

BrokerCheck Report

CAMBRIDGE LEGACY SECURITIES L.L.C.

CRD# 103722

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

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 <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.

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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)



**CAMBRIDGE LEGACY SECURITIES
L.L.C.**

CRD# 103722

SEC# 8-52220

Main Office Location

15660 N DALLAS PARKWAY
SUITE 700
DALLAS, TX 75248

Mailing Address

15660 N DALLAS PARKWAY
SUITE 700
DALLAS, TX 75248

Business Telephone Number

972-267-8181

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a limited liability company.
This firm was formed in Delaware on 09/09/1999.
Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This brokerage firm is no longer registered with FINRA or a national securities exchange.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm?

Yes

The following types of disclosures have been reported:

Type	Count
Regulatory Event	8
Civil Event	1
Arbitration	1

The number of disclosures from non-registered control affiliates is 1



Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.

Date firm ceased business:	04/03/2012
Does this brokerage firm owe any money or securities to any customer or brokerage firm?	Yes
Number of customers owed funds or securities:	1
Amount of money owed to customer:	\$1,506,796.38
Amount of money owed to brokerage firm:	\$0.00
Market value of securities owed to customer:	\$0.00
Market value of securities owed to brokerage firm:	\$0.00
Payment arrangement:	AMOUNT OWED AROSE FROM ARBITRATION AWARD. NO ARRANGEMENTS MADE DUE TO NET CAPITAL DEFICIENCY.



Firm Profile

This firm is classified as a limited liability company.
This firm was formed in Delaware on 09/09/1999.
Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

CAMBRIDGE LEGACY SECURITIES L.L.C.
Doing business as CAMBRIDGE LEGACY SECURITIES L.L.C.
CRD# 103722
SEC# 8-52220

Main Office Location

15660 N DALLAS PARKWAY
SUITE 700
DALLAS, TX 75248

Mailing Address

15660 N DALLAS PARKWAY
SUITE 700
DALLAS, TX 75248

Business Telephone Number

972-267-8181

Other Names of this Firm

Name	Where is it used
ABEL FINANCIAL	TX
BREEDLOVE FINANCIAL	TX
CORNERSTOME FINANCIAL SERVICES, INC.	TX
CORNERSTONE FINANCIAL ADVISORS	LA
COUR FINANCIAL LLC	WI
HORIZON ADVISORS	CA
IDEAL LIFE ADVISORS	CA
LEGACY WEALTH ADVISORS	LA, TX

LIGHTHOUSE FINANCIAL GROUP	VA
MICELI CASTELLON	FL
MIKE HENRY & ASSOCIATES	TX
MYLER FINANCIAL PLANNING	FL
NORTHSTAR BROKERAGE	AZ, NM
SNIDER WEALTH MANAGEMENT	WA
STRATEGIC FINANCIAL SOLUTIONS, INC.	NC
THE FOCUS GROUP ADVISORS	OK, TX
TRUSTMARK FINANCIAL SERVICES	TX
U.S. WEALTH ADVISORS, INC.	TX
VALTA INC	NC
WEALTH MANAGEMENT ADVISORS	TX



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any):	THE CAMBRIDGE LEGACY GROUP, INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	SHAREHOLDER
Position Start Date	11/2001
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	ARENDER, GREGORY ALLEN 5978765
Is this a domestic or foreign entity or an individual?	Individual
Position	FINANCIAL OPERATION PRINCIPAL
Position Start Date	01/2012
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	FINCHER, TOMMY EDWARD 1725266
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT / CHIEF COMPLIANCE OFFICER
Position Start Date	07/2011

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

No information reported.



Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.



Firm Operations



Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is no longer registered.

The firm's registration was from 07/05/2000 to 06/26/2012.



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 11 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Mutual fund retailer
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Real estate syndicator
Broker or dealer selling oil and gas interests
Put and call broker or dealer or option writer
Broker or dealer selling securities of non-profit organizations (e.g., churches, hospitals)
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Non-exchange member arranging for transactions in listed securities by exchange member
Private placements of securities

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	PERSHING LLC
CRD #:	7560
Business Address:	ONE PERSHING PLAZA JERSEY CITY, NJ 07399
Effective Date:	06/13/2005
Description:	CAMBRIDGE LEGACY SECURITIES,LLC HAS ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH PERSHING LLC TO MAINTAIN ITS CUSTOMER ACCOUNTS AND TO REPRESENT IT AS CLEARING BROKER OR DEALER.

Firm Operations

Industry Arrangements



This firm does not have books or records maintained by a third party.

This firm does have accounts, funds, or securities maintained by a third party.

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399
Effective Date: 06/16/2005
Description: CAMBRIDGE LEGACY SECURITIES,LLC HAS ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH PERSHING LLC TO MAINTAIN ITS CUSTOMER ACCOUNTS AND TO REPRESENT IT AS CLEARING BROKER OR DEALER.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399
Effective Date: 06/16/2005
Description: CAMBRIDGE LEGACY SECURITIES,LLC HAS ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH PERSHING LLC TO MAINTAIN ITS CUSTOMER ACCOUNTS AND TO REPRESENT IT AS CLEARING BROKER OR DEALER.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

CAMBRIDGE LEGACY ADVISORS, INC. is under common control with the firm.

