

## BrokerCheck Report

# PAUL CRAGG LARSEN

CRD# 1066833

Report #95952-78151, data current as of Wednesday, November 12, 2014.

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## 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 <http://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.



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).

Thank you for using FINRA BrokerCheck.

**PAUL C. LARSEN**

CRD# 1066833

This broker is not currently registered.

## Report Summary for this Broker



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

### Broker Qualifications

**This broker is not currently registered.**

#### This broker has passed:

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

### Registration History

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

**VSR FINANCIAL SERVICES, INC.**

CRD# 14503  
NAPLES, FL  
06/2004 - 09/2010

**PROEQUITIES, INC.**

CRD# 15708  
BIRMINGHAM, AL  
05/2002 - 06/2004

**ROAN-MEYERS ASSOCIATES, LP**

CRD# 34171  
NEW YORK, NY  
10/2001 - 06/2002

### Disclosure Events

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

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

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

Type	Count
Regulatory Event	1
Customer Dispute	13
Termination	1

### Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at

<http://www.adviserinfo.sec.gov>

## Broker Qualifications



### Registrations

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

This broker is not currently registered.



## Broker Qualifications

### Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

**This individual has passed 0 principal/supervisory exams, 4 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
National Commodity Futures Examination	Series 3	08/31/1987
Investment Company Products/Variable Contracts Representative Examination	Series 6	09/22/1982
General Securities Representative Examination	Series 7	04/22/1993
Futures Managed Funds Examination	Series 31	10/13/1993

### State Securities Law Exams

Exam	Category	Date
Uniform Securities Agent State Law Examination	Series 63	04/26/1993
Uniform Combined State Law Examination	Series 66	09/23/2004

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



## Registration and Employment History

### Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
06/2004 - 09/2010	VSR FINANCIAL SERVICES, INC.	14503	NAPLES, FL
05/2002 - 06/2004	PROEQUITIES, INC.	15708	BIRMINGHAM, AL
10/2001 - 06/2002	ROAN-MEYERS ASSOCIATES, LP	34171	NEW YORK, NY
08/1995 - 10/2001	FAS WEALTH MANAGEMENT SERVICES, INC.	10164	SARASOTA, FL
04/1993 - 08/1995	DEAN WITTER REYNOLDS INC.	7556	PURCHASE, NY
01/1989 - 12/1989	R.J. STEICHEN & COMPANY	694	
03/1988 - 01/1989	R.J. STEICHEN & COMPANY	694	
07/1986 - 03/1988	A. G. EDWARDS & SONS, INC.	4	
09/1982 - 07/1986	IRI SECURITIES CORPORATION	10004	

### 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 Dates	Employer Name	Employer Location
06/2004 - Present	ICG ADVISORS, INC	NAPLES, FL
06/1989 - Present	PAUL C LARSEN P.A.	NAPLES, FL
08/2007 - 09/2010	VSR ADVISORY SERVICES	OVERLAND PARK, KS
06/2004 - 09/2010	VSR FINANCIAL SERVICES INC	OVERLAND PARK, KS
06/2004 - 08/2007	THE MASTERS (DIVISION OF VSR)	OVERLAND PARK, KS



## Registration and Employment History

### 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.

INSURANCE SALES; DBA- ICG ADVISORS, INC //  
STEINBERG & ASSOCIATES/ NOT INVESTMENT RELATED/ 6162 SEA GRASS LN. NAPLES FL 34116/ REAL  
ESTATE BROKERAGE/ SALESMAN/ MAY 1989/ LESS THAN 10 HOURS PER MONTH/ ROUGHLY NO TRADING  
HOURS/ VERY NOMINAL TIME SPENT //  
PAUL C. LARSEN, PA/ 5869 SEA GRASS LN. NAPLES FL 34116/ FEE RECEIVING/ PRESIDENT/ JUNE 1989/ 2  
HOURS PER MONTH/ NO TRADING HOURS/ RECEIVES FEES FOR AGRI-BUSINESS AND RE CONSULTING FOR  
TAX PURPOSES // PRJ GROUP/ NOT INVESTMENT RELATED/ PO BOX 990486, NAPLES FL 34116/  
MANAGEMENT CONSULTING SERVICES/ CONOOOSULTANT/ FEBRUARY 2007/ 10-20 HOURS PER MONTH/  
LESS THAN 1 TRADING HOUR/ CONSULTING SERVICES FOR AGRI-BUSINESS COMPANY // ASLAN GROUP/  
NOT INVESTMENT RELATED/ PO BOX 990486, NAPLES FL 34116/ MANAGEMENT CONSULTING SERVICE/  
CONSULTANT/ OCTOBER 2009/ 10-20 HOURS PER MONTH/ LESS THAN 1 TRADING HOUR/ CONSULTING  
SERVICE FOR AGRI-BUSINESS COMPANY //

