

BrokerCheck Report

MANUEL FRANCISCO MELENDEZ

CRD# 4648278

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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



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)

MANUEL F. MELENDEZ

CRD# 4648278

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 HERBERT J. SIMS & CO, INC.**
CRD# 3420
GUAYNABO, PR
04/2023 - 09/2023
- B UBS FINANCIAL SERVICES INC.**
CRD# 8174
SAN JUAN, PR
05/2007 - 05/2023
- B UBS FINANCIAL SERVICES INCORPORATED OF PUERTO RICO**
CRD# 13042
SAN JUAN, PR
05/2007 - 10/2021

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
Customer Dispute	13

Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at

<https://www.adviserinfo.sec.gov>

Broker Qualifications



Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.



Broker Qualifications

Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

This individual has passed 0 principal/supervisory exams, 2 general industry/product exams, and 1 state securities law exam.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	10/01/2018
B General Securities Representative Examination	Series 7	11/06/2003

State Securities Law Exams

Exam	Category	Date
B IA Uniform Combined State Law Examination	Series 66	08/04/2017

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.

Broker Qualifications



Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 04/2023 - 09/2023	HERBERT J. SIMS & CO, INC.	3420	GUAYNABO, PR
B 05/2007 - 05/2023	UBS FINANCIAL SERVICES INC.	8174	SAN JUAN, PR
B 05/2007 - 10/2021	UBS FINANCIAL SERVICES INCORPORATED OF PUERTO RICO	13042	SAN JUAN, PR
B 11/2003 - 03/2007	POPULAR SECURITIES, INC.	8096	SAN JUAN, PR

Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

Employment	Employer Name	Position	Investment Related	Employer Location
04/2023 - Present	HERBERT J SIMS CAPITAL MANAGEMENT, INC.	INVESTMENT ADVISOR	Y	FAIRFIELD, CT, United States
04/2023 - Present	HERBERT J. SIMS & CO	REGISTERED REPRESENTATIVE	Y	GUAYNABO, PR, United States
05/2007 - Present	UBS FINANCIAL SERVICES INC	FINANCIAL ADVISOR	Y	GUAYNABO, PR, 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.

Trinity Media Group LLC /Investment related?:yes/ Montehiedra, #163 Calle Pitirre San Juan, Puerto Rico 00926/ No / Other / LLC - Limited Liability Corporation / Services (Business, Professional, Support) / Own 11 digital outdoor media billboards /Renew contract every 12 months on an outdoor media mesh on the side of a parking structure/ Proprietor / owner / No / Start Date 8/1/2018/Time reqd during workig hours?:No Manuel Melendez Gonzalez is an investment adviser representative of HJ Sims Capital Management ("HJSCM"), a SEC registered investment advisor and wholly owned subsidiary of HJ Sims Co., Inc. HJSCM primarily provides customized investment management services to high-net-worth individuals and associated trusts, estates, pension and profit-sharing plans, and other legal entities. Mr. Melendez Gonzalez began his

Registration and Employment History



Other Business Activities, continued

association with HJSCM in April 2023 and devotes approximately 70% of his time to HJSCM.



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
Customer Dispute	0	13	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.

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 10

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	UBS FINANCIAL SERVICES INC.
Allegations:	[Time frame: 2019-2022] Claimant alleges that the FA borrowed money from her and/or solicited her to invest in unsuitable, unapproved outside business ventures, and that UBS failed to adequately supervise the FA. Claimed compensatory damages are \$448k.
Product Type:	No Product
Alleged Damages:	\$448,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA Arbitration
Docket/Case #:	23-00150
Filing date of arbitration/CFTC reparation or civil litigation:	01/19/2023

Customer Complaint Information



Date Complaint Received: 01/19/2023
Complaint Pending? No
Status: Settled
Status Date: 06/07/2023
Settlement Amount: \$390,000.00
Individual Contribution Amount: \$0.00

Reporting Source: Broker
Employing firm when activities occurred which led to the complaint: UBS FINANCIAL SERVICES INC.

Allegations: [Time frame: 2019-2022] Claimant alleges that the FA borrowed money from her and/or solicited her to invest in unsuitable, unapproved outside business ventures, and that UBS failed to adequately supervise the FA. Claimed compensatory damages are \$448k.