CRD #:	119558
Business Address:	15660 N DALLAS PKWY SUITE 700 DALLAS, TX 75248
Effective Date:	04/30/2002
Foreign Entity:	No
Country:	TEXAS
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	CAMBRIDGE LEGACY GROUP, INC. IS THE PARENT COMPANY OF BOTH CAMBRIDGE LEGACY SECURITIES, L.L.C. AND CAMBRIDGE LEGACY ADVISORS, INC. SECURITIES TRANSACTIONS FOR CAMBRIDGE LEGACY ADVISORS, INC. ARE CONDUCTED THROUGH CAMBRIDGE LEGACY SECURITIES, L.L.C.

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	1	7	0
Civil Event	0	1	0
Arbitration	N/A	1	N/A

Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
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 brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both 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.
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 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.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 7

Reporting Source: Regulator

Current Status: Final



Allegations:	CAMBRIDGE FAILED TO PERFORM ADEQUATE DUE DILIGENCE OF SECURITIES BEING OFFERED, SOLD UNREGISTERED SECURITIES, AND FAILED TO PROPERLY SUPERVISE ITS AGENTS.
Initiated By:	ARKANSAS SECURITIES DEPARTMENT
Date Initiated:	10/08/2012
Docket/Case Number:	S-11-0219-12-OR05
URL for Regulatory Action:	
Principal Product Type:	Direct Investment(s) - DPP & LP Interest(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Expulsion
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	10/08/2012
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Revocation/Expulsion/Denial
Other Sanctions Ordered:	
Sanction Details:	THE ARKANSAS BROKER-DEALER REGISTRATION OF CAMBRIDGE WAS PERMANENTLY REVOKED.

Disclosure 2 of 7

Reporting Source:	Regulator
Current Status:	Final
Allegations:	FINRA RULE 2010, NASD RULES 2110, 2310, 3010: THE FIRM SOLD INTERESTS IN SOME PRIVATE PLACEMENTS OFFERED BY TWO AFFILIATED COMPANIES OF THE FIRM. THE FIRM SOLD, TO ITS CUSTOMERS, \$22 MILLION IN INTERESTS IN ONE OF THE COMPANIES' OFFERINGS AND SOLD APPROXIMATELY \$900,000 IN INTERESTS IN THE OTHER COMPANY'S OFFERING. THE FIRM SOLD INTERESTS IN THESE COMPANIES' PRIVATE PLACEMENTS WITHOUT CONDUCTING A REASONABLE INVESTIGATION OF



THE SECURITIES AND ISSUERS. SPECIFICALLY, THE FIRM FAILED TO CREATE AND MAINTAIN DUE DILIGENCE FILES AND CONDUCT ON-GOING DUE DILIGENCE ON THE COMPANIES' OFFERINGS. AS A RESULT, THE FIRM DID NOT HAVE REASONABLE GROUNDS TO BELIEVE THAT THE OFFERINGS WERE SUITABLE FOR ITS CUSTOMERS. ULTIMATELY, THE OFFERINGS WERE UNSUCCESSFUL. THE COMPANIES' OFFERINGS WERE UNREGISTERED. THEY WERE SOLD PURSUANT TO REGISTRATION EXEMPTION REGULATION D. THE FIRM SOLD INTERESTS IN THE OFFERINGS OF ONE OF THE AFFILIATE COMPANIES IN CONTRAVENTION OF THE GENERAL SOLICITATION PROHIBITION CONTAINED IN REGULATION D. IN PARTICULAR, THE FIRM SOLD THE OFFERINGS WHILE DETAILS OF THE OFFERINGS WERE POSTED ON THE COMPANY'S WEBSITE. THESE WEBSITE POSTINGS, WHICH CONSTITUTED A GENERAL SOLICITATION, WERE PUBLICALLY ACCESSIBLE AND CONTAINED PRIVATE PLACEMENT MEMORANDA AND TERM SHEETS FOR THE OFFERINGS. THE FIRM KNEW, OR SHOULD HAVE KNOWN, THAT DETAILED INFORMATION ABOUT THE REGULATION D OFFERINGS WAS PUBLICALLY AVAILABLE. IN ADDITION, THE FIRM FAILED TO IMPLEMENT AND ENFORCE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS. SPECIFICALLY, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES REQUIRED THE FIRM TO CONDUCT DUE DILIGENCE FOR ALL PRIVATE PLACEMENTS SOLD BY IT. HOWEVER, THE FIRM FAILED TO CONDUCT DUE DILIGENCE ON THE COMPANIES' OFFERINGS.

Initiated By:	FINRA
Date Initiated:	06/26/2012
Docket/Case Number:	2010020844301
Principal Product Type:	Other
Other Product Type(s):	PRIVATE PLACEMENT OFFERINGS
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/26/2012



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Revocation/Expulsion/Denial
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS EXPELLED FROM FINRA MEMBERSHIP.

