

BrokerCheck Report

KEVIN MARSHALL MCCALLUM

CRD# 2222586

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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:

- 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.



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

brokercheck.finra.org



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

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)

Thank you for using FINRA BrokerCheck.

KEVIN M. MCCALLUM

CRD# 2222586

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:

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

Registration History

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

- B LPL FINANCIAL LLC**
CRD# 6413
BIRMINGHAM, AL
05/2012 - 07/2019
- B NBC SECURITIES, INC.**
CRD# 17870
BIRMINGHAM, AL
10/2009 - 05/2012
- B COLONIAL BROKERAGE, INC.**
CRD# 111668
BIRMINGHAM, AL
04/2007 - 11/2009

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	5

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

<https://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 2 principal/supervisory exams, 3 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
B General Securities Principal Examination	Series 24	06/23/1997
B Municipal Securities Principal Examination	Series 53	01/28/1994

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	10/01/2018
B General Securities Representative Examination	Series 7	05/10/1993
B Municipal Securities Representative Examination	Series 52	03/05/1992

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	06/30/2017
B Uniform Securities Agent State Law Examination	Series 63	05/18/1993

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

Broker Qualifications



Professional Designations

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

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 05/2012 - 07/2019	LPL FINANCIAL LLC	6413	BIRMINGHAM, AL
B 10/2009 - 05/2012	NBC SECURITIES, INC.	17870	BIRMINGHAM, AL
B 04/2007 - 11/2009	COLONIAL BROKERAGE, INC.	111668	BIRMINGHAM, AL
B 05/1993 - 03/2007	AMSOUTH INVESTMENT SERVICES, INC.	15692	BIRMINGHAM, AL

Employment History

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

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

Employment	Employer Name	Position	Investment Related	Employer Location
05/2012 - 07/2019	CADENCE BANK	REGISTERED REPRESENTATIVE	N	BIRMINGHAM, AL, United States
05/2012 - 07/2019	LPL FINANCIAL LLC	REGISTERED REPRESENTATIVE	Y	BIRMINGHAM, AL, United States
10/2009 - 05/2012	NBC SECURITIES, INC.	FINANCIAL CONSULTANT	Y	BIRMINGHAM, AL, United States

Other Business Activities

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

(1) 6/19/2018 - Oak Mountain High School Band Boosters - Not Investment Related - Oak Mountain High School, 5476 Caldwell Mill Rd, Birmingham, AL 35242 - Non-Profit Board Member - Treasurer - Start Date 07/01/2018 - 10 Hours Per Month/0 Hours During Securities Trading.



Disclosure Events

What you should know about reported disclosure events:

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

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

	Pending	Final	On Appeal
Regulatory Event	0	1	0
Customer Dispute	3	2	N/A



Disclosure Event Details

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

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

Regulatory - Final

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

Disclosure 1 of 1

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought:

Date Initiated: 06/17/2021

Docket/Case Number: [2019062569501](#)

Employing firm when activity occurred which led to the regulatory action: LPL Financial LLC

Product Type: Other: BDC

Allegations: Without admitting or denying the findings, McCallum consented to the sanctions and to the entry of findings that he made unsuitable recommendations to 12 customers, resulting in their overconcentration in a high-risk, publicly-traded business development company (BDC). The findings stated that the BDC that McCallum recommended held first and second lien secured loans, unsecured loans, and equity in small and medium-sized companies in a variety of industries, including construction, banking, telecommunications, pharmaceutical, and oil and gas companies. The risk of loss for investments in this BDC was magnified because it borrowed money. Additionally, the illiquidity of the BDC's investments presented risk that it would be difficult for the BDC to sell such investments if required, causing it to realize significantly less than the value at which the BDC



