# Douglas J. Schulz CRCP

**INVEST SECURITIES CONSULTING, INC.**

SECURITIES EXPERT WITNESS · FINRA ARBITRATOR

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| 1,198 | 681+ | $380M+ | 1981 |
|---|---|---|---|
| CASES RETAINED | TIMES TESTIFIED | AWARDS AND SETTLEMENTS | IN THE SECURITIES INDUSTRY SINCE |

## Arbitration and Litigation

Mr. Schulz is a securities consultant and expert witness working for both claimants and the brokerage industry. He has testified regularly as an expert in federal and state courts, as well as in arbitrations before the Financial Industry Regulatory Authority (FINRA), the New York Stock Exchange (NYSE), the American Arbitration Association (AAA), and JAMS. He is a FINRA Arbitrator. Mr. Schulz has been retained in over 1,198 cases on rules, laws, and regulations of the securities industry; norms and standards of brokerage firms; suitability of investments and investment strategies; order execution; evaluation of various investments; damage theories; supervision and compliance. Mr. Schulz has testified over 681 times and assisted in cases that have resulted in arbitration awards or settlements totaling over $380 million dollars, including several significant punitive damage awards.

Mr. Schulz's research in preparation for arbitration includes analysis of investments sold to customers; assessment of investment suitability; and determination as to what securities rules and regulations have been violated. His involvement in the discovery process includes drafting discovery requests and testifying in preliminary hearings concerning requested documents. Also, Mr. Schulz is an aid in arbitrator selection and case preparation. Additionally, Mr. Schulz assists in securities mediation.

## Money Management

Mr. Schulz's company Invest is based in Westcliffe, Colorado. Mr. Schulz, the President, was a Registered Investment Advisor (RIA). He was previously licensed with the Securities and Exchange Commission (SEC) and was licensed in various states as an RIA from 1993-2006. In this capacity, he offered professional money management and financial or portfolio investment advice. Mr. Schulz also analyzes investments, investment strategies, and performance results and performs due diligence and investigations for merchant bankers, investment bankers, and the brokerage industry. Mr. Schulz manages investments in real estate, venture capital, inventory financing, and small business ventures.

## Finance and Mortgage lending

Mr. Schulz has owned and operated a finance and mortgage business since 2003. The company does business across the United States concentrating in the west. Construction loans, mezzanine loans, mortgage loans, business loans and development loans are a few of the types of loans the company makes. Mr. Schulz does all due diligence and individually handles all aspects of these loans.

## Compliance and Supervision

Mr. Schulz was a consultant to large investment advisory firms, registered investment advisors and money managers. He consults on such issues as regulation, compliance, risk analysis, litigation, and regulatory scrutinized investments.

## Regulators

Mr. Schulz assisted the New York U.S. Attorney General's office and the SEC in connection with their investigation of Prudential Securities' nationwide securities fraud involving the sale of limited partnerships to investors from 1980 through 1992. Mr. Schulz regularly works with various state securities regulators as both an advisor and expert witness.

## BROKERAGE AND INVESTMENT EXPERIENCE

**2003 – Present** **Owner and Operator**

*FINANCE AND MORTGAGE BUSINESS*

See Finance and mortgage lending, above.

**1993 – 2006** **Registered Investment Advisor**

*SEC AND MULTI-STATE*

Professional money management and financial and portfolio investment advice.

**1988** **Partner and Operations Manager**

*JOHNSON TRADING*

In 1988, Mr. Schulz helped form Johnson Trading, an introducing brokerage firm, as a partner and operations manager. His duties included operational management of commodity hedging and trading in agricultural and cattle markets. He also was responsible for new business development, marketing, training, staff hiring, and payroll. Mr. Schulz left the company to enter his current line of work of securities consulting.

**1983 – 1988** **Vice-President**

*BEAR STEARNS, DALLAS, TEXAS*

As a broker, Mr. Schulz specialized in stock trading, options strategies, risk arbitrage, commodities, and fund management. He was an active trader and one of the top producers in an office of 40 brokers.

**1981 – 1983** **Registered Representative**

*MERRILL LYNCH, DALLAS, TEXAS*

Mr. Schulz participated in a five-month extensive training program. Mr. Schulz ranked third in a nationwide class of 149 Merrill Lynch brokers after one year in production. He was voted "Rookie of the Year" in 1982 and was a guest lecturer in the New York Training Department. As a registered representative, Mr. Schulz's business consisted of trading in stocks, bonds, and options, Limited Partnerships, Private Placements, along with marketing the full range of investments offered by Merrill Lynch. He also worked closely with Corporate Financial Services and Retirement Services.

