

## BrokerCheck Report

### PRESTON AUBREY SPEARS

CRD# 861779

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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).



**PRESTON A. SPEARS**

CRD# 861779

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

- B** **WORLD EQUITY GROUP, INC.**  
2230 Towne Lake Parkway  
Bldg 800, Suite 140  
Woodstock, GA 30189  
CRD# 29087  
Registered with this firm since: 11/12/2021

**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
- 1 U.S. state or territory

This broker has passed:

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

**Registration History**

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

- B** **TAYLOR CAPITAL MANAGEMENT INC.**  
CRD# 43559  
WOODSTOCK, GA  
08/2009 - 10/2019
- IA** **RESOURCE HORIZONS GROUP, L.L.C.**  
CRD# 104368  
MARIETTA, GA  
08/2006 - 12/2007
- B** **RESOURCE HORIZONS GROUP LLC**  
CRD# 104368  
MARIETTA, GA  
08/2006 - 12/2007

**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	3
Customer Dispute	4



## 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 1 U.S. state or territory through his or her employer.**

### Employment 1 of 1

Firm Name: **WORLD EQUITY GROUP, INC.**

Main Office Address: **425 N MARTINGALE ROAD  
SUITE 1220  
SCHAUMBURG, IL 60173**

Firm CRD#: **29087**

	SRO	Category	Status	Date
B	FINRA	Compliance Officer	Approved	11/12/2021
B	FINRA	General Securities Principal	Approved	11/12/2021
B	FINRA	General Securities Representative	Approved	11/12/2021
B	FINRA	Investment Banking Principal	Approved	11/12/2021
B	FINRA	Investment Banking Representative	Approved	11/12/2021
B	FINRA	Operations Professional	Approved	11/12/2021

	U.S. State/ Territory	Category	Status	Date
B	Georgia	Agent	Approved	11/22/2021

### Branch Office Locations

**WORLD EQUITY GROUP, INC.**  
2230 Towne Lake Parkway  
Bldg 800, Suite 140  
Woodstock, GA 30189



## 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 2 principal/supervisory exams, 6 general industry/product exams, and 2 state securities law exams.**

### Principal/Supervisory Exams

Exam	Category	Date
<b>B</b> Compliance Officer Examination	Series 14	01/02/2023
<b>B</b> General Securities Principal Examination	Series 24	01/02/2023

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Operations Professional Examination	Series 99TO	01/02/2023
<b>B</b> Investment Banking Registered Representative Examination	Series 79TO	01/02/2023
<b>B</b> General Securities Representative Examination	Series 7TO	01/02/2023
<b>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> General Securities Representative Examination	Series 7	08/08/2000
<b>B</b> National Commodity Futures Examination	Series 3	11/03/1982

### State Securities Law Exams

Exam	Category	Date
<b>IA</b> Uniform Investment Adviser Law Examination	Series 65	10/13/2000
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	08/11/2000

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> 08/2009 - 10/2019	TAYLOR CAPITAL MANAGEMENT INC.	43559	WOODSTOCK, GA
<b>IA</b> 08/2006 - 12/2007	RESOURCE HORIZONS GROUP, L.L.C.	104368	WOODSTOCK, GA
<b>B</b> 08/2006 - 12/2007	RESOURCE HORIZONS GROUP LLC	104368	MARIETTA, GA
<b>B</b> 11/2004 - 04/2006	RAIKE FINANCIAL GROUP INC.	38095	WOODSTOCK, GA
<b>IA</b> 11/2004 - 04/2006	RAIKE FINANCIAL GROUP INC.	38095	ATLANTA, GA
<b>IA</b> 05/2003 - 11/2004	YOUNG INVESTMENT ADVISORS, INC	117415	ATLANTA, GA
<b>B</b> 08/2000 - 01/2003	RAIKE FINANCIAL GROUP INC.	38095	WOODSTOCK, GA
<b>B</b> 03/1993 - 10/1993	MERIDIAN ASSOCIATES, INC.	15294	
<b>B</b> 12/1990 - 03/1991	PACIFIC SOUTHERN SECURITIES, INC.	13155	
<b>B</b> 06/1989 - 04/1990	COMSTOCK FINANCIAL SERVICES INC.	21933	
<b>B</b> 07/1988 - 06/1989	HABERSHEIR SECURITIES, INC.	15166	
<b>B</b> 03/1987 - 04/1988	BAY CITY SECURITIES, INC.	12976	
<b>B</b> 09/1985 - 12/1986	CORNWALL SECURITIES, INC.	8334	
<b>B</b> 04/1986 - 07/1986	CORPORATE MANAGEMENT GROUP SECURITIES, INC.	16138	
<b>B</b> 06/1984 - 04/1986	FIRST AFFILIATED SECURITIES, INC.	6871	
<b>B</b> 11/1983 - 03/1984	AMERICAN COMMERCIAL SECURITIES CORPORATION	10275	
<b>B</b> 05/1982 - 07/1983	THOMSON MCKINNON SECURITIES INC.	829	
<b>B</b> 03/1982 - 05/1982	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	7691	
<b>B</b> 12/1981 - 02/1982	OPPENHEIMER & CO., INC.	630	
<b>B</b> 06/1980 - 11/1981	THOMSON MCKINNON SECURITIES INC.	829	



