

BrokerCheck Report

LANNY RAY HOWARTER

CRD# 813591

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

About BrokerCheck®



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

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



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



LANNY R. HOWARTER
CRD# 813591

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

- IA CROWN CAPITAL SECURITIES, L.P.**
4730 Nolan Place
El Cajon, CA 92020
CRD# 6312
Registered with this firm since: 03/02/2009
- B CROWN CAPITAL SECURITIES, L.P.**
4730 Nolan Place
El Cajon, CA 92020
CRD# 6312
Registered with this firm since: 03/02/2009

Report Summary for this Broker

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

Broker Qualifications

This broker is registered with:

- 1 Self-Regulatory Organization
- 6 U.S. states and territories



This broker has passed:

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

Registration History

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

- IA SIGNATOR INVESTORS, INC.**
CRD# 468
BOSTON, MA
09/2006 - 03/2009
- B SIGNATOR INVESTORS, INC.**
CRD# 468
SAN DIEGO, CA
09/2006 - 03/2009
- IA ESI FINANCIAL ADVISORS**
CRD# 265
MONTPELIER, VT
04/2001 - 09/2006

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Customer Dispute	8



Broker Qualifications

Registrations

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

This individual is currently registered with 1 SRO and is licensed in 6 U.S. states and territories through his or her employer.

Employment 1 of 1

Firm Name: **CROWN CAPITAL SECURITIES, L.P.**

Main Office Address: **725 TOWN & COUNTRY ROAD
SUITE 530
ORANGE, CA 92868**

Firm CRD#: **6312**

	SRO	Category	Status	Date
B	FINRA	Direct Participation Programs	Approved	03/02/2009
B	FINRA	General Securities Representative	Approved	03/02/2009
B	FINRA	Invest. Co and Variable Contracts	Approved	03/02/2009

	U.S. State/ Territory	Category	Status	Date
B	Arizona	Agent	Approved	03/02/2009
B	California	Agent	Approved	03/02/2009
IA	California	Investment Adviser Representative	Approved	03/02/2009
B	Kansas	Agent	Approved	03/02/2009
B	Montana	Agent	Approved	05/26/2011
B	Texas	Agent	Approved	03/02/2009
B	Utah	Agent	Approved	03/02/2009

Branch Office Locations

CROWN CAPITAL SECURITIES, L.P.

Broker Qualifications



Employment 1 of 1, continued

4730 Nolan Place
El Cajon, CA 92020



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, 5 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	10/01/2018
B General Securities Representative Examination	Series 7	12/16/2000
B Direct Participation Programs Representative Examination	Series 22	12/08/1994
B Investment Company Products/Variable Contracts Representative Examination	Series 6	12/07/1992
B Registered Representative Examination	Series 1	10/05/1975

State Securities Law Exams

Exam	Category	Date
B IA Uniform Combined State Law Examination	Series 66	03/17/2001
B Uniform Securities Agent State Law Examination	Series 63	12/07/1992

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

Broker Qualifications



Professional Designations

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

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
IA 09/2006 - 03/2009	SIGNATOR INVESTORS, INC.	468	SAN DIEGO, CA
B 09/2006 - 03/2009	SIGNATOR INVESTORS, INC.	468	SAN DIEGO, CA
IA 04/2001 - 09/2006	ESI FINANCIAL ADVISORS	265	SAN DIEGO, CA
B 12/1992 - 09/2006	EQUITY SERVICES, INC.	265	SAN DIEGO, CA
B 10/1975 - 03/1983	LINCOLN FINANCIAL ADVISORS CORPORATION	3978	
B 10/1975 - 03/1983	THE LINCOLN NATIONAL LIFE INSURANCE COMPANY	2580	

Employment History

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

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

Employment	Employer Name	Position	Investment Related	Employer Location
02/2009 - Present	CROWN CAPITAL SECURITIES, LP	REGISTERED REP	Y	ORANGE, CA, United States

Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

No information reported.



Disclosure Events

What you should know about reported disclosure events:

- 1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
- 2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - o A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
 - o 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.
 - o
- 3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o 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.
 - o
- 4. **There are different statuses and dispositions for disclosure events:**
 - o 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.
 - o A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

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

	Pending	Final	On Appeal
Customer Dispute	0	8	N/A



Disclosure Event Details

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

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

Customer Dispute - Settled

This type of disclosure event involves a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit containing allegations of sale practice violations against the broker that resulted in a monetary settlement to the customer.

