

BrokerCheck Report

MML INVESTORS SERVICES, LLC

CRD# 10409

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Firm Profile	2 - 10
Firm History	11
Firm Operations	12 - 29
Disclosure Events	30

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.

Thank you for using FINRA BrokerCheck.



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)



MML INVESTORS SERVICES, LLC

CRD# 10409

SEC# 8-27250

Main Office Location

1295 STATE STREET
 SPRINGFIELD, MA 01111-0001
 Regulated by FINRA Boston Office

Mailing Address

1295 STATE STREET
 SPRINGFIELD, MA 01111-0001

Business Telephone Number

(413) 737-8400

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

<https://www.adviserinfo.sec.gov>

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 Massachusetts on 01/01/2011.

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 firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 53 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 15 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

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	16
Arbitration	1
Bond	2



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Massachusetts on 01/01/2011.

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.

MML INVESTORS SERVICES, LLC

Doing business as MML INVESTORS SERVICES, LLC

CRD# 10409

SEC# 8-27250

Main Office Location

1295 STATE STREET
SPRINGFIELD, MA 01111-0001

Regulated by FINRA Boston Office

Mailing Address

1295 STATE STREET
SPRINGFIELD, MA 01111-0001

Business Telephone Number

(413) 737-8400

Other Names of this Firm

Name	Where is it used
MASSMUTUAL FINANCIAL GROUP	NH
MML INVESTORS SERVICES	AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, PR, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI,

	WV, WY
THE ESTABLISHMENT	NY
THE ESTABLISHMENT BY BARNUM FINANCIAL GROUP	CT
THE ESTABLISHMENT BY MASSMUTUAL	OK



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): MASSMUTUAL HOLDING LLC

Is this a domestic or foreign entity or an individual? Domestic Entity

Position MEMBER

Position Start Date 07/2004

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company?

Legal Name & CRD# (if any): BAUER, THOMAS K
4759472

Is this a domestic or foreign entity or an individual? Individual

Position CHIEF TECHNOLOGY OFFICER

Position Start Date 03/2017

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

Legal Name & CRD# (if any): BENSON, WENDY ANN
2140720

Is this a domestic or foreign entity or an individual? Individual

Position PRESIDENT AND DIRECTOR

Position Start Date 05/2016

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

Legal Name & CRD# (if any): CHICARES, ELIZABETH WARD
2194754

Is this a domestic or foreign entity or an individual? Individual

Position DIRECTOR

Position Start Date 08/2011

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

Legal Name & CRD# (if any): CRADDOCK, GEOFFREY
1444771

Is this a domestic or foreign entity or an individual? Individual

Position DIRECTOR

Position Start Date 11/2017

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

Legal Name & CRD# (if any): FANNING, MICHAEL ROBERT

Firm Profile



Direct Owners and Executive Officers (continued)

1620072

Is this a domestic or foreign entity or an individual? Individual

Position DIRECTOR

Position Start Date 05/2016

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

Legal Name & CRD# (if any): HALL, NATHAN L
6072737

Is this a domestic or foreign entity or an individual? Individual

Position CHIEF FINANCIAL OFFICER AND TREASURER

Position Start Date 07/2012

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

Legal Name & CRD# (if any): HOLTZER, DAVID MICHAEL
4345697

Is this a domestic or foreign entity or an individual? Individual

Position FIELD RISK OFFICER

Position Start Date 03/2017

Percentage of Ownership Less than 5%



Firm Profile

Direct Owners and Executive Officers (continued)

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): MINK, DAVID MYERS
2606831

Is this a domestic or foreign entity or an individual? Individual

Position VICE PRESIDENT AND CHIEF OPERATIONS OFFICER

Position Start Date 03/2017

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

Legal Name & CRD# (if any): MONROE, WILLIAM FRANCIS JR
1175808

Is this a domestic or foreign entity or an individual? Individual

Position VP, CHIEF PRODUCT AND SERVICES OFFICER, REGISTERED OPTIONS PRINCIPAL

Position Start Date 07/2012

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

Legal Name & CRD# (if any): ROSENTHAL, ROBERT STEVEN

Firm Profile



Direct Owners and Executive Officers (continued)

	2590788
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF LEGAL OFFICER; VICE PRESIDENT, ASSOC. GEN. COUNSEL & SECRETARY
Position Start Date	12/2006
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

Legal Name & CRD# (if any): SCANLON, SUSAN JOANN
1371255

Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER
Position Start Date	09/2019
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

Legal Name & CRD# (if any):	VACCARO, JOHN ARTHUR 2264004
Is this a domestic or foreign entity or an individual?	Individual
Position	CEO, CHAIRMAN OF THE BOARD
Position Start Date	12/2016
Percentage of Ownership	Less than 5%

Firm Profile**Direct Owners and Executive Officers (continued)**

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): WILKINSON, MARY BEA
2159909

Is this a domestic or foreign entity or an individual? Individual

Position VICE PRESIDENT

Position Start Date 03/2017

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

Legal Name & CRD# (if any):	MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	MASSMUTUAL HOLDING LLC
Relationship to Direct Owner	PARENT COMPANY
Relationship Established	07/2004
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	



Firm History

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

This firm was previously: MML INVESTORS SERVICES, INC.

Date of Succession: 01/01/2011

Predecessor CRD#: 10409

Predecessor SEC#: 8-27250

Description MML INVESTORS SERVICES, INC. IS A CORPORATION THAT WAS FORMED IN MASSACHUSETTS ON DECEMBER 31, 1981. EFFECTIVE JANUARY 1, 2011, THE CORPORATION WILL CONVERT TO A MASSACHUSETTS LIMITED LIABILITY COMPANY. THE CONVERSION MERELY ALTERS THE CORPORATE FORM OF THE BROKER-DEALER AND WILL NOT RESULT IN ANY CHANGES IN ITS OWNERSHIP, CONTROL OR OPERATIONS. THE LIMITED LIABILITY COMPANY WILL RETAIN ALL OF THE ASSETS AND LIABILITIES OF THE CORPORATION.

This firm was previously: MML INVESTORS SERVICES, INC.

Date of Succession: 01/01/2011

Predecessor CRD#: 10409

Predecessor SEC#: 8-27250

Description MML INVESTORS SERVICES, INC. IS A CORPORATION THAT WAS FORMED IN MASSACHUSETTS ON DECEMBER 31, 1981. EFFECTIVE JANUARY 1, 2011, THE CORPORATION WILL CONVERT TO A MASSACHUSETTS LIMITED LIABILITY COMPANY. THE CONVERSION MERELY ALTERS THE CORPORATE FORM OF THE BROKER-DEALER AND WILL NOT RESULT IN ANY CHANGES IN ITS OWNERSHIP, CONTROL OR OPERATIONS. THE LIMITED LIABILITY COMPANY WILL RETAIN ALL OF THE ASSETS AND LIABILITIES OF THE CORPORATION.