Product Type: No Product
Alleged Damages: \$448,000.00
Is this an oral complaint? No
Is this a written complaint? Yes
Is this an arbitration/CFTC reparation or civil litigation? Yes
Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 23-00150
Filing date of arbitration/CFTC reparation or civil litigation: 01/19/2023

Customer Complaint Information

Date Complaint Received: 01/19/2023
Complaint Pending? No
Status: Settled



Status Date: 06/07/2023

Settlement Amount: \$390,000.00

Individual Contribution Amount: \$0.00

Broker Statement FA disagrees with the allegations as stated in claim. FA and family friend, not a client at the time, entered into a definitive agreement as partners to acquire a business. The business as well as the SBA loan structure were solicited by a third party business broker, not the FA. FA sought guidance from UBS compliance and management following their disclosure protocols resulting in the approval of it on March 1, 2021. Regrettably, the business fell victim to fraud perpetrated by the previous owner and a group of employees. After seeking legal advice, it was recommended that the corporation pursue an Assignment for the Benefit of Creditors to address the situation and protect its creditors.

Disclosure 2 of 10

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: UBS Financial Services Inc.

Allegations: Time frame: Unspecified
Claimants allege their investments in Puerto Rico closed-end funds and municipal bonds were unsuitable, over-concentrated, and misrepresented as safe investments.

Product Type: Other: Puerto Rico CEFs and municipal bonds

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): \$100,000 - \$500,000

Is this an oral complaint? No

Is this a written complaint? Yes

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

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

Docket/Case #: 19-02137



Filing date of arbitration/CFTC reparation or civil litigation: 08/05/2019

Customer Complaint Information

Date Complaint Received: 08/05/2019

Complaint Pending? No

Status: Settled

Status Date: 03/27/2020

Settlement Amount: \$55,000.00

Individual Contribution Amount: \$0.00

Broker Statement

I STRONGLY DENY ALL THE ALLEGATIONS. THE CLIENTS WERE NOT ONLY FULLY DISCLOSED OF THE RISKS INVOLVED IN EACH STRATEGY THEY UNDERTOOK AND WERE FULLY INVOLVED IN THE DECISION MAKING PROCESS, BUT WERE DIVERSIFIED AWAY FROM PUERTO RICO ASSETS. THE CLIENTS REQUESTED MAXIMIZATION OF CURRENT INCOME DUE TO THEIR HIGH LEVEL OF PERSONAL EXPENSES, NONETHELESS, ACCOUNTS WERE DIVERSIFIED GEOGRAPHICALLY AND HELD POSITIONS ACROSS MULTIPLE ASSET CLASSES. I MAINTAINED COMMUNICATION INCLUDING FORMAL REVIEW MEETINGS HELD A NUMBER OF TIMES PER YEAR IN WHICH CLIENTS WERE FULLY BRIEFED ON CURRENT GLOBAL AND LOCAL ECONOMICS. THEY RECEIVED NUMEROUS WRITTEN RECOMMENDATIONS TO REBALANCE OUT OF PUERTO RICO SECURITIES. ALL TRANSACTIONS MADE WERE BASED ON THE CLIENT'S FINAL ASSESMENT AND IN MANY CASES, THE CLIENTS REJECT MY RECOMMENDATIONS. TO SAY THAT RECOMMENDATIONS WERE UNSUITABLE AND THERE WAS LACK OF DISCLOSURE IS NOT ACCURATE OR FAIR. THE ALLEGATIONS, AS STATED IN THE CLAIM, ARE BASELESS, WILL BE PROVEN FALSE AND I INTEND TO FULLY DEFEND MYSELF AGAINST THEM AND SEEK REMEDIES TO CLEAR MY NAME.

Disclosure 3 of 10

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: UBS Financial Services, Inc

Allegations: Time frame: Unspecified



Allegations: Claimant alleges that the recommendation to invest in and hold Puerto Rico closed-end funds and Puerto Rico municipal bonds was unsuitable, and that his account was over concentrated in PR investments. He also allege that the risks of investing in and concentration in PR investments was misrepresented.

Product Type:	Other: Puerto Rico Closed-End Bond Funds & Puerto Rico Municipal Bonds
Alleged Damages:	\$130,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA Arbitration
Docket/Case #:	19-00196
Filing date of arbitration/CFTC reparation or civil litigation:	01/15/2019

Customer Complaint Information

Date Complaint Received:	01/15/2019
Complaint Pending?	No
Status:	Settled
Status Date:	02/07/2023
Settlement Amount:	\$50,000.00
Individual Contribution Amount:	\$0.00

Disclosure 4 of 10

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	UBS Financial Services, Inc.
Allegations:	Time frame: 2007 - present



Allegations: UBS recommended unsuitable concentration in PR Bonds and CEFs and misrepresented the risks of these investments.

