

## BrokerCheck Report

**JOSE MANUEL CANDELARIO PADILLA**

CRD# 4847560

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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).

**JOSE M. CANDELARIO PADILLA**

CRD# 4847560

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** **NATIONWIDE PLANNING ASSOCIATES INC.**  
CRD# 31029  
HATO REY, PR  
09/2016 - 09/2023
- B** **ORIENTAL FINANCIAL SERVICES CORP.**  
CRD# 29753  
PONCE, PR  
06/2009 - 10/2016
- B** **SAMUEL A RAMIREZ & CO., INC.**  
CRD# 6963  
HATO REY, PR  
06/2006 - 05/2009

### Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

Are there events disclosed about this broker? **Yes**

**The following types of disclosures have been reported:**

Type	Count
Regulatory Event	1
Customer Dispute	50
Termination	1

### 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>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> General Securities Representative Examination	Series 7	10/08/2004

State Securities Law Exams

Exam	Category	Date
<b>B</b> <b>IA</b> Uniform Combined State Law Examination	Series 66	09/21/2007

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

## Broker Qualifications



## Professional Designations

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

No information reported.



## Registration and Employment History

### Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
<b>B</b> 09/2016 - 09/2023	NATIONWIDE PLANNING ASSOCIATES INC.	31029	HATO REY, PR
<b>B</b> 06/2009 - 10/2016	ORIENTAL FINANCIAL SERVICES CORP.	29753	PONCE, PR
<b>B</b> 06/2006 - 05/2009	SAMUEL A RAMIREZ & CO., INC.	6963	HATO REY, PR
<b>B</b> 10/2004 - 06/2006	R-G INVESTMENTS CORPORATION	113293	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
09/2016 - Present	Nationwide Planning Associates, Inc	Registered Representative	Y	San Juan, PR, United States
05/2009 - 09/2016	ORIENTAL FINANCIAL SERVICES CORP	SENIOR VICE PRESIDENT	Y	SAN JUAN, 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.

1. DUALY REGISTERED WITH NPA ASSET MANAGEMENT (RIA) AND NATIONWIDE PLANNING ASSOCIATES, INC (AFFILIATED BD) 2. JOSE CANDELARIO PADILLA, STARTED AS CO-OWNER OF ROBOFUSION PUERTO RICO IN 3/26/2015. JOSÉ'S RESPONSIBILITIES WITH ROBOFUSION IS TO OFFER FROZEN YOGURT VENDING MACHINES TO POTENTIAL CLIENTS. ESTIMATING 8-10 HOURS ON THE WEEKENDS OF DUTIES 3. FORGEFRONT WEALTH MANAGEMENT, INVESTMENT RELATED, GUAYAMA/PONCE, DBA, COMPENSATED VIA COMMISSIONS AND CONDUCTS FINANCIAL ACTIVITIES WITH SAME CLIENT BASE AS FOR THE BD 4. INDEPENDENT INSURANCE AGENT THROUGH VARIOUS AGENCIES 5. RENTAL PROPERTIES: RESIDENTIAL REAL ESTATE PURCHASED AND RENTED TO PRIVATE INDIVIDUALS, 0 HOURS DURING REGULAR BUSINESS HOURS, STATE DATE: 03/09/2020 5. CAFE-CANDELARIO: CAFE DROP SHIPPING COMPANY WILL DISTRIBUTE JOSE'S BRAND COFFEE AND MERCHANDISE; SALES COMMISSION; 5% OF TIME DURING REGULAR BUSINESS HOURS; START DATE 12/20/2020. 6. CAR RENTING SERVICE THROUGH TURO APP, RENTING PERSONAL CAR TO POTENTIAL DRIVERS, DAILY RENT FEE OF \$180/DAY WITH MINIMUM OF 3 DAY RENTAL, 1% OF TIME SPEND DURING BUSINESS

## Registration and Employment History



### Other Business Activities, continued

HOURS, START DATE: 7/27/2021 7. INTEGRATED MEDICAL THERAPY GROUP, START DATE 8/15/2022, IMTG WILL BE A WELLNESS MEDICAL CENTER INTEGRATING PEDIATRICS AND INTERNAL MEDICINE, APPROVE CONTRACTS AND HELP WITH CORPORATE DOCUMENTS, NO COMPENSATION.

8. 12/07/2022- LYFT, UBER, UBER EATS- DRIVER. COMPENSATION- TRIPS AND TIPS. 10% OF TIME WILL BE SPENT ON THIS ACTIVITY DURING REGULAR BUSINESS HOURS.

9. AGENT, COMPASS HEALTH AND UNITED HOME LIFE INSURANCE, SELLING HEALTH AND LIFE INSURANCE. COMPENSATED VIA COMMISSIONS, 10% SPENT ON THIS ACTIVITY DURING REGULAR BUSINESS HOURS

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## 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	0
Customer Dispute	20	30	N/A
Termination	N/A	1	N/A



Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Regulatory - Final

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

Disclosure 1 of 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	
Date Initiated:	03/10/2023
Docket/Case Number:	<a href="#">2021071134401</a>
Employing firm when activity occurred which led to the regulatory action:	Nationwide Planning Associates
Product Type:	Other: leveraged and inverse exchange-traded funds (NT-ETFs)
Allegations:	Without admitting or denying the findings, Candelario Padilla consented to the sanctions and to the entry of findings that he willfully violated the Care Obligation under Rule 15l-1 of the Securities Exchange Act of 1934 (Regulation BI or Reg BI). The findings stated that Candelario Padilla recommended retail customers purchase leveraged and inverse exchange-traded funds (NT-ETFs) without having a sufficient understanding of the risks and features associated with the products. As a result, Candelario Padilla did not have a reasonable basis to believe that NT-ETFs could be suitable for or in the best interest of any retail customers. At Candelario Padilla's recommendation, customers held a total of 14 NT-ETF positions for periods ranging from 14 to 65 days. These customers suffered net losses from NT-ETF trading of approximately \$26,000.



<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	03/10/2023
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Restitution Suspension Other: Interest on restitution;
	This settlement includes a finding that Candelario Padilla willfully violated Rule 15l-1 of the Securities Exchange Act of 1934 and that under Article III, Section 4 of FINRA's By-Laws, this makes him subject to a statutory disqualification with respect to association with a member.
<b>If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?</b>	Yes
<b>(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?</b>	Yes



**(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**

No

**(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?**

No

#### **Sanction 1 of 1**

<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	All Capacities
<b>Duration:</b>	Three Months
<b>Start Date:</b>	04/03/2023
<b>End Date:</b>	07/02/2023

**Monetary Sanction 1 of 2****Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)**Total Amount:** \$2,500.00**Portion Levied against individual:** \$2,500.00**Payment Plan:****Is Payment Plan Current:****Date Paid by individual:** 03/20/2023**Was any portion of penalty waived?** No**Amount Waived:****Monetary Sanction 2 of 2****Monetary Related Sanction:** Restitution**Total Amount:** \$26,422.00**Portion Levied against individual:** \$26,422.00**Payment Plan:** Plus interest**Is Payment Plan Current:****Date Paid by individual:****Was any portion of penalty waived?** No**Amount Waived:****Reporting Source:** Broker**Regulatory Action Initiated By:** FINRA**Sanction(s) Sought:****Date Initiated:** 03/10/2023**Docket/Case Number:** [2021071134401](#)



<b>Employing firm when activity occurred which led to the regulatory action:</b>	Nationwide Planning Associates
<b>Product Type:</b>	Other: leveraged and inverse exchange-traded funds (NT-ETFs)
<b>Allegations:</b>	Without admitting or denying the findings, Candelario Padilla consented to the sanctions and to the entry of findings that he willfully violated the Care Obligation under Rule 15l-1 of the Securities Exchange Act of 1934 (Regulation BI or Reg BI). The findings stated that Candelario Padilla recommended retail customers purchase leveraged and inverse exchange-traded funds (NT-ETFs) without having a sufficient understanding of the risks and features associated with the products. As a result, Candelario Padilla did not have a reasonable basis to believe that NT-ETFs could be suitable for or in the best interest of any retail customers. At Candelario Padilla's recommendation, customers held a total of 14 NT-ETF positions for periods ranging from 14 to 65 days. These customers suffered net losses from NT-ETF trading of approximately \$26,000.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	03/10/2023
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Restitution Suspension Other: Interest on restitution; This settlement includes a finding that Candelario Padilla willfully violated Rule 15l-1 of the Securities Exchange Act of 1934 and that under Article III, Section 4 of FINRA's By-Laws, this makes him subject to a statutory disqualification with respect to association with a member.
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	All Capacities
<b>Duration:</b>	Three Months
<b>Start Date:</b>	04/03/2023
<b>End Date:</b>	07/02/2023



