

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016048196801**

TO: Department of Enforcement
Financial Industry Regulatory Authority (“FINRA”)

RE: Kalos Capital, Inc., Respondent
FINRA Member Firm
BD No. 44337

Darren Michael Kubiak, Respondent
General Securities Representative
CRD No. 1239086

Pursuant to FINRA Rule 9216 of FINRA’s Code of Procedure, Respondents Kalos Capital, Inc. (“Kalos” or “the Firm”) and Darren Michael Kubiak (“Kubiak”) submit this Letter of Acceptance, Waiver and Consent (“AWC”) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Kalos or Kubiak alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Kalos and Kubiak hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Kalos has been a FINRA member firm since 1998. Kalos is located in Alpharetta, Georgia and has approximately 157 registered persons and approximately 67 branch offices. Kalos is a retail brokerage firm and operates on an independent contractor model.

Kubiak entered the securities industry in 1983, when he became associated with a FINRA member firm. Kubiak became registered as an investment company and variable contracts products representative in February 1984, as an investment company and variable contracts products principal in July 1984, and as a general securities representative in March 2008. Kubiak has been associated with Kalos since January 2007, and is subject to FINRA’s jurisdiction.

RELEVANT DISCIPLINARY HISTORY

Kalos has no relevant disciplinary history with the SEC, FINRA, any other self-regulatory organization, or any state securities regulator. Kubiak has no disciplinary history.

OVERVIEW

Between August 2011 and January 2015, Kubiak recommended the purchase of Leveraged and Inverse Exchange Traded Funds (LIETFs) to 17 customers without having a sufficient understanding