Product Type: Other: PR Municipal Bonds & Closed-End Funds

Alleged Damages: \$200,000.00

Is this an oral complaint? No

Is this a written complaint? Yes

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

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 18-03106

Filing date of arbitration/CFTC reparation or civil litigation: 09/04/2018

Customer Complaint Information

Date Complaint Received: 09/27/2018

Complaint Pending? No

Status: Settled

Status Date: 08/22/2022

Settlement Amount: \$35,000.00

Individual Contribution Amount: \$0.00

Disclosure 5 of 10

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: UBS Financial Services, Inc.

Allegations: Time frame: 2012-2018

Allegations: Claimants allege that their accounts were over-concentrated in unsuitable Puerto Rico closed-end funds and government bonds and that Respondent misrepresented the investments to them. Claimants also allege that



Respondent made unsuitable hold recommendations.

Product Type: Other: Closed-end funds and PR municipal bonds

Alleged Damages: \$186,302.23

Is this an oral complaint? No

Is this a written complaint? Yes

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

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 18-01841

Filing date of arbitration/CFTC reparation or civil litigation: 06/07/2018

Customer Complaint Information

Date Complaint Received: 06/07/2018

Complaint Pending? No

Status: Settled

Status Date: 12/14/2020

Settlement Amount: \$65,200.00

Individual Contribution Amount: \$0.00

Broker Statement

I STRONGLY DENY ALL OF THE ALLEGATIONS. MY INCLUSION IN THIS CLAIM BY THE CLAMAIN'T'S COUNSEL IS BASELESS GIVEN CLAIMANTS WHERE NOT ONLY INFORMED OF THE PR SITUATION BUT ARE ON RECORD CONFIRMING THEY DID NOT WANT TO SELL ANY OF THEIR PR INVESTMENTS ON MULTIPLE OCASSIONS. HAVING WORKED IN THE GOVERNMENT, THEY EXPRESSED THEY "BELIEVED IN THE ISLAND" AND THEY HAD A NEPHEW WHO WAS ALSO A FINANCIAL ADVISOR AND, CONTRARY TO MYSELF, ONLY SOLD PR INVESTMENTS. THIS LED TO THEM FOLLOWING HIS ADVICE FOR THEM TO KEEP THEIR HOLDINS AND NOT FOLLOW MYCONSTANT RECOMMENDATIONS TO LIQUIDATE. FURTHERMORE, CLIENTS ATTENDED A SEMINAR I HELD THE WEEK AFTER THE PR CRASH IN 2013 WITH THE ISLAND'S TOP ECONOMIST AT THE TIME AND THE RECOMMENDATION GIVEN TO EVERYONE WAS TO CONSIDERABLY REDUCE THEIR EXPOSURE AS QUICKLY AS THEY COULD.



IN ADDITION, THEY RECEIVED ALL SORTS OF RESEARCH FROM 2013 TO 2018 DESCRIBING THE SITUATION. IN EVERY INSTANCE THEY WANTED TO STAY THE COURSE. MORE IMPORTANTLY, CLIENTS ALSO HAD AN EQUITY MANAGED ACCOUNT AND INSTEAD OF THEM INVESTING THE FULL MONIES THERE, THEY OPTED FOR LIQUIDATING THAT ACCOUNT TO COVER PERSONAL EXPENSES AND MAINTAIN THEIR PR BONDS. GIVEN THIS FULLY DOCUMENTED ACTIVITY, TO SAY THEY WERE IGNORANT OF THIS SITUATION IS NOT TRUE, ACCURATE OR FAIR AND IS EASILY VERIFIED YEAR AFTER YEAR IN THE ACCOUNT HISTORY. I INTEND TO FULLY DEFEND MYSELF AGAINST THESE BASELESS ALLEGATIONS AND SEEK ALL REMEDIES TO CLEAR MY NAME.