### Monetary Sanction 1 of 2

**Monetary Related Sanction:** Restitution

**Total Amount:** \$26,422.00

**Portion Levied against individual:** \$26,422.00

**Payment Plan:** Plus Interest

**Is Payment Plan Current:**

**Date Paid by individual:**

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

**Amount Waived:**

### Monetary Sanction 2 of 2

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$2,500.00

**Portion Levied against individual:** \$2,500.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:**

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

**Amount Waived:**



## 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 25

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	PERIOD MARCH 2012. Alleges NEGLIGENT ADVISE, MISREPRESENTATIONS, BREACH OF CONTRACT
<b>Product Type:</b>	Other: PUERTO RICO CLOSED END FUNDS
<b>Alleged Damages:</b>	\$102,499.78
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	19-02487
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	08/22/2019

### Customer Complaint Information

<b>Date Complaint Received:</b>	08/26/2019
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	04/20/2022
<b>Settlement Amount:</b>	\$20,000.00
<b>Individual Contribution Amount:</b>	\$0.00

<b>Reporting Source:</b>	Broker
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<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	PERIOD MARCH 2012. Alleges NEGLIGENT ADVISE, MISREPRESENTATIONS, BREACH OF CONTRACT
<b>Product Type:</b>	Other: PUERTO RICO CLOSED END FUNDS
<b>Alleged Damages:</b>	\$102,499.78
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	19-02487
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	08/22/2019

### Customer Complaint Information

<b>Date Complaint Received:</b>	08/26/2019
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	04/20/2022
<b>Settlement Amount:</b>	\$20,000.00
<b>Individual Contribution Amount:</b>	\$0.00

### Disclosure 2 of 25

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	PERIOD 2011-2012. ALLEGES INAPPROPRIATE INVESTMENT



STRATEGY ,OVERCONCENTRATION , FRAUD , BREACH OF FID DUTY,  
NEGLIGENCE

**Product Type:** Other: PUERTO RICO OPEN AND CLOSED END FUNDS

**Alleged Damages:** \$250,000.00

**Alleged Damages Amount Explanation (if amount not exact):** Claim stated between \$100,000 to \$500,000. Mid point taken.

**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 #:** 19-02608

**Filing date of arbitration/CFTC reparation or civil litigation:** 08/29/2019

### Customer Complaint Information

**Date Complaint Received:** 08/30/2019

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 12/24/2020

**Settlement Amount:** \$60,000.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** PERIOD 2011-2012. ALLEGES INAPPROPRIATE INVESTMENT  
STRATEGY ,OVERCONCENTRATION , FRAUD , BREACH OF FID DUTY,



NEGLIGENCE

**Product Type:** Other: PUERTO RICO OPEN AND CLOSED END FUNDS

**Alleged Damages:** \$250,000.00

**Alleged Damages Amount Explanation (if amount not exact):** Claim stated between \$100,000 to \$500,000. Mid point taken.

**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 #:** 19-02608

**Filing date of arbitration/CFTC reparation or civil litigation:** 08/29/2019

### Customer Complaint Information

**Date Complaint Received:** 08/30/2019

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 12/24/2020

**Settlement Amount:** \$60,000.00

**Individual Contribution Amount:** \$0.00

### Disclosure 3 of 25

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** PERIOD 2011 TO 10/2014. Alleges Reckless recommendation and unsuitable concentration in PR bonds, PR CEF and PR open end funds. Breach of fid duty,



fraud, breach of contract, Losses incurred \$1.3mm

**Product Type:**

Debt-Municipal

Other: PR CLOSED END FUNDS AND PR OPEN END FUNDS

**Alleged Damages:**

\$2,500,000.00

**Alleged Damages Amount Explanation (if amount not exact):**

Damages indicated between \$1,000,000 to \$5,000,000, therefore midpoint was calculated. Losses incurred \$1,343,029 as per claim.

**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 #:**

19-01327

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

05/10/2019

**Customer Complaint Information**

**Date Complaint Received:**

05/14/2019

**Complaint Pending?**

No

**Status:**

Settled

**Status Date:**

04/04/2022

**Settlement Amount:**

\$487,500.00

**Individual Contribution Amount:**

\$0.00

**Reporting Source:**

Broker

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

ORIENTAL FINANCIAL SERVICES

**Allegations:**

PERIOD 2011 TO 10/2014. Alleges Reckless recommendation and unsuitable concentration in PR bonds, PR CEF and PR open end funds. Breach of fid duty,



fraud, breach of contract, Losses incurred \$1.3mm

**Product Type:**

Debt-Municipal

Other: PR CLOSED END FUNDS AND PR OPEN END FUNDS

**Alleged Damages:**

\$2,500,000.00

**Alleged Damages Amount Explanation (if amount not exact):**

Damages indicated between \$1,000,000 to \$5,000,000, therefore midpoint was calculated. Losses incurred \$1,343,029 as per claim.

**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 #:**

19-01327

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

05/10/2019

**Customer Complaint Information**

**Date Complaint Received:**

05/14/2019

**Complaint Pending?**

No

**Status:**

Settled

**Status Date:**

04/04/2022

**Settlement Amount:**

\$487,500.00

**Individual Contribution Amount:**

\$0.00

**Disclosure 4 of 25**

**Reporting Source:**

Firm

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

ORIENTAL FINANCIAL SERVICES

**Allegations:**

PERIOD 2009-2017. Alleges unsuitable, false, materially misleading advice,



overconcentration,Fraud , breach of fid duty, breach of contract, negligence

**Product Type:** Debt-Municipal

**Alleged Damages:** \$5,000,000.00

**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 #:** 19-00875

**Filing date of arbitration/CFTC reparation or civil litigation:** 03/29/2019

### Customer Complaint Information

**Date Complaint Received:** 04/01/2019

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 08/24/2021

**Settlement Amount:** \$150,000.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** PERIOD 2009-2017. Alleges unsuitable, false, materially misleading advice, over concentration,Fraud , breach of fiduciary duty, breach of contract, negligence

**Product Type:** Debt-Municipal

**Alleged Damages:** \$5,000,000.00

**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 #:** 19-00875

**Filing date of arbitration/CFTC reparation or civil litigation:** 03/29/2019

### Customer Complaint Information

**Date Complaint Received:** 04/01/2019

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 08/24/2021

**Settlement Amount:** \$150,000.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The Coop of Isabela is an Institutional Client with a board that meets to identify and qualify by the protocol established by its regulatory committee (COSSEC) the bonds that were presented or are being presented as an investment opportunity. . At no time did the client express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2009 -2016 and based on those recommendations the portfolio of bonds was NOT concentrated in PR and mainly it was US issued Muni bonds. Information regarding the situation of Puerto Rico and its obligation were disclosed through the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

Cossec Issued a memorandum on 2009 that stated that the savings and Loans



community should back the new bonds that the government was about to issue in that point in time.

#### Disclosure 5 of 25

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	PERIOD 2011. Misrepresentations and omissions, breach of fid duty, breach of contract, unsuitable investment recommendations, fraud, negligence
<b>Product Type:</b>	Other: PUERTO RICO OPEN END FUNDS
<b>Alleged Damages:</b>	\$140,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	18-04398
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	12/11/2018

#### Customer Complaint Information

<b>Date Complaint Received:</b>	12/26/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	12/07/2021
<b>Settlement Amount:</b>	\$35,000.00
<b>Individual Contribution Amount:</b>	\$0.00

<b>Reporting Source:</b>	Broker
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<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	PERIOD 2011. Misrepresentations and omissions, breach of fid duty, breach of contract, unsuitable investment recommendations, fraud, negligence
<b>Product Type:</b>	Other: PUERTO RICO OPEN END FUNDS
<b>Alleged Damages:</b>	\$140,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	18-04398
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	12/11/2018

### Customer Complaint Information

<b>Date Complaint Received:</b>	12/26/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	12/07/2021
<b>Settlement Amount:</b>	\$35,000.00
<b>Individual Contribution Amount:</b>	\$0.00

<b>Broker Statement</b>	<p>Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.</p>
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Client was advised of multiple investments options in the period of 2011. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the clients needs of an monthly distribution of tax exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

#### Disclosure 6 of 25

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	PERIOD 2011. Alleges Misrepresentations and omissions, breach of fid duty, breach of contract,unsuitable investment recommendations, fraud, negligence
<b>Product Type:</b>	Debt-Municipal Other: PR CLOSED END FUNDS
<b>Alleged Damages:</b>	\$200,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	18-04308
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	12/11/2018

#### Customer Complaint Information

<b>Date Complaint Received:</b>	12/26/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	07/01/2021



**Settlement Amount:** \$40,000.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** PERIOD 2011. Alleges Misrepresentations and omissions, breach of fid duty, breach of contract, unsuitable investment recommendations, fraud, negligence

**Product Type:** Debt-Municipal  
Other: PR 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 #:** 18-04308

**Filing date of arbitration/CFTC reparation or civil litigation:** 12/11/2018

### Customer Complaint Information

**Date Complaint Received:** 12/26/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/01/2021

**Settlement Amount:** \$40,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** Jose Candelario is not a respondent in this arbitration and denies all claims as



stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2011. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted.

