

## BrokerCheck Report

### AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC.

CRD# 18487

<b><u>Section Title</u></b>	<b><u>Page(s)</u></b>
Report Summary	1
Firm Profile	2 - 6
Firm History	7
Firm Operations	8 - 13
Disclosure Events	14



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:
  - o 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
  - o 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).



## AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC.

CRD# 18487

SEC# 8-37085

### Main Office Location

4250 VETERANS MEMORIAL HIGHWAY  
4TH FLOOR EAST  
HOLBROOK, NY 11741  
Regulated by FINRA Long Island Office

### Mailing Address

4250 VETERANS MEMORIAL HWY  
4TH FLOOR EAST  
HOLBROOK, NY 11741

### Business Telephone Number

631-439-4600

## Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

### Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 04/27/1990.

Its fiscal year ends in December.

### Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

### Firm Operations

**This firm is registered with:**

- the SEC
- 1 Self-Regulatory Organization
- 53 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 15 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

### Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

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

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

Type	Count
Regulatory Event	5
Arbitration	1



## Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 04/27/1990.

Its fiscal year ends in December.

## Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

**AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC.**

**Doing business as AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC.**

**CRD#** 18487

**SEC#** 8-37085

### Main Office Location

4250 VETERANS MEMORIAL HIGHWAY  
4TH FLOOR EAST  
HOLBROOK, NY 11741

**Regulated by FINRA Long Island Office**

### Mailing Address

4250 VETERANS MEMORIAL HWY  
4TH FLOOR EAST  
HOLBROOK, NY 11741

### Business Telephone Number

631-439-4600



## Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

### Direct Owners and Executive Officers

**Legal Name & CRD# (if any):** AMERICAN PORTFOLIOS HOLDINGS, INC.

**Is this a domestic or foreign entity or an individual?** Domestic Entity

**Position** 100% SHAREHOLDER

**Position Start Date** 05/2001

**Percentage of Ownership** 75% or more

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

---

**Legal Name & CRD# (if any):** ANTUNOVICH, ANNE

4382309

**Is this a domestic or foreign entity or an individual?** Individual

**Position** FINANCIAL AND OPERATIONS PRINCIPAL

**Position Start Date** 02/2012

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** No

**Is this a public reporting company?** No

---

**Legal Name & CRD# (if any):** DOLBER, LON TERRY

862635

**Is this a domestic or foreign entity or an individual?** Individual

**Position** CEO & PRESIDENT

**Position Start Date** 01/2007

## Firm Profile



### Direct Owners and Executive Officers (continued)

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

---

**Legal Name & CRD# (if any):** DOLBERGRAPPONE, MELISSA ANN  
1555459

**Is this a domestic or foreign entity or an individual?** Individual

**Position** SECRETARY

**Position Start Date** 09/2001

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** No

**Is this a public reporting company?** No

---

**Legal Name & CRD# (if any):** JOYNER, DAMON BRADLEY  
2157176

**Is this a domestic or foreign entity or an individual?** Individual

**Position** CHIEF FINANCIAL OFFICER

**Position Start Date** 09/2017

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** No

**Is this a public reporting company?** No

---

**Legal Name & CRD# (if any):** VOLLONO, CRAIG

## Firm Profile



### Direct Owners and Executive Officers (continued)

	5566252
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	EVP, GENERAL COUNSEL
<b>Position Start Date</b>	08/2019
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No
<hr/>	
<b>Legal Name &amp; CRD# (if any):</b>	WENDEL, MARTIN HOWARD 2436372
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF COMPLIANCE OFFICER
<b>Position Start Date</b>	01/2016
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	
<hr/>	

## Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.



### Indirect Owners

<b>Legal Name &amp; CRD# (if any):</b>	DOLBER, LON TERRY 862635
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Company through which indirect ownership is established</b>	AMERICAN PORTFOLIOS HOLDINGS, INC.
<b>Relationship to Direct Owner</b>	SHAREHOLDER & CHAIRMAN OF THE BOARD
<b>Relationship Established</b>	05/2001
<b>Percentage of Ownership</b>	25% but less than 50%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

---



## Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.