Disclosure 1 of 7

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	CROWN CAPITAL SECURITIES, L.P.
Allegations:	The customer alleges unsuitable recommendations, misrepresentation and lack of reasonable due diligence in regards to the purchase of alternative investment products.
Product Type:	Direct Investment-DPP & LP Interests Other: NON-TRADED REIT NON-TRADED BDC
Alleged Damages:	\$250,000.00
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 #:	21-02243
Filing date of arbitration/CFTC reparation or civil litigation:	08/31/2021

Customer Complaint Information



Date Complaint Received: 11/05/2021

Complaint Pending? No

Status: Settled

Status Date: 11/07/2022

Settlement Amount: \$65,000.00

Individual Contribution Amount: \$0.00

Disclosure 2 of 7

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: CROWN CAPITAL SECURITIES, L.P.

Allegations: The customer alleges unsuitable recommendations, misrepresentation and lack of reasonable due diligence in regards to the purchase of Non-Traded REIT alternative investment products.

Product Type: Other: NON-TRADED REIT

Alleged Damages: \$295,000.00

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 #: 21-01740

Filing date of arbitration/CFTC reparation or civil litigation: 07/08/2021

Customer Complaint Information

Date Complaint Received: 09/14/2021

Complaint Pending? No

Status: Settled



Status Date: 10/10/2022

Settlement Amount: \$89,900.00

Individual Contribution Amount: \$0.00

Disclosure 3 of 7

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: CROWN CAPITAL SECURITIES, L.P.

Allegations: Customers allege lack of suitability, material misrepresentations and failure to conduct reasonable due diligence in regards to the purchase of alternative investments.

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$1,120,000.00

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 #: 21-00964

Filing date of arbitration/CFTC reparation or civil litigation: 04/12/2021

Customer Complaint Information

Date Complaint Received: 04/19/2021

Complaint Pending? No

Status: Settled

Status Date: 04/13/2022

Settlement Amount: \$330,000.00



Individual Contribution Amount: \$0.00

Disclosure 4 of 7

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: CROWN CAPITAL SECURITIES, L.P.

Allegations: Customers allege lack of suitability, material misrepresentations and failure to conduct reasonable due diligence in regards to the purchase of alternative investments.

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$300,000.00

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 #: 21-01010

Filing date of arbitration/CFTC reparation or civil litigation: 04/15/2021

Customer Complaint Information

Date Complaint Received: 04/19/2021

Complaint Pending? No

Status: Settled

Status Date: 08/22/2022

Settlement Amount: \$112,500.00

Individual Contribution Amount: \$0.00



Disclosure 5 of 7

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	CROWN CAPITAL SECURITIES, L.P.
Allegations:	Customer alleges lack of suitability, negligence, omission of material fact (illiquid nature of investments) and breach of fiduciary duty regarding investments in alternative investment products.
Product Type:	Direct Investment-DPP & LP Interests Other: NON-TRADED REIT, NON-TRADED BDC
Alleged Damages:	\$624,616.00
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:	11/24/2020
Complaint Pending?	No
Status:	Settled
Status Date:	02/22/2022
Settlement Amount:	\$100,000.00
Individual Contribution Amount:	\$0.00

Disclosure 6 of 7

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Crown Capital Securities, L.P.
Allegations:	Client alleges lack of suitability, fraud, breach of fiduciary duty, negligence and failure to supervise relating to the purchase of various alternative investments.
Product Type:	Direct Investment-DPP & LP Interests Real Estate Security



Alleged Damages:	\$499,000.00
Alleged Damages Amount Explanation (if amount not exact):	Client's demand includes a range from \$100,000 to \$499,000.
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 #:	17-03019
Filing date of arbitration/CFTC reparation or civil litigation:	11/09/2017

Customer Complaint Information

Date Complaint Received:	11/21/2017
Complaint Pending?	No
Status:	Settled
Status Date:	09/26/2018
Settlement Amount:	\$122,000.00
Individual Contribution Amount:	\$122,000.00
Broker Statement	I provided the clients with a portfolio that was suitable and appropriate for them given their investment needs, risk tolerance and time horizon.

Disclosure 7 of 7

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	EQUITY SERVICES, INC.
Allegations:	CLIENT ALLEGES THE REPRESENTATIVE MADE UNSUITABLE RECOMMENDATIONS AND MISREPRESENTED THE PRODUCT.



