

BrokerCheck Report

HANK MARK WERNER

CRD# 1615495

Report #41291-71545, data current as of Tuesday, August 2, 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.

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



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.

HANK M. WERNER

CRD# 1615495

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
- 2 General Industry/Product Exams
- 2 State Securities Law Exams

Registration History

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

LEGEND SECURITIES, INC.

CRD# 44952
NEW YORK, NY
12/2012 - 03/2016

LIBERTY PARTNERS FINANCIAL SERVICES, LLC

CRD# 130390
BAKERSFIELD, CA
07/2012 - 12/2012

BROOKSTONE SECURITIES, INC.

CRD# 13366
NORTHPORT, NY
03/2011 - 06/2012

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	1
Termination	2
Judgment/Lien	6

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, 2 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
General Securities Principal Examination	Series 24	04/19/1995

General Industry/Product Exams

Exam	Category	Date
National Commodity Futures Examination	Series 3	02/23/1987
General Securities Representative Examination	Series 7	01/17/1987

State Securities Law Exams

Exam	Category	Date
Uniform Securities Agent State Law Examination	Series 63	02/03/1987
Uniform Investment Adviser Law Examination	Series 65	05/27/1993

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/.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
12/2012 - 03/2016	LEGEND SECURITIES, INC.	44952	NEW YORK, NY
07/2012 - 12/2012	LIBERTY PARTNERS FINANCIAL SERVICES, LLC	130390	BAKERSFIELD, CA
03/2011 - 06/2012	BROOKSTONE SECURITIES, INC.	13366	NORTHPORT, NY
11/2009 - 03/2011	ALEXANDER CAPITAL, L.P.	40077	NEW YORK, NY
01/2007 - 10/2009	NATIONAL SECURITIES CORPORATION	7569	NORTHPORT, NY
12/2004 - 01/2007	EMPIRE FINANCIAL GROUP, INC.	28759	NORTHPORT, NY
02/2002 - 12/2004	FIRST MONTAUK SECURITIES CORP.	13755	RED BANK, NJ
04/1994 - 03/2002	AMERICAN INVESTMENT SERVICES, INC.	21111	OKLAHOMA CITY, OK
03/1994 - 04/1994	ROBERT THOMAS SECURITIES, INC	10147	ST. PETERSBURG, FL
04/1990 - 03/1994	PRUDENTIAL SECURITIES INCORPORATED	7471	NEW YORK, NY
01/1989 - 05/1990	SMITH BARNEY, HARRIS UPHAM & CO., INCORPORATED	7059	NEW YORK, NY
01/1987 - 01/1989	SHEARSON LEHMAN HUTTON INC.	7506	

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
12/2012 - Present	LEGEND SECURITIES, INC.	NEW YORK, NY
07/2012 - 12/2012	LIBERTY PARTNERS FINANCIAL SERVICES, LLC	BAKERSFIELD, CA
03/2011 - 07/2012	BROOKSTONE SECURITIES, INC.	NORTHPORT, NY
10/2009 - 03/2011	ALEXANDER CAPITAL LP	MELVILLE, NY



Registration and Employment History

Employment History, continued

Employment Dates	Employer Name	Employer Location
01/2007 - 10/2009	NATIONAL SECURITIES CORPORATION	NEW YORK, NY
12/2004 - 12/2006	EMPIRE FINANCIAL GROUP INC	LONGWOOD, FL

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) ARLINGTON PARTNERS, LLC., LOCATED AT 225 MAIN STREET, SUITE 361 NORTHPORT, NY. THIS ENTITY IS USED TO MANAGE AND PAY BILLS AND IS NOT INVESTMENT RELATED. START DATE 10/01/2002, 3 HRS/MO., 0 HRS DURING TRADING HOURS. (2) HANK WERNER LOCATED AT 225 MAIN STREET, NORTHPORT, NY., INSURANCE PRODUCER SELLING FIXED INSURANCE AND DEATH BENEFIT PRODUCTS. THIS IS NOT INVESTMENT RELATED. 10 HRS/MO, 0 HRS DURING TRADING HRS.