Disclosure 3 of 7

Reporting Source:	Regulator
Current Status:	Final
Allegations:	FINRA RULE 2010, NASD RULES 2110, 2310, 3010: CAMBRIDGE LEGACY SECURITIES, L.L.C FAILED TO HAVE REASONABLE GROUNDS TO BELIEVE THAT A PRIVATE PLACEMENT OFFERING PURSUANT TO REGULATION D WAS SUITABLE FOR ANY CUSTOMER AND, ACTING THROUGH AN INDIVIDUAL, IT'S CHIEF COMPLIANCE OFFICER AND REGISTERED PRINCIPAL, FAILED TO CONDUCT ADEQUATE DUE DILIGENCE OF A PRIVATE PLACEMENT OFFERING BEFORE ALLOWING THE FIRM'S BROKERS TO SELL THE SECURITY. WITHOUT ADEQUATE DUE DILIGENCE, THE FIRM COULD NOT IDENTIFY AND UNDERSTAND THE INHERENT RISKS OF THE OFFERING. THE INDIVIDUAL WAS THE PRINCIPAL RESPONSIBLE FOR CONDUCTING DUE DILIGENCE ON THE OFFERING AND APPROVED THE SECURITY AS A NEW PRODUCT AVAILABLE FOR FIRM BROKERS TO SELL TO THEIR CUSTOMERS. HE ALLOWED THE FIRM'S BROKERS TO CONTINUE SELLING THE SECURITY DESPITE ITS ONGOING FAILURE TO MAKE THE OVERDUE INTEREST AND PRINCIPAL PAYMENTS. THE FIRM FAILED TO HAVE REASONABLE GROUNDS FOR ALLOWING THE CONTINUED SALE OF THE SECURITY. EVEN THOUGH THE FIRM, THROUGH THE INDIVIDUAL, WAS AWARE OF NUMEROUS RED FLAGS CONCERNING LIQUIDITY PROBLEMS, DELINQUENCIES AND DEFAULTS, WHICH SHOULD HAVE ALERTED THE INDIVIDUAL THAT THE SECURITY WAS ALSO SUSCEPTIBLE TO DELINQUENCIES OR DEFAULTS, THE FIRM ALLOWED ITS BROKERS TO CONTINUE TO SELL IT. THE FIRM, ACTING THROUGH THE INDIVIDUAL, FAILED TO MAINTAIN A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS AND IT FAILED TO ENFORCE REASONABLE SUPERVISORY PROCEDURES TO DETECT OR ADDRESS



POTENTIAL RED FLAGS AS IT RELATED TO THE OFFERING.

Initiated By: FINRA

Date Initiated: 11/29/2010

Docket/Case Number: [2009020319001](#)

Principal Product Type: Other

Other Product Type(s): PRIVATE PLACEMENT OFFERING

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/29/2010

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED AND ORDERED TO PAY RESTITUTION TO CUSTOMERS IN THE AMOUNT OF \$218,400. THE FIRM MUST PROVIDE FINRA WITH WRITTEN NOTICE OF ALL RESTITUTION PAYMENTS MADE TO THE CUSTOMERS AND SUCH WRITTEN NOTICE IS DUE WITHIN 15 BUSINESS DAYS OF THE PAYMENT TO THE CUSTOMERS. IF THE FIRM FAILS TO PROVIDE FINRA WITH PROOF OF RESTITUTION IN THE MANNER SET FORTH ABOVE, IT SHALL IMMEDIATELY BE SUSPENDED FROM FINRA MEMBERSHIP UNTIL SUCH PROOF HAS BEEN PROVIDED. THE IMPOSITION OF A RESTITUTION ORDER OR ANY OTHER MONETARY SANCTION HEREIN, AND THE TIMING OF SUCH ORDERED PAYMENTS, DOES NOT PRECLUDE THE CUSTOMERS FROM PURSUING THEIR OWN ACTION TO OBTAIN RESTITUTION OR OTHER REMEDIES.