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 currently registered with the SEC, 1 SRO and 53 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	02/19/1982

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	03/30/1982



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	10/06/1982	North Carolina	Approved	07/15/1982
Alaska	Approved	10/06/1982	North Dakota	Approved	06/30/1982
Arizona	Approved	05/10/1986	Ohio	Approved	07/16/1982
Arkansas	Approved	08/15/1984	Oklahoma	Approved	08/18/1982
California	Approved	04/15/1982	Oregon	Approved	06/22/1982
Colorado	Approved	02/01/1983	Pennsylvania	Approved	04/20/1982
Connecticut	Approved	03/17/1982	Puerto Rico	Approved	02/28/1995
Delaware	Approved	06/01/1982	Rhode Island	Approved	02/01/1983
District of Columbia	Approved	03/24/1982	South Carolina	Approved	06/29/1982
Florida	Approved	04/27/1983	South Dakota	Approved	08/09/1982
Georgia	Approved	07/23/1982	Tennessee	Approved	07/01/1982
Hawaii	Approved	08/09/1982	Texas	Approved	07/25/1983
Idaho	Approved	10/21/1982	Utah	Approved	04/21/1983
Illinois	Approved	09/03/1982	Vermont	Approved	02/13/1984
Indiana	Approved	07/02/1982	Virgin Islands	Approved	02/23/2016
Iowa	Approved	07/14/1983	Virginia	Approved	07/16/1982
Kansas	Approved	06/08/1982	Washington	Approved	04/20/1983
Kentucky	Approved	08/20/1982	West Virginia	Approved	04/12/1982
Louisiana	Approved	04/21/1983	Wisconsin	Approved	06/21/1982
Maine	Approved	02/13/1984	Wyoming	Approved	08/24/1982
Maryland	Approved	08/30/1982			
Massachusetts	Approved	03/31/1982			
Michigan	Approved	02/02/1983			
Minnesota	Approved	08/20/1982			
Mississippi	Approved	06/24/1982			
Missouri	Approved	07/18/1983			
Montana	Approved	04/20/1983			
Nebraska	Approved	09/28/1982			
Nevada	Approved	07/18/1983			
New Hampshire	Approved	02/02/1983			
New Jersey	Approved	07/13/1983			
New Mexico	Approved	08/16/1982			
New York	Approved	07/08/1982			



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 15 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Mutual fund retailer
U S. government securities broker
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Broker or dealer selling oil and gas interests
Put and call broker or dealer or option writer
Investment advisory services
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
Broker or dealer involved in a networking, kiosk or similar arrangement with a: bank, savings bank or association, or credit union
Broker or dealer involved in a networking, kiosk or similar arrangement with a: insurance company or agency
Other - DIRECTED BROKERAGE, NETWORKING FEES, DISTRIBUTION FEES, CERTIFICATE OF DEPOSITS. BROKER SELLING REAL ESTATE INVESTMENT TRUSTS AND BUSINESS DEVELOPMENT COMPANIES. STRUCTURED PRODUCTS.

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.

This firm does engage in other non-securities business.

Non-Securities Business Description: INVESTMENT INCOME, TRADITIONAL INSURANCE REVENUE, PRECIOUS METALS.

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: NATIONAL FINANCIAL SERVICES LLC

CRD #: 13041

Business Address: 82 DEVONSHIRE STREET
L 4 D
BOSTON, MA 02109

Effective Date: 02/08/1995

Description: PURSUANT TO THIS AGREEMENT, NFS EXECUTES ORDERS AND SETTLES CONTRACTS AND TRANSACTIONS IN SECURITIES FOR CUSTOMERS WHO ARE INTRODUCED TO NFS BY REGISTRANT. NFS WILL ENGAGE IN ALL CASHIERING FUNCTIONS FOR THE CUSTOMERS INTRODUCED TO THEM BY REGISTRANT AND WILL GENERATE, PREPARE AND MAIL PERIODIC REPORTS TO SUCH CUSTOMERS. NFS WILL ALSO CONSTRUCT AND MAINTAIN THE PRESCRIBED BOOKS AND RECORDS FOR ALL TRANSACTIONS EXECUTED OR CLEARED THROUGH THEM.

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name: BROADRIDGE SECURITIES PROCESSING SOLUTIONS, INC.
Business Address: 2 JOURNAL SQUARE PLAZA
 JERSEY CITY, NJ 07306
Effective Date: 05/09/2011
Description: PURSUANT TO AN AGREEMENT, BROADRIDGE SECURITIES PROCESSING SOLUTIONS, INC. MAINTAINS AND PRESERVES CERTAIN ELECTRONIC RECORDS OF THE APPLICANT, MML INVESTORS SERVICES, LLC.

Name: MICRO FOCUS INTERNATIONAL PLC
Business Address: ONE IRVINGTON CENTER
 700 KING FARM BLVD.
 ROCKVILLE, MD 20850-5736
Effective Date: 10/13/2008
Description: MICRO FOCUS INTERNATIONAL PLC, FORMERLY KNOWN AS HP AUTONOMY, AND AUTONOMY INC., MAINTAINS ELECTRONIC AND/OR PAPER RECORDS ON BEHALF OF THE FIRM. AUTONOMY INC. WAS PREVIOUSLY KNOWN AS IRON MOUNTAIN.

Name: NATIONAL FINANCIAL SERVICES LLC
CRD #: 13041
Business Address: 82 DEVONSHIRE STREET
 BOSTON, MA 02109
Effective Date: 02/08/1995
Description: PURSUANT TO THIS AGREEMENT, NFS EXECUTES ORDERS AND SETTLES CONTRACTS AND TRANSACTIONS IN SECURITIES FOR CUSTOMERS WHO ARE INTRODUCED TO NFS BY REGISTRANT. NFS WILL ENGAGE IN ALL CASHIERING FUNCTIONS FOR THE CUSTOMERS INTRODUCED TO THEM BY REGISTRANT AND WILL GENERATE, PREPARE AND MAIL PERIODIC REPORTS TO SUCH CUSTOMERS. NFS WILL ALSO CONSTRUCT AND MAINTAIN THE PRESCRIBED BOOKS AND RECORDS FOR ALL TRANSACTIONS EXECUTED OR CLEARED THROUGH THEM.

Name: C.M. LIFE INSURANCE COMPANY ("C.M. LIFE")
Business Address: 100 BRIGHT MEADOW BLVD.

Firm Operations



Industry Arrangements (continued)

ENFIELD, CT 06082

Effective Date: 03/01/1996

Description: PURSUANT TO TRI-PARTY CONTRACTS WITH MASSMUTUAL AND VARIOUS SEPARATE ACCOUNTS,REGISTRANT HAS A CONTRACTUAL RELATIONSHIP WITH C.M. LIFE PURSUANT TO WHICH C.M. LIFE MAINTAINS CERTAIN BOOKS AND RECORDS WITH RESPECT TO VARIABLE LIFE INSURANCE AND VARIABLE ANNUITY CONTRACTS SOLD THROUGH REGISTRANT.

Name: MML BAY STATE LIFE INSURANCE COMPANY ("BAY STATE")

Business Address: 100 BRIGHT MEADOW BLVD.
ENFIELD, CT 06082

Effective Date: 02/05/1990

Description: PURSUANT TO TRI-PARTY CONTRACTS WITH MASSMUTUAL AND VARIOUS SEPARATE ACCOUNTS,REGISTRANT HAS A CONTRACTUAL RELATIONSHIP WITH BAY STATE PURSUANT TO WHICH BAY STATE MAINTAINS CERTAIN BOOKS AND RECORDS WITH RESPECT TO VARIABLE LIFE INSURANCE AND VARIABLE ANNUITY CONTRACTS SOLD THROUGH REGISTRANT.

Name: MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
("MASSMUTUAL")

Business Address: 1295 STATE STREET
SPRINGFIELD, MA 01111

Effective Date: 01/01/1982

Description: REGISTRANT HAS A CONTRACTUAL RELATIONSHIP WITH ITS PARENT COMPANY PURSUANT TO WHICH MASSMUTUAL MAINTAINS CERTAIN BOOKS AND RECORDS WITH RESPECT TO VARIABLE LIFE INSURANCE AND VARIABLE ANNUITY CONTRACTS SOLD THROUGH REGISTRANT. REGISTRANT AND MASSMUTUAL HAVE ENTERED INTO A MANAGEMENT SERVICE AGREEMENT WHEREBY MASSMUTUAL PROVIDES CERTAIN ADMINISTRATIVE SERVICES AND MAINTAINS CERTAIN ADMINISTRATIVE RECORDS FOR REGISTRANT.