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.
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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.
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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	1	0	0



Customer Dispute	0	1	N/A
Termination	N/A	2	N/A
Judgment/Lien	6	N/A	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 - Pending

This type of disclosure event involves a pending formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory agency such as the Securities and Exchange Commission, foreign financial regulatory body) for alleged violations of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	
Date Initiated:	08/01/2016
Docket/Case Number:	2015048048801
Employing firm when activity occurred which led to the regulatory action:	Liberty Partners Financial Services, LLC and Legend Securities Inc.
Product Type:	Annuity-Fixed Annuity-Variable CD Equity Listed (Common & Preferred Stock)
Allegations:	Werner was named a respondent in a FINRA complaint alleging that he enriched himself at the expense of an elderly, blind, and physically disabled customer, by engaging in a manipulative, deceptive and fraudulent scheme pursuant to which he churned each of the three accounts the customer had with Werner. The complaint alleges that as a result of churning the customer's accounts, Werner willfully violated Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 promulgated thereunder, and FINRA Rules 2020 and 2010. The elderly customer is also a widow and before her husband's death in 2012, Werner was their broker



since 1995. She has been blind since childhood. Her late husband, of 40 years, until he passed away, also was blind. By the time the customer's husband died, she was in such poor health that she required continuous in-home care, which is something Werner knew. Again, after her husband's death, Werner continued as the customer's broker, servicing each of her accounts. Werner recommended all of the transactions in her accounts and exercised control of her accounts. Because of her disabilities, the customer relied completely on Werner for account recommendations and information on account activity. For within just over three years, while first working at a member firm and then later at another member firm, Werner churned and excessively traded each of the customer's three accounts. Werner placed over 700 trades in the customer's accounts, generating approximately \$243,430.20 in commissions and fees, and approximately \$183,734.33 in total net losses for the customer. The complaint also alleges that during this same period, the annualized cost-to-equity ratios for the customer's accounts ranged from approximately 64.40 percent to 97.73 percent. Again, Werner exercised control over the three accounts held by the customer. The trading in the customer's accounts was excessive, as evidenced by the high turnover rates and cost-to-equity ratios, and it was inconsistent with the customer's investment objectives, risk tolerance, and financial situation. Werner did not have reasonable grounds or a reasonable basis to believe that the recommended transactions were suitable for the customer in light of her investment objectives, risk tolerance, and financial situation. The complaint further alleges that in July 2015, while working at Legend, Werner recommended an unsuitable variable annuity exchange to the customer, without having a reasonable basis to believe that the transaction was suitable. Werner and his associated firm received a commission of \$11,799.81 on the sale, of which approximately \$10,030 was paid to Werner as a commission. The features of the variable annuities did not materially differ. Werner's replacement of the customer's variable annuity was unsuitable because the variable annuity that Werner recommended for exchange did not provide any benefit to the customer that outweighed the increased fees and expenses and the new surrender periods she incurred as a result of the exchange. Moreover, on the disclosure statement concerning the exchange, Werner stated that the primary reason for recommending the exchange was "low returns." No other reason is stated. However, the historical one-year, three year and five year returns on the customer's mutual fund portfolio under her former variable annuity were higher than the historical returns for the same periods concerning the proposed mutual fund portfolio under the new variable annuity recommended by Werner. Therefore, Werner recommended an unsuitable variable annuity exchange to the customer without having a reasonable basis to believe that the transaction was suitable.

Current Status:

Pending



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:	Regulator
Employing firm when activities occurred which led to the complaint:	AMERICAN INVESTMENT SERVICES, INC.
Allegations:	UNSUITABLE INVESTMENT ACTIVITY; CHURNING; MISREPRESENTATION AND DECEPTION; FRAUD
Product Type:	Other
Other Product Type(s):	COMMON STOCK
Alleged Damages:	\$412,636.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.:	NASD - CASE #98-00692
Date Notice/Process Served:	02/18/1998
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	09/27/2002
Disposition Detail:	CLAIMANT AND RESPONDENTS AGREED TO A SETTLEMENT AND A STIPULATE JUDGMENT.

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	AMERICAN INVESTMENT SECURITIES, INC.
Allegations:	AFFLECK CLAIMS I AS BRANCH MANAGER DID NOT ADVISE HIM OF THE RISKS OF INVESTING IN CONCENTRATED POSITIONS OF NASD SECURITIES
Product Type:	Equity-OTC



Alleged Damages: \$412,636.35
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: NASD
Docket/Case #: CASE# 98-00692
Filing date of arbitration/CFTC reparation or civil litigation: 02/18/1998

Customer Complaint Information

Date Complaint Received: 05/01/1997
Complaint Pending? No
Status: Settled
Status Date: 04/17/2001
Settlement Amount: \$190,000.00
Individual Contribution Amount: \$0.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): NASD
Docket/Case #: [#98-00692](#)
Date Notice/Process Served: 03/09/1998
Arbitration Pending? No
Disposition: Settled
Disposition Date: 04/17/2001
Monetary Compensation Amount: \$190,000.00
Individual Contribution Amount: \$25,000.00



Broker Statement

CUSTOMER WAS NOT MY CLIENT. CUSTOMER WAS A CLIENT OF ONE OF MY BROKERS. AS PART OF MY COMPLIANCE REVIEW CUSTOMER WAS INTERVIEWED ON A MONTHLY BASIS. CUSTOMER WAS ALWAYS WARNED BY MYSELF AS TO HIS TRADING STYLE.I WAS DISCHARGED FROM THE COMPLAINT WITH NO ASSESSMENT ON MY PART WITH PREJUDICE.