## Registration and Employment History

### Registration History, continued

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
<b>B</b> 10/1979 - 05/1980	LEHMAN BROTHERS KUHN LOEB INCORPORATED	7555	
<b>B</b> 02/1979 - 10/1979	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	7691	

### 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
10/2021 - Present	World Equity Group, Inc.	Registered Representative.	Y	Woodstock, GA, United States
01/2008 - Present	Triumph Insurance Advisors, Inc.	VP	N	Woodstock, GA, United States
11/2009 - 10/2019	TAYLOR CAPITAL MANAGEMENT INC.	PRESIDENT	Y	WOODSTOCK, GA, 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) VICE PRESIDENT OF TRIUMPH INSURANCE ADVISORS-INVESTMENT RELATED, LOCATED AT 2230 TOWNE LAKE PKWY, BLDG. 800, SUITE 130, WOODSTOCK, GA. DUTIES INCLUDED ASSISTING TRIUMPH INSURANCE ADVISORS PRESIDENT & CEO, JASON DAUGHERTY WITH THE FIRM MANAGEMENT. HOURS DEVOTED TO THIS ACTIVITY DEPENDS UPON THE NEED BY TRIUMPH INSURANCE ADVISORS, PRESIDENT FOR MANAGEMENT ASSISTANCE. Approx. Hrs/Mo: 100. Approx. Hrs/Mo during trading hours: 70
- 2) Woodstock Advisor Marketing Group. Investment Related. 2230 Towne Lake Pkwy, Bld 800, Ste 130, Woodstock, GA 30189, Assist advisors market and grow their business. Start Date: 6/2020 Approx Hrs/Mo: 80. Approx hrs/Mo during trading hours: 40.
- 3) BDI Consulting, Inc. Investment Related. 2230 Towne Lake Pkwy, Bld 800, Ste 130, Woodstock, GA 30189, Vice President. Insurance Consulting Firm specializing in insurance products and services. Approx. Hrs/Mo: 100. Approx. Hrs/Mo during trading hours: 70





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
Regulatory Event	0	3	0
Customer Dispute	4	0	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 3

<b>Reporting Source:</b>	Broker
<b>Regulatory Action Initiated By:</b>	ALABAMA SECURITIES CORPORATION
<b>Sanction(s) Sought:</b>	Denial
<b>Other Sanction(s) Sought:</b>	
<b>Date Initiated:</b>	08/19/1986
<b>Docket/Case Number:</b>	
<b>Employing firm when activity occurred which led to the regulatory action:</b>	CORNWALL SECURITIES
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	PRIVATE PLACEMENT
<b>Allegations:</b>	ALABAMA SEC. CORP. DENIED REGISTRATION OF B/D. I DISCOVERED WE HAD VIOLATION DURING PRIVATE PLACEMENT AND I INFORMED COMMISSION. I SUBSEQUENTLY WITHDREW APPLICATION OR AGREED NOT TO PURSUE APPEAL, I FORGOT.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Settled