Disclosure 6 of 10

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	UBS Financial Services Inc
Allegations:	Time frame: 2011-Present Claimants allege unsuitable recommendations, over-concentration and misrepresentations in connection with their purchase of closed-end funds and Puerto Rico bonds.
Product Type:	Other: Closed-End Fund Puerto Rico Bonds
Alleged Damages:	\$0.00
Alleged Damages Amount Explanation (if amount not exact):	unspecified
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	1801527
Filing date of arbitration/CFTC reparation or civil litigation:	05/07/2018



Customer Complaint Information

Date Complaint Received: 05/07/2018
Complaint Pending? No
Status: Settled
Status Date: 10/15/2019
Settlement Amount: \$45,000.00
Individual Contribution Amount: \$0.00

Broker Statement

I STRONGLY DENY ALL OF THE ALLEGATIONS. MY INCLUSION IN THIS CLAIM BY THE CLAMAIN'T'S COUNSEL IS BASELESS GIVEN I INHERITED THE CLAMAIN'T'S ACCOUNT AND IT IS CLEARLY DOCUMENTED THAT ALL TRANSACTIONS AND RECOMMENDATIONS REGARDING PUERTO RICO SECURITIES WERE MADE PRIOR TO ME BECOMING THE CLIENT'S ADVISOR. TO SAY I WAS INVOLVED IN THE RECOMMENDATION OR IMPLEMENTATION OF ANY OF THE CLIENT'S INVESTMENT STRATEGIES IS NOT TRUE, ACCURATE OR FAIR. I INTEND TO FULLY DEFEND MYSELF AGAINST THEM AND SEEK ALL REMEDIES TO CLEAR MY NAME.

Disclosure 7 of 10

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: UBS Financial Services, Inc.

Allegations: Time frame: Unspecified
 Claimants allege their investments in Puerto Rico closed-end funds and municipal bonds were unsuitable, over concentrated, and misrepresented as safe investments.

Product Type: Other: CEFs and Municipal Bonds

Alleged Damages: \$145,000.00

Is this an oral complaint? No

Is this a written complaint? Yes

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



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

Docket/Case #: 18-00893

**Filing date of
arbitration/CFTC reparation
or civil litigation:** 03/07/2018

Customer Complaint Information

Date Complaint Received: 03/07/2018

Complaint Pending? No

Status: Settled

Status Date: 05/24/2019

Settlement Amount: \$55,000.00

**Individual Contribution
Amount:** \$0.00

Broker Statement

I STRONGLY DENY ALL ALLEGATIONS. CLIENTS WERE FULLY DISCLOSED OF THE RISKS INVOLVED IN THE STRATEGY UNDERTAKEN AND WERE FULLY INVOLVED IN THE DECISION MAKING PROCESS. I'M ON RECORD OF MEETING WITH THEM IN 2013 REGARDING THE PUERTO RICO SITUATION AND THEY GAVE INSTRUCTIONS TO CONTINUE WITH THEIR STRATEGY WITHOUT ANY CHANGES. AS SEEN IN ACCOUNT CONTACT HISTORY, THROUGHOUT THIS TIME I MAINTAINED CONSTANT COMMUNICATION WHERE CURRENT GLOBAL MACRO-ECONOMICS, LOCAL ECONOMICS AND CURRENT STRATEGY PERFORMANCE WERE DISCUSSED. THERE WAS NO LACK OF DISCLOSURE AS THE CLIENT WAS FULLY INFORMED AT ALL TIMES AND ANY ALLEGATIONS TO THE CONTRARY ARE NOT ACCURATE. ALSO, THE AMOUNT THEY'RE REQUESTING IN THIS CLAIM IS MUCH GREATER THAN THE TOTAL AMOUNT OF ASSETS THEY'VE EVER HELD IN THEIR ACCOUNTS. THEREFORE, ALLEGATIONS AS STATED IN THE CLAIM ARE WITH OUT MERIT AND WILL BE PROVEN FALSE. I INTEND TO FULLY DEFEND MYSELF AGAINST THEM AND SEEK REMEDIES TO CLEAR MY NAME.

Disclosure 8 of 10

Reporting Source: Broker

**Employing firm when
activities occurred which led
to the complaint:** UBS Financial Services Inc.



Allegations: Time frame: 2010-2013
 Claimant alleges unsuitable recommendation and misrepresentation regarding a municipal bond purchase.