Reporting Source: Firm



Current Status:	Final
Allegations:	<p>FINRA RULE 2010, NASD RULES 2110, 2310, 3010: CAMBRIDGE LEGACY SECURITIES, L.L.C FAILED TO HAVE REASONABLE GROUNDS TO BELIEVE THAT A PRIVATE PLACEMENT OFFERING PURSUANT TO REGULATION D WAS SUITABLE FOR ANY CUSTOMER AND, ACTING THROUGH AN INDIVIDUAL, IT'S CHIEF COMPLIANCE OFFICER AND REGISTERED PRINCIPAL, FAILED TO CONDUCT ADEQUATE DUE DILIGENCE OF A PRIVATE PLACEMENT OFFERING BEFORE ALLOWING THE FIRM'S BROKERS TO SELL THE SECURITY. WITHOUT ADEQUATE DUE DILIGENCE, THE FIRM COULD NOT IDENTIFY AND UNDERSTAND THE INHERENT RISKS OF THE OFFERING. THE INDIVIDUAL WAS THE PRINCIPAL RESPONSIBLE FOR CONDUCTING DUE DILIGENCE ON THE OFFERING AND APPROVED THE SECURITY AS A NEW PRODUCT AVAILABLE FOR FIRM BROKERS TO SELL TO THEIR CUSTOMERS. HE ALLOWED THE FIRM'S BROKERS TO CONTINUE SELLING THE SECURITY DESPITE ITS ONGOING FAILURE TO MAKE THE OVERDUE INTEREST AND PRINCIPAL PAYMENTS. THE FIRM FAILED TO HAVE REASONABLE GROUNDS FOR ALLOWING THE CONTINUED SALE OF THE SECURITY. EVEN THOUGH THE FIRM, THROUGH THE INDIVIDUAL, WAS AWARE OF NUMEROUS RED FLAGS CONCERNING LIQUIDITY PROBLEMS, DELINQUENCIES AND DEFAULTS, WHICH SHOULD HAVE ALERTED THE INDIVIDUAL THAT THE SECURITY WAS ALSO SUSCEPTIBLE TO DELINQUENCIES OR DEFAULTS, THE FIRM ALLOWED ITS BROKERS TO CONTINUE TO SELL IT. THE FIRM, ACTING THROUGH THE INDIVIDUAL, FAILED TO MAINTAIN A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS AND IT FAILED TO ENFORCE REASONABLE SUPERVISORY PROCEDURES TO DETECT OR ADDRESS POTENTIAL RED FLAGS AS IT RELATED TO THE OFFERING.</p>
Initiated By:	FINRA
Date Initiated:	11/29/2010
Docket/Case Number:	2009020319001
Principal Product Type:	Other
Other Product Type(s):	PRIVATE PLACEMENT OFFERING
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/29/2010

**Sanctions Ordered:**

Censure
Disgorgement/Restitution

Other Sanctions Ordered:**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED AND ORDERED TO PAY RESTITUTION TO CUSTOMERS IN THE AMOUNT OF \$218,400. THE FIRM MUST PROVIDE FINRA WITH WRITTEN NOTICE OF ALL RESTITUTION PAYMENTS MADE TO THE CUSTOMERS AND SUCH WRITTEN NOTICE IS DUE WITHIN 15 BUSINESS DAYS OF THE PAYMENT TO THE CUSTOMERS. IF THE FIRM FAILS TO PROVIDE FINRA WITH PROOF OF RESTITUTION IN THE MANNER SET FORTH ABOVE, IT SHALL IMMEDIATELY BE SUSPENDED FROM FINRA MEMBERSHIP UNTIL SUCH PROOF HAS BEEN PROVIDED. THE IMPOSITION OF A RESTITUTION ORDER OR ANY OTHER MONETARY SANCTION HEREIN, AND THE TIMING OF SUCH ORDERED PAYMENTS, DOES NOT PRECLUDE THE CUSTOMERS FROM PURSUING THEIR OWN ACTION TO OBTAIN RESTITUTION OR OTHER REMEDIES.

Disclosure 4 of 7**Reporting Source:**

Regulator

Current Status:

Final

Allegations:

SECURITIES EXCHANGE ACT RULES 17A-4(B)(4), 17A-4(F)(2)(II), NASD RULES 1021(D), 2110, 3010(A), 3010(D), 3060: THE FIRM, ACTING THROUGH ITS PRESIDENT AND REGISTERED PRINCIPAL, FAILED TO ADEQUATELY IMPLEMENT A SUPERVISORY SYSTEM DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS, SPECIFICALLY FAILING TO IMPLEMENT AN ADEQUATE SYSTEM TO SUPERVISE THE ACTIVITIES OF A BRANCH OFFICE AND FAILING TO APPOINT A PROPERLY QUALIFIED PRINCIPAL TO SUPERVISE THE ACTIVITIES OF THE BRANCH OFFICE. THE FIRM ALLOWED REGISTERED REPRESENTATIVES TO ACCEPT A GIFT AND/OR GRATUITY IN EXCESS OF \$100 FROM THE PRESIDENT AND GENERAL PARTNER OF AN ENTITY THAT OFFERED AN ALTERNATIVE INVESTMENT PRODUCT, WHICH THE FIRM'S BRANCH OFFICE SOLD TO CUSTOMERS. THE FIRM FAILED TO PROPERLY MAINTAIN ITS E-MAIL COMMUNICATIONS, AND ACTING THROUGH ITS PRESIDENT, IT FAILED TO HAVE A PROCEDURE IN PLACE TO ENSURE THAT HIS OWN EMAIL DESIGNATED AS LEGAL AND CONFIDENTIAL WAS PROPERLY MAINTAINED AND REVIEWED. THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM IN AREAS OF INTERNAL COMMUNICATIONS AND CORRESPONDENCE. THE FIRM CHARGED BOTH COMMISSIONS AND ADVISORY FEES ON TRANSACTIONS IN ALTERNATIVE INVESTMENT PRODUCTS WHOSE OFFERING



DOCUMENTS SPECIFICALLY PROHIBITED SUCH ACTIVITY.