## Firm Operations

### Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

**This firm is currently registered with the SEC, 1 SRO and 53 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	02/13/1987

### SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	02/17/1987



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	09/05/2001
Alaska	Approved	08/12/2001
Arizona	Approved	09/24/1997
Arkansas	Approved	07/25/2001
California	Approved	07/27/1990
Colorado	Approved	07/16/2001
Connecticut	Approved	07/19/2001
Delaware	Approved	03/21/1996
District of Columbia	Approved	07/23/2001
Florida	Approved	08/31/1990
Georgia	Approved	02/28/1995
Hawaii	Approved	09/13/2001
Idaho	Approved	07/19/2001
Illinois	Approved	08/10/2001
Indiana	Approved	09/07/2001
Iowa	Approved	07/19/2001
Kansas	Approved	08/28/2001
Kentucky	Approved	07/24/2001
Louisiana	Approved	08/02/2001
Maine	Approved	08/21/2001
Maryland	Approved	02/01/1995
Massachusetts	Approved	07/27/1999
Michigan	Approved	07/20/2001
Minnesota	Approved	07/19/2001
Mississippi	Approved	08/15/2001
Missouri	Approved	08/13/2001
Montana	Approved	07/23/2001
Nebraska	Approved	09/10/2001
Nevada	Approved	06/01/1999
New Hampshire	Approved	08/16/2001
New Jersey	Approved	02/20/1987
New Mexico	Approved	07/31/2001
New York	Approved	01/07/1987

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	04/30/1997
North Dakota	Approved	08/07/2001
Ohio	Approved	10/25/1995
Oklahoma	Approved	07/16/2001
Oregon	Approved	08/15/2001
Pennsylvania	Approved	07/08/1998
Puerto Rico	Approved	08/16/2001
Rhode Island	Approved	07/19/2001
South Carolina	Approved	06/08/2001
South Dakota	Approved	07/13/2001
Tennessee	Approved	08/02/2001
Texas	Approved	03/30/1999
Utah	Approved	07/12/2001
Vermont	Approved	06/12/2001
Virgin Islands	Approved	08/06/2007
Virginia	Approved	07/13/2001
Washington	Approved	01/25/1996
West Virginia	Approved	07/17/2001
Wisconsin	Approved	07/23/2001
Wyoming	Approved	08/03/2001



## Firm Operations

### Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

**This firm currently conducts 15 types of businesses.**

#### Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities broker
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Solicitor of time deposits in a financial institution
Put and call broker or dealer or option writer
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Broker or dealer selling tax shelters or limited partnerships in the secondary market
Non-exchange member arranging for transactions in listed securities by exchange member
Private placements of securities
Broker or dealer involved in a networking, kiosk or similar arrangement with a: insurance company or agency
Other - MERGERS AND ACQUISITIONS

#### Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.

This firm does engage in other non-securities business.

Non-Securities Business Description: 11B AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC. SELLS LIFE AND HEALTH INSURANCE. IT IS A PROPERLY LICENSED ENTITY IN THE STATES IN WHICH IT OPERATES IN THESE PRODUCTS.

## Firm Operations



### Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

### Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

<b>Name:</b>	PERSHING LLC
<b>CRD #:</b>	7560
<b>Business Address:</b>	ONE PERSHING PLAZA 10TH FLOOR JERSEY CITY, NJ 07399
<b>Effective Date:</b>	01/03/2011
<b>Description:</b>	FULLY DISCLOSED CLEARING AGENT

---

## **Firm Operations**

### **Industry Arrangements**



**This firm does not have books or records maintained by a third party.**

**This firm does not have accounts, funds, or securities maintained by a third party.**

**This firm does not have customer accounts, funds, or securities maintained by a third party.**

#### **Control Persons/Financing**

**This firm does not have individuals who control its management or policies through agreement.**

**This firm does not have individuals who wholly or partly finance the firm's business.**



## Firm Operations

### Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

**This firm is, directly or indirectly:**

- in control of
  - controlled by
  - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

**AMERICAN PORTFOLIOS ADVISORS, INC is under common control with the firm.**

<b>CRD #:</b>	112697
<b>Business Address:</b>	4250 VETERANS MEMORIAL HIGHWAY 4TH FLOOR EAST HOLBROOK, NY 11741
<b>Effective Date:</b>	04/08/2002
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	BOTH AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC. AND AMERICAN PORTFOLIS ADVISORS, INC. ARE WHOLLY OWNED BY AMERICAN PORTFOLIOS HOLDINGS, INC.