**Resolution Date:** 08/19/1986

**Sanctions Ordered:** Revocation/Expulsion/Denial

**Other Sanctions Ordered:**

**Sanction Details:** CEASE AND DESIST

**Broker Statement** DENIAL OF REGISTRATION, AFTER I INFORMED COMMISSION OF PROBLEMS WITH PRIVATE PLACEMENT OF PENDING B/D SPEARS ELLIS ANDERSON & NEWBY THIS WAS SAME MATTER THAT RESULTED IN CEASE AND DESIST FROM MINNESOTA DOCKET# SE 8707891/LMT

#### Disclosure 2 of 3

**Reporting Source:** Broker

**Regulatory Action Initiated By:** STATE OF GEORGIA

**Sanction(s) Sought:** Cease and Desist

**Other Sanction(s) Sought:**

**Date Initiated:** 11/14/1988

**Docket/Case Number:** 5088-9662

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

**Product Type:** Equity - OTC

**Other Product Type(s):**

**Allegations:** THE PRESIDENT OF HABERSHEIR SECURITIES TOLD ME MY LICENSE WAS GOOD AND I COULD DO BUSINESS. I DID TWO UNSOLICITED TRADES FROM TEXAS PRIOR TO MY GEORGIA LICENSE BEING EFFECTIVE. MY TEXAS LICENSE WAS EFFECTIVE.

**Current Status:** Final

**Resolution:** Order

**Resolution Date:** 12/16/1988

**Sanctions Ordered:** Cease and Desist/Injunction

**Other Sanctions Ordered:**



<b>Sanction Details:</b>	CEASE AND DESIST
<b>Broker Statement</b>	CEASE AND DESIST FINAL 12/16/1988

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### Disclosure 3 of 3

<b>Reporting Source:</b>	Broker
<b>Regulatory Action Initiated By:</b>	MINNESOTA STATE SECURITIES COMMISSION
<b>Sanction(s) Sought:</b>	Cease and Desist
<b>Other Sanction(s) Sought:</b>	
<b>Date Initiated:</b>	03/07/1998
<b>Docket/Case Number:</b>	SE8707891/LMT
<b>Employing firm when activity occurred which led to the regulatory action:</b>	CORNWALL SECURITIES
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	PRIVATE PLACEMENT
<b>Allegations:</b>	MADE SALES OF PRIVATE PLACEMENT IN MN RELYING ON EXEMPTION NOT APPLICABLE
<b>Current Status:</b>	Final
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	07/18/1988
<b>Sanctions Ordered:</b>	Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	CEASE & DESIST
<b>Broker Statement</b>	CEASE AND DESIST FINAL 07/18/1988



## 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 4

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	TCM Securities, Inc.
<b>Allegations:</b>	Claimants alleged that Respondents facilitated sales of unregistered securities in violation of the Illinois Securities Act and the sale of speculative non-traded real estate investment trusts ("Non-Traded REITs").
<b>Product Type:</b>	Debt-Corporate
<b>Alleged Damages:</b>	\$150,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	Claimants have requested an award of \$150,000.00 plus interest, costs and attorneys' fees.

### Arbitration Information

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA Office of Dispute Resolution
<b>Docket/Case #:</b>	18-03489
<b>Date Notice/Process Served:</b>	05/23/2019
<b>Arbitration Pending?</b>	Yes
<b>Broker Statement</b>	Svoboda's claim was initially filed naming only TCM Securities, Inc. as a Respondent and later amended to combine two other claims and add Preston Spears, Dennis Taylor, Jason Daugherty and Michael Pellegrino as Respondents.

### Disclosure 2 of 4

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	TCM Securities, Inc.



<b>Allegations:</b>	Claimants allege negligent supervision by Respondents in the sale of 1st Global Capital Notes by former TCM RRs: Michael Pellegrino; Brian Korienek; and Justin Reppy.
<b>Product Type:</b>	Debt-Corporate
<b>Alleged Damages:</b>	\$27,319,015.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	The amount noted is the approximate amount of 1st Global Notes sold to Claimants. However, the arbitration claim states: "Claimants reserve the right to specify damages on a Claimant-by-Claimant basis."

