

**BrokerCheck Report**

**QUEST CAPITAL STRATEGIES, INC.**

CRD# 16783

<b><u>Section Title</u></b>	<b><u>Page(s)</u></b>
Report Summary	1
Firm Profile	2 - 5
Firm History	6
Firm Operations	7 - 13
Disclosure Events	14

## 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)

**QUEST CAPITAL STRATEGIES, INC.**

CRD# 16783

SEC# 8-34532

**Main Office Location**

23832 ROCKFIELD BLVD  
SUITE 130  
LAKE FOREST, CA 92630  
Regulated by FINRA Los Angeles Office

**Mailing Address**

28241 CROWN VALLEY PKWY  
SUITE F #438  
LAGUNA NIGUEL, CA 92677

**Business Telephone Number**

949-830-4885

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

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

**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 California on 03/18/1983.

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
- 50 U.S. states and territories

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

This firm conducts 7 types of businesses.

This firm is not affiliated with any 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	6



## Firm Profile

This firm is classified as a corporation.

This firm was formed in California on 03/18/1983.

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.

### QUEST CAPITAL STRATEGIES, INC.

Doing business as QUEST CAPITAL STRATEGIES, INC.

CRD# 16783

SEC# 8-34532

### Main Office Location

23832 ROCKFIELD BLVD  
SUITE 130  
LAKE FOREST, CA 92630

Regulated by FINRA Los Angeles Office

### Mailing Address

28241 CROWN VALLEY PKWY  
SUITE F #438  
LAGUNA NIGUEL, CA 92677

### Business Telephone Number

949-830-4885

## Other Names of this Firm

Name	Where is it used
QUEST CAPITAL	CA



## 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):** TSAI, CAROLYNE  
2272768

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

**Position** CEO, CCO, OFFICE MANAGER

**Position Start Date** 01/2018

**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

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**Legal Name & CRD# (if any):** TSAI, CAROLYNE  
2272768

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

**Position** CFO, FIN OP

**Position Start Date** 11/2002

**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

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**Legal Name & CRD# (if any):** TRAYNOR, TERRY SHAWN  
2670782

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

**Position** COMPLIANCE OFFICER

## Firm Profile



### Direct Owners and Executive Officers (continued)

<b>Position Start Date</b>	01/2017
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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## **Firm Profile**

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

## **Indirect Owners**

No information reported.



## 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 50 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	10/04/1985

### SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

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	05/13/1986



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	07/07/1995
Alaska	Approved	08/02/1989
Arizona	Approved	09/17/1992
Arkansas	Approved	08/21/2001
California	Approved	02/26/1986
Colorado	Approved	08/08/1988
Connecticut	Approved	06/24/1988
Delaware	Approved	07/10/1991
District of Columbia	Approved	05/27/1988
Florida	Approved	09/26/1988
Georgia	Approved	02/08/1990
Hawaii	Approved	01/22/1992
Idaho	Approved	11/16/1995
Illinois	Approved	02/24/1988
Indiana	Approved	07/05/1989
Iowa	Approved	01/24/1995
Kansas	Approved	01/26/1998
Kentucky	Approved	01/03/1995
Louisiana	Approved	08/24/1994
Maine	Approved	11/06/1995
Maryland	Approved	06/24/1988
Massachusetts	Approved	06/06/1988
Michigan	Approved	03/15/1991
Minnesota	Approved	02/28/1994
Mississippi	Approved	05/21/1998
Missouri	Approved	12/21/1994
Montana	Approved	08/30/1994
Nebraska	Approved	08/29/1994
Nevada	Approved	09/09/1991
New Hampshire	Approved	03/13/1990
New Jersey	Approved	04/10/1989
New Mexico	Approved	04/30/1992
New York	Approved	05/02/1988

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	10/06/1992
Ohio	Approved	03/06/1990
Oklahoma	Approved	03/24/1994
Oregon	Approved	11/26/1990
Pennsylvania	Approved	05/16/1988
Rhode Island	Approved	05/21/1992
South Carolina	Approved	05/19/1995
South Dakota	Approved	04/03/2017
Tennessee	Approved	11/14/1991
Texas	Approved	05/05/1988
Utah	Approved	04/18/1991
Vermont	Approved	06/18/2001
Virginia	Approved	07/08/1988
Washington	Approved	09/24/1990
West Virginia	Approved	08/23/1994
Wisconsin	Approved	06/20/1988
Wyoming	Approved	09/30/1992