Product Type: Annuity(ies) - Variable

Alleged Damages: \$388,579.00

Customer Complaint Information

Date Complaint Received: 03/25/2004

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 03/02/2004

Settlement Amount:

**Individual Contribution
Amount:**

Arbitration Information

**Arbitration/Reparation Claim
filed with and Docket/Case
No.:** NASD 04-01342

Date Notice/Process Served: 03/02/2004

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/27/2005

**Monetary Compensation
Amount:** \$95,000.00

**Individual Contribution
Amount:** \$500.00

Broker Statement REPRESENTATIVE'S ERRORS & OMISSION CARRIER PAID \$44,500.00; MR. HOWATER PAID A \$500.00 DEDUCTABLE AND THE FIRM PAID \$40,000.00. THIS MATTER WAS SETTLED TO AVOID THE EXPENSE AND UNCERTAINTIES OF ARBITRATION.



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 1

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	EQUITY SERVICES, INC.
Allegations:	SUIT ALLEGES UNTRUE STATEMENTS IN THE SALE OF SECURITIES IN VIOLATION OF CA CORPORATIONS CODE SECTION 25401, VIOLATION OF CA CORPORATIONS CODE SECTION 25504.1, FRAUD, INTENTIONAL MISREPRESENTATION, NEGLIGENT MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, AND CONSTRUCTIVE FRAUD WITH RESPECT TO SALES OF A LIMITED PARTNERSHIP PROGRAM IN 2000, 2002, 2004 AND 2006.
Product Type:	Direct Investment-DPP & LP Interests
Alleged Damages:	\$400,000.00
Alleged Damages Amount Explanation (if amount not exact):	PLAINTIFFS INVESTED, COLLECTIVELY, \$400,000.00 INTO THE LLP. SUIT ALSO SEEKS INTEREST AND DAMAGES, TO BE DETERMINED AT TRIAL.
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:	SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO
Docket/Case #:	37-2010-00088353-CU-MC-CTL
Filing date of arbitration/CFTC reparation or civil litigation:	03/24/2010

Customer Complaint Information

Date Complaint Received:	03/31/2010
Complaint Pending?	No



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

Status Date: 12/15/2010

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Docket/Case #: 10-04913

Date Notice/Process Served: 12/20/2010

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/04/2012

Monetary Compensation Amount: \$250,000.00

Individual Contribution Amount: \$100,000.00

Civil Litigation Information

Type of Court: State Court

Name of Court:

Location of Court:

Docket/Case #:

Date Notice/Process Served:

Litigation Pending?

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: EQUITY SERVICES, INC

Allegations: SUIT ALLEGES UNTRUE STATEMENTS IN THE SALE OF SECURITIES IN



VIOLATION OF CA CORPORATIONS CODE SECTION 25401, VIOLATIONS OF CA CORPORATIONS CODE SECTION 25504.1, FRAUD, INTENTIONAL MISREPRESENTATION, NEGLIGENT MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, AND CONSTRUCTIVE FRAUD WITH RESPECT TO SALES OF A LIMITED PARTNERSHIP PROGRAM IN 2000, 2002, 2004 AND 2006.

Product Type: Direct Investment-DPP & LP Interests

Alleged Damages: \$400,000.00

Alleged Damages Amount Explanation (if amount not exact): PLAINTIFFS INVESTED, COLLECTIVELY, \$400,000.00 INTO LLP. SUIT ALSO SEEKS INTEREST AND DAMAGES, TO BE DETERMINED AT TRIAL.

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: SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO

Docket/Case #: 37-2010-00088353-CU-MC-CTL

Filing date of arbitration/CFTC reparation or civil litigation: 03/24/2010

Customer Complaint Information

Date Complaint Received: 03/31/2010

Complaint Pending? No

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

Status Date: 12/15/2010

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Docket/Case #: 10-04913



Date Notice/Process Served: 12/20/2010

Arbitration Pending? No

Disposition: Settled

Disposition Date: 12/06/2011

Monetary Compensation Amount: \$250,000.00

Individual Contribution Amount: \$100,000.00

Civil Litigation Information

Type of Court: State Court

Name of Court: SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO

Location of Court: SAN DIEGO, CA

Docket/Case #: 37-2010-00088353-CU-MC-CTL

Date Notice/Process Served: 03/31/2010

Litigation Pending? No

Disposition: Withdrawn

Disposition Date: 12/06/2011

End of Report



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