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## Disclosure Events

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

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
  - A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
  - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - A "pending" event involves allegations that have not been proven or formally adjudicated.
    - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - A "final" event has been concluded and its resolution is not subject to change.
  - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

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

	Pending	Final	On Appeal
Regulatory Event	0	1	0





Customer Dispute	6	7	N/A
Termination	N/A	1	N/A



## Disclosure Event Details

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

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

### Regulatory - Final

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

#### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	12/07/2011
<b>Docket/Case Number:</b>	<a href="#">2010024179001</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	VSR FINANCIAL SERVICES, INC.
<b>Product Type:</b>	No Product
<b>Allegations:</b>	FINRA RULES 2010, 8210: LARSEN FAILED TO RESPOND TO FINRA REQUEST FOR INFORMATION AND DOCUMENTATION REGARDING POSSIBLE UNDISCLOSED OUTSIDE BUSINESS ACTIVITIES AND/OR PRIVATE SECURITIES TRANSACTIONS. LARSEN, THROUGH COUNSEL, ADVISED FINRA THAT HE WOULD NOT PROVIDE FINRA WITH THE REQUESTED INFORMATION AND DOCUMENTATION.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)



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

No

**Resolution Date:**

12/07/2011

**Sanctions Ordered:**

Bar (Permanent)

**If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?**

No

**(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?**



**(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or**

**(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?**

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

**Sanction Type:** Bar (Permanent)

**Capacities Affected:** ANY CAPACITY

**Duration:**

**Start Date:** 12/07/2011

**End Date:**



**Regulator Statement**

WITHOUT ADMITTING OR DENYING THE FINDINGS, LARSEN CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, HE IS BARRED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY.



## 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

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	VSR FINANCIAL SERVICES, INC
<b>Allegations:</b>	ALLEGED BREACH OF INDUSTRY RULES AND VIOLATIONS OF THE FLORIDA SECURITIES ACT, COMMON LAW FRAUD, MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, AND NEGLIGENCE. ACTIVITIES DATED 03/2006-12/2009.
<b>Product Type:</b>	Oil & Gas Real Estate Security Other: LAND ACQUISITION AND WATER RIGHTS
<b>Alleged Damages:</b>	\$385,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	12-03982
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	11/19/2012

### Customer Complaint Information

<b>Date Complaint Received:</b>	12/03/2012
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	07/17/2013
<b>Settlement Amount:</b>	\$132,500.00



**Individual Contribution Amount:** \$0.00

### Disclosure 2 of 7

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** VSR FINANCIAL SERVICES, INC.

**Allegations:** ALLEGED VIOLATION OF THE FLORIDA SECURITIES ACT, COMMON LAW FRAUD AND MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, AND NEGLIGENCE/BREACH OF INDUSTRY RULES. ACTIVITY DATED 11/10/2006 THROUGH 05/26/2009.

**Product Type:** Direct Investment-DPP & LP Interests  
Oil & Gas  
Real Estate Security  
Other: LAND ACQUISITION

**Alleged Damages:** \$205,621.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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

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

**Docket/Case #:** 12-02994

**Filing date of arbitration/CFTC reparation or civil litigation:** 08/17/2012

### Customer Complaint Information

**Date Complaint Received:** 08/21/2012

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 12/19/2012

**Settlement Amount:** \$55,000.00



**Individual Contribution Amount:** \$0.00

### Disclosure 3 of 7

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** VSR FINANCIAL SERVICES, INC

**Allegations:** ALLEGED FRAUD, MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, NEGLIGENCE, BREACH OF INDUSTRY RULES, VIOLATIONS OF FL SECURITIES ACT. ACTIVITIES DATED 6/22/2007-9/12/2008.

**Product Type:** Direct Investment-DPP & LP Interests  
Mutual Fund  
Oil & Gas  
Real Estate Security  
Other: LAND ACQUISITION AND WATER RIGHTS

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

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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

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

**Docket/Case #:** 12-01275

**Filing date of arbitration/CFTC reparation or civil litigation:** 04/04/2012

### Customer Complaint Information

**Date Complaint Received:** 04/05/2012

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/02/2013

**Settlement Amount:** \$440,000.00





**Individual Contribution Amount:** \$0.00

#### Disclosure 4 of 7

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** VSR FINANCIAL SERVICES, INC

**Allegations:** ALLEGED VIOLATION OF MINNESOTA SECURITIES ACT, COMMON LAW FRAUD, MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, AND NEGLIGENCE. ACTIVITIES DATED MAY 2006- JUNE 2010.

