

BrokerCheck Report

JOSEPH LEIGH COTTER

CRD# 1263122

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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.

JOSEPH L. COTTER

CRD# 1263122

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

Registration History

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

PETERSEN INVESTMENTS, INC.

CRD# 38537
Charlotte, NC
03/2016 - 05/2017

NEXT FINANCIAL GROUP, INC.

CRD# 46214
CHARLOTTE, NC
06/2008 - 03/2016

AMERICAN MUNICIPAL SECURITIES, INC.

CRD# 8365
CHARLOTTE, NC
04/2006 - 06/2008

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
Termination	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 2 principal/supervisory exams, 1 general industry/product exam, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
General Securities Principal Examination	Series 24	05/15/2009
Municipal Fund Securities Principal Examination	Series 51	09/03/2008

General Industry/Product Exams

Exam	Category	Date
General Securities Representative Examination	Series 7	05/19/1984

State Securities Law Exams

Exam	Category	Date
Uniform Securities Agent State Law Examination	Series 63	05/22/1984
Uniform Investment Adviser Law Examination	Series 65	11/03/1992

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
03/2016 - 05/2017	PETERSEN INVESTMENTS, INC.	38537	Charlotte, NC
06/2008 - 03/2016	NEXT FINANCIAL GROUP, INC.	46214	CHARLOTTE, NC
04/2006 - 06/2008	AMERICAN MUNICIPAL SECURITIES, INC.	8365	CHARLOTTE, NC
05/2000 - 03/2006	SCOTT & STRINGFELLOW, INC.	6255	RICHMOND, VA
02/1996 - 06/2000	WACHOVIA SECURITIES, INC.	431	CHARLOTTE, NC
04/1992 - 02/1996	PRUDENTIAL SECURITIES INCORPORATED	7471	NEW YORK, NY
04/1988 - 04/1992	PAINWEBBER INCORPORATED	8174	WEEHAWKEN, NJ
05/1984 - 06/1988	DEAN WITTER REYNOLDS INC.	7556	

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
03/2016 - Present	Petersen Investments, Inc.	Wall, NJ
06/2008 - 03/2016	NEXT FINANCIAL GROUP INC	CHARLOTTE, NC
04/2006 - 06/2008	AMERICAN MUNICIPAL SECURITIES, INC.	CHARLOTTE, NC

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.

No information reported.



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
Customer Dispute	0	2	N/A



Investigation	1	N/A	N/A
Termination	N/A	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.

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:	NEXT Financial Group, Inc.
Allegations:	Customer alleges registered representative mismanaged funds in her brokerage accounts from 2013-2016.
Product Type:	Debt-Corporate Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$625,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	05/18/2016
Complaint Pending?	No
Status:	Settled
Status Date:	01/23/2017



Settlement Amount: \$328,646.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: NEXT Financial, Inc.

Allegations: [Customer] alleged Mr. Cotter mismanaged funds in her brokerage account at Next Financial during the period 2013 through 2016. Alleged damages of \$625,000. This matter was settled according to an amended U-5 by Mr. Cotter's former firm, Next Financial, for \$328,646.00 on 1/23/17.

Product Type: Debt-Corporate

Alleged Damages: \$625,000.00

Is this an oral complaint? No

Is this a written complaint? Yes

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

Customer Complaint Information

Date Complaint Received: 06/22/2016

Complaint Pending? No

Status: Settled

Status Date: 01/23/2017

Settlement Amount: \$328,646.00

Individual Contribution Amount: \$0.00

Broker Statement Our review disclosed former firm, NEXT Financial, made incorrect filing in answering question 7e3(b) in that broker not accused of forgery, theft or misappropriation.