Product Type: Other: PR Bonds

Alleged Damages: \$60,000.00

Is this an oral complaint? No

Is this a written complaint? Yes

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

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 17-02460

Filing date of arbitration/CFTC reparation or civil litigation: 10/25/2017

Customer Complaint Information

Date Complaint Received: 10/25/2017

Complaint Pending? No

Status: Settled

Status Date: 08/16/2019

Settlement Amount: \$40,000.00

Individual Contribution Amount: \$0.00

Broker Statement

I STRONGLY DENY ALL ALLEGATIONS. CLIENT WAS FULLY DISCLOSED OF THE RISKS INVOLVED IN THE STRATEGY UNDERTAKEN AND WAS FULLY INVOLVED IN THE DECISION MAKING PROCESS. ACCOUNT WAS ORIGINALLY DIVERSIFIED INTO A MANAGED ACCOUNT, HOWEVER, CLIENT GAVE MANAGED ACCOUNT LIQUIDATION INSTRUCTIONS AND REQUESTED MAXIMIZATION OF LOCAL TAX FREE INCOME AS THE INVESTMENT OBJECTIVE TO PURSUE. I MAINTAINED CONSTANT COMMUNICATION AND HELD FORMAL PERIODIC REVIEW MEETINGS WHERE CURRENT GLOBAL MACRO-ECONOMICS, LOCAL ECONOMICS AND CURRENT STRATEGY PERFORMANCE WERE DISCUSSED. THERE WAS NO LACK OF DISCLOSURE AS THE CLIENT WAS FULLY INFORMED AT ALL TIMES AND



ANY ALLEGATIONS TO THE CONTRARY ARE NOT ACCURATE. THE ALLEGATIONS, AS STATED IN THE CLAIM, ARE WITH OUT MERIT AND WILL BE PROVEN FALSE. I INTEND TO FULLY DEFEND MYSELF AGAINST THEM AND SEEK REMEDIES TO CLEAR MY NAME.

Disclosure 9 of 10

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: UBS FINANCIAL SERVICES INC

Allegations: TIME FRAME: 2009-PRESENT
CLAIMANTS ALLEGE THAT RECOMMENDATIONS OF CLOSED-END FUNDS AND MUNICIPAL BONDS WERE UNSUITABLE BECAUSE THE INVESTMENTS WERE UNDULY RISKY AND FURTHER ALLEGE THAT FAS FAILED TO DISCLOSE MATERIAL INFORMATION.

Product Type: Other: CLOSED-END FUNDS & MUNI BONDS

Alleged Damages: \$921,270.00

Is this an oral complaint? No

Is this a written complaint? Yes

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

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 14-02292

Filing date of arbitration/CFTC reparation or civil litigation: 08/19/2014

Customer Complaint Information

Date Complaint Received: 08/19/2014

Complaint Pending? No

Status: Settled

Status Date: 03/06/2017

Settlement Amount: \$410,000.00



Individual Contribution Amount: \$0.00

Broker Statement

FA STRONGLY DENIES ALL ALLEGATIONS. CLIENTS WERE FULLY DISCLOSED OF THE RISKS INVOLVED IN EACH STRATEGY THEY UNDERTOOK AND WERE FULLY INVOLVED IN THE DECISION MAKING PROCESS. CLIENTS REQUESTED MAXIMIZATION OF LOCAL TAX FREE INCOME AS THEIR INVESTMENT OBJECTIVE, NONETHELESS, ACCOUNTS WERE DIVERSIFIED GEOGRAPHICALLY AS WELL AS CREDITWISE AND HELD POSITIONS ACROSS MULTIPLE ASSET CLASSES. MAINTAINED CONSTANT MONTHLY COMMUNICATION, FORMAL PERIODIC REVIEW MEETINGS WERE HELD 3 TO 4 TIMES PER YEAR IN WHICH CLIENTS WERE FULLY BRIEFED AND WELL DOCUMENTED IN TERMS OF CURRENT GLOBAL MACRO-ECONOMICS, LOCAL ECONOMICS, SECTOR TRENDS AND CURRENT STRATEGY PERFORMANCE AND RECEIVED NUMEROUS WRITTEN RECOMMENDATIONS TO REBALANCE OUT OF PUERTO RICO SECURITIES. ALL TRANSACTIONS MADE WERE BASED ON THE CLIENT'S FINAL ASSESMENT AND TO SAY THAT RECOMMENDATIONS WERE UNSUITABLE AND THERE WAS LACK OF DISCLOSURE IS NOT ACCURATE OR FAIR. ALLEGATIONS, AS STATED IN THE CLAIM, ARE BASELESS, WILL BE PROVEN FALSE AND FA INTEND'S TO FULLY DEFEND HIMSELF AGAINST THEM AND SEEK REMEDIES TO CLEAR HIS NAME.

