BrokerCheck Report

FRANK LOUIS AVALLONE

CRD# 4814368

When communicating online or investing with any professional, make sure you know who you're dealing with. Imposters might link to sites like BrokerCheck from phishing or similar scam websites, or through social media, trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**
- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
- **Where did this information come from?**
- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
  - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
  - information that regulators report regarding disciplinary actions or allegations against firms or brokers.
- **How current is this information?**
- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.
- **What if I want to check the background of an investment adviser firm or investment adviser representative?**
- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at https://www.adviserinfo.sec.gov. In the alternative, you may search the IAPD website directly or contact your state securities regulator at http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414.
- **Are there other resources I can use to check the background of investment professionals?**
- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.
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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.

FRANK L. AVALLONE

CRD# 4814368

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

B **CEROS FINANCIAL SERVICES, INC.**
50 Washington St.
The Penthouse
South Norwalk, CT 06854
CRD# 37869
Registered with this firm since: 01/11/2022

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:

- 2 Self-Regulatory Organizations
- 40 U.S. states and territories

This broker has passed:

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

Registration History

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

B **NATIONAL SECURITIES CORPORATION**
CRD# 7569
SOUTH NORWALK, CT
10/2015 - 02/2022

B **NEWBRIDGE SECURITIES CORPORATION**
CRD# 104065
NEW YORK, NY
09/2012 - 10/2015

B **GLOBAL ARENA CAPITAL CORP**
CRD# 16871
NEW YORK, NY
01/2012 - 09/2012

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	3

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 2 SROs and is licensed in 40 U.S. states and territories through his or her employer.

Employment 1 of 1

Firm Name: **CEROS FINANCIAL SERVICES, INC.**

Main Office Address: **1445 RESEARCH BOULEVARD**
SUITE 530
ROCKVILLE, MD 20850

Firm CRD#: **37869**

	SRO	Category	Status	Date
B	FINRA	General Securities Representative	Approved	01/11/2022
B	Nasdaq Stock Market	General Securities Representative	Approved	01/11/2022

	U.S. State/ Territory	Category	Status	Date
B	Alabama	Agent	Approved	01/11/2022
B	Arizona	Agent	Approved	01/11/2022
B	Arkansas	Agent	Approved	01/11/2022
B	California	Agent	Approved	01/11/2022
B	Connecticut	Agent	Approved	01/12/2022
B	Delaware	Agent	Approved	01/14/2022
B	District of Columbia	Agent	Approved	01/11/2022
B	Florida	Agent	Approved	01/11/2022
B	Georgia	Agent	Approved	02/17/2022
B	Idaho	Agent	Approved	01/11/2022
B	Illinois	Agent	Approved	03/09/2022

Broker Qualifications

Employment 1 of 1, continued

	U.S. State/ Territory	Category	Status	Date
B	Indiana	Agent	Approved	02/04/2022
B	Kansas	Agent	Approved	01/11/2022
B	Kentucky	Agent	Approved	01/11/2022
B	Louisiana	Agent	Approved	01/11/2022
B	Maryland	Agent	Approved	01/11/2022
B	Michigan	Agent	Approved	01/11/2022
B	Minnesota	Agent	Approved	02/11/2022
B	Mississippi	Agent	Approved	01/14/2022
B	Missouri	Agent	Approved	01/11/2022
B	Nebraska	Agent	Approved	01/11/2022
B	Nevada	Agent	Approved	01/11/2022
B	New Jersey	Agent	Approved	01/11/2022
B	New Mexico	Agent	Approved	01/11/2022
B	New York	Agent	Approved	01/11/2022
B	North Carolina	Agent	Approved	02/08/2022
B	North Dakota	Agent	Approved	01/11/2022
B	Ohio	Agent	Approved	01/11/2022
B	Oklahoma	Agent	Approved	01/13/2022
B	Pennsylvania	Agent	Approved	01/11/2022
B	Rhode Island	Agent	Approved	01/11/2022
B	South Carolina	Agent	Approved	01/11/2022

