

BrokerCheck Report

ARTHUR ESPINOZA

CRD# 1344849

Report #27210-52842, data current as of Friday, June 17, 2016.

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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



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.

Thank you for using FINRA BrokerCheck.

ARTHUR ESPINOZA

CRD# 1344849

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:

- 1 Principal/Supervisory Exam
- 1 General Industry/Product Exam
- 1 State Securities Law Exam

Registration History

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

FREEDOM INVESTORS CORP.

CRD# 23714
 VERO BEACH, FL
 09/2005 - 12/2014

AMERITAS INVESTMENT CORP.

CRD# 14869
 LINCOLN, NE
 10/2003 - 09/2005

THE ADVISORS GROUP, INC.

CRD# 14035
 BETHESDA, MD
 04/2002 - 10/2003

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
Investigation	1
Customer Dispute	2

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 1 principal/supervisory exam, 1 general industry/product exam, and 1 state securities law exam.

Principal/Supervisory Exams

Exam	Category	Date
General Securities Principal Examination	Series 24	05/25/1989

General Industry/Product Exams

Exam	Category	Date
General Securities Representative Examination	Series 7	03/16/1985

State Securities Law Exams

Exam	Category	Date
Uniform Securities Agent State Law Examination	Series 63	11/05/1986

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/.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
09/2005 - 12/2014	FREEDOM INVESTORS CORP.	23714	VERO BEACH, FL
10/2003 - 09/2005	AMERITAS INVESTMENT CORP.	14869	LINCOLN, NE
04/2002 - 10/2003	THE ADVISORS GROUP, INC.	14035	BETHESDA, MD
02/2000 - 10/2001	NUTMEG SECURITIES, LTD.	18975	GREENWICH, CT
01/1990 - 03/2000	FFP SECURITIES, INC.	16337	CHESTERFIELD, MO
03/1989 - 01/1990	JONATHAN ALAN & CO., INC.	15914	
09/1986 - 01/1989	GRAYSTONE NASH, INC.	10635	
03/1985 - 09/1986	FIRST JERSEY SECURITIES, INC.	6621	

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
09/2005 - Present	FREEDOM INVESTORS CORP	HARTLAND, WI

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, NON-INVESTMENT RELATED. 6818 CONSERVANCY PLAZA, DEFOREST, WI 53532, INSURANCE SALES REP. 50 HOURS WERE WEEK(40 DURING MARKET HOURS). INSURANCE SALES AND SERVICE OF POLICIES. COMPANIES INCLUDE ALLIANZ AND AMERICAN - FIXED ANNUITIES, UNITED FARM LIFE - LIFE INSURANCE, WPS, ANTHEM, BLUE CROSS BLUE SHEILD, FAMILY LIFE, STANDARD LIFE - HEALTH INSURANCE



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
Customer Dispute	0	2	N/A



Investigation	1	N/A	N/A
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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.

Customer Dispute - Award/Judgment

This type of disclosure event involves a final, consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the broker that resulted in an arbitration award or civil judgment for the customer.

Disclosure 1 of 1

Reporting Source: Regulator

Employing firm when activities occurred which led to the complaint: GRAYSTONE NASH, INC

Allegations: MISREPRESENTATION

Product Type:

Alleged Damages: \$4,687.50

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [NASD - CASE #89-01143](#)

Date Notice/Process Served: 12/19/1989

Arbitration Pending? No

Disposition: Other

Disposition Date: 11/21/1991

Disposition Detail: AWARD AGAINST PARTY ACTUAL/COMPENSATORY DAMAGES, RELIEF HAS BEEN AWARDED (PARTIAL OR FULL), AWARD AMOUNT \$4,687.50 JOINTLY AND SEVERALL



Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: GRAYSTONE NASH, INC

Allegations: UNAUTHORIZED TRANSACTION NOV 1988 CLIENT ALLEGED THAT SINCE GRAYSTONE NASH FILED FOR BANKRUPTCY AND FAILED TO SUPPORT THEIR UNDERLING SECURITIES THAT HE SHOULD BE COMPENSATED FOR HIS INVESTMENT AMOUNT WHICH WAS \$4,687.50