This firm does not have accounts, funds, or securities maintained by a third party.

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

Name: NATIONAL FINANCIAL SERVICES LLC

CRD #: 13041

Business Address: 82 DEVONSHIRE STREET

Firm Operations



Industry Arrangements (continued)

BOSTON, MA 02109

Effective Date: 02/08/1995

Description: PURSUANT TO THIS AGREEMENT, NFS EXECUTES ORDERS AND SETTLES CONTRACTS AND TRANSACTIONS IN SECURITIES FOR CUSTOMERS WHO ARE INTRODUCED TO NFS BY REGISTRANT. NFS WILL ENGAGE IN ALL CASHIERING FUNCTIONS FOR THE CUSTOMERS INTRODUCED TO THEM BY REGISTRANT AND WILL GENERATE, PREPARE AND MAIL PERIODIC REPORTS TO SUCH CUSTOMERS. NFS WILL ALSO CONSTRUCT AND MAINTAIN THE PRESCRIBED BOOKS AND RECORDS FOR ALL TRANSACTIONS EXECUTED OR CLEARED THROUGH THEM.

Name: C.M. LIFE INSURANCE COMPANY ("C.M. LIFE")

Business Address: 100 BRIGHT MEADOW BLVD.
ENFIELD, CT 06082

Effective Date: 03/01/1996

Description: PURSUANT TO TRI-PARTY CONTRACTS WITH MASSMUTUAL AND VARIOUS SEPARATE ACCOUNTS, REGISTRANT HAS A CONTRACTUAL RELATIONSHIP WITH C.M. LIFE PURSUANT TO WHICH C.M. LIFE MAINTAINS CERTAIN ACCOUNTS. SINCE C.M. LIFE IS AN ISSUER OF THE VARIABLE ANNUITIES AND VARIABLE INSURANCE PRODUCTS FOR WHICH SUCH ACCOUNTS ARE MAINTAINED, THIS COMPANY, IN ITS CAPACITY AS AN ISSUER, MAY BE DEEMED TO BE HOLDING OR MAINTAINING CUSTOMER FUNDS OR SECURITIES.

Name: MML BAY STATE LIFE INSURANCE COMPANY ("BAY STATE")

Business Address: 100 BRIGHT MEADOW BLVD.
ENFIELD, CT 06082

Effective Date: 02/05/1990

Description: PURSUANT TO TRI-PARTY CONTRACTS WITH MASSMUTUAL AND VARIOUS SEPARATE ACCOUNTS, REGISTRANT HAS A CONTRACTUAL RELATIONSHIP WITH BAY STATE PURSUANT TO WHICH BAYSTATE MAINTAINS CERTAIN ACCOUNTS. SINCE BAY STATE IS AN ISSUER OF THE VARIABLE ANNUITIES AND VARIABLE INSURANCE PRODUCTS FOR WHICH SUCH ACCOUNTS ARE MAINTAINED, THIS COMPANY, IN ITS CAPACITY AS AN ISSUER, MAY BE DEEMED TO BE HOLDING OR MAINTAINING CUSTOMER FUNDS OR SECURITIES.

Name: MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
("MASSMUTUAL")

Business Address: 1295 STATE STREET

Firm Operations



Industry Arrangements (continued)

SPRINGFIELD, MA 01111

Effective Date: 07/28/1988

Description: SINCE MASSMUTUAL IS AN ISSUER OF THE VARIABLE ANNUITIES AND VARIABLE INSURANCE PRODUCTS FOR WHICH SUCH ACCOUNTS ARE MAINTAINED, THIS COMPANY IN ITS CAPACITY AS AN ISSUER MAY BE DEEMED TO BE HOLDING OR MAINTAINING CUSTOMER FUNDS OR SECURITIES.

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.

JEFFERIES FINANCE LLC is under common control with the firm.

CRD #:	162264
Business Address:	520 MADISON AVENUE 19TH FLOOR NEW YORK, NY 10022
Effective Date:	04/02/2012
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	JEFFERIES FINANCE LLC IS A FINANCE COMPANY AND REGISTERED INVESTMENT ADVISER CO-OWNED BY JEFFERIES GROUP, INC. MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY HOLDS 50% VOTING OWNERSHIP INTEREST AND JEFFERIES GROUP LLC HOLDS 50% VOTING OWNERSHIP INTEREST.

MML INVESTMENT ADVISERS, LLC is under common control with the firm.

CRD #:	169568
Business Address:	100 BRIGHT MEADOW BLVD. ENFIELD, CT 06082
Effective Date:	11/21/2013
Foreign Entity:	No
Country:	
Securities Activities:	No

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: Yes

Description: MML INVESTMENT ADVISERS, LLC IS A DIRECT SUBSIDIARY OF MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY.

MML STRATEGIC DISTRIBUTORS, LLC is under common control with the firm.

CRD #: 168638

Business Address: 1295 STATE STREET
SPRINGFIELD, MA 01111-0001

Effective Date: 06/07/2013

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: MML STRATEGIC DISTRIBUTORS, LLC IS OWNED BY MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY WHICH IS MML INVESTORS SERVICES, LLC'S INDIRECT OWNER.

BARINGS REAL ESTATE ADVISERS EUROPE FINANCE LLP is under common control with the firm.

Business Address: SOUTHWEST HOUSE
11A REGENT STREET
LONDON, ENGLAND SW1Y 4LR

Effective Date: 06/23/2010

Foreign Entity: Yes

Country: ENGLAND

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: BARINGS REAL ESTATE ADVISERS EUROPE FINANCE LLP (FORMERLY KNOWN AS CORNERSTONE REAL ESTATE ADVISERS EUROPE FINANCE, LLP) IS OWNED BY BARINGS REAL ESTATE UK HOLDINGS LIMITED WHICH IS OWNED BY BARINGS LLC WHICH IS OWNED BY MM ASSET MANAGEMENT HOLDING LLC WHICH IS OWNED BY MASSMUTUAL HOLDING LLC.

Firm Operations



Organization Affiliates (continued)

BARINGS INVESTMENT ADVISERS (HONG KONG) LIMITED is under common control with the firm.

Business Address: 22/F ST., GEORGE'S BUILDING, SUITES 2203-06
2 ICE HOUSE STREET
CENTRAL, HONG KONG

Effective Date: 01/23/2008

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: THE PARENT OF BARINGS INVESTMENT ADVISERS (HONG KONG) LTD (FORMERLY KNOWN AS BABSON CAPITAL CORNERSTONE ASIA LIMITED) IS BARINGS LLC. BARINGS LLC IS OWNED BY MM ASSET MANAGEMENT HOLDING LLC WHICH IS OWNED BY MASSMUTUAL HOLDING LLC.

BARINGS AUSTRALIA PTY LTD is under common control with the firm.

CRD #: 169697

Business Address: SUITE 22.06 LEVEL 22
GROSVENOR PLACE, 225 GEORGE STREET
SYDNEY, NSW 2000, AUSTRALIA

Effective Date: 10/16/2009

Foreign Entity: Yes

Country: AUSTRALIA

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: BARINGS AUSTRALIA PTY LTD, IS AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF BARINGS LLC, THE PARENT OF BARINGS SECURITIES LLC. BARINGS LLC IS OWNED BY MM ASSET MANAGEMENT HOLDING LLC WHICH IS OWNED BY MASSMUTUAL HOLDING LLC.