#### Disclosure 7 of 25

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	PERIOD 2011-2013. Alleges Misrepresentations and omissions, breach of fid duty, breach of contract, unsuitable investment recommendations, fraud, negligence
<b>Product Type:</b>	Debt-Municipal Other: PR CEF AND PR OPEN END FUNDS
<b>Alleged Damages:</b>	\$280,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	18-04175
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	12/03/2018

#### Customer Complaint Information

**Date Complaint Received:** 12/10/2018



**Complaint Pending?** No

**Status:** Settled

**Status Date:** 04/25/2022

**Settlement Amount:** \$170,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** PERIOD 2011-2013. Alleges Misrepresentations and omissions, breach of fid duty, breach of contract, unsuitable investment recommendations, fraud, negligence

**Product Type:** Debt-Municipal  
Other: PR CEF AND PR OPEN END FUNDS

**Alleged Damages:** \$280,000.00

**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 #:** 18-04175

**Filing date of arbitration/CFTC reparation or civil litigation:** 12/03/2018

### Customer Complaint Information

**Date Complaint Received:** 12/10/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 04/25/2022



**Settlement Amount:** \$170,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement**

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2011. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

[REDACTED] has a well-diversified portfolio with Puerto Rico and US based products. She has previous experience in investment with other investment firms. Her assets also included various cash positions in bank accounts.

## Disclosure 8 of 25

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** PERIOD 9/2012. ALLEGES Misrepresentations and omissions, breach of fid duty, breach of contract,unsuitable investment recommendations, fraud, negligence

**Product Type:** Other: PR CLOSED END FUND

**Alleged Damages:** \$115,000.00

**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 #:** 18-03229

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 09/10/2018

### Customer Complaint Information

**Date Complaint Received:** 09/14/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/01/2021

**Settlement Amount:** \$40,000.00

**Individual Contribution  
Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when  
activities occurred which led  
to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** PERIOD 9/2012. ALLEGES Misrepresentations and omissions, breach of fid duty, breach of contract, unsuitable investment recommendations, fraud, negligence

**Product Type:** Other: PR CLOSED END FUND

**Alleged Damages:** \$115,000.00

**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 #:** 18-03229



**Filing date of arbitration/CFTC reparation or civil litigation:** 09/10/2018

### Customer Complaint Information

**Date Complaint Received:** 09/14/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/01/2021

**Settlement Amount:** \$40,000.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2012. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

[REDACTED] was advised and given all the documentation regarding the capacity of the PR products that where approved by him regarding his need of better income and tax exemption for his investable assets. At no time was there any omission of any information regarding his investment.

### Disclosure 9 of 25

**Reporting Source:** Firm





**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVIES

**Allegations:** PERIOD NOV 2012. ALLEGATIONS INAPPROPRIATE AND CONCENTRATED INVESTMENT STRATEGY

**Product Type:** Debt-Municipal  
Other: PR CEF

**Alleged Damages:** \$85,000.00

**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 #:** 20-00267

**Filing date of arbitration/CFTC reparation or civil litigation:** 01/23/2020

### Customer Complaint Information

**Date Complaint Received:** 01/24/2020

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 05/20/2022

**Settlement Amount:** \$30,000.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVIES

**Allegations:** PERIOD NOV 2012. ALLEGATIONS INAPPROPRIATE AND CONCENTRATED INVESTMENT STRATEGY



**Product Type:** Debt-Municipal  
Other: PR CEF

**Alleged Damages:** \$85,000.00

**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 #:** 20-00267

**Filing date of arbitration/CFTC reparation or civil litigation:** 01/23/2020

### Customer Complaint Information

**Date Complaint Received:** 01/24/2020

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 05/20/2022

**Settlement Amount:** \$30,000.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2013. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in



accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

Every client that opens an account in Oriental Financial Services needs to sign a disclosure document that provides a complete definition of risk, that all and any investments carries risk and that no investment is covered by the banks FDIC insurance. These disclosures were in English and Spanish. As with any other client the document had to be signed in order for the account to be approved by compliance.

#### Disclosure 10 of 25

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	PERIOD FEB- MARCH 2013. ALLEGES CONCENTRATION, UNSUITABLE, MISREPRESENTATION, FAILURE TO SUPERVISE, BREACH OF FID DUTY, BREACH OF CONTRACT, NEGLIGENCE, FRAUD
<b>Product Type:</b>	Debt-Municipal
<b>Alleged Damages:</b>	\$450,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	18-02492
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	07/10/2018

#### Customer Complaint Information

<b>Date Complaint Received:</b>	07/10/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled



**Status Date:** 09/20/2021

**Settlement Amount:** \$288,750.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** PERIOD FEB- MARCH 2013. ALLEGES CONCENTRATION, UNSUITABLE, MISREPRESENTATION, FAILURE TO SUPERVISE, BREACH OF FID DUTY, BREACH OF CONTRACT, NEGLIGENCE, FRAUD

**Product Type:** Debt-Municipal

**Alleged Damages:** \$450,000.00

**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 #:** 18-02492

**Filing date of arbitration/CFTC reparation or civil litigation:** 07/10/2018

### Customer Complaint Information

**Date Complaint Received:** 07/10/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 09/20/2021

**Settlement Amount:** \$288,750.00

**Individual Contribution Amount:** \$0.00



## Broker Statement

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2013. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

[REDACTED] was well aware of the different products that were presented and approved by his wife and him on all the meetings had throughout the years. Every information needed to provide a suitable recommendation was provide for approval and signed by both parties. When the situation with the PR GDB bonds started to escalate recommendations were given to move the assets left over to US equity funds and/or alternative investment reminding [REDACTED] about the difference in the investment risks associated to the change. The documentation for the change was signed first before doing any selling or buying. The account is well documented on all transaction. No negligence or misrepresentation was ever present nor unsuitability.

## Disclosure 11 of 25

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	PERIOD 6/5/2012. ALLEGES UNSUITABLE, CONCENTRATION
<b>Product Type:</b>	Other: PR CEF
<b>Alleged Damages:</b>	\$30,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes



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

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

**Docket/Case #:** 18-02187

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 06/13/2018

### Customer Complaint Information

**Date Complaint Received:** 06/14/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 05/10/2019

**Settlement Amount:** \$12,000.00

**Individual Contribution  
Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when  
activities occurred which led  
to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** PERIOD 6/5/2012. ALLEGES UNSUITABLE, CONCENTRATION

**Product Type:** Other: PR CEF

**Alleged Damages:** \$30,000.00

**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 #:** 18-02187



**Filing date of arbitration/CFTC reparation or civil litigation:** 06/13/2018

### Customer Complaint Information

**Date Complaint Received:** 06/14/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 05/10/2019

**Settlement Amount:** \$12,000.00

**Individual Contribution Amount:** \$0.00

#### Broker Statement

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2012. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

### Disclosure 12 of 25

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** UNSUITABLE, OVERCONCENTRATION IN PR INVESTMENTS, BREACH OF FID DUTY, BREACH OF CONTRACT, NEGLIGENCE, FAILURE TO SUPERVISE

**Product Type:** Debt-Municipal



Other: PR CEF

**Alleged Damages:** \$150,000.00

**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 #:** 18-00477

**Filing date of arbitration/CFTC reparation or civil litigation:** 02/02/2018

### Customer Complaint Information

**Date Complaint Received:** 02/08/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 10/19/2022

**Settlement Amount:** \$45,000.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** UNSUITABLE, OVERCONCENTRATION IN PR INVESTMENTS, BREACH OF FID DUTY, BREACH OF CONTRACT, NEGLIGENCE, FAILURE TO SUPERVISE

**Product Type:** Debt-Municipal  
Other: PR CEF

**Alleged Damages:** \$150,000.00

**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 #:** 18-00477

**Filing date of arbitration/CFTC reparation or civil litigation:** 02/02/2018

### Customer Complaint Information

**Date Complaint Received:** 02/08/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 10/19/2022

**Settlement Amount:** \$45,000.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2012. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

Both [REDACTED] and [REDACTED] were aware of all the disclosures and changes were approved prior to any new investment done in the account. All news regarding any PR product was discussed and signed by the clients but both decided not to sell the PR investment because did not want to realize a loss on the



investment. Both accounts had US investments and were discussed with the clients in various meetings through the years.

#### Disclosure 13 of 25

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	CLIENT ALLEGES MISREPRESENTATION,CONCENTRATION, VIOLATED FID DUTY , UNSUITABLE,VIOLATED KNOW YOUR CUSTOMER, BREACH OF CONTRACT,NEGLIGENCE,FRAUD, FAILURE TO SUPERVISE
<b>Product Type:</b>	Debt-Municipal Other: PR CEF
<b>Alleged Damages:</b>	\$1,100,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	18-00392
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	01/29/2018

#### Customer Complaint Information

<b>Date Complaint Received:</b>	02/01/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	07/01/2021
<b>Settlement Amount:</b>	\$85,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Firm Statement</b>	PR BONDS AND FUNDS WERE PURCHASED 2010-2011.Subsequent purchases



were in US investments.