Initiated By: FINRA

Date Initiated: 07/09/2010

Docket/Case Number: [2007010684401](#)

Principal Product Type: Other

Other Product Type(s): ALTERNATIVE INVESTMENT PRODUCT

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/09/2010

Sanctions Ordered: Censure
Monetary/Fine \$50,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED, FINED \$50,000, AND ORDER TO PAY \$21,864.74, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS. FURTHER, WITHIN FIFTEEN DAYS THAT THE SANCTIONS IMPOSED BECOME EFFECTIVE THE FIRM SHALL PAY RESTITUTION PLUS INTEREST AT THE RATE SET FORTH IN SECTION 6621(A)(2) OF THE INTERNAL REVENUE CODE, 26 U.S.C. 6621(A)(2), TO THE CUSTOMERS FROM THE DATE THE AWC IS ISSUED UNTIL THE DATE THAT THE RESTITUTION HAS BEEN PAID IN FULL. SATISFACTORY WRITTEN NOTICE OF ALL RESTITUTION PAYMENTS MADE TO THE CUSTOMERS MUST BE PROVIDED TO FINRA AND DUE WITHIN FIFTEEN BUSINESS DAYS OF THE PAYMENT TO THE CUSTOMERS. IF THE FIRM FAILS TO PROVIDE FINRA WITH PROOF OF RESTITUTION IN SAID MANNER IT SHALL IMMEDIATELY BE SUSPENDED FROM FINRA MEMBERSHIP UNTIL SUCH PROOF HAS BEEN PROVIDED.

Reporting Source: Firm

Current Status: Final

Allegations: SECURITIES EXCHANGE ACT RULES 17A-4(B)(4), 17A-4(F)(2)(II), NASD RULES 1021(D), 2110, 3010(A), 3010(D), 3060: THE FIRM, ACTING THROUGH



ITS PRESIDENT AND REGISTERED PRINCIPAL, FAILED TO ADEQUATELY IMPLEMENT A SUPERVISORY SYSTEM DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS, SPECIFICALLY FAILING TO IMPLEMENT AN ADEQUATE SYSTEM TO SUPERVISE THE ACTIVITIES OF A BRANCH OFFICE AND FAILING TO APPOINT A PROPERLY QUALIFIED PRINCIPAL TO SUPERVISE THE ACTIVITIES OF THE BRANCH OFFICE. THE FIRM ALLOWED REGISTERED REPRESENTATIVES TO ACCEPT A GIFT AND/OR GRATUITY IN EXCESS OF \$100 FROM THE PRESIDENT AND GENERAL PARTNER OF AN ENTITY THAT OFFERED AN ALTERNATIVE INVESTMENT PRODUCT, WHICH THE FIRM'S BRANCH OFFICE SOLD TO CUSTOMERS. THE FIRM FAILED TO PROPERLY MAINTAIN ITS E-MAIL COMMUNICATIONS, AND ACTING THROUGH ITS PRESIDENT, IT FAILED TO HAVE A PROCEDURE IN PLACE TO ENSURE THAT HIS OWN EMAIL DESIGNATED AS LEGAL AND CONFIDENTIAL WAS PROPERLY MAINTAINED AND REVIEWED. THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM IN AREAS OF INTERNAL COMMUNICATIONS AND CORRESPONDENCE. THE FIRM CHARGED BOTH COMMISSIONS AND ADVISORY FEES ON TRANSACTIONS IN ALTERNATIVE INVESTMENT PRODUCTS WHOSE OFFERING DOCUMENTS SPECIFICALLY PROHIBITED SUCH ACTIVITY.

Initiated By: FINRA

Date Initiated: 07/09/2010

Docket/Case Number: [2007010684401](#)

Principal Product Type: Other

Other Product Type(s): ALTERNATIVE INVESTMENT PRODUCT

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/09/2010

Sanctions Ordered: Censure
Monetary/Fine \$50,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED, FINED \$50,000, AND ORDER TO PAY



\$21,864.74, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS. FURTHER, WITHIN FIFTEEN DAYS THAT THE SANCTIONS IMPOSED BECOME EFFECTIVE THE FIRM SHALL PAY RESTITUTION PLUS INTEREST AT THE RATE SET FORTH IN SECTION 6621(A)(2) OF THE INTERNAL REVENUE CODE, 26 U.S.C. 6621(A)(2), TO THE CUSTOMERS FROM THE DATE THE AWC IS ISSUED UNTIL THE DATE THAT THE RESTITUTION HAS BEEN PAID IN FULL. SATISFACTORY WRITTEN NOTICE OF ALL RESTITUTION PAYMENTS MADE TO THE CUSTOMERS MUST BE PROVIDED TO FINRA AND DUE WITHIN FIFTEEN BUSINESS DAYS OF THE PAYMENT TO THE CUSTOMERS. IF THE FIRM FAILS TO PROVIDE FINRA WITH PROOF OF RESTITUTION IN SAID MANNER IT SHALL IMMEDIATELY BE SUSPENDED FROM FINRA MEMBERSHIP UNTIL SUCH PROOF HAS BEEN PROVIDED.