BARING ASSET MANAGEMENT (ASIA) LIMITED is under common control with the firm.

Business Address: 19/F EDINBURGH TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL
HONG KONG, HONG KONG

Firm Operations**Organization Affiliates (continued)**

Effective Date: 03/05/1985

Foreign Entity: Yes

Country: CHINA

Securities Activities: No

Investment Advisory Activities: Yes

Description: BARING ASSET MANAGEMENT (ASIA) LIMITED IS AN INVESTMENT ADVISER. THE ULTIMATE PARENT OF BARING ASSET MANAGEMENT (ASIA) LIMITED IS MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY.

BARINGS ADVISERS (JAPAN) KK is under common control with the firm.

Business Address: MORI TOWER, ATAGO GREEN HILLS
ATAGO 2-5-1, MINATO-KU
TOKYO, JAPAN 105-6224

Effective Date: 12/20/2005

Foreign Entity: Yes

Country: JAPAN

Securities Activities: No

Investment Advisory Activities: Yes

Description: BARINGS ADVISERS (JAPAN) KK (F/K/A BABSON CAPITAL (JAPAN) KK) IS 100% OWNED BY BARINGS LLC (FORMERLY KNOWN AS BABSON CAPITAL MANAGEMENT LLC). BARINGS LLC IS OWNED BY MM ASSET MANAGEMENT HOLDING LLC. MM ASSET MANAGEMENT HOLDING LLC IS OWNED BY MASSMUTUAL HOLDING LLC.

BARINGS (U.K.) LIMITED is under common control with the firm.

CRD #: 158277

Business Address: 61 ALMACK
LONDON, UNITED KINGDOM SW1Y6XA

Effective Date: 05/24/2004

Foreign Entity: Yes

Country: UNITED KINGDOM

Securities Activities: No

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: Yes

Description: BARINGS (U.K.) LIMITED (FORMERLY KNOWN AS BABSON CAPITAL MANAGEMENT (UK) LIMITED IS OWNED BY BARINGS GUERNSEY LIMITED WHICH IS OWNED BY BARINGS LLC. BARINGS LLC IS OWNED BY MM ASSET MANAGEMENT HOLDING LLC WHICH IS OWNED BY MASSMUTUAL HOLDING LLC.

BARING INTERNATIONAL INVESTMENT LTD is under common control with the firm.

CRD #: 105724

Business Address: 155 BISHOPSGATE
LONDON, ENGLAND, UNITED KINGDOM EC2M 3XY

Effective Date: 03/31/2005

Foreign Entity: Yes

Country: UNITED KINGDOM

Securities Activities: No

Investment Advisory Activities: Yes

Description: BARING INTERNATIONAL INVESTMENT LTD. IS OWNED BY BARING ASSET MANAGEMENT LIMITED, WHICH IS OWNED BY MASSMUTUAL HOLDINGS (BERMUDA) LTD., WHICH IS OWNED BY MASSMUTUAL HOLDING LLC.

BARING ASSET MANAGEMENT LIMITED is under common control with the firm.

Business Address: 155 BISHOPSGATE
LONDON, ENGLAND, UNITED KINGDOM EC2M 3XY

Effective Date: 03/31/2005

Foreign Entity: Yes

Country: UNITED KINGDOM

Securities Activities: No

Investment Advisory Activities: Yes

Description: BARING ASSET MANAGEMENT LIMITED IS 100% OWNED BY MASSMUTUAL HOLDINGS (BERMUDA) LTD., WHICH IS 100% OWNED BY MASSMUTUAL HOLDING LLC.

Firm Operations



Organization Affiliates (continued)

BARING ASSET MANAGEMENT (JAPAN) LIMITED is under common control with the firm.

Business Address:	12/F SANNO PARK TOWER 2-11-1 NAGATA-CHO CHRYODA-KU, TOKYO, JAPAN 100-6166
Effective Date:	03/31/2005
Foreign Entity:	Yes
Country:	JAPAN
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BARING ASSET MANAGEMENT (JAPAN) LIMITED IS 100% OWNED BY BARING ASSET MANAGEMENT UK HOLDINGS LIMITED, WHICH IS 100% OWNED BY BARING INTERNATIONAL INVESTMENT LIMITED, WHICH IS 100% OWNED BY BARING INTERNATIONAL INVESTMENT MANAGEMENT HOLDINGS LIMITED, WHICH IS 100% OWNED BY BARING ASSET MANAGEMENT LIMITED.

BARING ASSET MANAGEMENT (AUSTRALIA) PTY LIMITED is under common control with the firm.

Business Address:	LEVEL 2, GOLD FIELDS HOUSE 1 ALFRED STREET, CIRCULAR QUAY, NSW 2000 SYDNEY, AUSTRALIA
Effective Date:	03/31/2005
Foreign Entity:	Yes
Country:	AUSTRALIA
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BARING ASSET MANAGEMENT (AUSTRALIA) PTY LIMITED IS 100% OWNED BY BARING ASSET MANAGEMENT UK HOLDINGS LIMITED, WHICH IS 100% OWNED BY BARING INTERNATIONAL INVESTMENT MANAGEMENT LIMITED, WHICH IS 100% OWNED BY BARING INTERNATIONAL INVESTMENT MANAGEMENT HOLDINGS LIMITED, WHICH IS 100% OWNED BY BARING ASSET MANAGEMENT LIMITED.

MMLISI FINANCIAL ALLIANCES, LLC is controlled by the firm.

Firm Operations**Organization Affiliates (continued)**

CRD #: 119003

Business Address: 1295 STATE STREET
SPRINGFIELD, MA 01111-0001

Effective Date: 12/11/2007

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: MML INVESTORS SERVICES, LLC CONTROLS 51% OWNERSHIP INTEREST IN MMLISI FINANCIAL ALLIANCES, LLC.

THE MASSMUTUAL TRUST COMPANY, FSB ("MMTC") is under common control with the firm.

Business Address: 100 BRIGHT MEADOW BLVD
ENFIELD, CT 06082

Effective Date: 01/12/2000

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: MMTC, A WHOLLY-OWNED SUBSIDIARY OF MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY AND A FEDERALLY REGISTERED INVESTMENT ADVISOR, IS A FEDERALLY CHARTERED SAVINGS BANK WHICH PERFORMS TRUST SERVICES.

MML DISTRIBUTORS, LLC is under common control with the firm.

CRD #: 38030

Business Address: 100 BRIGHT MEADOW BLVD.
ENFIELD, CT 06082

Effective Date: 03/01/1996

Foreign Entity: No

Country:

Firm Operations



Organization Affiliates (continued)

Securities Activities: Yes

Investment Advisory Activities: No

Description: MASSMUTUAL IS THE PRINCIPAL OWNER OF MML DISTRIBUTORS, LLC, A REGISTERED BROKER-DEALER AND UNDERWRITER OF MASSMUTUAL VARIABLE INSURANCE PRODUCTS.

BARINGS SECURITIES LLC is under common control with the firm.

CRD #: 36929

Business Address: INDENPEDENCE WHARF
470 ATLANTIC AVENUE
BOSTON, MA 02210

Effective Date: 06/30/1995

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: BARINGS SECURITIES LLC (FORMERLY BABSON CAPITAL SECURITIES LLC) IS OWNED BY BARINGS LLC WHICH IS OWNED BY MM ASSET MANAGEMENT HOLDING LLC. MM ASSET MANAGEMENT HOLDING LLC IS OWNED BY MASSMUTUAL HOLDING LLC. MASSMUTUAL HOLDING LLC IS OWNED BY MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY.

BARINGS LLC is under common control with the firm.