Disclosure 10 of 10

Reporting Source: Regulator

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

Allegations: VIOLATION OF DUTIES OWED TO CLAIMANTS; NEGLIGENCE AND BREACH OF FIDUCIARY DUTY; BREACH OF CONTRACT

Product Type: Other: PUERTO RICO CONSERVATION TRUST FUND

Alleged Damages: \$325,000.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [FINRA - CASE #10-05324](#)

Date Notice/Process Served: 11/23/2010

Arbitration Pending? No

Disposition: Settled



Disposition Date: 11/23/2011

Disposition Detail: MELENDEZ WAS A SUBJECT OF THE CUSTOMERS' STATE OF CLAIM FOR THIS ARBITRATION ALLEGING THAT HE WITH HIS MEMBER FIRM CONTRIBUTED TO THE SALES PRACTICE VIOLATIONS. ON OR ABOUT NOVEMBER 23, 2011, CLAIMANTS FILED A NOTICE OF SETTLEMENT IN THIS MATTER.

Reporting Source: Firm

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

Allegations: CUSTOMERS ALLEGE THAT FINANCIAL CONSULTANT MADE AN UNSUITABLE RECOMMENDATION BY MISREPRESENTING THE CHARACTERISTICS OF THE INVESTMENT THEY PURCHASE ON MARCH 2005.

Product Type: Debt-Corporate

Alleged Damages: \$325,000.00

Is this an oral complaint? No

Is this a written complaint? No

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

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 10-05324

Filing date of arbitration/CFTC reparation or civil litigation: 11/23/2010

Customer Complaint Information

Date Complaint Received: 12/13/2010

Complaint Pending? No

Status: Settled

Status Date: 10/27/2011

Settlement Amount: \$155,000.00



Individual Contribution Amount: \$0.00

Reporting Source: Broker

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

Allegations: CUSTOMERS ALLEGE THAT FINANCIAL CONSULTANT MADE AN UNSUITABLE RECOMMENDATION BY MISREPRESENTING THE CHARACTERISTICS OF THE INVESTMENT THEY PURCHASE ON MARCH 2005.

Product Type: Debt-Corporate

Alleged Damages: \$325,000.00

Is this an oral complaint? No

Is this a written complaint? No

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

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 10-05324

Filing date of arbitration/CFTC reparation or civil litigation: 11/23/2010

Customer Complaint Information

Date Complaint Received: 12/13/2010

Complaint Pending? No

Status: Settled

Status Date: 10/27/2011

Settlement Amount: \$155,000.00

Individual Contribution Amount: \$0.00

Broker Statement FA STRONGLY DENIES THESE ALLEGATIONS. CLIENT WAS FULLY



INVOLVED IN THE DECISION MAKING PROCESS, RECEIVED DISCLOSURES REGARDING HIS INVESTMENTS AND RISKS INVOLVED NOT ONLY FROM HIMSELF BUT FROM THE FIRM'S FINANCIAL PLANNING DIVISION. CLIENT WAS AN EX-EMPLOYEE OF THE BANK AND MAINTAINED HIS RELATIONSHIP THERE, NOT AT UBS. FA HAD LEFT POPULAR IN MARCH 2007, A YEAR BEFORE THE SECURITY'S PRICE BECAME DISTRESSED AND WAS NOT HIS BROKER AT THAT TIME.



Customer Dispute - Closed-No Action / Withdrawn / Dismissed / Denied

This type of disclosure event involves (1) a consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the individual broker that was dismissed, withdrawn, or denied; or (2) a consumer-initiated, investment-related written complaint containing allegations that the broker engaged in sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities, which was closed without action, withdrawn, or denied.

Disclosure 1 of 3

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	UBS Financial Services Inc
Allegations:	Time Frame: July 10, 2012 to July 11, 2018 The client's allege their Financial Advisor informed them that there was no risk of loss whatsoever and the product in which she was investing was guaranteed by the Constitution of Puerto Rico. The alleged damages are estimated to be in excess of \$5,000.00.
Product Type:	Other: Municipal Bonds
Alleged Damages:	\$0.00
Alleged Damages Amount Explanation (if amount not exact):	Alleged damages estimated to be in excess of \$5,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No
Arbitration/Reparation forum or court name and location:	
Docket/Case #:	
Filing date of arbitration/CFTC reparation or civil litigation:	07/12/2018

Customer Complaint Information

Date Complaint Received:	07/12/2018
Complaint Pending?	No



Status: Denied
Status Date: 07/31/2018
Settlement Amount: \$0.00
Individual Contribution Amount: \$0.00

Disclosure 2 of 3

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: UBS FINANCIAL SERVICES INC.