**Product Type:** Direct Investment-DPP & LP Interests  
Oil & Gas  
Real Estate Security

**Alleged Damages:** \$555,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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

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

**Docket/Case #:** 12-00513

**Filing date of arbitration/CFTC reparation or civil litigation:** 02/16/2012

#### Customer Complaint Information

**Date Complaint Received:** 02/23/2012

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/02/2013

**Settlement Amount:** \$361,250.00

**Individual Contribution Amount:** \$0.00



### Disclosure 5 of 7

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	VSR FINANCIAL SERVICES, INC
<b>Allegations:</b>	ALLEGED FRAUD, MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, NEGLIGENCE, BREACH OF INDUSTRY RULES, AND VIOLATIONS OF FLORIDA SECURITIES ACT. ACTIVITIES DATED 10/30/2006-5/23/2008.
<b>Product Type:</b>	Direct Investment-DPP & LP Interests Oil & Gas Real Estate Security
<b>Alleged Damages:</b>	\$600,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	12-00574
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	02/16/2012

### Customer Complaint Information

<b>Date Complaint Received:</b>	03/01/2012
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	07/02/2013
<b>Settlement Amount:</b>	\$115,000.00
<b>Individual Contribution Amount:</b>	\$0.00



## Disclosure 6 of 7

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	VSR FINANCIAL SERVICES, INC
<b>Allegations:</b>	CLAIMANTS ALLEGE UNSUITABILITY, FAILURE TO OBSERVE STANDARDS OF COMMERCIAL HONOR, MISREPRESENTATION, NEGLIGENCE, BREACH OF FIDUCIARY DUTY, COMMON LAW FRAUD, CONVERSION, PROMISSORY ESTOPPEL, UNJUST ENRICHMENT, CIVIL THEFT, AND VIOLATION OF MN SECURITIES ACT. ACTIVITIES DATED 6/2008-11/2008.
<b>Product Type:</b>	Other: 1031 EXCHANGE
<b>Alleged Damages:</b>	\$83,009.83
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	PLUS COSTS AND ATTORNEY FEES AND PUNITIVE DAMAGES.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	11-03091
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	08/01/2011

## Customer Complaint Information

<b>Date Complaint Received:</b>	09/20/2011
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	06/25/2012
<b>Settlement Amount:</b>	\$55,000.00
<b>Individual Contribution Amount:</b>	\$0.00



## Disclosure 7 of 7

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	VSR FINANCIAL SERVICES ,INC
<b>Allegations:</b>	ALLEGED UNSUITABILITY, FAILURE TO OBSERVE STANDARDS OF COMMERCIAL HONOR, MISREPRESENTATION, NEGLIGENCE, BREACH OF FIDUCIARY DUTY, COMMON LAW FRAUD AND VIOLATIONS OF MINNESOTA SECURITIES ACT. ACTIVITIES DATED 12/9/2007-07/2010.
<b>Product Type:</b>	Other: 1031 EXCHANGE
<b>Alleged Damages:</b>	\$250,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	PLUS REASONABLE COSTS AND ATTORNEYS FEES AND PUNITIVE DAMAGES.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	11-02400
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	07/29/2011
<b>Customer Complaint Information</b>	
<b>Date Complaint Received:</b>	08/01/2011
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	12/10/2012
<b>Settlement Amount:</b>	\$75,000.00



**Individual Contribution  
Amount:** \$0.00



## 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 6

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** VSR FINANCIAL SERVICES, INC

**Allegations:** FRAUD, NEGLIGENT MISREPRESENTATION, BREACH OF FIDUCIARY DUTY AND NEGLIGENCE. ACTIVITIES DATED 10/5/2007.

**Product Type:** Other: WATER RIGHTS

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

### Civil Litigation Information

**Type of Court:** State Court

**Name of Court:** FOURTH JUDICIAL DISTRICT COURT

**Location of Court:** HENNEPIN COUNTY, MINNESOTA

**Docket/Case #:** NONE

**Date Notice/Process Served:** 05/12/2014

**Litigation Pending?** Yes

### Disclosure 2 of 6

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** VSR FINANCIAL SERVICES, INC.

**Allegations:** ALLEGED UNSUITABLE INVESTMENTS. ACTIVITIES DATED 9/1/2005-7/23/2007.

**Product Type:** Direct Investment-DPP & LP Interests  
Real Estate Security

**Alleged Damages:** \$175,000.00

**Is this an oral complaint?** No



**Is this a written complaint?** Yes

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

### Customer Complaint Information

**Date Complaint Received:** 04/16/2014

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution  
Amount:**

### Disclosure 3 of 6

**Reporting Source:** Firm

**Employing firm when  
activities occurred which led  
to the complaint:** VSR FINANCIAL SERVICES, INC.

**Allegations:** ALLEGED FRAUD, MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, NEGLIGENCE AND BRANCH OF INDUSTRY RULES. ACTIVIES DATED 8/1/2005-05/2011.