Broker Qualifications

Employment 1 of 1, continued

	U.S. State/ Territory	Category	Status	Date
B	South Dakota	Agent	Approved	02/03/2022
B	Texas	Agent	Approved	01/11/2022
B	Utah	Agent	Approved	01/11/2022
B	Vermont	Agent	Approved	01/11/2022
B	Virginia	Agent	Approved	01/24/2022
B	Washington	Agent	Approved	02/07/2022
B	Wisconsin	Agent	Approved	01/11/2022
B	Wyoming	Agent	Approved	01/11/2022

Branch Office Locations

CEROS FINANCIAL SERVICES, INC.
50 Washington St.
The Penthouse
South Norwalk, CT 06854

Broker Qualifications

Industry Exams this Broker has Passed

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

This individual has passed 0 principal/supervisory exams, 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	08/17/2004

State Securities Law Exams

	Exam	Category	Date
B	Uniform Securities Agent State Law Examination	Series 63	08/27/2004

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	10/2015 - 02/2022	NATIONAL SECURITIES CORPORATION	7569	SOUTH NORWALK, CT
B	09/2012 - 10/2015	NEWBRIDGE SECURITIES CORPORATION	104065	NEW YORK, NY
B	01/2012 - 09/2012	GLOBAL ARENA CAPITAL CORP	16871	NEW YORK, NY
B	06/2011 - 02/2012	FIRST MIDWEST SECURITIES, INC.	21786	NEW YORK, NY
B	11/2008 - 06/2011	MAXIM GROUP LLC	120708	NEW YORK, NY
B	08/2004 - 11/2008	EASTBROOK CAPITAL GROUP LLC	39781	NEW YORK, 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
01/2022 - Present	Ceros Financial Services, Inc.	Registered Representative	Y	Rockville, MD, United States
10/2015 - 01/2022	NATIONAL SECURITIES CORP	REGISTERED REPRESENTATIVE	Y	NORWALK, CT, 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
Customer Dispute	0	3	N/A

Disclosure Event Details

When evaluating this information, please keep in mind that a discloure 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 3

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	NATIONAL SECURITIES CORPORATION
Allegations:	Client claimed unsuitability, conflict of interest, failure to supervise, breach of duty of loyalty, and Respondeat Superior.
Product Type:	Other: Private Placement Offerings
Alleged Damages:	$2,707,818.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	22-02901
Date Notice/Process Served:	11/28/2022
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	11/07/2023
Monetary Compensation Amount:	$135,000.00
Individual Contribution Amount:	$135,000.00

Broker Statement	These claims are clearly directed at my former broker-dealer, any conflicts of interest were disclosed to the customer. The client was aware of all trading activity. In fact, most of the investments cited required him to fill out investment applications that went through a multi-layered approval process done by the firm. All investment activity was consistent with the investor's suitability profile.

Disclosure 2 of 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	NEWBRIDGE SECURITIES CORPORATION
Allegations:	Suitability, Breach of Fiduciary Duty, Failure to Supervise, Breach of Contract, Fraud and Violation of FINRA Rule 2210.
Product Type:	Other: ALTERNATIVE INVESTMENTS
Alleged Damages:	$0.00
Alleged Damages Amount Explanation (if amount not exact):	Unspecified
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 #:	22-01480
Filing date of arbitration/CFTC reparation or civil litigation:	06/30/2022

Customer Complaint Information

Date Complaint Received:	07/05/2022
Complaint Pending?	No
Status:	Settled
Status Date:	10/24/2023

Settlement Amount:	$30,000.00
Individual Contribution Amount:	$0.00
Firm Statement	CORN SETTLEMENT FOR REP FRANK AVALLONE.