**This firm is not directly or indirectly, controlled by the following:**

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



## Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	5	0
Arbitration	N/A	1	N/A





## Disclosure Event Details

### What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
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 brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - o Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both 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.
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 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.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

### Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

### Disclosure 1 of 5

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT"), AND SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT"), AGAINST AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC. ("APFS") AND AMERICAN PORTFOLIOS ADVISORS, INC. ("APA") (COLLECTIVELY, THE "RESPONDENTS"). THE COMMISSION FINDS THAT THIS MATTER CONCERNS APFS'S FAILURE REASONABLY TO SUPERVISE CERTAIN APFS REGISTERED REPRESENTATIVES WHO RECOMMENDED THEIR BROKERAGE CUSTOMERS BUY AND HOLD A COMPLEX EXCHANGE TRADED PRODUCT ("ETP") WITHOUT A REASONABLE BASIS FOR BELIEVING THE RECOMMENDATION WAS SUITABLE FOR THEIR CUSTOMERS. THOSE CUSTOMERS LOST SIGNIFICANT PORTIONS OF THEIR INVESTMENT. THE REGISTERED REPRESENTATIVES DID NOT UNDERSTAND THE PRODUCT, MISREPRESENTED ITS RISKS AND RECOMMENDED IT FOR A PURPOSE INCONSISTENT WITH THAT DESCRIBED IN THE PRODUCT'S OFFERING MATERIALS. APFS FAILED REASONABLY TO IMPLEMENT ITS SUPERVISORY POLICIES AND PROCEDURES TO ADDRESS WHETHER THE REGISTERED REPRESENTATIVES UNDERSTOOD THE PRODUCT SUFFICIENTLY TO BE ABLE TO FORM A REASONABLE BASIS TO RECOMMEND THAT RETAIL BROKERAGE CUSTOMERS BUY AND HOLD THE ETP. IN ADDITION, APA FAILED TO ADOPT AND IMPLEMENT POLICIES AND PROCEDURES REGARDING THE SUITABILITY OF COMPLEX ETPS FOR ADVISORY CLIENTS. THROUGHOUT THE RELEVANT PERIOD, APFS HAD POLICIES AND PROCEDURES CONCERNING SUITABILITY OF RECOMMENDATIONS AND COMPLEX PRODUCTS, INCLUDING ETPS LIKE IPATH S&P 500 VIX SHORT-TERM FUTURES ETN ("VXX"). THE POLICIES AND PROCEDURES DIRECT THAT REGISTERED REPRESENTATIVES UNDERSTAND THE POTENTIAL RISKS AND REWARDS OF A RECOMMENDATION, AS WELL AS HAVE A REASONABLE BASIS FOR BELIEVING A RECOMMENDED TRANSACTION IS SUITABLE FOR A CUSTOMER. THE POLICIES AND PROCEDURES ALSO MAKE CLEAR THAT APFS WAS EXPECTED TO SUBJECT COMPLEX PRODUCTS TO A NEW PRODUCT REVIEW PROCESS AND WAS EXPECTED TO PROVIDE REGISTERED REPRESENTATIVES AND SUPERVISORS TRAINING REGARDING SUCH PRODUCTS, INCLUDING THE RELEVANT SUITABILITY STANDARDS. HOWEVER, AS OF JANUARY 2016, AND THROUGHOUT THE RELEVANT PERIOD, APFS DID NOT SUBJECT VXX TO A REVIEW PROCESS, NOR DID IT IDENTIFY VXX AS COMPLEX SUCH THAT REGISTERED REPRESENTATIVES AND SUPERVISORS COULD PROPERLY ASSESS SUITABILITY AND OTHER ISSUES. MOREOVER, AND SIGNIFICANTLY, APFS PROVIDED NO TRAINING REGARDING VXX.