CRD #: 106006

Business Address: 550 SOUTH TRYON STREET
SUITE 3300
CHARLOTTE, NC 28202

Effective Date: 06/30/1995

Foreign Entity: No

Country:

Securities Activities: No

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: Yes

Description: BARINGS LLC(FORMERLY KNOWN AS BABSON CAPITAL MANAGEMENT LLC) IS OWNED BY MM ASSET MANAGEMENT HOLDING LLC. MM ASSET MANAGEMENT HOLDING LLC IS OWNED BY MASSMUTUAL HOLDING LLC.

MML INSURANCE AGENCY, LLC ("MMLIAI") is controlled by the firm.

Business Address: 1295 STATE STREET
SPRINGFIELD, MA 01111-0001

Effective Date: 12/17/1990

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: THE REGISTRANT IS THE OWNER OF MML INSURANCE AGENCY, LLC. MML INSURANCE AGENCY, LLC HAS THE AUTHORITY TO SELL LIFE, HEALTH AND VARIABLE INSURANCE PRODUCTS.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY controls the firm.

Business Address: 1295 STATE STREET
SPRINGFIELD, MA 01111

Effective Date: 01/25/1982

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: MASSMUTUAL, REGISTRANT'S ULTIMATE PARENT, SERVES AS THE DEPOSITOR OF VARIOUS SEPARATE ACCOUNTS WHICH ARE REGISTERED AS INVESTMENT COMPANIES.

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

- bank holding company
- national bank

Firm Operations



Organization Affiliates (continued)

- 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	0	16	0
Arbitration	N/A	1	N/A
Bond	N/A	2	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:**
 - o 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:**
 - o 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:**
 - 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 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 16

Reporting Source: Regulator
Current Status: Final

**Allegations:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO MAINTAIN ELECTRONIC BROKERAGE RECORDS, PIVOTAL TO ITS BROKERAGE BUSINESSES, IN NON-ERASABLE AND NON-REWRITABLE FORMAT KNOWN AS THE "WRITE ONCE, READ MANY" (WORM) FORMAT, THAT IS INTENDED TO PREVENT THE ALTERATION OR DESTRUCTION OF BROKER-DEALER RECORDS STORED ELECTRONICALLY.

THE FINDINGS STATED THAT THESE REQUIREMENTS ARE AN ESSENTIAL PART OF THE INVESTOR PROTECTION FUNCTION BECAUSE PRESERVATION OF THESE RECORDS IS THE PRIMARY MEANS OF MONITORING COMPLIANCE WITH APPLICABLE SECURITIES LAWS, INCLUDING ANTIFRAUD PROVISIONS AND FINANCIAL RESPONSIBILITY STANDARDS. THE FIRM SHARED AN ENTERPRISE-WIDE RETENTION SYSTEM, EMPLOYED A VARIETY OF SYSTEMS AND STORAGE MEDIA. NEVERTHELESS, THE FIRM FAILED TO RETAIN IN WORM FORMAT CLIENT PROFILE RECORDS, VARIABLE ANNUITY, VARIABLE LIFE AND RETIREMENT SERVICES TRANSACTION RECORDS AND FINANCIAL RECORDS. ALSO, THIS DEFICIENCY SPANNED MULTIPLE SYSTEMS AND AFFECTED AT LEAST SEVEN CATEGORIES OF ELECTRONIC BROKER-DEALER RECORDS, INCLUDING, BUT NOT LIMITED TO CLIENT PROFILE RECORDS, COMPLIANCE RECORDS, BUSINESS GIFT AND ENTERTAINMENT RECORDS, FINANCIAL RECORDS, AND BLOTTERS CONTAINING VARIABLE ANNUITY TRANSACTION RECORDS.

THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO PROVIDE THE REQUIRED 90-DAY NOTICE TO ITS DESIGNATED EXAMINING AUTHORITY (FINRA), PRIOR TO RETAINING A VENDOR TO PROVIDE ELECTRONIC STORAGE.

THE FINDINGS ALSO INCLUDED THAT THE FIRM EXPERIENCED RELATED TO NOTICE, AUDIT AND ATTESTATION DEFICIENCIES THAT AFFECTED THEIR ABILITY TO ADEQUATELY RETAIN AND PRESERVE ELECTRONIC RECORDS. MAINLY, THE FIRM FAILED TO IMPLEMENT AN AUDIT SYSTEM AS REQUIRED FOR THOSE RECORDS IT FAILED TO MAINTAIN IN WORM FORMAT.

FINRA FOUND THAT THE FIRM FAILED TO PROVIDE THIRD-PARTY VENDORS WITH FULL ACCESS TO AND THE ABILITY TO DOWNLOAD INFORMATION FROM THE FIRM'S ELECTRONIC STORAGE MEDIA. ALSO, THE FIRM FAILED TO OBTAIN THE REQUIRED THIRD-PARTY ATTESTATION LETTERS.

FINRA ALSO FOUND THAT THE FIRM FAILED TO ENFORCE WRITTEN SUPERVISORY PROCEDURES (WSPS) CONCERNING THE FIRM'S STORAGE



OF ELECTRONIC BROKERAGE RECORDS IN WORM FORMAT.

Initiated By: FINRA

Date Initiated: 06/30/2017

Docket/Case Number: [2016052647801](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/30/2017

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 \$750,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$750,000, JOINTLY AND SEVERALLY, AND REQUIRED SUBMIT TO FINRA A WRITTEN PLAN OF HOW IT WILL UNDERTAKE TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF THE RELEVANT POLICIES AND PROCEDURES (WRITTEN AND OTHERWISE), INCLUDING A DESCRIPTION OF REMEDIAL MEASURES LEADING TO FULL COMPLIANCE, RELATING TO THE CONDUCT ADDRESSED IN THE AWC.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO MAINTAIN CERTAIN ELECTRONIC BROKERAGE RECORDS, IN A NON-ERASABLE AND NON-REWRITABLE FORMAT KNOWN AS THE "WRITE ONCE, READ MANY" (WORM) FORMAT, THAT IS INTENDED TO PREVENT THE



ALTERATION OR DESTRUCTION OF BROKER-DEALER RECORDS STORED ELECTRONICALLY. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO PROVIDE THE REQUIRED 90-DAY NOTICE TO ITS DESIGNATED EXAMINING AUTHORITY (FINRA), PRIOR TO RETAINING A VENDOR TO PROVIDE ELECTRONIC STORAGE. THE FINDINGS ALSO INCLUDED THAT THE FIRM EXPERIENCED NOTICE, AUDIT AND ATTESTATION DEFICIENCIES THAT AFFECTED THEIR ABILITY TO ADEQUATELY RETAIN AND PRESERVE ELECTRONIC RECORDS. MAINLY, THE FIRM FAILED TO IMPLEMENT AN AUDIT SYSTEM AS REQUIRED FOR THOSE RECORDS IT FAILED TO MAINTAIN IN WORM FORMAT. FINRA FOUND THAT THE FIRM FAILED TO PROVIDE LETTERS OF UNDERTAKING FROM AN INDEPENDENT THIRD-PARTY WITH THE ABILITY TO ACCESS AND DOWNLOAD INFORMATION FROM THE FIRM'S ELECTRONIC STORAGE MEDIA IF NEEDED. ALSO, THE FIRM FAILED TO OBTAIN THE REQUIRED THIRD-PARTY ATTESTATION LETTERS. FINRA ALSO FOUND THAT THE FIRM FAILED TO ENFORCE WRITTEN SUPERVISORY PROCEDURES (WSPS) CONCERNING THE FIRM'S STORAGE OF ELECTRONIC BROKERAGE RECORDS IN WORM FORMAT.