## 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 7 types of businesses.**

#### Types of Business

- Broker or dealer retailing corporate equity securities over-the-counter
- Broker or dealer selling corporate debt securities
- Mutual fund retailer
- Broker or dealer selling variable life insurance or annuities
- Put and call broker or dealer or option writer
- Investment advisory services
- Non-exchange member arranging for transactions in listed securities by exchange member

## 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.

**Name:** RBC CAPITAL MARKETS, LLC  
**CRD #:** 31194  
**Business Address:** ONE LIBERTY PLAZA  
165 BROADWAY  
NEW YORK, NY 10006  
**Effective Date:** 10/03/2012  
**Description:** FULLY DISCLOSED CLEARING ARRANGEMENT  
RBC CAPITAL MARKETS CORPORATION REPLACES APEX CLEARING CORPORATION AS OUR CLEARING FIRM

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## Firm Operations

### Industry Arrangements



**This firm does have books or records maintained by a third party.**

**Name:** RBC CAPITAL MARKETS, LLC  
**CRD #:** 31194  
**Business Address:** ONE LIBERTY PLAZA  
 165 BROADWAY  
 NEW YORK, NY 10006  
**Effective Date:** 10/03/2012  
**Description:** FULLY DISCLOSED CLEARING ARRANGEMENT  
 RBC CAPITAL MARKETS CORPORATION REPLACES APEX CLEARING CORPORATION AS OUR CLEARING FIRM

**This firm does have accounts, funds, or securities maintained by a third party.**

**Name:** RBC CAPITAL MARKETS, LLC  
**CRD #:** 31194  
**Business Address:** ONE LIBERTY PLAZA  
 165 BROADWAY  
 NEW YORK, NY 10006  
**Effective Date:** 10/03/2012  
**Description:** FULLY DISCLOSED CLEARING ARRANGEMENT  
 RBC CAPITAL MARKETS CORPORATION REPLACES APEX CLEARING CORPORATION AS OUR CLEARING FIRM

**This firm does have customer accounts, funds, or securities maintained by a third party.**

**Name:** RBC CAPITAL MARKETS, LLC  
**CRD #:** 31194  
**Business Address:** ONE LIBERTY PLAZA  
 165 BROADWAY  
 NEW YORK, NY 10006  
**Effective Date:** 10/03/2012  
**Description:** FULLY DISCLOSED CLEARING ARRANGEMENT  
 RBC CAPITAL MARKETS CORPORATION REPLACES APEX CLEARING CORPORATION AS OUR CLEARING FIRM

## Firm Operations



### Industry Arrangements (continued)

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#### 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 not, 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.