Disclosure 2 of 2

Reporting Source: Firm



Employing firm when activities occurred which led to the complaint: DEAN WITTER

Allegations:

Product Type:

Alleged Damages: \$27,000.00

Customer Complaint Information

Date Complaint Received: 03/15/1986

Complaint Pending? No

Status: Settled

Status Date:

Settlement Amount: \$20,000.00

Individual Contribution Amount: \$10,000.00

Firm Statement

PRIOR TO MR. COTTER'S DEPARTURE, THE FIRM SETTLED ONE CUSTOMER PROBLEM CONCERNING CLIENTS [CUSTOMER(S)]. THESE CLIENTS WERE ACTIVELY INVESTING IN AND HAD LOST MONEY IN INDEX OPTIONS. ALTHOUGH THESE CLIENTS WERE ELDERLY, ONE IS A C.P.A. WITH AN ACTIVE PRACTICE AND A HISTORY OF SPECULATIVE INVESTING. MR. COTTER DISPUTED THE COMPLAINT BUT IN THE INTEREST OF GOOD CUSTOMER RELATIONS AGREED TO A SETTLEMENT AND THE FIRM CONCURRED. A SETTLEMENT OF \$20,000.00 WAS REACHED WITH THE CLIENTS AND PAID BY THE FIRM. MR. COTTER AGREED TO PAY \$10,000.00 OF THIS SETTLEMENT AND OWED THE FIRM APPROXIMATELY \$1,700.00 OF THIS \$10,000.00 WHEN HE LEFT. MR. COTTER INFORMED THE FIRM THAT HE INTENDS TO PAY THE FIRM THE REMAINING SUM. BECAUSE OF THIS PROBLEM, HE ALSO COMPLETED A SUSPENSION OF TWO WEEKS AND HIS OPTIONS RECOMMENDATIONS WERE RESTRICTED TO COVERED OPTIONS FOR ONE YEAR. AT THE TIME HE LEFT THE FIRM, THERE WERE NO OTHER CUSTOMER PROBLEMS OF WHICH THE FIRM IS AWARE.

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: DEAN WITTER



Allegations: NO ALLEGATIONS AGAINST ME. CLIENT LOST \$27,000 TRADING STOCKS & OPTIONS. CLIENT ASKED FOR LOSSES BACK. DUE TO AGE (70) DEAN WITTER DETERMINED CLIENT SHOULD NOT HAVE BEEN ALLOWED TO TRADE OPTIONS, AND SETTLED WITH CLIENT FOR \$20,000.

Product Type: Other

Other Product Type(s): STOCKS & OPTIONS

Alleged Damages: \$27,000.00

Customer Complaint Information

Date Complaint Received: 03/15/1986

Complaint Pending? No

Status: Settled

Status Date: 06/01/1986

Settlement Amount: \$20,000.00

Individual Contribution Amount: \$10,000.00

Broker Statement DEAN WITTER DEMANDED THAT I PAY THE FIRM \$10,000. CLIENT WAS AND STILL IS A C.P.A. ALL TRADES WERE APPROPRIATE. I HAVE KNOWN THE CLIENT FOR 30 YRS. I WAS NOT CONSULTED BY DW REGARDING SETTLEMENT OF THIS CLAIM.



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:	Firm
Initiated By:	FINRA
Notice Date:	04/21/2017
Details:	On April 21, 2017 FINRA advised that they are forwarding Examination 20160493163 to their Enforcement Department.
Is Investigation pending?	Yes



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:	Petersen Investments, Inc.
Termination Type:	Voluntary Resignation
Termination Date:	05/01/2017
Allegations:	On April 21, 2017 FINRA notified Mr. Cotter that examination #20160493163 was being referred to its Enforcement Division for further review.
Product Type:	Other: Various

Disclosure 2 of 2

Reporting Source:	Broker
Employer Name:	Next Financial
Termination Type:	Discharged
Termination Date:	03/18/2016
Allegations:	The firm conducted an internal review of the trading activity in a customer's accounts and found the level of trading activity to be excessive in light of the customer's profile and the character of the account.
Product Type:	No Product

End of Report



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