Disclosure 5 of 7

Reporting Source:	Firm
Current Status:	Final
Allegations:	STATE OF GA ALLEGES SALES MADE BY APPLICANT TO GA RESIDENTS WERE UNSUITABLE AND THAT APPLICANT FAILED TO CONDUCT APPROPRIATE DUE DILIGENCE REVIEW PRIOR TO SALES.
Initiated By:	THE STATE OF GA, COMMISSIONER OF SECURITIES
Date Initiated:	06/22/2009
Docket/Case Number:	2009CV169479
Principal Product Type:	Debt - Corporate
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	ADMINISTRATIVE FINE
Resolution:	Dismissed
Resolution Date:	03/18/2010
Firm Statement	REGULATORY ACTION DISMISSED WITH PREJUDICED CONDITIONED UPON \$30,000 RESTITUTION BY APPLICANT.

Disclosure 6 of 7

Reporting Source:	Regulator
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Current Status:	Final
Allegations:	NASD RULES 2110, 3010, 6955(A) - CAMBRIDGE LEGACY SECURITIES L.L.C. FAILED TO TRANSMIT ORDERS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) ON NUMEROUS BUSINESS DAYS THAT IT WAS REQUIRED TO TRANSMIT. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING TIMELY, ACCURATE AND COMPLETE SUBMISSIONS TO OATS. THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES WHICH SPECIFIED THAT MONTHLY REPORTS WOULD BE REVIEWED AND INITIALED TO DOCUMENT ITS SUPERVISORY REVIEW FOR ENSURING THAT ITS CLEARING FIRMS REPORTED ALL REQUIRED INFORMATION IN A COMPLETE, TIMELY AND ACCURATE MANNER.
Initiated By:	FINRA
Date Initiated:	07/15/2009
Docket/Case Number:	2007008926301
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	07/15/2009
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$13,500.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$13,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING TIMELY,



ACCURATE AND COMPLETE SUBMISSIONS TO OATS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Reporting Source: Firm

Current Status: Final

Allegations: JULY 10, 2006 THROUGH MARCH 31, 2007 CAMBRIDGE LEGACY SECURITIES L.L.C. FAILED TO TRANSMIT ORDERS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) ON NUMEROUS BUSINESS DAYS THAT IT WAS REQUIRED TO TRANSMIT. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING TIMELY, ACCURATE AND COMPLETE SUBMISSIONS TO OATS. THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES WHICH SPECIFIED THAT MONTHLY REPORTS WOULD BE REVIEWED AND INITIALED TO DOCUMENT ITS SUPERVISORY REVIEW FOR ENSURING THAT ITS CLEARING FIRMS REPORTED ALL REQUIRED INFORMATION IN A COMPLETE, TIMELY AND ACCURATE MANNER.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY

Date Initiated: 07/15/2009

Docket/Case Number: AWC - 20070089263-01

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Undertaking

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/15/2009

Sanctions Ordered: Censure
Monetary/Fine \$13,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$13,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING TIMELY, ACCURATE AND COMPLETE SUBMISSIONS TO OATS.



Disclosure 7 of 7

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SECTION 15(C) OF THE SECURITIES AND EXCHANGE ACT OF 1934, RULE 15C2-4 THEREUNDER, SECTION 15(C) OF THE EXCHANGE ACT, RULE 15C3-1 THEREUNDER, NASD RULES 1014, 2110 - RESPONDENT MEMBER, ACTING THROUGH AN EMPLOYEE, COMMENCED A BEST EFFORTS, "MINIMUM-MAXIMUM" OFFERING CONDUCTED BY AN AFFILIATED COMPANY AND FAILED TO DEPOSIT THE CHECKS RECEIVED FROM THE FIRST TWO PUBLIC CUSTOMER INTO A BANK ESCROW ACCOUNT AND HELD THE FUNDS FOR A PERIOD OF TIME BEFORE BEING TRANSFERRED TO AN ESCROW ACCOUNT. THE FINDINGS STATED THAT THE FIRM, ACTING THROUGH AN EMPLOYEE, HELD CUSTOMERS' FUNDS BY VIRTUE OF ITS FAILING TO PLACE CUSTOMERS FUNDS RAISED IN THE OFFERING INTO A BONA FIDE ESCROW ACCOUNT AND INSTEAD, DEPOSITING THE FUNDS INTO AN ACCOUNT ON WHICH THE EMPLOYEE HAD SIGNATURE AUTHORITY. THE FINDINGS ALSO STATED THAT THE FIRM, ACTING THROUGH AN EMPLOYEE, CONDUCTED A SECURITIES BUSINESS WHILE FAILING TO MAINTAIN ITS REQUIRED MINIMUM NET CAPITAL.
Initiated By:	NASD
Date Initiated:	07/14/2006
Docket/Case Number:	E062005004001
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED TYPE OF SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	07/14/2006
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No



Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, CAMBRIDGE LEGACY SECURITIES, LLC, CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000 JOINTLY AND SEVERALLY.