**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.

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	0	5	0
Arbitration	N/A	6	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:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH ADEQUATE SUPERVISORY SYSTEMS AND WRITTEN SUPERVISORY PROCEDURES (WSPS). THE FINDINGS STATED THAT THE FIRM FAILED TO ESTABLISH ADEQUATE SUPERVISORY SYSTEMS AND WSPS TO SUPERVISE CERTAIN MUTUAL FUND SALES PRACTICES AND TRANSACTIONS. WHILE THE FIRM STATED THAT ITS COMPLIANCE OFFICERS CONDUCTED A SUITABILITY REVIEW CONCERNING SHARE CLASS, LETTER OF INTENT, AND BREAKPOINTS, THE FIRM FAILED TO PROVIDE DOCUMENTATION THAT ANY SUCH SUITABILITY REVIEW BY THE FIRM'S COMPLIANCE OFFICERS OCCURRED. FOR CERTAIN MUTUAL FUND TRANSACTIONS, THE FIRM COULD NOT PERFORM AN ADEQUATE SUITABILITY REVIEW. THE FINDINGS ALSO STATED THAT SPECIFICALLY, IN CERTAIN INSTANCES, THE FIRM'S REGISTERED REPRESENTATIVES FAILED TO COMPLETE AN INTERNAL FIRM FORM TITLED "MUTUAL FUND PROSPECTUS RECEIPT RISK AND BENEFIT DISCLOSURE, AND ACKNOWLEDGMENT" (MFPR FORM) FOR NEW CUSTOMERS WHO HELD MUTUAL FUNDS AS INVESTMENTS, EVEN THOUGH THOSE CUSTOMERS ENGAGED IN FURTHER MUTUAL FUND TRANSACTIONS AT THE FIRM. AS A RESULT, THE FIRM NEVER DOCUMENTED ANY REVIEW CONCERNING THE SUITABILITY OF THE MUTUAL FUND TRANSACTIONS CONCERNING THOSE CUSTOMERS. IN ADDITION, THE FIRM COULD NOT PERFORM A SUITABILITY REVIEW WITH RESPECT TO CERTAIN CUSTOMERS' MUTUAL FUND TRANSACTIONS BECAUSE THE REGISTERED REPRESENTATIVES WERE USING AN OUTDATED MFPR FORM THAT DID NOT REQUEST THE CUSTOMER'S TIME HORIZON. WITHOUT A STATED INVESTMENT TIME HORIZON, THE FIRM COULD NOT CONDUCT A SUITABILITY REVIEW OF THOSE TRANSACTIONS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO HAVE WSPS IN PLACE AS TO HOW THE FIRM WOULD MONITOR AND REVIEW ACCOUNTS TO PREVENT CHARGING A CUSTOMER BOTH AN INVESTMENT ADVISORY MANAGEMENT FEE AND A BROKER-DEALER TRANSACTION-BASED COMMISSION, AND HOW THE FIRM WOULD ENSURE THAT CUSTOMER INFORMATION IS KEPT CONFIDENTIAL, SAFEGUARDED, AND ENCRYPTED PRIOR TO SENDING ELECTRONICALLY. FINRA FOUND THAT THE FIRM'S ANNUAL TESTING PERFORMED BY AN INDEPENDENT THIRD-PARTY FIRM WAS NOT ADEQUATE AND DID NOT IDENTIFY CERTAIN DEFICIENCIES.

**Initiated By:** FINRA

**Date Initiated:** 12/16/2015

**Docket/Case Number:** [2014038995701](#)

**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:** 12/16/2015

**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:** THE FIRM WAS CENSURED AND FINED \$25,000.  
FINE PAID IN FULL ON DECEMBER 29, 2015.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE FIRM FAILED TO ESTABLISH ADEQUATE WRITTEN SUPERVISORY PROCEDURES (WSPS) RELATING TO SUPERVISION OF: 1) CERTAIN MUTUAL FUND SALES PRACTICES 2)ENSURING CUSTOMER ACCOUNTS WERE NOT CHARGED BOTH ADVISORY AND TRANSACTION FEES AND 3) COMPLIANCE WITH REG S-P REGARDING THE ENCRYPTION OF CUSTOMER INFORMATION SENT ELECTRONICALLY.

**Initiated By:** FINRA

**Date Initiated:** 12/16/2015

**Docket/Case Number:** CASE # 2014038995701

**Principal Product Type:** Other

**Other Product Type(s):**

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

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



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

**Resolution Date:** 12/16/2015

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

**Other Sanctions Ordered:** ALTHOUGH THE FIRM NEITHER ADMITS OR DENIES THE FINDINGS, THE FIRM HAS UPDATED ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) TO MORE ACCURATELY REFLECT THE ONGOING SUPERVISION OF THE AREAS SPECIFICALLY MENTIONED IN THE FINDINGS.

**Sanction Details:** ALTHOUGH THE FIRM NEITHER ADMITS OR DENIES THE FINDINGS, THE FIRM HAS UPDATED ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) TO MORE ACCURATELY REFLECT THE ONGOING SUPERVISION OF THE AREAS SPECIFICALLY MENTIONED IN THE FINDINGS. THE FIRM AGREED TO A CENSURE AND FINE OF \$25,000

#### Disclosure 2 of 5

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** QUEST CAPITAL STRATEGIES INC., OPERATED FOUR BRANCH OFFICES IN THE STATE OF NEVADA, WITHOUT LICENSING THE SAME AS REQUIRED BY NRS 90.360 AND NAC 90.392.