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** CLIENT ALLEGES MISREPRESENTATION, CONCENTRATION, VIOLATED FID DUTY , UNSUITABLE, VIOLATED KNOW YOUR CUSTOMER, BREACH OF CONTRACT, NEGLIGENCE, FRAUD, FAILURE TO SUPERVISE

**Product Type:** Debt-Municipal  
Other: PR CEF

**Alleged Damages:** \$1,100,000.00

**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 #:** 18-00392

**Filing date of arbitration/CFTC reparation or civil litigation:** 01/29/2018

### Customer Complaint Information

**Date Complaint Received:** 02/01/2018

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/01/2021

**Settlement Amount:** \$850,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in



the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2010. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

[REDACTED] is a very knowledgeable individual in business ventures and investments. All the meetings regarding his account were documented and signed by the client but were also witnessed buy his accountant Mr Arturo Zilvagnoli. There was no decision made if Mr. Zilvagnoli did not approve. All documentation of new investments was handed to [REDACTED] and copy to Mr. Zilvagnoli as instructed by [REDACTED]. [REDACTED] has investments in Popular Securities, UBS PR, Santander Securities. No investment or recommendation was ever unsuitable. During the time his account was, with me, it was well diversified in US products more so than PR products.

#### Disclosure 14 of 25

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	PURCHASED PR OPEN END FUNDS, PR CEF AND PR BOND-MISREPRESENTATION, UNSUITABLE,CONCENTRATION, NEGLIGENCE, FRAUD, BREACH FIDUCIARY DUTY, FAILURE TO SUPERVISE
<b>Product Type:</b>	Debt-Municipal Other: PR OPEN AND CLOSED END FUNDS
<b>Alleged Damages:</b>	\$150,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes



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

**Docket/Case #:** 17-03077

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 11/13/2017

### Customer Complaint Information

**Date Complaint Received:** 11/20/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 01/21/2020

**Settlement Amount:** \$25,000.00

**Individual Contribution  
Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when  
activities occurred which led  
to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** PURCHASED PR OPEN END FUNDS, PR CEF AND PR BOND-  
MISREPRESENTATION, UNSUITABLE, CONCENTRATION, NEGLIGENCE,  
FRAUD, BREACH FIDUCIARY DUTY, FAILURE TO SUPERVISE

**Product Type:** Debt-Municipal  
Other: PR OPEN AND CLOSED END FUNDS

**Alleged Damages:** \$150,000.00

**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 #:** 17-03077



**Filing date of arbitration/CFTC reparation or civil litigation:** 11/13/2017

### Customer Complaint Information

**Date Complaint Received:** 11/20/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 01/21/2020

**Settlement Amount:** \$25,000.00

**Individual Contribution Amount:** \$0.00

#### Broker Statement

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2011. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

### Disclosure 15 of 25

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** CLIENT ALLEGES UNSUITABLE INVESTMENTS, VIOLATION OF NYSE AND FINRA RULES,GROSS NEGLIGENT

**Product Type:** Other: PUERTO RICO CLOSED AND OPEN FUNDS



**Alleged Damages:** \$154,724.90

**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 #:** 17-02839

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 10/23/2017

### Customer Complaint Information

**Date Complaint Received:** 11/15/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 01/07/2020

**Settlement Amount:** \$50,000.00

**Individual Contribution  
Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when  
activities occurred which led  
to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** CLIENT ALLEGES UNSUITABLE INVESTMENTS, VIOLATION OF NYSE AND  
FINRA RULES,GROSS NEGLIGENT

**Product Type:** Other: PUERTO RICO CLOSED AND OPEN FUNDS

**Alleged Damages:** \$154,724.90

**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 #:** 17-02839

**Filing date of arbitration/CFTC reparation or civil litigation:** 10/23/2017

### Customer Complaint Information

**Date Complaint Received:** 11/15/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 01/07/2020

**Settlement Amount:** \$50,000.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2012. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

[REDACTED] had received multiple portfolio proposal before deciding on PR products for its tax exempt monthly payments which he desired to start a phase out procedure in his private practice as a Dentist. He was well aware of all the disclosures and any new documentation from the funds were revised and signed. The client and I had regular meetings at his office and house to discuss his





investments and alternatives. Because of the uncertainty of the local market a change was made on his account which was documented and signed before the switch was made to a US source mutual fund, which helped his monthly income once the local PR investments stop paying.

#### Disclosure 16 of 25

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	Oriental Financial Services Corp.
<b>Allegations:</b>	Customer alleges he was recommended high risk and unsuitable investment.
<b>Product Type:</b>	Other: Closed End Mutual Fund
<b>Alleged Damages:</b>	\$160,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	17-02283
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	08/25/2017

#### Customer Complaint Information

<b>Date Complaint Received:</b>	08/30/2017
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	05/09/2019
<b>Settlement Amount:</b>	\$80,000.00
<b>Individual Contribution Amount:</b>	\$0.00



**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** Oriental Financial Services Corp.

**Allegations:** Customer alleges he was recommended high risk and unsuitable investment.

**Product Type:** Other: Closed End Mutual Fund

**Alleged Damages:** \$160,000.00

**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 #:** 17-02283

**Filing date of arbitration/CFTC reparation or civil litigation:** 08/25/2017

### Customer Complaint Information

**Date Complaint Received:** 08/30/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 05/09/2019

**Settlement Amount:** \$80,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement**

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.



Client was advised of multiple investments options in the period of 2012. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

#### Disclosure 17 of 25

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES CORP.
<b>Allegations:</b>	The Financial Advisor recommended the improper investment strategy and caused the Claimants to invest and hold positions in concentrated portfolio of Puerto Rican related holdings including, but not limited to, the PR Closed End Funds
<b>Product Type:</b>	Debt-Municipal Other: PR CLOSED END FUNDS
<b>Alleged Damages:</b>	\$656,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	17-01145
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	05/04/2017

#### Customer Complaint Information

<b>Date Complaint Received:</b>	06/01/2017
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled



**Status Date:** 12/07/2018

**Settlement Amount:** \$300,000.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES CORP.

**Allegations:** The Financial Advisor recommended the improper investment strategy and caused the Claimants to invest and hold positions in concentrated portfolio of Puerto Rican related holdings including, but not limited to, the PR Closed End Funds

**Product Type:** Debt-Municipal  
Other: PR CLOSED END FUNDS

**Alleged Damages:** \$656,000.00

**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 #:** 17-01145

**Filing date of arbitration/CFTC reparation or civil litigation:** 05/04/2017

### Customer Complaint Information

**Date Complaint Received:** 06/01/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 12/07/2018

**Settlement Amount:** \$300,000.00



**Individual Contribution Amount:** \$0.00

**Broker Statement**

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2012. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

**Disclosure 18 of 25**

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES CORP.

**Allegations:** Customer alleges that OFS and Financial Consultant knew or should have known that the Puerto Rico Bonds and Puerto Rico Funds were only suitable as a small part of the customer's account and that his recommendation that Claimants purchase and then "hold" concentrated and leverage positions in Puerto Rico Bond and Puerto Rico Funds were "unsuitable".

**Product Type:** Debt-Municipal  
Other: PR CLOSED END FUNDS

**Alleged Damages:** \$226,000.00

**Alleged Damages Amount Explanation (if amount not exact):** This amount represents Unrealized Loss in the account. The Claim states Claimants seek rescission or alternatively compensatory damages in an amount to be proven at the hearing.

**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 #:** 17-00507

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 02/24/2017

### Customer Complaint Information

**Date Complaint Received:** 03/08/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/27/2018

**Settlement Amount:** \$120,000.00

**Individual Contribution  
Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when  
activities occurred which led  
to the complaint:** ORIENTAL FINANCIAL SERVICES CORP.

**Allegations:** Customer alleges that OFS and Financial Consultant knew or should have known that the Puerto Rico Bonds and Puerto Rico Funds were only suitable as a small part of the customer's account and that his recommendation that Claimants purchase and then "hold" concentrated and leverage positions in Puerto Rico Bond and Puerto Rico Funds were "unsuitable".

**Product Type:** Other: PR Closed End Funds

**Alleged Damages:** \$226,000.00

**Alleged Damages Amount  
Explanation (if amount not  
exact):** This amount represents Unrealized Loss in the account. The Claim states Claimants seek rescission or alternatively compensatory damages in an amount to be proven at the hearing.