Reporting Source: Firm

Current Status: Final

Allegations: CAMBRIDGE LEGACY SECURITIES, LLC FAILED TO DEPOSIT TWO CHECKS INTO ESCROW ACCOUNT AND INADVERTENTLY DEPOSITED IN THE OPERATING ACCOUNT FOR THE L.P. THE FUNDS WERE TRANSFERRED INTO THE CORRECT ACCOUNT WITHIN 15 DAYS OF THE ERROR. THE FINDINGS ALSO STATED THAT THE FIRM, DUE TO THIS, CONDUCTED SECURITIES BUSINESS WHILE FAILING TO MAINTAIN ITS REQUIRED MINIMUM NET CAPITAL.

Initiated By: NATIONAL ASSOCIATION OF SECURITY DEALERS

Date Initiated: 07/14/2006

Docket/Case Number: AWAC E062005004001

Principal Product Type: Direct Investment(s) - DPP & LP Interest(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/14/2006

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: FINE \$10,000.00

Firm Statement THE TWO CUSTOMER CHECKS WERE MISTAKENLY DEPOSITED BY AN ASSISTANT IN THE OPERATING ACCOUNT FOR THE LIMITED PARTNERSHIP



AND WHEN THAT WAS DISCOVERED, IT WAS IMMEDIATELY CORRECTED.
THERE WERE NO CUSTOMER COMPLAINTS AND NO CUSTOMER FUNDS
WERE LOST

Reporting Source:	Firm
Current Status:	Final
Allegations:	CAMBRIDGE LEGACY SECURITIES, LLC FAILED TO DEPOSIT TWO CHECKS INTO ESCROW ACCOUNT AND INADVERTENTLY DEPOSITED IN THE OPERATING ACCOUNT FOR THE L.P. THE FUNDS WERE TRANSFERRED INTO THE CORRECT ACCOUNT WITHIN 15 DAYS OF THE ERROR.THE FINDINGS ALSO STATED THAT THE FIRM, DUE TO THIS, CONDUCTED SECURITIES BUSINESS WHILE FAILING TO MAINTAIN ITS REQUIRED MINIMUM NET CAPITAL.
Initiated By:	NATIONAL ASSOCIATION OF SECURITY DEALERS
Date Initiated:	07/14/2006
Docket/Case Number:	AWAC E062005004001
Principal Product Type:	Direct Investment(s) - DPP & LP Interest(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	07/14/2006
Sanctions Ordered:	Censure Monetary/Fine \$10,000.00
Other Sanctions Ordered:	
Sanction Details:	FINE \$10,000.00
Firm Statement	THE TWO CUSTOMER CHECKS WERE MISTAKENLY DEPOSITED BY AN ASSISTANT IN THE OPERATING ACCOUNT FOR THE LIMITED PARTNERSHIP AND WHEN THAT WAS DISCOVERED, IT WAS IMMEDIATELY CORRECTED. THERE WERE NO CUSTOMER COMPLAINTS AND NO CUSTOMER FUNDS WERE LOST



Regulatory - Pending

This type of disclosure event may include 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:	Firm
Current Status:	Pending
Allegations:	FAILURE TO SUPERVISE; EXCESSIVE FEES; FAILURE TO TIMELY FILE COMPLAINTS TO CRD; INEQUITABLE SECURITIES PRACTICES.
Initiated By:	TEXAS STATE SECURITIES BOARD
Date Initiated:	10/26/2009
Docket/Case Number:	312-10-0893
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Suspension
Other Sanction(s)/Relief Sought:	RESTITUTION
Resolution:	Dismissed
Resolution Date:	
Firm Statement	DISMISSED AS A RESULT OF BOARD ORDER IC10-SUS-10.

**Civil - Final**

This type of disclosure event involves (1) an injunction issued by a foreign or domestic court within the last 10 years in connection with investment-related activity, (2) a finding by a court of a violation of any investment-related statute or regulation, or (3) an action dismissed by a court pursuant to a settlement agreement.