AS A RESULT OF THE CONDUCT DESCRIBED ABOVE, PURSUANT TO EXCHANGE ACT SECTION 15(B)(4)(E), APFS FAILED REASONABLY TO SUPERVISE CERTAIN APFS REGISTERED REPRESENTATIVES WITH A VIEW TO PREVENTING AND DETECTING THEIR VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT. IF APFS HAD REASONABLY IMPLEMENTED ITS POLICIES AND PROCEDURES WITH RESPECT TO COMPLEX ETPS, APFS COULD HAVE PREVENTED AND DETECTED THE BROKERAGE REPRESENTATIVES' VIOLATIONS.

<b>Initiated By:</b>	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	11/13/2020
<b>Docket/Case Number:</b>	3-20151
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EXCHANGE TRADED PRODUCT
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	11/13/2020
<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>Sanctions Ordered:</b>	Censure Monetary/Fine \$650,000.00 Disgorgement/Restitution
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE FIRM WAS CENSURED, SHALL PAY, JOINTLY AND SEVERALLY WITH APA, A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$650,000, AND SHALL PAY DISGORGEMENT OF \$2,588 AND PREJUDGMENT INTEREST OF \$484.
<b>Regulator Statement</b>	APFS HAS SUBMITTED AN OFFER OF SETTLEMENT (THE OFFER) WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. AS A RESULT OF ITS CONDUCT, PURSUANT TO EXCHANGE ACT SECTION 15(B)(4)(E), APFS FAILED REASONABLY TO SUPERVISE CERTAIN APFS REGISTERED REPRESENTATIVES WITH A VIEW TO PREVENTING AND DETECTING THEIR VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT.



ACCORDINGLY, THE FIRM IS CENSURED, SHALL PAY, JOINTLY AND SEVERALLY WITH APA, A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$650,000, AND SHALL PAY DISGORGEMENT OF \$2,588 AND PREJUDGMENT INTEREST OF \$484.

---

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT"), AND SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT"), AGAINST AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC. ("APFS") AND AMERICAN PORTFOLIOS ADVISORS, INC. ("APA") (COLLECTIVELY, THE "RESPONDENTS"). THE COMMISSION FINDS THAT THIS MATTER CONCERNS APFS'S FAILURE REASONABLY TO SUPERVISE CERTAIN APFS REGISTERED REPRESENTATIVES WHO RECOMMENDED THEIR BROKERAGE CUSTOMERS BUY AND HOLD A COMPLEX EXCHANGE TRADED PRODUCT ("ETP") WITHOUT A REASONABLE BASIS FOR BELIEVING THE RECOMMENDATION WAS SUITABLE FOR THEIR CUSTOMERS. THOSE CUSTOMERS LOST SIGNIFICANT PORTIONS OF THEIR INVESTMENT. THE REGISTERED REPRESENTATIVES DID NOT UNDERSTAND THE PRODUCT, MISREPRESENTED ITS RISKS AND RECOMMENDED IT FOR A PURPOSE INCONSISTENT WITH THAT DESCRIBED IN THE PRODUCT'S OFFERING MATERIALS. APFS FAILED REASONABLY TO IMPLEMENT ITS SUPERVISORY POLICIES AND PROCEDURES TO ADDRESS WHETHER THE REGISTERED REPRESENTATIVES UNDERSTOOD THE PRODUCT SUFFICIENTLY TO BE ABLE TO FORM A REASONABLE BASIS TO RECOMMEND THAT RETAIL BROKERAGE CUSTOMERS BUY AND HOLD THE ETP. IN ADDITION, APA FAILED TO ADOPT AND IMPLEMENT POLICIES AND PROCEDURES REGARDING THE SUITABILITY OF COMPLEX ETPS FOR ADVISORY CLIENTS. THROUGHOUT THE RELEVANT PERIOD, APFS HAD POLICIES AND PROCEDURES CONCERNING SUITABILITY OF RECOMMENDATIONS AND COMPLEX PRODUCTS, INCLUDING ETPS LIKE IPATH S&P 500 VIX SHORT-TERM FUTURES ETN ("VXX"). THE POLICIES AND PROCEDURES DIRECT THAT REGISTERED REPRESENTATIVES UNDERSTAND THE POTENTIAL RISKS AND REWARDS OF A RECOMMENDATION, AS WELL AS HAVE A REASONABLE BASIS FOR BELIEVING A RECOMMENDED TRANSACTION IS SUITABLE FOR A CUSTOMER. THE POLICIES AND PROCEDURES ALSO MAKE CLEAR THAT APFS WAS EXPECTED TO SUBJECT COMPLEX PRODUCTS TO A NEW PRODUCT REVIEW PROCESS AND WAS EXPECTED