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	New Bridge Securities Corporation
Allegations:	Suitability, Breach of Fiduciary Duty, Failure to Supervise, Breach of Contract, Fraud and Violation of FINRA Rule 2210.
Product Type:	Other: Alternative Investments
Alleged Damages:	$0.00
Alleged Damages Amount Explanation (if amount not exact):	Unspecified
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 #:	22-01480
Filing date of arbitration/CFTC reparation or civil litigation:	06/30/2022

Customer Complaint Information

Date Complaint Received:	07/05/2022
Complaint Pending?	No
Status:	Settled
Status Date:	10/24/2023

Settlement Amount:	$30,000.00
Individual Contribution Amount:	$0.00
Broker Statement	This customer made unsolicited purchases of a security in which she previously had successful outcomes from my recommendation. However she made her purchases of this security completely on her own years late, in a self-directed account in which I had no involvement. Those transactions had nothing to do with me. I did not recommend those to this customer and she made the decision to invest in this security completely on her own without my knowledge. These facts are the main reason I was not named in this claim.

Disclosure 3 of 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	EASTBROOK CAPITAL GROUP; MAXIMGROUP LLC; FIRST MIDWEST SECURITIES; GLOBAL ARENA CAPITAL CORP.
Allegations:	Unsuitability, Breach of Fiduciary Duty, Churning, Violation of FINRA Conduct Rules, Negligence, Breach of Contract
Product Type:	Equity-OTC Mutual Fund
Alleged Damages:	$200,000.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	13-03710
Date Notice/Process Served:	12/30/2013
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	03/29/2014
Monetary Compensation Amount:	$2,000.00
Individual Contribution Amount:	$0.00

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	FIRST MIDWEST SECURITIES INC, EASTBROOK CAPITAL GROUP, LLC., MAXIM GROUP, LLC
Allegations:	Unsuitability, Breach of Fiduciary Duty, Churning, Violation of FINRA Conduct Rules, Negligence, Breach of Contract
Product Type:	Equity Listed (Common & Preferred Stock) Mutual Fund
Alleged Damages:	$200,000.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	13-03710
Date Notice/Process Served:	12/18/2013
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	03/29/2014
Monetary Compensation Amount:	$2,000.00
Individual Contribution Amount:	$0.00

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	MAXIM GROUP LLC
Allegations:	Unsuitability, Breach of Fiduciary Duty, Churning, Violation of FINRA Conduct Rules, Negligence, Breach of Contract
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	$200,000.00
Alleged Damages Amount	BROKER IS NAMED PARTY ALONG WITH FOUR OF THE FIRMS HE WORKED

Explanation (if amount not exact):	FOR; THE LOSSES THAT WERE INCURRED WHILE BROKER WAS AT MAXIM GROUP AMOUNT TO $20,288.
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 DISPUTE RESOLUTION
Docket/Case #:	13-03710
Filing date of arbitration/CFTC reparation or civil litigation:	12/18/2013

Customer Complaint Information

Date Complaint Received:	01/03/2014
Complaint Pending?	No
Status:	Evolved into Arbitration/CFTC reparation (the individual is a named party)
Status Date:	12/18/2013
Settlement Amount:	
Individual Contribution Amount:	

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	13-03710
Date Notice/Process Served:	01/03/2014
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	04/04/2014
Monetary Compensation Amount:	$6,100.00

Individual Contribution Amount: $0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: FIRST MIDWEST SECURITIES INC., EASTBROOK CAPITAL GROUPD, LLC., MAXIM GROUP, LLC, GLOBAL ARENA CAPITAL CORP.

Allegations: Unsuitability, Breach of Fiduciary Duty, Churning, Violation of FINRA Conduct Rules, Negligence, Breach of Contract

Product Type: Equity Listed (Common & Preferred Stock)
Mutual Fund

Alleged Damages: $200,000.00

Arbitration Information

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

Docket/Case #: 13-03710

Date Notice/Process Served: 12/18/2013

Arbitration Pending? No

Disposition: Settled

Disposition Date: 04/04/2014

Monetary Compensation Amount: $6,100.00

Individual Contribution Amount: $0.00

End of Report

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