**Initiated By:** NEVADA

**Date Initiated:** 10/22/2013

**Docket/Case Number:** C113-245

**URL for Regulatory Action:**

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

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

**Resolution:** Order

**Resolution Date:** 01/26/2015



**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:** Monetary/Fine \$3,000.00

**Other Sanctions Ordered:**

**Sanction Details:** PURSUANT TO AN ADMINSTRATIVE CONSENT ORDER, QUEST CAPITAL STRATEGIES, INC., AGREED TO PAY A \$3,000.00 CIVIL PENALTY FOR OPERATING THE FOUR UNLICENSED BRANCHES AND \$781.30 FOR ITS FEE FOR THE INSPECTION OF RECORDS PURSUANT TO NRS 90.410.

**Regulator Statement** ALL FINES AND FEES ARE PAID IN FULL.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** QUEST CAPITAL STRATEGIES DID NOT PROPERLY OBTAIN AND MAINTAIN STATE REQUIRED BRANCH OFFICE LICENSING FOR 4 DIFFERENT LOCATIONS WITHIN THE STATE OF NEVADA.

**Initiated By:** STATE OF NEVADA

**Date Initiated:** 01/26/2015

**Docket/Case Number:** C113-245-BRM

**Principal Product Type:** No Product

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** ADMINISTRATIVE CONSENT ORDER (ACO)

**Resolution:** Consent

**Resolution Date:** 01/26/2015

**Sanctions Ordered:** Monetary/Fine \$3,000.00

**Other Sanctions Ordered:**

**Sanction Details:** QUEST CAPITAL PAID THE \$3000.00 FINE ON 1/26/2015.

**Firm Statement**

ON DECEMBER 11, 2012 QUEST WAS DIRECTED TO CLOSE 4 STATE OF NEVADA BRANCH OFFICES THAT HAD BEEN INCORRECTLY REGISTERED IN THE WEB CRD SYSTEM. ON JANUARY 13, 2013, QUEST RE-FILED WITH THE STATE OF NEVADA THE BRANCH APPLICATIONS VIA WEB CRD FOR THE 4 INDEPENDENT REPRESENTATIVES WHO RESIDED IN NEVADA. QUEST ASSUMED THE REGISTRATION OF THE 4 BRANCH OFFICES WAS SUCCESSFUL. QUEST ALSO ASSUMED THAT STATE OF NEVADA WOULD NOTIFY US IF THERE WERE SOMETHING MISSING ON THE APPLICATION BUT IT WAS NOT THE CASE. QUEST FINALLY RECEIVED APPROVAL FOR THE 4 BRANCHES IN APRIL 2013. WITHOUT ADMITTING OR DENYING THE FINDINGS, QUEST AGREED TO THE ADMINISTRATIVE CONSENT ORDER ISSUED BY THE STATE OF NEVADA.

**Disclosure 3 of 5**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 1031(A), 1120, 2110, 3010(A) AND 3010(B)(1) - RESPONDENT MEMBER MAINTAINED NASD REGISTRATIONS OF REPRESENTATIVES WHO WERE NOT ACTIVE IN FIRM'S INVESTMENT BANKING OR SECURITIES BUSINESS OR WERE NOT FUNCTIONING AS REPRESENTATIVES; ALLOWED REGISTERED INDIVIDUALS TO PERFORM DUTIES REQUIRING REGISTRATION WHILE THE STATUS OF THEIR REGISTRATIONS WAS INACTIVE BECAUSE THEY FAILED TO COMPLETE THE REGULATORY ELEMENT OF NASD'S CONTINUING EDUCATION RULE; ACTING THROUGH ITS FORMER COMPLIANCE OFFICER, FAILED TO ESTABLISH AND MAINTAIN A SYSTEM TO SUPERVISE THE ACTIVITIES OF REGISTERED REPRESENTATIVES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NASD RULES.