TO PROVIDE REGISTERED REPRESENTATIVES AND SUPERVISORS TRAINING REGARDING SUCH PRODUCTS, INCLUDING THE RELEVANT SUITABILITY STANDARDS. HOWEVER, AS OF JANUARY 2016, AND THROUGHOUT THE RELEVANT PERIOD, APFS DID NOT SUBJECT VXX TO A REVIEW PROCESS, NOR DID IT IDENTIFY VXX AS COMPLEX SUCH THAT REGISTERED REPRESENTATIVES AND SUPERVISORS COULD PROPERLY ASSESS SUITABILITY AND OTHER ISSUES. MOREOVER, AND SIGNIFICANTLY, APFS PROVIDED NO TRAINING REGARDING VXX. AS A RESULT OF THE CONDUCT DESCRIBED ABOVE, PURSUANT TO EXCHANGE ACT SECTION 15(B)(4)(E), APFS FAILED REASONABLY TO SUPERVISE CERTAIN APFS REGISTERED REPRESENTATIVES WITH A VIEW TO PREVENTING AND DETECTING THEIR VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT. IF APFS HAD REASONABLY IMPLEMENTED ITS POLICIES AND PROCEDURES WITH RESPECT TO COMPLEX ETPS, APFS COULD HAVE PREVENTED AND DETECTED THE BROKERAGE REPRESENTATIVES' VIOLATIONS.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 11/13/2020

**Docket/Case Number:** 3-20151

**Principal Product Type:** Other

**Other Product Type(s):** EXCHANGE TRADED PRODUCT

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order

**Resolution Date:** 11/13/2020

**Sanctions Ordered:** Censure  
Monetary/Fine \$650,000.00  
Disgorgement/Restitution

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED, SHALL PAY, JOINTLY AND SEVERALLY WITH APA, A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$650,000, AND SHALL PAY DISGORGEMENT OF \$2,588 AND PREJUDGMENT INTEREST OF \$484.

#### Disclosure 2 of 5

**Reporting Source:** Regulator



<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT ENGAGED IN UNSUITABLE MUTUAL FUND SWITCHING, THROUGH ITS REGISTERED REPRESENTATIVES, RESULTING IN THEIR CUSTOMERS INCURRING APPROXIMATELY \$91,000 IN UNNECESSARY SALES CHARGES. THE FINDINGS STATED THAT THE FIRM HAS RETURNED THAT AMOUNT TO THE CUSTOMERS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND ENFORCE A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO DETECT AND PREVENT UNSUITABLE MUTUAL FUND SWITCHING. WHILE THE FIRM PUT IN PLACE A SWITCH ALERT, IT DID NOT ENSURE THAT SUPERVISORS TOOK APPROPRIATE STEPS TO INVESTIGATE THOSE ALERTS. THUS, ALTHOUGH MANY OF THE TRANSACTIONS EFFECTED BY THE REGISTERED REPRESENTATIVES TRIGGERED SWITCH ALERTS, IT DID NOT FOLLOW UP ON THEM. ADDITIONALLY, THE FIRM, THROUGH ITS DESIGNATED SUPERVISING PRINCIPALS, APPROVED ALL OF THE MUTUAL FUND SWITCHES EFFECTED BY THE REGISTERED REPRESENTATIVES, DESPITE THE PRESENCE OF A NUMBER OF RED FLAGS.</p>
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	12/31/2015
<b>Docket/Case Number:</b>	<a href="#">2013035369502</a>
<b>Principal Product Type:</b>	Mutual Fund(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/31/2015
<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>Sanctions Ordered:</b>	<p>Censure</p> <p>Monetary/Fine \$50,000.00</p>

