCRIPTS CONTAINED MISREPRESENTATIONS AND IMPROPER QUESTIONS.

**Current Status:** Final

**Resolution:** Decision & Order of Offer of Settlement



<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>	01/29/2018
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	ANY PRINCIPAL CAPACITY
<b>Duration:</b>	3 MONTHS
<b>Start Date:</b>	02/20/2018
<b>End Date:</b>	05/19/2018
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$7,500.00
<b>Portion Levied against individual:</b>	\$7,500.00
<b>Payment Plan:</b>	
<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>	
<b>Broker Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, COLLETTI CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT HE FAILED TO REASONABLY SUPERVISE COLD CALLERS IN HIS BRANCH THAT HE HIRED WITHOUT FOLLOWING HIS MEMBER FIRM'S PROCEDURES. THE FINDINGS STATED THAT COLLETTI WAS THE DESIGNATED SUPERVISOR AND BRANCH OFFICE MANAGER FOR THE BRANCH OFFICE OPENED BY HIS FIRM.THE BRANCH HIRED AND EMPLOYED SEVERAL COLD CALLERS, THE MAJORITY OF WHOM WERE NOT REGISTERED





THROUGH THE FIRM. COLLETTI AND ANOTHER REGISTERED REPRESENTATIVE, WITH WHOM HE SPLIT EXPENSES FOR THE BRANCH, PAID THE COLD CALLERS A WEEKLY SALARY FROM CORPORATIONS THEY CONTROLLED OR FROM THE OTHER REGISTERED REPRESENTATIVE'S PERSONAL BANK ACCOUNT. THE FIRM DID NOT PAY ANY OF THE COLD CALLERS. THE FINDINGS ALSO STATED THE COLLETTI DID NOT FOLLOW THE FIRM'S WRITTEN SUPERVISORY PROCEDURES ( WSPS ) REGARDING HIRING PRACTICES, INCLUDING THOSE SPECIFIC TO COLD CALLERS. BECAUSE OF COLLETTI'S FAILURE TO ENFORCE HIS FIRM'S WRITTEN PROCEDURES REGARDING HIRING AND COLD CALLERS, THE FIRM WAS UNAWARE OF SOME OF THE COLD CALLERS FOR MONTHS AFTER THEY BEGAN WORKING IN THE BRANCH OFFICE, IF AT ALL, AND SOME OF THE COLD CALLERS WERE NOT SUBJECT TO BACKGROUND CHECKS, MUCH LESS APPROVED BY THE HIRING COMMITTEE. THE FINDINGS ALSO INCLUDED THE DESPITE WORKING IN THE SAME ROOM AS THE COLD CALLERS, COLLETTI EITHER MISSED OR DID NOT ACT UPON RED FLAGS THAT THE COLD CALLERS WERE ENGAGING IN IMPERMISSIBLE ACTIVITIES.BECAUSE COLLETTI DID NOT REASONABLY SUPERVISE THE COLD CALLERS, SOME OF THE COLD CALLERS'UNAUTHORIZED SCRIPTS CONTAINED MISREPRESENTATIONS AND IMPROPER QUESTIONS.



## Regulatory - On Appeal

This type of disclosure event may involve (1) a formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations that is currently on appeal; or (2) a revocation or suspension of a broker's authority to act as an attorney, accountant, or federal contractor that is currently on appeal.

### 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>	02/15/2023
<b>Docket/Case Number:</b>	<a href="#">2019061942901</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	Investment Center, Inc.
<b>Product Type:</b>	Mutual Fund
<b>Allegations:</b>	Colletti was named a respondent in a FINRA complaint alleging that he placed trades with total principal value of approximately \$157,231 in the account of an elderly customer without the customer's prior authorization. The complaint alleges that the customer was an unsophisticated investor and outside of Colletti's excessive trading of his account, the customer mainly bought and held mutual funds and stocks of well-established companies. Colletti's unauthorized trading resulted in realized losses of \$5,417.17 in the customer's account. The complaint also alleges that Colletti unsuitably and excessively traded the customer's account by frequently purchasing and selling various equity positions that caused the customer to incur high cumulative costs. Colletti exercised de facto control over the account by placing trades without first obtaining the customer's authorization. Colletti effected securities transactions in the customer's account that generated \$4,981 in commissions and \$256 in other trading costs. Colletti's excessive trading in the customer's account resulted in a turnover rate of 10.28 (annualized to 12.33) and a cost-to-equity ratio of 72.14 percent (annualized to 86.57 percent).
<b>Current Status:</b>	On Appeal
<b>Action Appealed To:</b>	SRO
<b>Date Appeal filed:</b>	03/21/2024
<b>Appeal Limitation Details:</b>	
<b>Resolution:</b>	Pending appeal