**1981** **Licensed Agent**

*INVESTORS DIVERSIFIED SERVICES (IDS)*

Mr. Schulz entered the securities industry professionally in 1981. He first worked for Investors Diversified Services (IDS), where he received extensive training. He was a licensed agent in life insurance, variable annuities, and mutual funds. His duties included cold calling, prospecting, financial planning, and selling various mutual funds and life insurance products. Prior to this, Mr. Schulz had been actively trading securities for 17 years.

## Licenses and Designations

**FINRA / NASD** CRCP, Certified Regulatory Compliance Professional. FINRA, Wharton School of Business (current)

**NASD** General Securities Principal (Series 24)

**MULTI-STATE** RIA, Registered Investment Advisor

**SEC** RIA, Registered Investment Advisor

**CME AND CBOT** General Commodities (Series 3)

**NASD** General Securities Representative (Series 7)

**NASD** Multi-State Registered Securities Representative (Series 63)

**NASD** Investment Company Contracts (Series 6)

**TEXAS** Life and Disability Licensed Agent

**TEXAS** Variable Annuities and Life Insurance Licensed

## Training

**TEXAS 1989** Accounting Fraud Training, Austin

**NEW MEXICO** Advanced Criminal Investigation Course

**TEXAS 1993** NASD Arbitrator Training

**COLORADO 1997** NASD Arbitrator Training

**COLORADO 1999** NASD Arbitrator Chairperson Training

**COLORADO 12-2022** FINRA Arbitrator Chairperson Training

**COLORADO 12-2022** FINRA Arbitrator Basic Training

**COLORADO 12-2022** FINRA Arbitrator Training: Your Duty to Disclose

**COLORADO 12-2022** FINRA Arbitrator Training: Discovery, Abuses, Sanctions

**COLORADO 12-2022** FINRA Arbitrator Training: Civility in Arbitration

**COLORADO 12-2022** FINRA Arbitrator Training: Understanding the Prehearing Stage

## Education

### American University, Washington D.C.

*Bachelor of Science, Administration of Justice · Magna Cum Laude, 1975*

Mr. Schulz has a Bachelor of Science in the Administration of Justice from American University, Washington D.C., where he graduated Magna Cum Laude in 1975. He is a member of Phi Kappa Phi Honor Society. This degree is a combination of criminology and pre-law.

## Publications and Speeches

**2026** **Is FINRA Increasing Risk to Investors** ARTICLE

The article shows how both FINRA and the SEC are watering down the securities regulations. Numerous, specific examples are provided evidencing that the regulators under

the Trump administration are going “regulation-lite”. These new changes increase the risk to investors, bad timing considering the increasing risk in the U.S. markets.

**2026** **Are Stocks Risky 2026?** ARTICLE

This article examines whether the recent historical performance of the U.S. stock market has blinded investors to the inherent risk of equity investing. The article emphasizes that “risk” is not merely a price drop but a measurable statistical reality. To combat the “recency bias” in high returns, it advocates using professional measurement tools.

**2025** **Why Securities Laws, Rules and Decisions Trump Case Law** ARTICLE

January 2025. Securities regulations/laws dictate the duties and responsibilities of stockbrokers and investment advisors. Yet, Wall Street defense lawyers try to minimize these regulations/laws by introducing contravening state and federal case law. This article aids investors’ lawyers in defeating this tactic.

**2023** **Duties and Regulation of Internet/On-line Broker-Dealers; and Third-Party Advisor Accounts** PANEL

Panel Speaker, PIABA Annual Securities Conference, October 2023.

**2023** **Online/Internet Trading, Gambling, BD’s No Duties, Third-Party Accounts** ARTICLE

April 2023. Shorter version published in PIABA Bar Journal, Vol. 30, No. 1, 2023; the original, longer version available on securitiesexpert.com. Addresses three issues at online broker-dealers such as Charles Schwab, TD Ameritrade, Interactive Brokers, E*Trade, and Robinhood: gambling characterization, Brokers duties on self-directed platforms, and Our broker dealers properly opening, managing, and monitoring third-party accounts.

**2020** **Unauthorized Discretionary Trading 2020** ARTICLE

PIABA Bar Journal, Vol. 27, No. 1 (2020). Updates prior articles on unauthorized trading (1994, 2001). Addresses updated regulations and current litigation issues, with emphasis on broker-dealer boilerplate defenses to unauthorized trading claims.

**2019** **Securities Industry with Douglas Schulz** MEDIA

Investor Coaching Show, Paul Winker, Nashville, September 21, 2019.