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$50,000. FINE PAID IN FULL  
JANUARY 21, 2016.

---

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FROM MAY 2011 THROUGH MAY 2013 , THE FIRM THROUGH TWO OF ITS REPRESENTATIVES VIOLATED NASD CONDUCT RULE 2310 IM2310-2AND FINRA RULES 2111 AND 2010 BY ENGAGING IN UNSUITABLE MUTUAL FUND SWITCHING AS WELL AS NASD RULE 3010 AND FINRA 2010 BY FAILING TO ESTABLISH AND ENFORCE WSP'S DESIGNED TO DETECT AND PREVENT UNSUITABLE MUTUAL FUND SWITCHING.

**Initiated By:** FINRA

**Date Initiated:** 12/31/2015

**Docket/Case Number:** [2013035369502](#)

**Principal Product Type:** Mutual Fund(s)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/31/2015

**Sanctions Ordered:** Censure  
Monetary/Fine \$50,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS , THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. THEREFORE IT IS CENSURED AND FINED \$50,000.00.

---

**Disclosure 3 of 5**

**Reporting Source:** Regulator

**Current Status:** Final



**Allegations:**

FINRA RULE 2010, NASD RULES 3010 AND 2110:  
 UNDER SECTION 5(B)(2) OF THE SECURITIES ACT, DELIVERY OF  
 EXCHANGE TRADED FUNDS (ETFs) AND UNIT INVESTMENT TRUSTS (UITs)  
 IS PROHIBITED UNLESS SUCH DELIVERY IS ACCOMPANIED BY OR  
 PRECEDED BY A COPY OF A PROSPECTUS, OR A WRITTEN DESCRIPTION  
 IF CERTAIN CONDITIONS WERE MET. AMERICAN PORTFOLIOS DID NOT  
 HAVE ADEQUATE WRITTEN PROCEDURES REGARDING THE DELIVERY OF  
 ETF OR UIT PROSPECTUSES.  
 AMERICAN PORTFOLIOS SIGNED AN AGREEMENT FOR PROSPECTUS  
 DELIVERY FACILITATION SERVICES (AGREEMENT) WITH ANOTHER FINRA  
 MEMBER FIRM FOR DELIVERY OF ETF AND UIT PROSPECTUSES.  
 ALTHOUGH AMERICAN PORTFOLIOS RETAINED THE OTHER FIRM TO  
 DELIVER ITS ETF AND UIT PROSPECTUSES, IT REMAINED AMERICAN  
 PORTFOLIOS' RESPONSIBILITY TO REVIEW TRANSACTION ACTIVITY ON A  
 REGULAR BASIS AND VERIFY THAT A PROSPECTUS WAS PROPERLY  
 DELIVERED WHEN REQUIRED.  
 TO ASSIST AMERICAN PORTFOLIOS IN FULFILLING ITS DELIVERY  
 OBLIGATIONS, THE OTHER FIRM MADE AVAILABLE DAILY AND MONTHLY  
 EXCEPTION REPORTS ONLINE. THESE EXCEPTION REPORTS LISTED ALL  
 PROSPECTUSES THAT WERE NOT DELIVERED ON A TRADE DATE, AND THE  
 REASON EACH PROSPECTUS WAS NOT DELIVERED.  
 AMERICAN PORTFOLIOS FAILED TO ADEQUATELY REVIEW THE EXCEPTION  
 REPORTS PROVIDED BY THE OTHER FIRM, AND FAILED TO OTHERWISE  
 REVIEW OR MONITOR THE FUNCTIONS IT DELEGATED TO THE OTHER  
 FIRM. AS A RESULT, AMERICAN PORTFOLIOS FAILED TO DETECT THAT THE  
 OTHER FIRM HAD FAILED TO TIMELY DELIVER APPROXIMATELY 302  
 PROSPECTUSES. ACCORDINGLY, AMERICAN PORTFOLIOS FAILED TO  
 TIMELY DELIVER THE REQUIRED PROSPECTUSES OR WRITTEN  
 DESCRIPTIONS IN CONNECTION WITH THESE ETF AND UIT PURCHASES.