Disclosure 1 of 1

Reporting Source:	Firm
Current Status:	Final
Allegations:	COMMISSIONER OF SECURITIES, STATE OF GA, FILED A COUNTER CLAIM AGAINST CAMBRIDGE LEGACY SECURITIES ALLEGING THAT CLS VIOLATED VARIOUS SECURITIES RULE AND REGULATIONS OF THE STATE OF GA REGARDING SALE OF CERTAIN BONDS TO THE RESIDENTS OF GA. NO OTHER ACTION IN LAWSUIT HAS OCCURRED.
Initiated By:	COMMISSIONER OF SECURITIES OF THE STATE OF GEORGIA
Court Details:	SUPERIOR COURT OF FULTON COUNTY - STATE OF GA CIVIL ACTION FILE # 2009CV169479.
Date Court Action Filed:	06/22/2009
Principal Product Type:	Debt - Corporate
Other Product Types:	
Relief Sought:	Restitution
Other Relief Sought:	COMPLETE RESTITUTION TO ALL INVESTORS. CIVIL PENALTIES IN THE AMOUNT OF \$50,000 PER VIOLATION (MAXIMUM OF \$500,000 FOR MULTIPLE VIOLATIONS)
Resolution:	Dismissed
Resolution Date:	03/18/2010
Sanctions Ordered or Relief Granted:	
Other Sanctions:	
Sanction Details:	
Firm Statement	REGULATORY ACTION DISMISSED WITH PREJUDICED CONDITIONED UPON \$30,000 RESTITUTION BY APPLICANT.



Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.
The full text of arbitration awards issued by FINRA is available at www.finra.org/awardsonline.

Disclosure 1 of 1

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	05/18/2011
Case Number:	11-01875
Disputed Product Type:	LIMITED PARTNERSHIPS
Sum of All Relief Requested:	\$500,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	03/30/2012
Sum of All Relief Awarded:	\$1,506,796.38

There may be a non-monetary award associated with this arbitration.
Please select the Case Number above to view more detailed information.

Disclosure Events for Non-Registered Control Affiliates



All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	1	0



Disclosure Event Details

Regulatory - Final

Disclosure 1 of 1

Reporting Source:	Regulator
Affiliate:	
Current Status:	Final
Allegations:	CAMBRIDGE SECURITIES LLC, FAILED TO HAVE DIRECTLY SUPERVISED, FAILED TO PUT IN WRITING AND BE RESPONSIBLE FOR SUPERVISORY ACTIVITY OF ANY DELGATED PERSON FOR THE FIRM., CAMBRIDGE SECURITIES, LLC FAILED TO ESTABLISH AND ENFORCE PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE, FAILED TO AUDIT ALL OF RUSSELL K. CHILDS ACCOUNTS AND FORWARD SIGNED STATEMENTS OF COMPLIANCE CONCERNS TO THE DIRECTOR OF INSPECTIONS & COMPLIANCE PER THE 2004 UNDERTAKING WITH THE STATE SECURITIES BOARD. CAMBRIDGE SECURITIES LLC FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES, FAILED TO DISCLOSE REQUIRED INFORMATION ON RUSSELL K. CHILDS FORM U-4, AND ASSESSED COMMISSIONS PROHIBITED IN AN INVESTMENT'S PROSPECTUS.
Initiated By:	TEXAS
Date Initiated:	04/01/2010
Docket/Case Number:	IC10-SUS-10
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	INVESTMENT ADVISE, SECURITIES
Principal Sanction(s)/Relief Sought:	Reprimand
Other Sanction(s)/Relief Sought:	ADMINISTRATIVE FINE
Resolution:	Order
Resolution Date:	04/01/2010
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No



Sanctions Ordered: Monetary/Fine \$50,000.00
Other Sanctions Ordered: REPRIMAND
Sanction Details: NO OTHER SANCTIONS FOLLOW.

Reporting Source: Firm
Affiliate: CAMBRIDGE LEGACY ADVISORS, INC.
Current Status: Final
Allegations: FAILED TO HAVE DIRECTLY SUPERVISED, FAILED TO PUT IN WRITING AND BE RESPONSIBLE FOR SUPERVISORY ACTIVITY OF ANY DELEGATED PERSON FOR THE FIRM., CAMBRIDGE SECURITIES, LLC FAILED TO ESTABLISH AND ENFORCE PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE, FAILED TO AUDIT ALL OF RUSSELL K. CHILDS ACCOUNTS AND FORWARD SIGNED STATEMENTS OF COMPLIANCE CONCERNS TO THE DIRECTOR OF INSPECTIONS & COMPLIANCE PER THE 2004 UNDERTAKING WITH THE STATE SECURITIES BOARD. CAMBRIDGE SECURITIES LLC FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES, FAILED TO DISCLOSE REQUIRED INFORMATION ON RUSSELL K. CHILDS FORM U-4, AND ASSESSED COMMISSIONS PROHIBITED IN AN INVESTMENT'S PROSPECTUS.
Initiated By: TEXAS STATE SECURITIES BOARD
Date Initiated: 04/01/2010
Docket/Case Number: IC10-SUS-10
Principal Product Type: Other
Other Product Type(s): INVESTMENT ADVICE, SECURITIES
Principal Sanction(s)/Relief Sought: Reprimand
Other Sanction(s)/Relief Sought: ADMINISTRATIVE FINE
Resolution: Order
Resolution Date: 04/01/2010
Sanctions Ordered: Monetary/Fine \$50,000.00
Other Sanctions Ordered: REPRIMAND
Sanction Details: NO OTHER SANCTIONS FOLLOW

End of Report



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