### Arbitration Information

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA Office of Dispute Resolution
<b>Docket/Case #:</b>	18-03761
<b>Date Notice/Process Served:</b>	12/10/2018
<b>Arbitration Pending?</b>	Yes
<b>Broker Statement</b>	On October 28, 2018, the Stoltmann Law Offices, P.C. filed what amounts to a class action arbitration claim with numerous claimants against Taylor Capital Management, Inc.; 2 Proud Americans Corporation; Preston Spears, Jason Paul Daugherty; and Dennis Willard Taylor which alleged failure to supervise Goldstone Financial (an SEC Registered RIA firm and a registered branch office of TCM) in approving 1st Global Capital as an "Outside Business Activity) after it was approved by TCM. However, the Respondents did not receive the paperwork from FINRA'S Office of Dispute Resolution until December 27, 2018. TCM denies it failed to supervise the sales of 1st Global Capital Notes as it only approved the referral of Goldstone Financial (and in some cases, TCM Customers) to 1st Global. TCM did not approve the offer or sale of 1st Global Notes by its RRs.

### Disclosure 3 of 4

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	TCM Securities, Inc.
<b>Allegations:</b>	Primary allegation is Negligent Supervision in the sale of 1st Global Notes by firm RRs during the year of 2017.
<b>Product Type:</b>	Banking Products (other than CDs)



**Alleged Damages:** \$623,158.00

**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 Office of Dispute Resolution

**Docket/Case #:** 18-03821

**Filing date of arbitration/CFTC reparation or civil litigation:** 11/02/2018

### Customer Complaint Information

**Date Complaint Received:** 11/05/2018

**Complaint Pending?** No

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

**Status Date:** 12/19/2018

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 18-03821

**Date Notice/Process Served:** 11/05/2018

**Arbitration Pending?** Yes

**Broker Statement** The Statement of Claim filed on behalf of [REDACTED], [REDACTED], et al contains several inaccuracies, such as in the Introduction, it states: "This case is about Respondents' unlawful sale of unregistered and unsuitable securities to claimants in violation of the Illinois Securities Act and the common law to conservative investors." This statement is inaccurate because the Respondents names in The Statement of Claim did not sell anything to the Claimants. In item #11, it states, in part, that Respondents allowed the Brokers to participate in and



sell 1st Global Notes but failed to take any reasonable steps to supervise such activity. This is an inaccurate statement as Respondents never allowed Brokers to sell 1st Global Notes, but only approved the referral of public customers to 1st Global. Respondents had no knowledge of any sales of 1st Global Notes by persons associated with Respondents. The main allegation against Respondents contained in the Statement of Claim is that Respondents failed to supervise the sales of the 1st Global Notes. This allegation is untrue since the Respondents did not know that 1st Global Notes were being sold to retail investors.

#### Disclosure 4 of 4

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	TCM Securities, Inc.
<b>Allegations:</b>	The arbitration claim alleged negligent supervision on the part of the Respondents in the sale of 1st Global Notes by former firm RRs during the year of 2017.
<b>Product Type:</b>	Banking Products (other than CDs)
<b>Alleged Damages:</b>	\$325,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA Office of Dispute Resolution
<b>Docket/Case #:</b>	18-03822
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	11/02/2018

#### Customer Complaint Information

<b>Date Complaint Received:</b>	11/05/2018
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Arbitration/CFTC reparation (the individual is a named party)
<b>Status Date:</b>	12/19/2018
<b>Settlement Amount:</b>	



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

FINRA Office of Dispute Resolution

**Docket/Case #:**

18-03822

**Date Notice/Process Served:**

11/05/2018

**Arbitration Pending?**

Yes

**Broker Statement**

The Statement of Claim filed on behalf of [REDACTED], [REDACTED], [REDACTED] et al contains several inaccuracies, such as in the Introduction, it states: "This case is about Respondents' unlawful sale of unregistered and unsuitable securities to claimants in violation of the Illinois Securities Act and the common law to conservative investors." This statement is inaccurate because the Respondents names in The Statement of Claim did not sell anything to the Claimants. In item #11, it states, in part, that Respondents allowed the Brokers to participate in and sell 1st Global Notes but failed to take any reasonable steps to supervise such activity. This is an inaccurate statement as Respondents never allowed Brokers to sell 1st Global Notes, but only approved the referral of public customers to 1st Global. Respondents had no knowledge of any sales of 1st Global Notes by persons associated with Respondents. The main allegation against Respondents contained in the Statement of Claim is that Respondents failed to supervise the sales of the 1st Global Notes. This allegation is untrue since the Respondents did not know that 1st Global Notes were being sold to retail investors.

## End of Report



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