**Initiated By:** FINRA

**Date Initiated:** 05/28/2013

**Docket/Case Number:** [2012033328301](#)

**Principal Product Type:** Unit Investment Trust(s)

**Other Product Type(s):** EXCHANGE TRADED FUNDS

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/28/2013





**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?**

No

**Sanctions Ordered:**

Censure  
Monetary/Fine \$25,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE IT IS CENSURED AND FINED \$25,000. FINE PAID ON JUNE 18, 2013.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

FINRA RULE 2010, NASD RULES 3010 AND 2110: UNDER SECTION 5(B)(2) OF THE SECURITIES ACT, DELIVERY OF EXCHANGE TRADED FUNDS (ETFs) AND UNIT INVESTMENT TRUSTS (UITs) IS PROHIBITED UNLESS SUCH DELIVERY IS ACCOMPANIED BY OR PRECEDED BY A COPY OF A PROSPECTUS, OR A WRITTEN DESCRIPTION IF CERTAIN CONDITIONS WERE MET. AMERICAN PORTFOLIOS DID NOT HAVE ADEQUATE WRITTEN PROCEDURES REGARDING THE DELIVERY OF ETF OR UIT PROSPECTUSES. AMERICAN PORTFOLIOS SIGNED AN AGREEMENT FOR PROSPECTUS DELIVERY FACILITATION SERVICES (AGREEMENT) WITH ANOTHER FINRA MEMBER FIRM FOR DELIVERY OF ETF AND UIT PROSPECTUSES. ALTHOUGH AMERICAN PORTFOLIOS RETAINED THE OTHER FIRM TO DELIVER ITS ETF AND UIT PROSPECTUSES, IT REMAINED AMERICAN PORTFOLIOS' RESPONSIBILITY TO REVIEW TRANSACTION ACTIVITY ON A REGULAR BASIS AND VERIFY THAT A PROSPECTUS WAS PROPERLY DELIVERED WHEN REQUIRED. TO ASSIST AMERICAN PORTFOLIOS IN FULFILLING ITS DELIVERY OBLIGATIONS, THE OTHER FIRM MADE AVAILABLE DAILY AND MONTHLY EXCEPTION REPORTS ONLINE. THESE EXCEPTION REPORTS LISTED ALL PROSPECTUSES THAT WERE NOT DELIVERED ON A TRADE DATE, AND THE REASON EACH PROSPECTUS WAS NOT DELIVERED. AMERICAN PORTFOLIOS FAILED TO ADEQUATELY REVIEW THE EXCEPTION REPORTS PROVIDED BY THE OTHER FIRM, AND FAILED TO OTHERWISE REVIEW OR MONITOR THE FUNCTIONS IT DELEGATED TO THE OTHER FIRM. AS A RESULT, AMERICAN PORTFOLIOS FAILED TO DETECT THAT THE OTHER FIRM HAD FAILED TO TIMELY DELIVER APPROXIMATELY 302 PROSPECTUSES. ACCORDINGLY, AMERICAN PORTFOLIOS FAILED TO TIMELY DELIVER THE REQUIRED



PROSPECTUSES OR WRITTEN DESCRIPTIONS IN CONNECTION WITH THESE ETF AND UIT PURCHASES.