**Initiated By:** NASD

**Date Initiated:** 09/19/2003

**Docket/Case Number:** C02030058

**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:** 09/19/2003

**Sanctions Ordered:** Censure  
Monetary/Fine \$41,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, QUEST CAPITAL STRATEGIES INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$41,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD RULES 2110, 3010(A), 3010(B)(1)- FROM ABOUT OCTOBER 1999 THROUGH AT LEAST FEBRUARY 2002, QCS, ACTING THROUGH ITS FORMER COMPLIANCE OFFICER, FAILED TO ESTABLISH AND MAINTAIN A SYSTEM TO SUPERVISE THE ACTIVITIES OF EACH REGISTERED REPRESENTATIVE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NASD RULES, WITH RESPECT TO 1) PREVENTING OF "PARKING" OF REGISTERED REPRESENTATIVES' LICENSES IN CONTRAVENTION OF MEMBERSHIP AND REGISTRATION RULE 1031(A), AND 2) COMPLIANCE WITH REGULATORY ELEMENT OF NASD'S CONTINUING EDUCATION RULE 1120.

**Initiated By:** NASD

**Date Initiated:** 09/19/2003

**Docket/Case Number:** C02030058

**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:** 09/19/2003

**Sanctions Ordered:** Censure  
Monetary/Fine \$41,000.00

**Other Sanctions Ordered:**



**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, QCS, ACCEPTS AND CONSENTS TO THE DESCRIBED SANCTIONS OF CENSURE AND MONETARY/FINE 41,000.

#### Disclosure 4 of 5

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** REL. NOS. 34-36909;IA-1555 - ORDER INSTITUTING PUBLIC ADMINISTRATIVE PROCEEDINGS AND NOTICE OF HEARING PURSUANT TO SECTIONS 15(B) AND 19(H) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SECTION 203(F) OF THE INVESTMENT ADVISERS ACT OF 1940; THE COMMISSION ANNOUNCED THAT ON FEBRUARY 29 IT INSTITUTED PUBLIC ADMINISTRATIVE PROCEEDINGS AGAINST QUEST CAPITAL STRATEGIES, INC. (QUEST), A REGISTERED BROKER-DEALER, QUEST'S PRESIDENT. THE ORDER ALLEGES THAT THEY FAILED REASONABLY TO SUPERVISE A FORMER QUEST REGISTERED REPRESENTATIVE WITH A VIEW TO PREVENTING HIS VIOLATIONS OF THE FEDERAL SECURITIES LAWS. FROM DECEMBER 1991 TO AUGUST 1993, HE DEFRAUDED APPROXIMATELY THIRTY-FIVE INVESTORS OF APPROXIMATELY \$450,000 BY MEANS OF A FIXED INCOME LOAN AGREEMENT" (NOTE), PURSUANT TO WHICH HE GUARANTEED PRINCIPAL AND INTEREST ON INVESTMENTS THROUGH HIS INVESTMENT BUSINESS. AMONG OTHER THINGS, HE MISREPRESENTED THE SAFETY OF THE NOTES AND THE USE OF INVESTOR'S MONIES AND IN FACT, USED INVESTORS' MONEY TO INVEST IN FUTURES AND FUTURES OPTIONS AND FOR PERSONAL AND BUSINESS EXPENSES.