Product Type: Equity - OTC

Alleged Damages: \$4,687.50

Customer Complaint Information

Date Complaint Received: 03/30/1989

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 10/22/1991

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.; 89-01143](#)

Date Notice/Process Served: 11/22/1991

Arbitration Pending? No

Disposition: Award to Customer

Disposition Date: 07/09/1992

Monetary Compensation Amount: \$4,687.50

Individual Contribution Amount: \$4,687.50

Broker Statement PAYMENT WAS MADE TO THE PLAINTIFF IN THE AMOUNT OF \$4,687.50 ON 7-14-92



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 1

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	FFP SECURITIES, INC.
Allegations:	CUSTOMER ALLEGED INVESTMENTS WERE INAPPROPRIATE.
Product Type:	Direct Investment(s) - DPP & LP Interest(s)
Alleged Damages:	\$1,500,000.00

Customer Complaint Information

Date Complaint Received:	08/22/1997
Complaint Pending?	No
Status:	Arbitration/Reparation Litigation
Status Date:	12/31/1999
Settlement Amount:	

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.:	NASD CASE #98-01468
Date Notice/Process Served:	02/23/1998
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	12/31/1999
Monetary Compensation Amount:	\$500,000.00
Individual Contribution Amount:	\$0.00



Civil Litigation Information

Court Details: CIRCUIT COURT OF PALM BEACH COUNTY; PALM BEACH, FL; CASE #CL 97-5985-AJ

Date Notice/Process Served: 07/03/1997

Litigation Pending? No

Disposition: Other

Disposition Date: 02/23/1998

Firm Statement THE CASE STARTED IN CIVIL LITIGATION AND WAS TRANSFERRED TO NASD ARBITRATION.

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: FFP SECURITIES, INC.

Allegations: FEBRUARY 1991 CUSTOMER ALLEGED INVESTMENTS WERE INAPPROPRIATE

Product Type: Direct Investment(s) - DPP & LP Interest(s)

Alleged Damages: \$1,500,000.00

Customer Complaint Information

Date Complaint Received: 08/22/1997

Complaint Pending? No

Status: Arbitration/Reparation
Litigation

Status Date: 12/31/1999

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD CASE #98-01468

Date Notice/Process Served: 02/23/1998



Arbitration Pending? No
Disposition: Settled
Disposition Date: 12/31/1999
Monetary Compensation Amount: \$500,000.00
Individual Contribution Amount: \$0.00

Civil Litigation Information

Court Details: CIRCUIT COURT OF PALM BEACH COUNTY; PALM BEACH, FL: CASE #CL 97-5985-AJ
Date Notice/Process Served: 07/03/1997
Litigation Pending? No
Disposition: Other
Disposition Date: 02/23/1998
Broker Statement THE CASE STARTED IN CIVIL LITIGATION AND WAS TRANSFERRED TO NASD ARBITRATION



Investigation

This type of disclosure event involves any ongoing formal investigation by an entity such as a grand jury state or federal agency, self-regulatory organization or foreign regulatory authority. Subpoenas, preliminary or routine regulatory inquiries, and general requests by a regulatory entity for information are not considered investigations and therefore are not included in a BrokerCheck report.

Disclosure 1 of 1

Reporting Source: Regulator

Initiated By: FINRA

Notice Date: 04/21/2016

Details: On April 21, 2016, FINRA made a preliminary determination to recommend a disciplinary action be brought against Espinoza for failure to disclose outside business activity, failure to disclose outside securities brokerage accounts, private securities transactions, willful failure to disclose reportable liens and a judgment on his Form U4, false compliance questionnaires, misrepresentation concerning affiliation with a member firm on account applications with third party broker dealers and failure to respond and failure to timely respond to requests for documents and information, and providing false information in a response to a FINRA request for information.

Is Investigation pending? Yes

End of Report



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