**2019** **Big Bad Giants** SPEECH

Matson Money, Phoenix, AZ, March 2019. Appeared in the video and gave a speech to 450 Investment Advisors on the corruption of Wall Street.

**2018** **Cryptocurrencies: Investment or Electronic Currency of the Future?** ARTICLE

Co-author. PIABA Bar Journal, Vol. 25, No. 1, 2018, and Computer & Internet Lawyer, Vol. 35, No. 11, November 2018.

**2017** **Effective and Ineffective Arbitration Strategies and Presentations** PANEL

Panel Speaker, PIABA Annual Securities Conference, October 2017.

**2016** **Supervision of Third-Party/Power of Attorney Accounts** ARTICLE

Co-author. PIABA Bar Journal, Vol. 23, No. 2, 2016.

**2015** **Direct Examination of Securities Experts & Cross Examination of Opposing Experts** LECTURE

Michigan State Law School, Lansing, Michigan, November 2015.

**2013** **Swimming Naked When the Tide Goes Out: Naked/Short Options 2013** ARTICLE

PIABA Bar Journal, Volume 20, No. 1, Page 75, Fall 2013.

**2013** **Bonds & Bond Funds: The Next Wall Street Bombshell** ARTICLE

Invest Securities Consulting, Inc., April 2013, securitiesexpert.com.

**2011** **Due Diligence: Securities Applications and Regulatory Requirements 2011** ARTICLE

PIABA Bar Journal, Volume 17, No. 4, 2010/2011.

**2010** **How Securities Experts Work with Compliance Professionals and Securities Regulators** LECTURE

Ten Years of CRCPs: Career Success and Advancement, Wharton Business School, Philadelphia, PA, November 2010.

**2009** **The Use of Securities Experts in Litigation and Damage Calculations** LECTURE

Cornell Law School, Ithaca, NY, October 2009.

**2006** **Navigating the Fog of Investing** MEDIA

McGriff Publishing, 90-minute DVD documentary and Guest Speaker, 2006.

**2005** **Cross Examining Expert Witnesses in Securities Arbitrations** PANEL

PIABA Annual Conference, Carlsbad, California, September 2005.

**2005** **How Delaware Securities Investigators Can Spot Special Violations at the Branch Level** SPEECH

Delaware Department of Justice Securities Division, Wilmington, DE, March 2005.

**2005** **How Investors Can Spot Abuses in Their Brokerage Accounts** KEYNOTE

2005 Delaware Investor Education Conference Keynote Address, Wilmington, DE, March 2005.

**2005** **How a Branch Office Manager Can Fail to Supervise His Branch Properly** SPEECH

California Mid-Year Securities Arbitration Update, PIABA, Los Angeles, CA, March 2005.

**2005** **Unauthorized Trading & Mismarking Order Tickets: How Regulators Can Detect These Violations** SPEECH

NASAA Winter Enforcement Conference, La Quinta, CA, January 2005.

**2004** **Flat Fees or Fat Fees** ARTICLE

Practicing Law Institute (PLI) Securities Arbitration 2004; PIABA Bar Journal, Fall 2003. Discusses flat fee and wrap fee accounts and why they often are not in the best interest of investors.

**2004** **Auditing Brokerage Branch Offices: Red Flags, Supervision and Securities Violations** LECTURE

Slide show and presentation to the NASD Enforcement Department, Investor Protection, Washington D.C., January 2004. Training for NASD investigators focused on unauthorized trading.

**2003** **Margin Abuses & Concentration: The Failure to Diversify** ARTICLE

Publication and Presentation at the Mass Torts Made Perfect Securities Litigation Conference, Chicago, IL, June 2003.

**2002** **Brokerage Fraud: What Wall Street Doesn't Want You to Know** BOOK

Co-author. Dearborn Publishing, 2002. Puts securities industry rules and regulations in layman's terms: top abuses, regulators, choosing a stockbroker, and navigating the markets.

**2002** **Concentration: Too Much of a Good Thing** ARTICLE

Co-author. PIABA Bar Journal, Vol. 9, No. 2, Summer 2002. Concentration within a portfolio and lack of diversification by stockbrokers.

**2002** **How to Keep Yourself Out of Arbitration** SPEECH

Presentation to the Colorado Springs Merrill Lynch Branch office, 2002.

**2001** **How to Get the Most Out of Your Brokerage Account** SPEECH

Presentation to the American Board of Trial Advocates, Mauna Kea Beach Hotel, Hawaii, November 2001.