Initiated By: FINRA

Date Initiated: 06/30/2017

Docket/Case Number: [2016052647801](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/30/2017

Sanctions Ordered: Censure
Monetary/Fine \$750,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$750,000, JOINTLY AND SEVERALLY, AND REQUIRED TO SUBMIT TO FINRA A WRITTEN PLAN OF HOW IT WILL UNDERTAKE TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF THE RELEVANT POLICIES AND PROCEDURES (WRITTEN AND OTHERWISE), INCLUDING A DESCRIPTION OF REMEDIAL MEASURES LEADING TO FULL COMPLIANCE, RELATING TO THE CONDUCT ADDRESSED IN THE AWC.

**Disclosure 2 of 16****Reporting Source:** Regulator**Current Status:** Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION CUSTOMERS THAT WERE ELIGIBLE TO PURCHASE CLASS A SHARES IN CERTAIN MUTUAL FUNDS WITHOUT A FRONT-END SALES CHARGE (ELIGIBLE CUSTOMERS). THE FINDINGS STATED THAT THESE ELIGIBLE CUSTOMERS WERE INSTEAD SOLD CLASS A SHARES WITH A FRONT-END SALES CHARGE OR CLASS B OR C SHARES WITH BACK-END SALES CHARGES AND HIGHER ONGOING FEES AND EXPENSES. THE DIFFERENT SALES CHARGES, BREAKPOINTS, WAIVERS AND FEES ASSOCIATED WITH DIFFERENT SHARE CLASSES AFFECT MUTUAL FUND INVESTORS' RETURNS. IF AN INVESTOR QUALIFIES FOR A CLASS A SALES CHARGE WAIVER AND PURCHASES CLASS A SHARES, THE INVESTOR WILL NOT PAY A FRONT-END SALES LOAD. IN CONTRAST, A PURCHASE OF CLASS B OR C SHARES OF THE SAME FUND WILL BE SUBJECT TO HIGHER ONGOING FEES, AS WELL AS POTENTIAL APPLICATION OF A CONTINGENT DEFERRED SALES CHARGE. THEREFORE, IF AN INVESTOR QUALIFIES FOR A CLASS A SALES CHARGE WAIVER, THERE WOULD BE NO REASON FOR THE INVESTOR TO PURCHASE ANY OTHER CLASS OF SHARES THAT HAS A SALES LOAD AND/OR HIGHER ANNUAL EXPENSES. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ENSURE THAT ELIGIBLE CUSTOMERS WHO PURCHASED MUTUAL FUND SHARES RECEIVED THE BENEFIT OF APPLICABLE SALES CHARGE WAIVERS. THE FIRM FAILED TO REASONABLY SUPERVISE THE APPLICATION OF SALES CHARGE WAIVERS TO ELIGIBLE MUTUAL FUND SALES. THE FIRM RELIED ON ITS FINANCIAL ADVISORS TO DETERMINE THE APPLICABILITY OF SALES CHARGE WAIVERS, BUT FAILED TO MAINTAIN ADEQUATE WRITTEN POLICIES OR PROCEDURES TO ASSIST FINANCIAL ADVISORS IN MAKING THIS DETERMINATION. FOR INSTANCE, THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN PROCEDURES TO IDENTIFY APPLICABLE SALES CHARGE WAIVERS IN FUND PROSPECTUSES FOR ELIGIBLE CUSTOMERS. IN ADDITION, THE FIRM FAILED TO ADEQUATELY NOTIFY AND TRAIN ITS FINANCIAL ADVISORS REGARDING THE AVAILABILITY OF MUTUAL FUND SALES CHARGE WAIVERS FOR ELIGIBLE CUSTOMERS. THE FIRM ALSO FAILED TO ADOPT ADEQUATE CONTROLS TO DETECT INSTANCES IN WHICH THEY DID NOT PROVIDE SALES CHARGE WAIVERS TO ELIGIBLE CUSTOMERS IN CONNECTION WITH THEIR MUTUAL FUND PURCHASES.



Initiated By: FINRA

Date Initiated: 11/15/2016

Docket/Case Number: [2016049185701](#)

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/15/2016

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: REMEDIATION / UNDERTAKING / PLUS INTEREST ON THE RESTITUTION

Sanction Details: THE FIRM WAS CENSURED, REQUIRED TO PAY ESTIMATED TOTAL OF \$1,864,167.77, PLUS INTEREST, IN RESTITUTION TO ELIGIBLE CUSTOMERS AND REQUIRED TO PROVIDE REMEDIATION TO ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE MUTUAL FUND SALES CHARGE WAIVERS AS DESCRIBED IN THE AWC. WITHIN 30 DAYS OF THE DATE THE AWC IS ACCEPTED, THE FIRM WILL PROVIDE TO FINRA A DETAILED PLAN TO REMEDIATE ELIGIBLE CUSTOMERS BASED ON SPECIFIC CRITERIA THAT IS NOT UNACCEPTABLE TO FINRA.

Regulator Statement THE FIRM DID A REVIEW TO DETERMINE WHETHER IT PROVIDED AVAILABLE SALES CHARGE WAIVERS TO ELIGIBLE CUSTOMERS. BASED ON THIS REVIEW, THE FIRM SELF-REPORTED TO FINRA THAT ELIGIBLE CUSTOMERS HAD NOT RECEIVED AVAILABLE SALES CHARGE WAIVERS. THE FIRM ESTIMATES THAT APPROXIMATELY 792 FIRM CUSTOMERS PURCHASED MUTUAL FUND SHARES FOR WHICH AN AVAILABLE SALES CHARGE WAIVER WAS NOT APPLIED. AS A RESULT OF THE FAILURE OF THE FIRM TO APPLY AVAILABLE SALES CHARGE WAIVERS, THE FIRM ESTIMATES THAT ELIGIBLE CUSTOMERS WERE OVERCHARGED BY APPROXIMATELY \$1,577,112.12 FOR MUTUAL FUND PURCHASES MADE. AS

PART OF THIS SETTLEMENT, THE FIRM AGREES TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS ON CERTAIN TERMS, WHICH IS ESTIMATED TO TOTAL \$1,864,167.77 (I.E., THE AMOUNT ELIGIBLE CUSTOMERS WERE OVERCHARGED, INCLUSIVE OF INTEREST). THE FIRM WILL ALSO ENSURE THAT RETIREMENT AND CHARITABLE WAIVERS ARE APPROPRIATELY APPLIED TO ALL FUTURE TRANSACTIONS.

IN RESOLVING THIS MATTER, FINRA HAS RECOGNIZED THE EXTRAORDINARY COOPERATION OF THE FIRM FOR HAVING: INITIATED, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, AN INVESTIGATION TO IDENTIFY WHETHER ELIGIBLE CUSTOMERS RECEIVED SALES CHARGE WAIVERS DURING THE RELEVANT PERIOD; PROMPTLY ESTABLISHED A PLAN OF REMEDIATION FOR ELIGIBLE CUSTOMERS WHO DID NOT RECEIVE APPROPRIATE SALES CHARGE WAIVERS; PROMPTLY SELF-REPORTED TO FINRA; PROMPTLY TAKEN ACTION AND REMEDIAL STEPS TO CORRECT THE VIOLATIVE CONDUCT; AND EMPLOYED SUBSEQUENT CORRECTIVE MEASURES, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, TO REVISE ITS PROCEDURES TO AVOID RECURRENCE OF THE MISCONDUCT.