**Initiated By:** FINRA

**Date Initiated:** 05/28/2013

**Docket/Case Number:** [2012033328301](#)

**Principal Product Type:** Unit Investment Trust(s)

**Other Product Type(s):** EXCHANGE TRADED FUNDS

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/28/2013

**Sanctions Ordered:** Censure  
Monetary/Fine \$25,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE IT IS CENSURED AND FINED \$25,000.

**Firm Statement** THE PROSPECTUS DELIVERY REVIEW PROCEDURE WAS IMMEDIATELY MODIFIED TO INSURE THAT ALL CLIENTS RECEIVE REQUIRED PROSPECTUS ON A TIMELY BASIS.

#### Disclosure 4 of 5

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULE 6955(A) - AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC. FAILED TO TRANSMIT REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS).

**Initiated By:** FINRA

**Date Initiated:** 07/28/2010

**Docket/Case Number:** 2008015727001

**Principal Product Type:** No Product



**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/28/2010

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$5,000.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINRA/NASD RULE 6955(A)- AMER. PORTFOLIOS FINCL. SERVICES FAILED TO TRANSMIT REPORTABLE EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS). ALL TRADES WERE REPORTED BY THE FIRM'S FULLY DISCLOSED CLEARING FIRM WITHOUT THE MPID.

**Initiated By:** FINRA

**Date Initiated:** 07/28/2010

**Docket/Case Number:** 2008015727001

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**


**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/28/2010

**Sanctions Ordered:** Censure  
Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$5000.

**Firm Statement** TRADES IN QUESTION WERW REPORTED TO OATS IN A TIMELY FASHION. DUE TO A MIS-UNDERSTANDING WITH THE FIRM'S FULLY DISCLOSED CLEARING FIRM, THE OATS REPORTS DID NOT IDENTIFY AMER. PROTFOLIOS FINANCIAL SERVICES

**Disclosure 5 of 5**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 2110, 3010 AND MSRB RULES G-14 AND G-27: RESPONDENT MEMBER FIRM FILED TO TIMELY REPORT OF ITS MUNICIPAL SECURITIES CUSTOMER TRANSACTIONS TO THE MSRB; IT FAILED TO ADOPT, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE MUNICIPAL TRANSACTION REPORTING REQUIREMENTS OF MSRB RULES. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO INCLUDE THE IDENTITY OF THE PERSON RESPONSIBLE FOR THE SUPERVISORY AREA, HOW OFTEN THE REVIEW WAS TO OCCUR, AND HOW THE REVIEW WAS TO BE DOCUMENTED.

**Initiated By:** NASD

**Date Initiated:** 08/24/2006

**Docket/Case Number:** ELI2005001701

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**


**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 08/24/2006

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$7,500.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD RULES 2110, 3010 AND MSRB RULES G-14 AND G-27: RESPONDENT MEMBER FIRM FILED TO TIMELY REPORT OF ITS MUNICIPAL SECURITIES CUSTOMER TRANSACTIONS TO THE MSRB; IT FAILED TO ADOPT, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE MUNICIPAL TRANSACTION REPORTING REQUIREMENTS OF MSRB RULES. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO INCLUDE THE IDENTITY OF THE PERSON RESPONSIBLE FOR THE SUPERVISORY AREA, HOW OFTEN THE REVIEW WAS TO OCCUR, AND HOW THE REVIEW WAS TO BE DOCUMENTED.

**Initiated By:** NASD

**Date Initiated:** 08/24/2006

**Docket/Case Number:** ELI2005001701

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**



**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 08/24/2006

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$7,500.



## Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at [www.finra.org/awardsonline](http://www.finra.org/awardsonline).

### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	04/10/2015
<b>Case Number:</b>	<a href="#">15-00585</a>
<b>Disputed Product Type:</b>	REAL ESTATE INVESTMENT TRUST; VARIABLE ANNUITIES
<b>Sum of All Relief Requested:</b>	Unspecified Damages
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	11/02/2017
<b>Sum of All Relief Awarded:</b>	\$461,387.15

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

## End of Report



**This page is intentionally left blank.**