**2001** **Unauthorized Trading, Time and Price Discretion & the Mismarking of Order Tickets** ARTICLE

Practicing Law Institute (PLI) Securities Arbitration 2001. Publication/Presentation at seminar, August 2001. New York, NY

**2000** **No Duty: Does Suitability Apply to Internet Brokerage Firms?** ARTICLE

Publication and Presentation at PIABA, October 2000. Addresses the position of Internet firms, such as E*TRADE, that they have no duties as to suitability and the Know Your Customer Rule.

**2000** **How Internet Trading Might Affect Your Business** ARTICLE

Practitioners Publishing Company's Financial Advisory Services Bulletin, February 2000.

**1999** **Internet Market Orders Can be Dangerous** ARTICLE

The Colorado Springs Business Journal, August 1999.

**1999** **An Additional Revenue Stream: The Second Opinion Business** ARTICLE

Financial Advisory Services Alert, PPC Advisor FAS Alert 1, July 1999.

**1999** **Problems with Internet Trading** ARTICLE

The Colorado Springs Business Journal, June 1999.

**1999** **Internet Trading: Take a Walk on the Wild Side** ARTICLE

PLI's Securities Arbitration 1999.

**1999** **The New NASD Arbitrator Selection System: NLSS** ARTICLE

Securities Arbitration Commentator, April 1999, Volume 10-6.

**1999** **Risk Tolerance of Investors** MANUAL

Guide to Investment Advisory Services, Practitioners Publishing Company, 1999 (6-volume training manuals).

**1999** **Investors Level of Knowledge** MANUAL

Guide to Investment Advisory Services, Practitioners Publishing Company, 1999 (6-volume training manuals).

**1994** **When Is An Order An Order? Unauthorized Trading by Securities Brokers** ARTICLE

PLI's Securities Arbitration, July 1994.

**1993** **Damages in Limited Partnership Cases** ARTICLE

Published and presented at the PIABA Second Annual Meeting/Conference, October 1993.

**1992** **Arbitration of Limited Partnership Cases** ARTICLE

Securities Arbitration Commentator, February 1992.

**1992** **The Use of Expert Witnesses in Securities Arbitration** ARTICLE

Securities Arbitration: Evaluation, Preparation, Presentation, April 1992.

**1990** **Forced Arbitration: Perfect Justice? Discovery in Arbitration** ARTICLE

Co-author. Securities Arbitration Commentator, November 1990.

**Your Broker** COLUMN

Colorado Springs Business Journal. Mr. Schulz co-authored a monthly article on the investment and brokerage industry.

## Quoted In

Wall Street Journal ×7 · American Lawyer · Money Magazine ×2 · Newsweek · Forbes · New York Times ×5 · BusinessWeek ×3 · Kiplinger's Personal Finance ×2 · Financial Planning ×4 · Dow Jones · The Street · Chicago Tribune · USA Today ×2 · Registered Representative · Complinet · The Boston Globe · Investment Advisor · Financial Times (London) · Institutional Investor ×2 · Boardroom Inc. · Medical Economics Journal ×2 · Sun-Sentinel · Times Record News · Dallas Business Journal · Dallas Morning News · Tampa Tribune · St. Petersburg Times · Colorado Springs Business Journal · The Denver Post ×3 · The Charlotte Business Journal · Philadelphia Inquirer · Upside · World Money Laundering Report ×2 · Richmond Business Journal · Rocky Mountain News · Bloomberg News · The Oregonian · Florida Today · AAII Journal · The Charlotte Observer · Lawyers Weekly USA · On Wall Street · St. Louis Business Show

## Appeared or Heard On

CNNFN "The Money Gang" · WNYW-TV FOX "Good Day New York" · KTVK-TV "Good Morning Arizona" · KFNN-AM Phoenix · WEBFNTV "Ask the Experts" · KNX-AM (CBS) Los Angeles · Yahoo Finance Webcast · New York 1 Cable "Fortune Business Report" · KUOW-FM Seattle · WSAR-AM Providence · WEIM-AM & WBIX-AM Boston · NBC Bay Area News, San Francisco · WABJ-AM Toledo · KBEM-FM Minneapolis · WPTT-AM Pittsburgh · WXRC & WIRC Charlotte · WFTL & WORL Miami · KWIP & WEVL Poughkeepsie · KCMN-FM Colorado Springs · Powernomics Syndicated Radio · WMTR-AM "Your New Jersey Connection" · KFAB-AM Omaha · KKTV Colorado Springs · KRDO Colorado Springs · CBS-WBBM Chicago "Noon Business Hour" (3)