**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 #:** 17-00507

**Filing date of arbitration/CFTC reparation or civil litigation:** 02/24/2017

### Customer Complaint Information

**Date Complaint Received:** 03/08/2017

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/27/2018

**Settlement Amount:** \$120,000.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2010. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

### Disclosure 19 of 25

**Reporting Source:** Firm



<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES CORP.
<b>Allegations:</b>	Customer claims she was assured investment was low risk and principal would be returned at maturity.
<b>Product Type:</b>	Other: PR CLOSED END FUNDS
<b>Alleged Damages:</b>	\$43,600.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	16-03666
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	12/19/2016

### Customer Complaint Information

<b>Date Complaint Received:</b>	12/29/2016
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	07/12/2017
<b>Settlement Amount:</b>	\$22,500.00
<b>Individual Contribution Amount:</b>	\$0.00

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES CORP.
<b>Allegations:</b>	Customer claims she was assured investment was low risk and principal would be returned at maturity.





**Product Type:** Other: PR CLOSED END FUNDS

**Alleged Damages:** \$43,600.00

**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 #:** 16-03666

**Filing date of arbitration/CFTC reparation or civil litigation:** 12/19/2016

### Customer Complaint Information

**Date Complaint Received:** 12/29/2016

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/12/2017

**Settlement Amount:** \$22,500.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2011. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income



from products that at that time were considered investment grade based on the PR Govt creditworthiness.

#### Disclosure 20 of 25

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	PERIOD 10/2011 TO 8/2016. CLAIMANT ALLEGES CONCENTRATION IN PR SECURITIES INCLUDING BUT NOT LIMITED TO LEVERAGED PR CEF.
<b>Product Type:</b>	Other: PUERTO RICO CLOSED END FUNDS
<b>Alleged Damages:</b>	\$200,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	16-02443
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	08/18/2016

#### Customer Complaint Information

<b>Date Complaint Received:</b>	08/29/2016
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	03/12/2019
<b>Settlement Amount:</b>	\$125,000.00
<b>Individual Contribution Amount:</b>	\$0.00

<b>Reporting Source:</b>	Broker
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<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES CORP.
<b>Allegations:</b>	Claimant alleges concentration in Puerto Rican securities including but not limited to leveraged Puerto Rican Closed-End Funds.
<b>Product Type:</b>	Other: Closed end Fund
<b>Alleged Damages:</b>	\$200,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	16-02443
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	08/18/2016

### Customer Complaint Information

<b>Date Complaint Received:</b>	08/29/2016
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	03/12/2019
<b>Settlement Amount:</b>	\$125,000.00
<b>Individual Contribution Amount:</b>	\$0.00

<b>Broker Statement</b>	<p>Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.</p>
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Client was advised of multiple investments options in the period of 2012. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

#### Disclosure 21 of 25

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** THE CUSTOMER ALLEGES CHANGE/CANCELLATION IN INVESTMENT WITHOUT HIS CONSENT.

**Product Type:** Debt-Municipal  
Other: CLOSED END MUTUAL FUNDS

**Alleged Damages:** \$29,564.83

**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:** 06/01/2015

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 11/18/2015

**Settlement Amount:** \$8,000.00

**Individual Contribution Amount:** \$0.00

#### Disclosure 22 of 25

**Reporting Source:** Firm



**Employing firm when activities occurred which led to the complaint:** Oriental Financial Services Corp.

**Allegations:** The customer alleges concentration in their accounts in one Puerto Rico Open-end Fund("PR OEBF"), the First Puerto Rico Tax-Exempt Fund, Inc., that was leveraged and concentrated in Puerto Rico Government Bonds ("PRGBS").

**Product Type:** Other: PR Open-end Funds

**Alleged Damages:** \$100,000.00

**Alleged Damages Amount Explanation (if amount not exact):** up to \$100,000

**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

**Docket/Case #:** 15-01186

**Filing date of arbitration/CFTC reparation or civil litigation:** 05/22/2015

### Customer Complaint Information

**Date Complaint Received:** 05/29/2015

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/05/2017

**Settlement Amount:** \$37,500.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Broker



**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** THE CUSTOMER ALLEGES CONCENTRATION IN THEIR ACCOUNTS IN ONE PUERTO RICO OPEN-END FUND ("PR OEBF"), THE FIRST PUERTO RICO TAX-EXEMPT FUND, INC., THAT WAS LEVERAGED AND CONCENTRATED IN PUERTO RICO GOVERNMENT BONDS ("PRGBS")

**Product Type:** Other: PR OPEN-END FUNDS

**Alleged Damages:** \$100,000.00

**Alleged Damages Amount Explanation (if amount not exact):** UP TO \$100,000.00

**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 #:** 15-01186

**Filing date of arbitration/CFTC reparation or civil litigation:** 05/22/2015

### Customer Complaint Information

**Date Complaint Received:** 05/29/2015

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/05/2017

**Settlement Amount:** \$37,500.00

**Individual Contribution Amount:** \$0.00

**Broker Statement**

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in



the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2012. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

#### Disclosure 23 of 25

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	LOSS INCURRED AS A RESULT OF OVERCONCENTRATION IN PR ISSUERS.
<b>Product Type:</b>	Other: PUERTO RICO CLOSED END AND OPEN FUNDS
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	Claim does not claim any specific amount. Estimated losses without income received \$617000.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	16-01903
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	07/01/2016



## Customer Complaint Information

<b>Date Complaint Received:</b>	07/19/2016
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	06/07/2017
<b>Settlement Amount:</b>	\$125,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Firm Statement</b>	THIS ARBITRATION CLAIM WAS REPORTED UNDER ANOTHER ARB 15-00465 from the same CUSTOMER and HAD WITHDRAWN. This is for proper disclosure for being a separate arbitration.

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<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	LOSS INCURRED AS A RESULT OF OVERCONCENTRATION IN PR ISSUERS.
<b>Product Type:</b>	Other: PUERTO RICO CLOSED END AND OPEN FUNDS
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	Claim does not claim any specific amount. Estimated losses without income received \$617000.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	16-01903
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	07/01/2016





## Customer Complaint Information

<b>Date Complaint Received:</b>	07/19/2016
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	06/07/2017
<b>Settlement Amount:</b>	\$125,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	THIS ARBITRATION CLAIM WAS REPORTED UNDER ANOTHER ARB 15-00465 from the same CUSTOMER and HAD WITHDRAWN. This is for proper disclosure for being a separate arbitration.

## Disclosure 24 of 25

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	PERIOD DEC 2012- FEB 2013. Alleged unsuitable recommendation to invest, over concentration in PR munis and illiquid PR CEF. breached duty know your customer rule and disclose material information.
<b>Product Type:</b>	Debt-Municipal Other: PR CEF
<b>Alleged Damages:</b>	\$500,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	14-03237
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	10/21/2014



## Customer Complaint Information

**Date Complaint Received:** 11/03/2014

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 11/21/2018

**Settlement Amount:** \$275,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES CORP.

**Allegations:** THE CLAIMANT ALLEGES UNSUITABLE RECOMMENDATION TO INVEST OVER CONCENTRATION IN PR MUNIS AND ILLIQUID PR CLOSED END FUNDS. CLAIMANT ALLEGES INVESTMENTS WERE FALSELY REPRESENTED AS SAFE.

**Product Type:** Debt-Municipal  
Other: PR

**Alleged Damages:** \$500,000.00

**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 #:** 14-03237

**Filing date of arbitration/CFTC reparation or civil litigation:** 10/21/2014

## Customer Complaint Information

**Date Complaint Received:** 11/03/2014



**Complaint Pending?** No

**Status:** Settled

**Status Date:** 11/21/2018

**Settlement Amount:** \$275,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement**

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2011. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

[REDACTED] had investments in Popular Securities and UBS PR. Her daughter and accountant instructed her to go into PR Investments to receive tax exempt income and to protect her estate from inheritance tax.

Every client that opens an account in Oriental Financial Services needs to sign a disclosure document that provides a complete definition of risk, that all and any investments carries risk and that no investment is covered by the banks FDIC insurance. These disclosures were in English and Spanish. As with any other client the document had to be signed in order for the account to be approved by compliance.

**Disclosure 25 of 25**

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** DAMAGES SUFFERED AS A RESULT OF UNSUITABLE AND MATERIALLY



MISLEADING INVESTMENT ADVISE GIVEN TO CUSTOMER CONCERNING  
UNSUITABLE INVESTMENTS AND OVERCONCENTRATION IN PR BONDS  
FUNDS AND MISLEADING ADVISE AND RISK DISCLOSURE

**Product Type:** Other: CLOSED END FUNDS

**Alleged Damages:** \$100,000.00

**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 #:** 14-02291

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 07/22/2014

### Customer Complaint Information

**Date Complaint Received:** 08/04/2014

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 05/09/2022

**Settlement Amount:** \$25,000.00

**Individual Contribution  
Amount:** \$0.00

**Reporting Source:** Broker

**Employing firm when  
activities occurred which led  
to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** DAMAGES SUFFERED AS A RESULT OF UNSUITABLE AND MATERIALLY  
MISLEADING INVESTMENT ADVISE GIVEN TO CUSTOMER CONCERNING  
UNSUITABLE INVESTMENTS AND OVERCONCENTRATION IN PR BONDS  
AND BONDS FUNDS AND MISLEADING ADVISE AND RISK DISCLOSURE.