Reporting Source: Firm

Current Status: Final

Allegations: BETWEEN JULY 2, 2009 AND SEPTEMBER 20, 2016 IT WAS ALLEGED THAT MMLIS DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION CUSTOMERS THAT WERE ELIGIBLE TO PURCHASE CLASS A SHARES IN CERTAIN MUTUAL FUNDS WITHOUT A FRONT-END SALES CHARGE. THE ELIGIBLE CUSTOMERS WERE INSTEAD SOLD CLASS A SHARES WITH A FRONT-END SALES CHARGE OR CLASS B OR C SHARES WITH BACK-END SALES CHARGES AND HIGHER ONGOING FEES AND EXPENSES. IT WAS ALLEGED THAT MMLIS FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ENSURE THAT ELIGIBLE CUSTOMERS WHO PURCHASED MUTUAL FUNDS SHARES RECEIVED THE BENEFIT OF APPLICABLE SALES CHARGE WAIVERS IN VIOLATION OF NASD CONDUCT RULE 3010 (FOR MISCONDUCT BEFORE DECEMBER 1, 2014), FINRA RULE 3110 (FOR MISCONDUCT ON OR AFTER DECEMBER 1, 2014), AND FINRA RULE 2010.

Initiated By: FINRA

Date Initiated: 11/15/2016

Docket/Case Number: [2016049185701](#)



Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	REMEDATION/UNDERTAKING PLUS INTEREST ON THE RESTITUTION.
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/15/2016
Sanctions Ordered:	Censure Disgorgement/Restitution
Other Sanctions Ordered:	MMLIS AGREES TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS WHICH IS ESTIMATED TO TOTAL \$1,864,167.77 WHICH IS THE AMOUNT ELIGIBLE CUSTOMERS WERE OVERCHARGED INCLUSIVE OF INTEREST.
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF THE FINDINGS THAT IT DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION CUSTOMERS THAT WERE ELIGIBLE TO PURCHASE CLASS A SHARES IN CERTAIN MUTUAL FUNDS WITH A FRONT-END SALES CHARGE (ELIGIBLE CUSTOMERS). THE FINDING STATES THAT THESE ELIGIBLE CUSTOMERS WERE INSTEAD SOLD CLASS A SHARES WITH A FRONT-END SALES CHARGE OR CLASS B OR C SHARES WITH BACK-END SALES CHARGES AND HIGH ONGOING FEES AND EXPENSES. THE DIFFERENT SALES CHARGES, BREAKPOINTS, WAIVERS AND FEES ASSOCIATED WITH DIFFERENT SHARE CLASSES AFFECT MUTUAL FUND INVESTORS' RETURNS.
Firm Statement	MMLIS DID A REVIEW TO DETERMINE WHETHER IT PROVIDED AVAILABLE SALES CHARGE WAIVERS TO ELIGIBLE CUSTOMERS. BASED ON THE REVIEW, THE FIRM SELF-REPORTED TO FINRA THAT ELIGIBLE CUSTOMERS HAD NOT RECEIVED AVAILABLE SALES CHARGE WAIVERS. THE FIRM ESTIMATED THAT APPROXIMATELY 792 FIRM CUSTOMERS PURCHASED MUTUAL FUND SHARES FOR WHICH AN AVAILABLE SALES CHARGE WAIVER WAS NOT APPLIED. THE FIRM ESTIMATED THAT ELIGIBLE CUSTOMERS WERE OVERCHARGED BY APPROXIMATELY \$1,577,112.12 FOR MUTUAL FUND PURCHASES MADE. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS ON CERTAIN TERMS, WHICH IS ESTIMATED TO TOTAL \$1,864,167.77 (I.E., THE AMOUNT ELIGIBLE CUSTOMERS WERE OVERCHARGED, INCLUSIVE OF INTEREST). THE FIRM ALSO WILL ENSURE THAT RETIREMENT AND CHARITABLE WAIVERS ARE APPROPRIATELY APPLIED TO ALL FUTURE TRANSACTIONS. IN RESOLVING THE MATTER, FINRA RECOGNIZED THE EXTRAORDINARY COOPERATION OF THE FIRM FOR HAVING INITIATED,



PRIOR TO THE DETECTION OR INTERVENTION BY A REGULATOR, AN INVESTIGATION TO IDENTIFY WHETHER ELIGIBLE CUSTOMERS RECEIVED SALES CHARGE WAIVERS DURING THE RELEVANT PERIOD; PROMPTLY ESTABLISHED A PLAN OF REMEDIATION FOR ELIGIBLE CUSTOMERS WHO DID NOT RECEIVE APPROPRIATE SALES CHARGE WAIVERS; PROMPTLY SELF-REPORTED TO FINRA; PROMPTLY TAKEN ACTION AND REMEDIAL STEPS TO CORRECT THE CONDUCT AND EMPLOYED SUBSEQUENT CORRECTIVE MEASURES, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, TO REVISE ITS PROCEDURE TO AVOID RECURRENCE OF THE MISCONDUCT.

Disclosure 3 of 16

Reporting Source:	Regulator
Current Status:	Final
Allegations:	MML INVESTORS SERVICES, LLC FAILED TO REASONABLY SUPERVISE AN AGENT OF THE FIRM.
Initiated By:	PENNSYLVANIA CONTACT: COUNSEL CAROLYN MENDELSON (412)-565-7519
Date Initiated:	07/07/2015
Docket/Case Number:	2013-06-03/#150020
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	PROMISSORY NOTE
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	07/07/2015
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 \$100,000.00

**Other Sanctions Ordered:**

Sanction Details: MML INVESTORS SERVICES PAID A \$100,000.00 ADMINISTRATIVE ASSESSMENT AND \$25,000.00 IN INVESTIGATIVE AND LEGAL COSTS.

Regulator Statement CONSENT AGREEMENT AND ORDER ISSUED TO MML INVESTORS SERVICES, LLC.

Reporting Source: Firm

Current Status: Final

Allegations: THE COMMONWEALTH OF PENNSYLVANIA, ACTING THROUGH THE DEPARTMENT OF BANKING AND SECURITIES ("DEPARTMENT"), BUREAU OF SECURITIES LICENSING, COMPLIANCE AND EXAMINATIONS ("BUREAU") CONDUCTED AN INVESTIGATION OF THE SECURITIES ACTIVITIES OF MML INVESTORS SERVICES, LLC (THE "FIRM") PURSUANT TO THE PENNSYLVANIA SECURITIES ACT OF 1972, 70 P.S. §1-101, ET. SEQ, ("1972 ACT"). THE FIRM, NEITHER ADMITTING NOR DENYING THE ALLEGATIONS, AND INTENDING TO BE LEGALLY BOUND, AGREED TO THE TERMS OF A CONSENT AGREEMENT AND ORDER ("ORDER") EFFECTIVE JULY 6, 2015. THE MATTER AROSE OUT OF THE CONDUCT OF A DECEASED FORMER REPRESENTATIVE OF THE FIRM. THE REPRESENTATIVE OPERATED AN UNAPPROVED OUTSIDE BUSINESS ACTIVITY THROUGH WHICH HE ISSUED, OFFERED AND SOLD UNREGISTERED PROMISSORY NOTES TO CERTAIN PENNSYLVANIA RESIDENTS. THE ISSUANCE AND/OR OFFERS AND SALES OF THE NOTES BY THE REPRESENTATIVE WERE NOT APPROVED BY THE FIRM. THE BUREAU RECEIVED FIVE COMPLAINTS AND WAS AWARE OF TWELVE NOTES TOTALING APPROXIMATELY \$385,000.00.

Initiated By: THE COMMONWEALTH OF PENNSYLVANIA, THE DEPT OF BANKING AND SECURITIES, BUREAU OF SECURITIES LICENSING, COMPLIANCE & EXAMINATIONS.