recorded the investments. Further, the BDC was exposed to interest rate risk that could affect its investment returns. McCallum's recommendations resulted in the 12 customers concentrating as much as approximately 17% to over 60% in their liquid net worth the BDC. Four of the customers were over the age of 60 and seven of the customers invested retirement funds in the BDC. McCallum's recommendations generated commissions to his member firm, \$14,231.61 of which was paid to McCallum. Four customers sold their positions and realized losses totaling \$1,222,092.29. The findings also stated that McCallum sent emails to customers about the BDC that contained unwarranted and exaggerated claims, opinions and forecasts, did not provide a fair and balanced treatment of the risks and benefits of the investment, and contained promissory statements. For example, in a email to a customer, McCallum discussed the customer's account performance, including the purported benefits of continuing to hold a position in the BDC, but failed to explain the associated risks. McCallum also made statements that were promissory and unwarranted by stating that the stock price of the BDC would increase to 80% to 90% of the net asset value, stating that he did not anticipate further downside in the customer's portfolio, stating that he was confident that the portfolio would rise back to previous levels and higher, and predicting that the Federal Reserve would raise interest rates three times in the year, which would benefit the BDC. McCallum also included an impermissible projection of the anticipated 12-month dividend cashflow from the BDC.

Current Status:	Final
Resolution:	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:	06/17/2021
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Monetary Penalty other than Fines Restitution Suspension
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: Suspension
Capacities Affected: All capacities
Duration: one year
Start Date: 06/21/2021
End Date: 06/20/2022

Monetary Sanction 1 of 3

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)
Total Amount: \$25,000.00
Portion Levied against individual: \$25,000.00
Payment Plan: deferred
Is Payment Plan Current:
Date Paid by individual:
Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 2 of 3



Monetary Related Sanction: Restitution
Total Amount: \$1,222,092.29
Portion Levied against individual: \$1,222,092.29

Payment Plan: deferred, plus interest

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 3 of 3

Monetary Related Sanction: Disgorgement

Total Amount: \$14,231.61

Portion Levied against individual: \$14,231.61

Payment Plan: deferred, plus interest

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:



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 2

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	LPL FINANCIAL LLC
Allegations:	CUSTOMER ALLEGES THAT BETWEEN 2011 AND 2019 ADVISOR MADE UNAUTHORIZED AND UNSUITABLE PURCHASES OF THINLY TRADED SHARES OF MEDLEY CAPITAL CORPORATION RESULTING IN MORE THAN 50% CONCENTRATION IN THE CUSTOMER'S ACCOUNT.
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$0.00
Alleged Damages Amount Explanation (if amount not exact):	UNSTATED BUT BELIEVED TO BE MORE THAN \$5,000.
Is this an oral complaint?	No
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	19-03448
Filing date of arbitration/CFTC reparation or civil litigation:	11/18/2019

Customer Complaint Information

Date Complaint Received:	11/22/2019
Complaint Pending?	No
Status:	Settled
Status Date:	01/04/2021
Settlement Amount:	\$70,000.00



Individual Contribution Amount: \$0.00

Disclosure 2 of 2

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: LPL FINANCIAL LLC AND NBC SECURITIES

Allegations: CLAIMANTS ALLEGE THAT BETWEEN 2012 AND THE PRESENT, ADVISOR ENGAGED IN FRAUDULENT TRANSACTIONS IN UNSUITABLE AND RISKY INVESTMENTS, INCLUDING THE UNAUTHORIZED USE OF MARGIN.

Product Type: Equity Listed (Common & Preferred Stock)
Mutual Fund
Options
Other: EXCHANGE TRADED FUNDS

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): BELIEVED TO BE GREATER THAN \$5,000

Arbitration Information

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

Docket/Case #: 19-01028

Date Notice/Process Served: 04/19/2019

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/04/2021

Monetary Compensation Amount: \$500,000.00

Individual Contribution Amount: \$0.00



Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: LPL FINANCIAL, LLC

Allegations: CLAIMANTS ALLEGE THAT BETWEEN 2012 AND THE PRESENT, ADVISOR ENGAGED IN FRAUDULENT TRANSACTIONS AND RISKY INVESTMENTS, INCLUDING THE UNAUTHORIZED USE OF MARGIN.