Allegations: TIME FRAME: AUGUST 29, 2008 - JUNE 11, 2009
 CLIENT ALLEGES HIS FINANCIAL ADVISOR MISREPRESENTED HIS INVESTMENT STATING THAT HE WOULD MAKE MONEY OFF OF IT EVEN IF THE ECONOMY WAS GOING DOWN. CLIENT FURTHER ALLEGES THAT HE WAS NEVER PROPERLY ADVISED THE MEANING OF THE WORD "ILLIQUIDITY" OR "CLOSED END" PRIOR TO MAKING A PURCHASE OR DECISION TO SELL. THE ALLEGED DAMAGES ARE ESTIMATED TO BE IN EXCESS OF \$5,000.

Product Type: Other: CLOSED END FUNDS

Alleged Damages: \$5,000.00

Alleged Damages Amount Explanation (if amount not exact): THE ALLEGED DAMAGES ARE ESTIMATED TO BE IN EXCESS OF \$5,000.

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: 12/01/2009

Complaint Pending? No

Status: Denied

Status Date: 01/08/2010

**Settlement Amount:****Individual Contribution Amount:****Disclosure 3 of 3****Reporting Source:** Firm**Employing firm when activities occurred which led to the complaint:** POPULAR SECURITIES, INC.

Allegations: CLIENT ALLEGES THAT BACK IN 2005, MR. MELENDEZ ASSURED HIM THAT HIS INVESTMENT IN DORAL FINL COPR PFD SER C 7.25% WILL BE CALLED ON MAY 31, 2007 AT \$25.50 PER SHARE. HE CLAIMS THAT IT WAS NOT UNTIL 12/2006 THAT MR. MELENDEZ TOLD HIM THAT THE PREFERRED STOCKS WERE CALLABLE AND THERE WAS NO GUARANTY THAT THESE STOCKS WILL INDEED BE CALLED. AS OF FEBRUARY 28, 2007, THE CLIENT HAD AN UNREALIZED LOSS OF \$9,881.76; THIS IS THE FIRM'S ESTIMATE OF COMPENSATORY DAMAGES. MR. MELENDEZ DENIES THE ALLEGATIONS. THE FIRM DID NOT FIND DOCUMENTS TO EVIDENCE THE CLIENT ALLEGATION. THE COMPLAINT WAS DISMISSED.

Product Type: Equity Listed (Common & Preferred Stock)**Alleged Damages:** \$9,881.76**Customer Complaint Information****Date Complaint Received:** 01/18/2007**Complaint Pending?** No**Status:** Closed/No Action**Status Date:** 04/03/2007**Settlement Amount:****Individual Contribution Amount:****Reporting Source:** Broker**Employing firm when activities occurred which led to the complaint:** POPULAR SECURITIES, INC.

**Allegations:**

CLIENT ALLEGES THAT BACK IN 2005, MR. MELENDEZ ASSURED HIM THAT HIS INVESTMENT IN DORAL FINL CORP PFD SER C 7.25% WILL BE CALLED ON MAY 31, 2007 AT \$25.50 PER SHARE. HE CLAIMS THAT IT WAS NOT UNTIL 12/2006 THAT MR. MELENDEZ TOLD HIM THAT THE PREFERRED STOCKS WERE CALLABLE AND THERE WAS NO GUARANTY THAT THESE STOCKS WILL INDEED BE CALLED. AS OF FEBRUARY 28, 2007, THE CLIENT HAD AN UNREALIZED LOSS OF \$9,881.76; THIS IS THE FIRM'S ESTIMATE OF COMPENSATORY DAMAGES. MR. MELENDEZ DENIES THE ALLEGATIONS. THE FIRM DID NOT FIND DOCUMENTS TO EVIDENCE THE CLIENT ALLEGATION. THE COMPLAINT WILL BE DISMISSED.

Product Type:

Equity Listed (Common & Preferred Stock)

Alleged Damages:

\$9,881.76

Customer Complaint Information**Date Complaint Received:**

01/18/2007

Complaint Pending?

No

Status:

Closed/No Action

Status Date:

04/03/2007

Settlement Amount:**Individual Contribution Amount:**

End of Report



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