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

**Date Initiated:** 03/01/1996

**Docket/Case Number:** REL. NOS. 34-36909;IA-1555

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Order

**Resolution Date:** 10/15/2001





<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>	Monetary/Fine \$50,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	SEC ADMIN PROCEEDING FILE NO. 3-8966, RELS 34-44935, IA REL NO. 1990, DATED OCTOBER 15, 2001 - IT IS ORDERED THAT QUEST SHALL NOT MAINTAIN ANY BRANCH OFFICE THAT IS NOT SUPERVISED BY AN ON-SITE REGISTERED PRINCIPAL AND SUBJECTED TO SEMI-ANNUAL SURPRISE INSPECTIONS, AND SHALL NOT EMPLOY OR CONTRACT WITH ANY REGISTERED REPRESENTATIVE WHO IS NOT IN ITS MAIN OFFICE OR A BRANCH OFFICE UNLESS THAT REPRESENTATIVE IS SUBJECTED TO AN ANNUAL INSPECTION, ON A SURPRISE BASIS IF POSSIBLE, AND IT IS ORDERED THAT, WITHIN 30 DAYS OF THE ENTRY OF THIS ORDER, QUEST SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$50,000.
<b>Regulator Statement</b>	SEC NEWS DIGEST NO. 96-38, DATED MARCH 1, 1996, 62 SEC DOCKET 2089, DATED SEPTEMBER 24, 1996 DISCLOSES: PREHEARING ORDER GRANTING IN PART RESPONDENTS'REQUEST TO ISSUE SUBPOENAS DUCES TECUM, AND MAKING EVIDENTIARY RULINGS WAS ISSUED AUGUST 12, 1996. INITIAL DECISION NO. 141, FILE NO. 3-8966,DATED APRIL 12, 1999 - AN INITIAL DECISION WAS ISSUED ON APRIL 12, 1999 THAT FOUND THAT ALTHOUGH THE INDIVIDUAL WAS SUBJECT TO THE SUPERVISION OF QUEST AND ITS PRESIDENT WHEN HE VIOLATED THE FEDERAL SECURITIES LAWS, QUEST AND ITS PRESIDENT REASONABLY SUPERVISED HIM WITH A VIEW TO PREVENTING HIS SECURITIES LAWS VIOLATIONS. PROCEEDINGS AGAINST QUEST ARE DISMISSED. SEC DIVISION OF ENFORCEMENT APPEALED THE ALJ DECISION ON MAY 3, 1999.
<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FROM IN OR ABOUT AUGUST 1992 THROUGH IN OR ABOUT AUGUST 1993,QUEST AND YU FAILED REASONABLY TO SUPERVISE NAKOSKI WITH A VIEW TOWARDS PREVENTING HIS VIOLATIONS OF THE FEDERAL SECURITIES LAWS AS ALLEGED.
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION



**Date Initiated:** 08/31/1992

**Docket/Case Number:** NY-6203;02CIV.01512(PLF)

**Principal Product Type:** Other

**Other Product Type(s):** OUTSIDE ACTIVITIES

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CIVIL AND ADMINISTRATIVE PENALTY(IES)/FINE(S)

**Resolution:** Decision

**Resolution Date:** 05/29/2003

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

**Other Sanctions Ordered:** TO CONDUCT INSPECTIONS OF ITS BRANCH OFFICES AND OTHER REGISTERED REPRESENTATIVES, TO BAR PRESIDENT FROM ASSOCIATION WITH ANY BROKER-DEALER OR INVESTMENT ADVISOR IN A SUPERVISORY CAPACITY WITH A RIGHT TO APPLY TO BECOME SO ASSOCIATED AFTER ONE YEAR.

**Sanction Details:** TO IMPOSE MONEY PENALTIES OF \$50000 EACH ON FIRM AND ITS PRESIDENT. TO CONDUCT INSPECTIONS OF ITS BRANCH OFFICES AND OTHER REGISTERED REPRESENTATIVES, TO BAR PRESIDENT FROM ASSOCIATION WITH ANY BROKER-DEALER OR INVESTMENT ADVISOR IN A SUPERVISORY CAPACITY WITH A RIGHT TO APPLY TO BECOME SO ASSOCIATED AFTER ONE YEAR. IN THE PRELIMINARY INJUNCTION INJOINED FIRM AND YU OBEY THE BAR WHILE THE OUTCOME OF COURT ACTION IS PENDING.

**Firm Statement** AFTER TWO WEEKS HEARING, WITNESS ALL ACTUAL EVIDENCES, ADMINISTRATIVE LAW JUDGE LILLIAN A. MC EWEN DISMISSED ALL CHARGES ON APRIL 13, 1999. ON MAY 3, 1999, SEC DIVISION OF ENFORCEMENT APPEALED THE VERDICT TO THE COMMISSIONERS OF SEC. SEC REVERSE INITIAL DECISION AND ORDER FINES AND THE PRESIDENT BAR FROM SUPERVISION FOR ONE YEAR. ON DECEMBER 18, 2001, RESPONDENTS APPEALED TO THE U. S. COURT OF APPEALS. ON MARCH 18, 2002, U. S. COURT OF APPEALS DISMISSED FOR LACK OF JURISDICTION BECAUSE OF LATE FILING FROM APPLICANT'S ATTORNEY. ON APRIL 18, 2002, RESPONDENTS AGREED TO COMPLY WITH THE COMMISSION'S ORDER. SEC DID NOT BELIEVE THAT YU AND FIRM OBEY THE BAR, THEREFORE FILE A PRELIMINARY AND PERMANENT INJUNCTION ON SEP 25, 2002. ON MAY 29TH, 2003, SEC ORDERED THAT THE COMPLAINT IS DISMISSED WITH PREJUDICE AGAINST ALL DEFENDANTS.