**Product Type:** Other: CLOSED END FUNDS



**Alleged Damages:** \$100,000.00

**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 #:** 14-02291

**Filing date of arbitration/CFTC reparation or civil litigation:** 07/22/2014

### Customer Complaint Information

**Date Complaint Received:** 08/04/2014

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 05/09/2022

**Settlement Amount:** \$25,000.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2012. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.



[REDACTED] was instructed to sell all of his PR mutual funds products in the account at Oriental Financial Services in 2013 because of his concentration in other Investment companies in Puerto Rico. Client Refused and signed document stating that he acknowledged that he did not wanted to sell.



## 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 5

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	Nationwide Planning Associates, Inc. & Oriental Financial Services
<b>Allegations:</b>	CLIENT ALLEGES MISREPRESENTATION, UNSUITABLE INVESTMENTS, CONCENTRATION, NEGLIGENCE, BREACH OF FIDUCIARY DUTY. BEGINNING 10/2014
<b>Product Type:</b>	Equity Listed (Common & Preferred Stock) Mutual Fund
<b>Alleged Damages:</b>	\$290,800.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

### Customer Complaint Information

<b>Date Complaint Received:</b>	12/15/2020
<b>Complaint Pending?</b>	No
<b>Status:</b>	Denied
<b>Status Date:</b>	03/10/2022
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	
<b>Broker Statement</b>	Regarding [REDACTED] claim, he was always notified of the amount of the account and the investments that were bought in his account. Throughout the years [REDACTED] was advised of the amounts of withdrawals he took out. I deny all allegations that he has presented on this claim.



## Disclosure 2 of 5

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES CORP.
<b>Allegations:</b>	Losses incurred as a result of overconcentration in Puerto Rico Closed End Funds and Municipal Bonds.
<b>Product Type:</b>	Mutual Fund
<b>Alleged Damages:</b>	\$933,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	Estimated Losses
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	15-00465
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	02/25/2015

## Customer Complaint Information

<b>Date Complaint Received:</b>	03/02/2015
<b>Complaint Pending?</b>	No
<b>Status:</b>	Withdrawn
<b>Status Date:</b>	04/15/2015
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	

**Firm Statement** ONLY ARBITRATION 15-00465 SHOULD HAVE BEEN ALONE AND WAS WITHDRAWN IN 4/2015.  
THE OTHER ARB 16-01903 WILL BE REPORTED SEPARATELY WITH DETAILS.





**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES CORP.

**Allegations:** LOSSES INCURRED AS A RESULT OF OVERCONCENTRATION IN PUERTO RICO CLOSED END FUNDS AND MUNICIPAL BONDS.

**Product Type:** Mutual Fund

**Alleged Damages:** \$933,000.00

**Alleged Damages Amount Explanation (if amount not exact):** ESTIMATED LOSSES

**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 #:** 15-00465

**Filing date of arbitration/CFTC reparation or civil litigation:** 02/25/2015

### Customer Complaint Information

**Date Complaint Received:** 03/02/2015

**Complaint Pending?** No

**Status:** Withdrawn

**Status Date:** 04/15/2015

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement** Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever.



The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2012. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness. ONLY ARBITRATION 15-00465 SHOULD HAVE BEEN ALONE AND WAS WITHDRAWN IN 4/2015. THE OTHER ARB 16-01903 WILL BE REPORTED SEPARATELY WITH DETAILS.

### Disclosure 3 of 5

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	PERIOD 5/1/2012 ALLEGES UNSUITABLE
<b>Product Type:</b>	Other: PR CEF
<b>Alleged Damages:</b>	\$35,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

### Customer Complaint Information

<b>Date Complaint Received:</b>	06/05/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Closed/No Action
<b>Status Date:</b>	09/14/2020

**Settlement Amount:****Individual Contribution Amount:**

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** PERIOD 5/1/2012 ALLEGES UNSUITABLE

**Product Type:** Other: PR CEF

**Alleged Damages:** \$35,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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

**Customer Complaint Information**

**Date Complaint Received:** 06/05/2018

**Complaint Pending?** No

**Status:** Closed/No Action

**Status Date:** 09/14/2020

**Settlement Amount:**

**Individual Contribution Amount:****Broker Statement**

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2012. Prospectus and client meeting documents were given and signed by client



approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.  
[REDACTED] was given multiple choices on better products that would give her the monthly income she needed through various mutual funds and US based CD. She was advised by family and friends to stay with the tax exempt product from PR.

Disclosure 4 of 5

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	ORIENTAL FINANCIAL SERVICES CORP.
Allegations:	Customer allege misrepresentation and fraud induced to invest in PR Bonds.
Product Type:	Debt-Municipal
Alleged Damages:	\$100,000.00
Alleged Damages Amount Explanation (if amount not exact):	Amount invested.
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:	12/19/2016
Complaint Pending?	No
Status:	Denied
Status Date:	03/27/2017
Settlement Amount:	
Individual Contribution Amount:	



**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES CORP.

**Allegations:** Customer allege misrepresentation and fraud induced to invest in PR Bonds.

**Product Type:** Debt-Municipal

**Alleged Damages:** \$100,000.00

**Alleged Damages Amount Explanation (if amount not exact):** Amount invested.

**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:** 12/19/2016

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 03/27/2017

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement**

I deny all allegations regarding [Customer's] claim. He was well informed of all the investments of his portfolio and the approval of the investments rest on the clients request for nontaxable products and intermediate durations. In multiple meetings I addressed the PR financial situation with the client and offered alternatives to his portfolios. In all the meetings the client signed off on the documents that summarized the information discussed and his decision/acknowledgment to the possibility of a nonpayment scenario for the PR products on his portfolio. Signed documentation by the client is available on his record including the prospectus given to the client and his dismissal of the alternatives for his investments.

**Disclosure 5 of 5**

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES CORP.
<b>Allegations:</b>	Lack of fiduciary responsibility.
<b>Product Type:</b>	Other: PR FUNDS
<b>Alleged Damages:</b>	\$69,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

**Customer Complaint Information**

<b>Date Complaint Received:</b>	04/18/2016
<b>Complaint Pending?</b>	No
<b>Status:</b>	Denied
<b>Status Date:</b>	09/20/2016
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	



## Customer Dispute - Pending

This type of disclosure event involves (1) a pending consumer-initiated, investment-related arbitration or civil suit that contains allegations of sales practice violations against the broker; or (2) a pending, consumer-initiated, investment-related written complaint containing allegations that the broker engaged in, sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities.

### Disclosure 1 of 20

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	NATIONWIDE PLANNING ASSOCIATES INC.
<b>Allegations:</b>	Client allege misrepresentations and omissions, breach of fiduciary duty, breach of contract, unsuitable investment recommendations, failure to act in the "best interest" of the Claimants, failure to supervise, negligence and gross negligence, violation of the FINRA rules, violation of the federal securities laws, violation of the Investment Advisers Act of 1940 and violation of the Puerto Rico Uniform Securities Act and Civil Code.
<b>Product Type:</b>	Equity-OTC Equity Listed (Common & Preferred Stock) Penny Stock
<b>Alleged Damages:</b>	\$1,700,000.00
<b>Arbitration Information</b>	
<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	24-00072
<b>Date Notice/Process Served:</b>	02/02/2024
<b>Arbitration Pending?</b>	Yes

### Disclosure 2 of 20

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	NATIONWIDE PLANNING ASSOCIATES INC.
<b>Allegations:</b>	CLIENTS ALLEGE BREACH OF CONTRACT, CONTRACTUAL NEGLIGENCE, FRAUD AND CONSTRUCTIVE FRAUD, FAILURE TO SUPERVISE AND



CONTROL, VIOLATION OF SECTION 10B OF THE EXCHANGE ACT AND RULE 10N-5 AND VIOALTION OF FINRA RULES

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

**Alleged Damages:** \$1,900,000.00

### Arbitration Information

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

**Docket/Case #:** 23-02530

**Date Notice/Process Served:** 09/22/2023

**Arbitration Pending?** Yes

### Disclosure 3 of 20

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES INC.

**Allegations:** CLIENTS ALLEGE VIOLATION OF FINRA RULE 2090, BREACH OF FIDUCIARY DUTY, BREACH OF CONTRACT, CONTRACUAL NEGLIGENCE, FRAUD AND CONSTRUCTIVE FRAUD, FAILURE TO SUPERVISE.

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

**Alleged Damages:** \$1,500,000.00

**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 #:** 23-01928





**Filing date of arbitration/CFTC reparation or civil litigation:** 07/10/2023

### Customer Complaint Information

**Date Complaint Received:** 07/10/2023

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution Amount:**

### Disclosure 4 of 20

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES INC.