Product Type: Equity Listed (Common & Preferred Stock)
Mutual Fund
Options
Other: EXCHANGE TRADED FUNDS

Alleged Damages: \$2,200,000.00

Arbitration Information

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

Docket/Case #: 19-01028

Date Notice/Process Served: 04/19/2019

Arbitration Pending? Yes

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: LPL Financial, LLC

Allegations: Claimants allege that between 2012 and the present, advisor engaged in fraudulent transactions in unsuitable and risky investments, including the unauthorized use of margin.

Product Type: Equity Listed (Common & Preferred Stock)
Mutual Fund
Options
Other: Exchange Traded Funds

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): Believed to be greater than \$5,000



Arbitration Information

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

Docket/Case #: 19-01028

Date Notice/Process Served: 04/19/2019

Arbitration Pending? Yes

Broker Statement I deny any wrongdoing in the handling of these clients' accounts and will vigorously defend against these allegations. Specifically, I deny that any of the transactions I recommended were unsuitable given the stated investment objective for the accounts. I also deny that any of the transactions, including the use of margin in the clients' accounts, was unauthorized.



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 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	LPL Financial LLC
Allegations:	4. Customers allege that between October 2017 through December 2018 representative made discretionary investments and concentrated their accounts in a non-diversified, closed end management company that was not consistent with their investment objectives.
Product Type:	Other: Closed End Fund
Alleged Damages:	\$4,800,000.00
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 #:	20-03840
Filing date of arbitration/CFTC reparation or civil litigation:	11/17/2020

Customer Complaint Information

Date Complaint Received:	12/08/2020
Complaint Pending?	Yes
Settlement Amount:	
Individual Contribution Amount:	
Firm Statement	Claimants have filed a case against the representative's employer bank making largely identical allegations. The case was filed on December 11, 2020, in the



Circuit Court of Mobile County, Alabama, case No. 02-CV-2020-902467.00. The case is currently pending.

Disclosure 2 of 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	LPL Financial LLC
Allegations:	4.Customer alleges that between February 2018 through December 2018 representative made unsuitable investment recommendations and concentrated claimant's accounts in Medley Capital Corporation.
Product Type:	Other: Closed End Fund
Alleged Damages:	\$0.00
Alleged Damages Amount Explanation (if amount not exact):	Unstated but believed to be more than \$5,000.
Is this an oral complaint?	No
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	20-03590
Filing date of arbitration/CFTC reparation or civil litigation:	10/21/2020

Customer Complaint Information

Date Complaint Received:	11/05/2020
Complaint Pending?	Yes
Settlement Amount:	
Individual Contribution Amount:	



Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: Glacier Point Advisors, LLC

Allegations: Customer alleges that between August 2019 and October 2019 IAR made unsuitable investment recommendations and concentrated account in Medley Capital Corporation.

Product Type: Other: Closed End Fund

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): Unstated but believed to be more than \$5,000.

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: American Arbitration Association, New Jersey

Docket/Case #: 01-21-0001-1521

Filing date of arbitration/CFTC reparation or civil litigation: 02/25/2021

Customer Complaint Information

Date Complaint Received: 02/25/2021

Complaint Pending? Yes

Settlement Amount:

Individual Contribution Amount:

Broker Statement Claimant has filed a complaint with FINRA against the representative's previous employer making largely identical allegations. Date reported was 11/05/2020. Docket/Case#: 20-03590.



Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: LPL Financial LLC

Allegations: Customer alleges that between October 2018 and December 2018 representative made unsuitable investment recommendations and concentrated claimants' accounts in Medley Capital Corporation.

Product Type: Other: Closed End Fund

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): Unstated but believed to be more than \$5,000

Is this an oral complaint? No

Is this a written complaint? No

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

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 20-03421

Filing date of arbitration/CFTC reparation or civil litigation: 10/01/2020

Customer Complaint Information

Date Complaint Received: 10/08/2020

Complaint Pending? Yes

Settlement Amount:

Individual Contribution Amount:

End of Report



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