### Disclosure 5 of 5

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SALES TO ARIZONA RESIDENTS WITHOUT BENEFIT OF BD REGISTRATION WITHIN THE STATE IN VIOLATION OF A.R.S. SECTION 44-1842.
<b>Initiated By:</b>	ARIZONA CORPORATION COMMISSION, SECURITIES DIVISION
<b>Date Initiated:</b>	01/16/1991
<b>Docket/Case Number:</b>	S-4737-BD-I
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	01/16/1991
<b>Sanctions Ordered:</b>	Monetary/Fine \$3,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	QUEST CONSENTED TO ENTRY OF AN ORDER ASSESSING A \$3,500 ADMINISTRATIVE PENALTY.
<b>Regulator Statement</b>	Not Provided

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ONE OF APPLICANTS' EX-RR SOLD APPROXIMATELY 20 TRANSACTIONS TO 7 ARIZONA RESIDENTS BEFORE ARIZONA'S LICENSE IS TO BE APPROVED.
<b>Initiated By:</b>	ARIZONA CORPORATION COMMISSION
<b>Date Initiated:</b>	01/16/1991



**Docket/Case Number:** 57225 S-4737-BD-I

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Order

**Resolution Date:** 01/16/1991

**Sanctions Ordered:** Monetary/Fine \$3,500.00

**Other Sanctions Ordered:**

**Sanction Details:** MONETARY FINE OF \$3500.00 WAS ORDERED 01/16/91 AND THIS ORDER SHALL NOT CONSTITUTE A DISQUALIFICATION OF A.A.C. R14-4-126 (E) OF THE RULES AND REGULATIONS OF THE SECURITIES ACT OF ARIZONA.

## 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 6

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	11/09/2000
<b>Case Number:</b>	<a href="#">00-04454</a>
<b>Disputed Product Type:</b>	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
<b>Sum of All Relief Requested:</b>	\$33,464.26
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	09/20/2001
<b>Sum of All Relief Awarded:</b>	\$33,464.25

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

### Disclosure 2 of 6

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	01/09/2018



**Case Number:** [17-03375](#)  
**Disputed Product Type:** OTHER TYPES OF SECURITIES  
**Sum of All Relief Requested:** \$200,000.01  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 01/24/2019  
**Sum of All Relief Awarded:** \$276,226.42

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

### Disclosure 3 of 6

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY  
**Arbitration Forum:** NASD  
**Case Initiated:** 04/07/1993  
**Case Number:** [93-01333](#)  
**Disputed Product Type:** COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE  
**Sum of All Relief Requested:** Unspecified Damages  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 02/02/1994  
**Sum of All Relief Awarded:** \$12,000.00

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

### Disclosure 4 of 6

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING



**Arbitration Forum:** NASD  
**Case Initiated:** 11/23/1994  
**Case Number:** [94-04642](#)  
**Disputed Product Type:** DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; OPTIONS  
**Sum of All Relief Requested:** \$51,000.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 02/23/1996  
**Sum of All Relief Awarded:** \$17,044.00

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

#### Disclosure 5 of 6

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OTHER;  
ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-  
NEGLIGENCE  
**Arbitration Forum:** NASD  
**Case Initiated:** 08/20/1997  
**Case Number:** [97-03798](#)  
**Disputed Product Type:** DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; OPTIONS; OTHER TYPES  
OF SECURITIES  
**Sum of All Relief Requested:** \$329,198.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 10/12/1998  
**Sum of All Relief Awarded:** \$53,000.00

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

#### Disclosure 6 of 6

**Reporting Source:** Regulator



**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

**Arbitration Forum:** NASD

**Case Initiated:** 08/04/1999

**Case Number:** [99-01517](#)

**Disputed Product Type:** DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; OPTIONS

**Sum of All Relief Requested:** \$6,697,527.14

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 01/16/2004

**Sum of All Relief Awarded:** \$221,520.06

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



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