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 2

Reporting Source: Firm
Employer Name: NATIONAL SECURITIES CORPORATION
Termination Type: Discharged
Termination Date: 10/15/2009
Allegations: RR FAILED TO DISCLOSE SEVERAL LIENS AND JUDGMENTS.
Product Type: No Product

Reporting Source: Broker
Employer Name: NATIONAL SECURITIES
Termination Type: Discharged
Termination Date: 10/15/2009
Allegations: FAILURE TO DISCLOSE 3 TAX LIENS IN A TIMELY MANNER AS REQUIRED BY FINRA
Product Type: No Product
Broker Statement TO THE BEST OF MY KNOWLEDGE I WS AWARE OF THE DEBTS, BUT NOT AWARE OT THE FILINGS

Disclosure 2 of 2

Reporting Source: Broker
Employer Name: ROBERT THOMAS SECURITIES
Termination Type: Discharged
Termination Date: 04/26/1994
Allegations: ALLEGEDLY TOOK 4 CLIENTS ORDERS BEFORE HE WAS FULLY REGISTERED WITH RTS, BUT RECEIVED NO COMMISSIONS FROM THEM. THIS IS A DIRECT VIOLATION OF RTS' INTERNAL POLICY & PROCEDURES. COMMISSIONS WITHHELD AND TERMINATED.



Product Type: Equity - OTC

Other Product Types:



Judgment/Lien

This type of disclosure event involves an unsatisfied and outstanding judgments or liens against the broker.

Disclosure 1 of 6

Reporting Source:	Broker
Judgment/Lien Holder:	INTERNAL REVENUE SERVICE
Judgment/Lien Amount:	\$159,802.00
Judgment/Lien Type:	Tax
Date Filed with Court:	05/11/2006
Date Individual Learned:	04/25/2014
Type of Court:	State Court
Name of Court:	RECORDER OF DEEDS
Location of Court:	RIVERHEAD, NY
Docket/Case #:	105388
Judgment/Lien Outstanding?	Yes

Disclosure 2 of 6

Reporting Source:	Broker
Judgment/Lien Holder:	NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE
Judgment/Lien Amount:	\$80,679.96
Judgment/Lien Type:	Tax
Date Filed with Court:	08/22/2011
Type of Court:	State Court
Name of Court:	STATE COURT OF NEW YORK
Location of Court:	RIVERHEAD, NY
Docket/Case #:	3051737-WO712
Judgment/Lien Outstanding?	Yes

Disclosure 3 of 6

Reporting Source:	Broker
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Judgment/Lien Holder: IRA
Judgment/Lien Amount: \$66,413.61
Judgment/Lien Type: Tax
Date Filed with Court: 12/30/2009
Type of Court: Federal Court
Name of Court: SUFFOLF COUNTY CLERK
Location of Court: RIVERHEAD NEW YORK
Judgment/Lien Outstanding? Yes

Disclosure 4 of 6

Reporting Source: Broker
Judgment/Lien Holder: STATE OF NEW YORK
Judgment/Lien Amount: \$21,346.02
Judgment/Lien Type: Tax
Date Filed with Court: 06/30/2009
Type of Court: State Court
Name of Court: SUFFOLK COUNTY
Location of Court: RIVERHEAD NEW YORK
Docket/Case #: E003051737W0673
Judgment/Lien Outstanding? Yes

Disclosure 5 of 6

Reporting Source: Broker
Judgment/Lien Holder: STATE OF NEW YORK
Judgment/Lien Amount: \$36,149.00
Judgment/Lien Type: Tax
Date Filed with Court: 06/26/2008
Type of Court: State Court



Name of Court: SUFFOLD COUNTY CLERK
Location of Court: RIVERHEAD NEW YORK
Docket/Case #: E003051737W0635
Judgment/Lien Outstanding? Yes

Disclosure 6 of 6

Reporting Source: Broker
Judgment/Lien Holder: IRS
Judgment/Lien Amount: \$402,317.00
Judgment/Lien Type: Tax
Date Filed with Court: 02/21/2007
Type of Court: State Court
Name of Court: SUFFOLK COUNTY CLERK
Location of Court: RIVERHEAD NE YORK
Docket/Case #: 17129
Judgment/Lien Outstanding? Yes

End of Report



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