**Allegations:** CLIENTS ALLEGE VIOLATION OF FINRA RULE 2090, BREACH OF FIDUCIARY DUTY, BREACH OF CONTRACT, CONTRACTUAL NEGLIGENCE, FRAUD AND CONSTRUCTIVE FRAUD, FAILURE TO SUPERVISE AND CONTROL

**Product Type:** Equity-OTC  
Penny Stock

**Alleged Damages:** \$1,500,000.00

### Arbitration Information

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

**Docket/Case #:** 23-03074

**Date Notice/Process Served:** 10/20/2023

**Arbitration Pending?** Yes

### Disclosure 5 of 20

**Reporting Source:** Firm



**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES INC.

**Allegations:** CLIENT ALLEGES BREACH OF FIDUCIARY DUTY, BREACH OF CONTRACT, CONTRACTUAL NEGLIGENCE, FRAUD AND CONSTRUCTIVE FRAUD, FAILURE TO SUPERVISE AND CONTROL, VIOLATION OF SECTION 10(B) OF THE EXCHANGE ACT

**Product Type:** Equity-OTC  
Penny Stock

**Alleged Damages:** \$500,000.00

**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 #:** 23-03065

**Filing date of arbitration/CFTC reparation or civil litigation:** 10/18/2023

### Customer Complaint Information

**Date Complaint Received:** 10/23/2023

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution Amount:**

### Disclosure 6 of 20

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES INC.

**Allegations:** Clients allege misrepresentations and omissions, breach of fiduciary duty, breach of contract, unsuitable investment recommendations, failure to act in the "best



interest" of the Claimants, failure to supervise, negligence and gross negligence, violation of the FINRA rules, violation of the federal securities laws, violation of the Investment Advisers Act of 1940 and violation of the Puerto Rico Uniform Securities Act and Civil Code.

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

**Alleged Damages:** \$3,000,000.00

### Arbitration Information

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

**Docket/Case #:** 23-02526

**Date Notice/Process Served:** 09/20/2023

**Arbitration Pending?** Yes

### Disclosure 7 of 20

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES INC.

**Allegations:** Clients allege misrepresentations and omissions, breach of fiduciary duty, breach of contract, unsuitable investment recommendations, failure to act in the "best interest" of the Claimants, failure to supervise, negligence and gross negligence, violation of the FINRA rules, violation of the federal securities laws, violation of the Investment Advisers Act of 1940 and violation of the Puerto Rico Uniform Securities Act and Civil Code.

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

**Alleged Damages:** \$1,300,000.00

### Arbitration Information

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



**Docket/Case #:** 23-02470  
**Date Notice/Process Served:** 09/12/2023  
**Arbitration Pending?** Yes

#### Disclosure 8 of 20

**Reporting Source:** Broker  
**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES INC.  
**Allegations:** CLAIMANTS ALLEGE BREACH OF FIDUCIARY DUTY, UNSUITABLE INVESTMENT RECOMMENDATIONS, VIOLATION OF FINRA RULE 3110, NEGLIGENCE AND NEGLIGENT SUPERVISION.  
**Product Type:** Equity-OTC  
 Equity Listed (Common & Preferred Stock)  
 Penny Stock  
**Alleged Damages:** \$100,001.00

#### Arbitration Information

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA  
**Docket/Case #:** 23-02454  
**Date Notice/Process Served:** 09/08/2023  
**Arbitration Pending?** Yes

#### Disclosure 9 of 20

**Reporting Source:** Broker  
**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES INC.  
**Allegations:** Client alleges misrepresentations and omissions, breach of fiduciary duty, breach of contract, unsuitable investment recommendations, failure to act in the "best interest" of the claimants, failure to supervise, fraud, constructive fraud, negligence, and gross negligence. Alleged activities took place between 2019 and end of 2022.



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

**Alleged Damages:** \$1,500,000.00

**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 #:** 23-01931

**Filing date of arbitration/CFTC reparation or civil litigation:** 07/07/2023

### Customer Complaint Information

**Date Complaint Received:** 07/10/2023

**Complaint Pending?** No

**Status:** Evolved into Arbitration/CFTC reparation (the individual is a named party)

**Status Date:** 09/08/2023

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 23-01931

**Date Notice/Process Served:** 09/08/2023

**Arbitration Pending?** Yes



**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES INC.

**Allegations:** Client alleges misrepresentations and omissions, breach of fiduciary duty, breach of contract, unsuitable investment recommendations, failure to act in the "best interest" of the claimants, failure to supervise, fraud, constructive fraud, negligence, and gross negligence. Alleged activities took place between 2019 and end of 2022.

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

**Alleged Damages:** \$1,000,000.00

**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 #:** 23-01930

**Filing date of arbitration/CFTC reparation or civil litigation:** 07/07/2023

### Customer Complaint Information

**Date Complaint Received:** 07/10/2023

**Complaint Pending?** No

**Status:** Evolved into Arbitration/CFTC reparation (the individual is a named party)

**Status Date:** 09/08/2023

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information



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

**Docket/Case #:** 23-01930

**Date Notice/Process Served:** 09/08/2023

**Arbitration Pending?** Yes

#### Disclosure 11 of 20

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES INC.

**Allegations:** Client alleges misrepresentations and omissions, breach of fiduciary duty, breach of contract, unsuitable investment recommendations, failure to act in the "best interest" of the claimants, failure to supervise, fraud, constructive fraud, negligence, and gross negligence. Alleged events occurred between 2019 and end of 2022.

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

**Alleged Damages:** \$1,000,000.00

**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 #:** 23-02020

**Filing date of arbitration/CFTC reparation or civil litigation:** 07/19/2023

#### Customer Complaint Information

**Date Complaint Received:** 07/21/2023

**Complaint Pending?** No



**Status:** Evolved into Arbitration/CFTC reparation (the individual is a named party)

**Status Date:** 09/08/2023

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 23-02020

**Date Notice/Process Served:** 09/08/2023

**Arbitration Pending?** Yes

### Disclosure 12 of 20

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES INC.

**Allegations:** Client alleges misrepresentations and omissions, breach of fiduciary duty, breach of contract, unsuitable investment recommendations, failure to act in the "best interest" of the claimants, failure to supervise, fraud, constructive fraud, negligence, and gross negligence.

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

**Alleged Damages:** \$1,000,000.00

**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 #:** 23-02018





**Filing date of arbitration/CFTC reparation or civil litigation:** 07/19/2023

### Customer Complaint Information

**Date Complaint Received:** 07/21/2023

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution Amount:**

### Disclosure 13 of 20

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES INC.

**Allegations:** Client alleges misrepresentations and omissions, breach of fiduciary duty, breach of contract, unsuitable investment recommendations, failure to act in the "best interest" of the claimants, failure to supervise, fraud, constructive fraud, negligence, and gross negligence.

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

**Alleged Damages:** \$700,000.00

**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 #:** 23-02055

**Filing date of arbitration/CFTC reparation or civil litigation:** 07/25/2023

### Customer Complaint Information



<b>Date Complaint Received:</b>	07/25/2023
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Arbitration/CFTC reparation (the individual is a named party)
<b>Status Date:</b>	09/08/2023
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	
<b>Arbitration Information</b>	
<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	23-02055
<b>Date Notice/Process Served:</b>	09/08/2023
<b>Arbitration Pending?</b>	Yes

#### Disclosure 14 of 20

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	NATIONWIDE PLANNING ASSOCIATES INC.
<b>Allegations:</b>	Client alleges misrepresentations and omissions, breach of fiduciary duty, breach of contract, unsuitable investment recommendations, failure to act in the "best interest" of the claimants, failure to supervise, fraud, constructive fraud, negligence, and gross negligence.
<b>Product Type:</b>	Equity Listed (Common & Preferred Stock) Penny Stock
<b>Alleged Damages:</b>	\$500,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	Claimants allege damages greater than \$500,000 but less than \$1,000,000.

#### Arbitration Information



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

FINRA

**Docket/Case #:** 23-01812

**Date Notice/Process Served:** 07/05/2023

**Arbitration Pending?** Yes

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES, INC

**Allegations:** Client alleges misrepresentations and omissions, breach of fiduciary duty, breach of contract, unsuitable investment recommendations, failure to act in the "best interest" of the claimants, failure to supervise, fraud, constructive fraud, negligence, and gross negligence.

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

**Alleged Damages:** \$500,000.00

**Alleged Damages Amount Explanation (if amount not exact):** Claimants allege damages greater than \$500,000 but less than \$1,000,000.00

**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 #:** 23-02055

**Filing date of arbitration/CFTC reparation or civil litigation:** 06/22/2023

## Customer Complaint Information

**Date Complaint Received:** 07/05/2023



**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution Amount:**

#### Disclosure 15 of 20

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES INC.