**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:** 02/28/2024

**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?**

#### **Regulator Statement**

Hearing Panel Decision rendered February 28, 2024 wherein Colletti is fined \$10,000, suspended from associating with any FINRA member firm in any capacity for eight months, ordered to pay restitution in the amount of \$5,417 to customer, and required to requalify by examination as a General Securities Representative before he re-enters the securities industry. Colletti is also assessed hearing costs in the amount of \$5,902.66, which includes an administrative fee of \$750. The sanctions are based on the findings that Colletti engaged in unauthorized trading without obtaining specific authorization from the customer before executing each trade. The findings also stated that Colletti engaged in unsuitable and excessive trading. Colletti's excessive trading activity was inconsistent with the customer's



financial circumstances and investment objectives. The customer was in his 60s, nearing retirement, and his account was an IRA account. He had a moderate risk tolerance and investment objectives of income and growth. RM's account never exceeded \$10,000, yet Colletti's excessive trading resulted in relatively significant losses of \$5,417, while Colletti received \$5,081 in commissions. On March 21, 2024, Colletti appealed the decision to the NAC. The sanctions are not in effect pending the review.

Reporting Source:	Broker
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: Reimbursement
Date Initiated:	02/15/2023
Docket/Case Number:	<a href="#">2019061942901</a>
Employing firm when activity occurred which led to the regulatory action:	Investment Center, INC
Product Type:	Mutual Fund
Allegations:	Colletti was named a respondent in a FINRA complaint alleging that he placed trades with total principal value of approximately \$157,231 in the account of an elderly customer without the customer's prior authorization. The complaint alleges that the customer was an unsophisticated investor and outside of Colletti's excessive trading of his account, the customer mainly bought and held mutual funds and stocks of well-established companies. Colletti's unauthorized trading resulted in realized losses of \$5,417.17 in the customer's account. The complaint also alleges that Colletti unsuitably and excessively traded the customer's account by frequently purchasing and selling various equity positions that caused the customer to incur high cumulative costs. Colletti exercised de facto control over the account by placing trades without first obtaining the customer's authorization. Colletti effected securities transactions in the customer's account that generated \$4,981 in commissions and \$256 in other trading costs. Colletti's excessive trading in the customer's account resulted in a turnover rate of 10.28 (annualized to 12.33) and a



cost-to-equity ratio of  
72.14 percent (annualized to 86.57 percent).

<b>Current Status:</b>	On Appeal
<b>Action Appealed To:</b>	SRO
<b>Date Appeal filed:</b>	03/21/2024
<b>Appeal Limitation Details:</b>	
<b>Resolution:</b>	Pending Appeal
<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>	02/28/2024



## 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 2

**Reporting Source:** Firm  
**Employer Name:** SECURITIES AMERICA, INC.  
**Termination Type:** Voluntary Resignation  
**Termination Date:** 12/08/2014  
**Allegations:** THE REPRESENTATIVE FAILED TO TIMELY DISCLOSE TO SAI HIS DISCHARGE BY HIS PRIOR FIRM.  
**Product Type:** No Product

**Reporting Source:** Broker  
**Employer Name:** SECURITIES AMERICA, INC.  
**Termination Type:** Voluntary Resignation  
**Termination Date:** 12/08/2014  
**Allegations:** FAILED TO TIMELY DISCLOSE DISCHARGE FROM PRIOR FIRM.  
**Product Type:** No Product

### Disclosure 2 of 2

**Reporting Source:** Firm  
**Employer Name:** NATIONAL SECURITIES CORP  
**Termination Type:** Discharged  
**Termination Date:** 10/22/2014  
**Allegations:** FAILURE TO DISCLOSE OUTSIDE BUSINESS ACTIVITY TO THE FIRM.  
**Product Type:** No Product

**Reporting Source:** Broker  
**Employer Name:** NATIONAL SECURITIES CORPORATION



<b>Termination Type:</b>	Discharged
<b>Termination Date:</b>	10/22/2014
<b>Allegations:</b>	FAILURE TO DISCLOSE OUTSIDE BUSINESS ACTIVITY TO THE FIRM.
<b>Product Type:</b>	No Product



## End of Report



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