

Stifel advisor facing \$23.5 million in investor claims over structured notes

IN [investmentnews.com/alternatives/stifel-advisor-facing-235-million-in-investor-claims-over-structured-notes/239953](https://www.investmentnews.com/alternatives/stifel-advisor-facing-235-million-in-investor-claims-over-structured-notes/239953)

Bruce Kelly

 Stifel advisor facing \$23.5 million in investor claims over structured notes

The Miami Beach, Florida-based advisor, Chuck Roberts, is a 33-year industry veteran and has worked at Stifel since 2016.

A veteran financial advisor with Stifel Nicolaus & Co. Inc. is facing a rash of investor complaints stemming from the sale of structured notes, the performance of which is typically tied to an underlying asset, such as a specific stock or an index like the S&P 500 stock index.

Miami Beach, Florida-based Chuck Roberts is a 33-year industry veteran and has worked at Stifel since 2016, according to his BrokerCheck report. He's facing eight investor claims totaling \$23.5 million in damages. The customer complaints claim breach of fiduciary duty, negligence, fraud, breach of contract and other allegations, with six filed in May and one each in June and last October.

One investor's claim against Roberts in April for an unpublished amount was denied, according to BrokerCheck.

Roberts, whose title is managing director of investments, didn't return a message Monday morning to comment. A spokesperson for Stifel declined to comment.

Wall Street banks underwrite structured notes, which can be volatile because they're a hybrid of a bond and a derivative. Some notes have principal protection but others don't, and investors can lose a portion or all of their principal based on the terms of the note and market volatility.

"While structured notes may enable individual retail investors to participate in investment strategies that are not typically offered to them, these products can be very complex and have significant investment risks," according to a Securities and Exchange Commission bulletin to investors from 2015. "Before investing in structured notes, you should understand how the notes work and carefully consider their risks."

Roberts has also been in the headlines locally in south Florida as a prominent buyer of real estate. In 2019, he reportedly paid \$10.9 million for a brand-new condominium on the Atlantic Ocean.

"These were a sophisticated, wealthy group of investors who worked with Roberts," said one industry source who asked not to be identified. "They understand and take on high-risk strategies."

Roberts "was buying and selling structured products nonstop," said James Sallah, a plaintiff's attorney working with one of the investors suing the financial advisor. "I'm not sure how big a producer he was, but our client was a multimillion-dollar customer."

"We have six pending involving Roberts, and one about to be filed," said Jeff Erez, also a plaintiff's attorney. "He was aggressive with structured notes and caused a lot of damages to customers."

According to BrokerCheck, in 2010, Roberts lost one investor arbitration complaint, with \$202,000 in damages, stemming from alleged unsuitable and unauthorized trades. He was also suspended for four weeks and fined \$40,000 for allegedly breaking industry rules about opening client accounts. He was registered with Morgan Stanley at the time.

How advisors can tap into hot ETF trends to build client portfolios

Latest News



These states have the best 529 college savings plans, Morningstar says
Costs have come down, investment options have gotten better, and stewardship by states over 529 college savings programs has improved, says ratings firm.



Decked out as Elvis, LPL Financial's Steinmeier is in the building
LPL's new CEO Rich Steinmeier squeezed into an Elvis outfit on Friday to celebrate Halloween.



UBS envisions an eventual US wealth firm acquisition, says Chairman Kelleher
The world's biggest wealth manager is looking to extend that dominance in the planet's largest wealth market – after it settles its unfinished business with Credit Suisse.



Waverly Advisors bolsters Colorado presence with Mueller partnership
The PE-backed RIA's second location in the state bolsters its \$14.4B AUM enterprise with a HNW tax and retirement planning practice.



\$245B Mariner gets capital infusion from Neuberger Berman
The national wealth advisory firm is continuing to pursue its growth goal to reach 5,000 advisors with a fresh shot of capital and strategic support.