**Product Type:** Direct Investment-DPP & LP Interests  
Oil & Gas  
Promissory Note  
Real Estate Security  
Other: WATER RIGHTS

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

**Is this an oral complaint?** No

**Is this a written complaint?** No

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

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

**Docket/Case #:** 14-00604

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 02/21/2014



## Customer Complaint Information

**Date Complaint Received:** 04/16/2014

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution Amount:**

### Disclosure 4 of 6

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** VSR FINANCIAL SERVICES, INC.

**Allegations:** ALLEGES FRAUD, CONSTRUCTIVE FRAUD, MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, NEGLIGENCE AND BREACH OF INDUSTRY RULES. ACTIVITIES DATED 10/18/2005 THROUGH DECEMBER 2009.

**Product Type:** Direct Investment-DPP & LP Interests  
Oil & Gas  
Promissory Note  
Real Estate Security

**Alleged Damages:** \$540,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

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

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

**Docket/Case #:** 14-00478

**Filing date of arbitration/CFTC reparation or civil litigation:** 02/10/2014

## Customer Complaint Information

**Date Complaint Received:** 02/24/2014

**Complaint Pending?** Yes



**Settlement Amount:****Individual Contribution Amount:****Disclosure 5 of 6**

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	VSR FINANCIAL SERVICES, INC.
<b>Allegations:</b>	CLIENT ALLEGES VIOLATION OF THE FLORIDA SECURITIES ACT, COMMON LAW FRAUD AND MISREPRESENTATION, NEGLIGENCE/BREACH OF INDUSTRY RULES FOR ACTIVITIES OCCURRING JUNE 2004-SEPTEMBER 2010.
<b>Product Type:</b>	Direct Investment-DPP & LP Interests Oil & Gas Real Estate Security
<b>Alleged Damages:</b>	\$2,000,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	13-02885
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	10/01/2013

**Customer Complaint Information**

<b>Date Complaint Received:</b>	11/11/2013
<b>Complaint Pending?</b>	Yes
<b>Settlement Amount:</b>	

**Individual Contribution Amount:**



## Disclosure 6 of 6

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	VSR FINANCIAL SERVICES INC.
<b>Allegations:</b>	ALLEGED UNSUITABLE INVESTMENTS DURING THE TIME FRAME OF 10/1/2004-1/21/2009.
<b>Product Type:</b>	Direct Investment-DPP & LP Interests Oil & Gas Real Estate Security
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	THE FIRM HAS MADE A GOOD FAITH DETERMINATION THAT THE LOSSES INCURRED WERE IN EXCESS OF \$5,000.00.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

## Customer Complaint Information

<b>Date Complaint Received:</b>	09/24/2013
<b>Complaint Pending?</b>	Yes
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	



## Employment Separation After Allegations

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

### Disclosure 1 of 1

<b>Reporting Source:</b>	Firm
<b>Employer Name:</b>	VSR FINANCIAL SERVICES, INC
<b>Termination Type:</b>	Discharged
<b>Termination Date:</b>	09/13/2010
<b>Allegations:</b>	REPRESENTATIVE FAILED TO DISCLOSE SEVERAL OUTSIDE BUSINESS ACTIVITIES IN WHICH HE WAS INVOLVED.
<b>Product Type:</b>	Other: 1031 EXCHANGE
<b>Firm Statement</b>	THE FIRM RECEIVED INFORMATION ALLEGING THE REPRESENTATIVE 'ILLEGALLY' TOOK FUNDS RELATED TO A REAL ESTATE TRANSACTION IN 2008. THE PERSONS ALLEGING THE MISCONDUCT WERE NOT CUSTOMERS OF THE MEMBER AND THE REAL ESTATE TRANSACTION (INTENDED TO BE A 1031 EXCHANGE) WAS NOT DISCLOSED TO, AND/OR APPROVED BY, THE MEMBER. DURING OUR REVIEW INTO THE MATTER, IT WAS DISCOVERED THAT THE REPRESENTATIVE HAD SEVERAL OUTSIDE BUSINESSES IN WHICH HE WAS INVOLVED THAT HE FAILED TO DISCLOSE TO THE MEMBER. IT APPEARS THAT THE FUNDS IN QUESTION FLOWED TO, OR THROUGH, ONE OF HIS UNDISCLOSED OUTSIDE BUSINESSES. THE ACTIVITY INVOLVED NO MEMBER CUSTOMER FUNDS.

## End of Report



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