**Allegations:** Client alleges that representative made unsuitable investments in the account.

**Product Type:** Options

**Alleged Damages:** \$750,000.00

**Alleged Damages Amount Explanation (if amount not exact):** Client alleges losses of more than \$750,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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

#### Customer Complaint Information

**Date Complaint Received:** 02/07/2023

**Complaint Pending?** No

**Status:** Evolved into Arbitration/CFTC reparation (the individual is a named party)

**Status Date:** 05/23/2023

**Settlement Amount:**

**Individual Contribution Amount:**

#### Arbitration Information



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

**Docket/Case #:** 23-01463

**Date Notice/Process Served:** 05/23/2023

**Arbitration Pending?** Yes

#### Disclosure 16 of 20

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES INC.

**Allegations:** CLIENT ALLEGES MISREPRESENTATIONS AND OMISSIONS, BREACH OF FIDUCIARY DUTY, BREACH OF CONTRACT, UNSUITABLE INVESTMENT RECOMMENDATIONS, FAILURE TO ACT IN THE "BEST INTEREST", FAILURE TO SUPERVISE, FRAUD, CONSTRUCTIVE FRAUD, NEGLIGENCE.

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

**Alleged Damages:** \$500,000.00

**Alleged Damages Amount Explanation (if amount not exact):** CLIENT ALLEGES COMPENSATORY DAMAGES OF LESS THAN \$500,000.00

**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 #:** 23-00251

**Filing date of arbitration/CFTC reparation or civil litigation:** 01/31/2023

#### Customer Complaint Information



**Date Complaint Received:** 01/31/2023

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution Amount:**

#### Disclosure 17 of 20

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** NATIONWIDE PLANNING ASSOCIATES INC.

**Allegations:** CLIENT ALLEGES MISMANAGEMENT OF ACCOUNT AND UNAUTHORIZED TRADING.

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

**Alleged Damages:** \$182,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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

#### Customer Complaint Information

**Date Complaint Received:** 12/21/2022

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution Amount:**

#### Disclosure 18 of 20

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES



**Allegations:** PERIOD 11/2009 TO 10/2018. ALLEGES THAT WITHOUT CONSENT THE DISTRIBUTIONS WERE DOUBLED TO \$640 PER MONTH CREATING A DEBIT BALANCE.

**Product Type:** No Product

**Alleged Damages:** \$5,000.00

**Alleged Damages Amount Explanation (if amount not exact):** Requesting \$54,000 less distributions approximately \$7,000 annually for 9 yrs.

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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

### Customer Complaint Information

**Date Complaint Received:** 03/19/2019

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution Amount:**

**Firm Statement** CLIENT [REDACTED] HAS CHANGED LAWYERS STILL PENDING.

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** PERIOD 11/2009 TO 10/2018. ALLEGES THAT WITHOUT CONSENT THE DISTRIBUTIONS WERE DOUBLED TO \$640 PER MONTH CREATING A DEBIT BALANCE.

**Product Type:** No Product

**Alleged Damages:** \$5,000.00

**Alleged Damages Amount Explanation (if amount not exact):** Requesting \$54,000 less distributions approximately \$7,000 annually for 9 yrs.



**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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

### Customer Complaint Information

**Date Complaint Received:** 03/19/2019

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution  
Amount:**

**Broker Statement** CLIENT [REDACTED] HAS CHANGED LAWYERS STILL PENDING.

### Disclosure 19 of 20

**Reporting Source:** Firm

**Employing firm when  
activities occurred which led  
to the complaint:** ORIENTAL FINANCIAL SERVICES

**Allegations:** PERIOD 2007-10/2011. ALLEGES RR INDICATED FUNDS WERE SAFE.

**Product Type:** Other: PR CEF

**Alleged Damages:** \$50,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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

### Customer Complaint Information

**Date Complaint Received:** 07/05/2018

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution  
Amount:**



**Firm Statement**

This is a letter form customer's counsel. Our legal counsel and customer's counsel, has not reached an agreement.

**Reporting Source:**

Broker

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

ORIENTAL FINANCIAL SERVICES

**Allegations:**

PERIOD 2007-10/2011. ALLEGES RR INDICATED FUNDS WERE SAFE.

**Product Type:**

Other: PR CEF

**Alleged Damages:**

\$50,000.00

**Is this an oral complaint?**

No

**Is this a written complaint?**

Yes

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

No

**Customer Complaint Information****Date Complaint Received:**

07/05/2018

**Complaint Pending?**

Yes

**Settlement Amount:****Individual Contribution Amount:****Broker Statement**

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2013. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in



accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

Mr Arroyo Rangel was well aware of the different products that were presented and approved by his wife and him on all the meetings had throughout the years. Every information needed to provide a suitable recommendation was provide for approval and signed by both parties. When the situation with the PR GDB bonds started to escalate recommendations were given to move the assets left over to US equity funds and/or alternative investment reminding Mr Rangel about the difference in the investment risks associated to the change. The documentation for the change was signed first before doing any selling or buying. The account is well documented on all transaction. No negligence or misrepresentation was ever present nor unsuitability.

#### Disclosure 20 of 20

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ORIENTAL FINANCIAL SERVICES
<b>Allegations:</b>	PERIOD 9/2013-9/2015. ALLEGES MISREPRESENTATION AND OMISSIONS, BREACH OF FID DUTY, BREACH OF CONTRACT, UNSUITABLE INVESTMENT RECOMMENDATIONS, FAILURE TO SUPERVISE, FRAUD, NEGLIGENCE.
<b>Product Type:</b>	Other: PR MUTUAL FUNDS
<b>Alleged Damages:</b>	\$100,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	16-00569
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	02/26/2016

#### Customer Complaint Information



**Date Complaint Received:** 03/07/2016

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 04/23/2018

**Settlement Amount:** \$25,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** Oriental Financial Services

**Allegations:** The customer alleged misrepresentation and omissions, breach of fiduciary duty, breach of contract, unsuitable investment recommendations, failure to supervise, fraud, constructive fraud, negligence and gross negligence, violation of FINRA Rules (including NASD), violation of federal securities laws, and violations of the Puerto Rico Uniform Securities Act and Civil Code.

**Product Type:** Other: PR Mutual Funds

**Alleged Damages:** \$100,000.00

**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 #:** 16-00569

**Filing date of arbitration/CFTC reparation or civil litigation:** 02/26/2016

### Customer Complaint Information

**Date Complaint Received:** 03/07/2016

**Complaint Pending?** No



**Status:** Settled

**Status Date:** 04/23/2018

**Settlement Amount:** \$25,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement**

Jose Candelario is not a respondent in this arbitration and denies all claims as stated by Claimant's Counsel. There was no misconduct on my part whatsoever. The claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The clients wanted tax free PR Government investments which produced income; that's what we presented to them and that is what the clients approved us to buy. At no time did the clients express any fear of the economy of Puerto Rico in many conversations and meetings I had with the them. I have no control over the Puerto Rican economy, nor how the government handles its responsibilities.

Client was advised of multiple investments options in the period of 2010. Prospectus and client meeting documents were given and signed by client approving the transaction. Information regarding the situation Puerto Rico and its obligation was disclosed the media and by me to the client. At no time was the product misrepresented or any information omitted. Product was suitable in accordance with the client's needs of a monthly distribution of tax-exempt income from products that at that time were considered investment grade based on the PR Govt creditworthiness.

[REDACTED] was well aware of all of his positions in his account and was advised to maintain his US investments instead of gravitating to the higher yields and tax exemptions of the PR products. He asked for different alternatives in PR to invest 50% of his portfolio. In the end he chose an opened-ended Pr Mutual Fund.



## Employment Separation After Allegations

This type of disclosure event involves a situation where the broker voluntarily resigned, was discharged, or was permitted to resign after being accused of (1) violating investment-related statutes, regulations, rules or industry standards of conduct; (2) fraud or the wrongful taking of property; or (3) failure to supervise in connection with investment-related statutes, regulations, rules, or industry standards of conduct.

### Disclosure 1 of 1

**Reporting Source:** Firm

**Employer Name:** R-G INVESTMENTS CORPORATION

**Termination Type:** Discharged

**Termination Date:** 05/30/2006

**Allegations:** UNSUITABILITY, OMMISSION OF MATERIAL INFORMATION,UNAUTHORIZED TRADING.

**Product Type:** Debt - Government

**Other Product Types:** DEBT - CORPORATE, PREFFERRED STOCKS, ANNUITY

**Reporting Source:** Broker

**Employer Name:** R-G INVESTMENTS CORPORATION

**Termination Type:** Discharged

**Termination Date:** 05/30/2006

**Allegations:** UNSUITABILITY, OMMISSION OF MATERIAL INFORMATION, UNAUTHORIZED TRADING.

**Product Type:** Debt-Government

**Broker Statement**

As stated in my U4 at the time of my resignation a claim was taken by RG investments and an investigation from the NASD at the time was taken. No course of action was taken against me and the investigation by the NASD did not result in any further action.

Rg Investments stated that it was a termination but I had already signed contract with Ramirez & Co in Hato Rey Puerto Rico.

## End of Report



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