Date Initiated: 04/10/2014

Docket/Case Number: 150020 (SEC-CAO)

Principal Product Type: Other

Other Product Type(s): UNREGISTERED PROMISSORY NOTES

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

Other Sanction(s)/Relief Sought: SANCTION, ADMINISTRATIVE ASSESSMENT AND LEGAL AND INVESTIGATIVE COSTS.

Resolution: Order



Resolution Date:	07/06/2015
Sanctions Ordered:	Monetary/Fine \$125,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	THE FIRM WAS ALSO ORDERED TO COMPLY WITH THE PENNSYLVANIA SECURITIES ACT OF 1972 AND ITS REGULATIONS AS ADOPTED BY THE DEPARTMENT, 70 P.S. §1-101, ET. SEQ.
Sanction Details:	PAYMENT TO THE DEPARTMENT FOR MONETARY SANCTIONS IN THE AMOUNT OF \$125,000 AND PAYMENT TO CERTAIN PENNSYLVANIA RESIDENTS IN THE AMOUNT OF \$150,840.62 WAS MADE ON JUNE 30, 2015.
Firm Statement	THE FIRM, NEITHER ADMITTING NOR DENYING THE ALLEGATIONS, AND INTENDING TO BE LEGALLY BOUND, AGREED TO THE TERMS OF A CONSENT AGREEMENT AND ORDER ("ORDER") EFFECTIVE JULY 6, 2015. THE MATTER AROSE OUT OF THE CONDUCT OF A DECEASED FORMER REPRESENTATIVE OF THE FIRM. THE REPRESENTATIVE OPERATED AN UNAPPROVED OUTSIDE BUSINESS ACTIVITY THROUGH WHICH HE ISSUED, OFFERED AND SOLD UNREGISTERED PROMISSORY NOTES TO CERTAIN PENNSYLVANIA RESIDENTS. THE ISSUANCE AND/OR OFFERS AND SALES OF THE NOTES BY THE REPRESENTATIVE WERE NOT APPROVED BY THE FIRM. THE BUREAU RECEIVED FIVE COMPLAINTS AND WAS AWARE OF TWELVE NOTES TOTALING APPROXIMATELY \$385,000.00. THE FIRM WAS SUBJECT TO A SANCTION UNDER SECTION 305(A)(VII) OF THE 1972 ACT, 70 P.S. §1-305(A)(VII) FOR A FAILURE TO REASONABLY SUPERVISE AN AGENT OF THE FIRM. THE ORDER DIRECTED THE FIRM TO I) PAY AN ADMINISTRATIVE ASSESSMENT IN THE AMOUNT OF \$100,000.00; II) PAY LEGAL AND INVESTIGATIVE COSTS IN THE AMOUNT OF \$25,000.00; III) COMPLY WITH THE 1972 ACT, AND ITS REGULATIONS AS ADOPTED BY THE DEPARTMENT, 70 P.S. §1-101, ET. SEQ; AND IV) REPRESENT TO THE DEPARTMENT THAT IT HAD MADE CERTAIN PAYMENTS TO CERTAIN PENNSYLVANIA RESIDENTS RELATED TO THE SECURITIES ACTIVITIES OF THE REPRESENTATIVE AND HIS OUTSIDE BUSINESS.

Disclosure 4 of 16

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 3010(A): THE FIRM FAILED TO REASONABLY SUPERVISE ITS REGISTERED REPRESENTATIVES IN CONNECTION WITH THEIR UNAPPROVED SALE OF CERTAIN PRIVATE SECURITIES. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) STATED THAT REGISTERED REPRESENTATIVES WERE PROHIBITED FROM PARTICIPATING IN PRIVATE SECURITIES TRANSACTIONS WITHOUT THE PRIOR WRITTEN APPROVAL OF THE CHIEF COMPLIANCE OFFICER OR HIS



OR HER DELEGATE. DESPITE THIS PROHIBITION, AND NUMEROUS RED FLAGS DESCRIBED BELOW INDICATING THAT REGISTERED REPRESENTATIVES WERE ENGAGED IN SELLING AWAY, THE FIRM DID NOT REASONABLY MONITOR FOR OR REVIEW THESE INDICATIONS TO DETERMINE WHETHER UNAPPROVED PRIVATE SECURITIES TRANSACTIONS WERE OCCURRING AT THE FIRM. AS A RESULT OF THE FIRM'S SUPERVISORY FAILURES, CERTAIN REGISTERED REPRESENTATIVES RECOMMENDED UNAPPROVED PROMISSORY NOTES TO INVESTORS. TWO OF THESE REGISTERED REPRESENTATIVES SOLD UNAPPROVED PROMISSORY NOTES TO SEVEN INVESTORS WHO SUSTAINED LOSSES OF UP TO \$760,000 WHEN THE ISSUERS OF THESE PROMISSORY NOTES DISCONTINUED INTEREST PAYMENTS. THE ISSUER OF THESE UNAPPROVED PROMISSORY NOTES WAS LATER DETERMINED TO BE ENGAGED IN A MULTI-MILLION DOLLAR PONZI SCHEME. THE FIRM FAILED TO DETECT THAT CERTAIN OF REGISTERED REPRESENTATIVES WERE CONDUCTING UNAPPROVED SALES FROM FIRM BRANCH OFFICES UNDER A GENERAL AGENT'S SUPERVISORY JURISDICTION. THE FIRM REVIEWED THE SUPERVISORY ISSUES LOG BUT TOOK NO ACTION DESPITE ENTRIES INDICATING IMPROPER SELLING AWAY. AFTER SEVEN MONTHS OF CONTINUOUS RED FLAGS OF SELLING AWAY AND EMAIL WARNINGS BY AN AGENCY SUPERVISORY OFFICER (ASO), THE FIRM'S HOME OFFICE BEGAN ITS INVESTIGATION INTO THE SALE OF UNAPPROVED PROMISSORY NOTES BY ITS REGISTERED REPRESENTATIVES. THE ASO'S AUTHORITY WAS LIMITED TO THE EXTENT THAT HE COULD NOT DISCIPLINE OR IMPOSE SANCTIONS AGAINST STAFF FOR MISCONDUCT WITHOUT THE GENERAL AGENT'S APPROVAL. EVEN THOUGH THE FIRM HAD PERFORMED PERIODIC SUPERVISORY REVIEWS AND AUDITS OF THIS PARTICULAR LOCATION, IT FAILED TO UNCOVER THE SALE OF UNAPPROVED PROMISSORY NOTES OCCURRING AT THE FIRM. DURING ITS INTERNAL INVESTIGATION, THE FIRM NOTIFIED FINRA THAT THE EMPLOYMENT OF REGISTERED REPRESENTATIVES HAD BEEN TERMINATED IN CONNECTION WITH THEIR UNAPPROVED REFERRALS TO AN OUTSIDE ENTITY. THE FIRM INVESTIGATED THE CONCERNS THAT THE ASO RAISED ABOUT SELLING AWAY ACTIVITIES OCCURRING AT THE PARTICULAR LOCATION, HOWEVER, THE FIRM'S INVESTIGATION WAS NOT ADEQUATE AND DID NOT UNCOVER ITS REGISTERED REPRESENTATIVES' IMPROPER SALES OF PROMISSORY NOTES FROM FIRM OFFICES. IN ADDITION, ALTHOUGH THE FIRM WAS ON NOTICE THAT OTHER REGISTERED REPRESENTATIVES WERE REFERRING INVESTORS TO OUTSIDE ENTITIES FOR THE PURPOSE OF PURCHASING UNAPPROVED PROMISSORY NOTES, THE FIRM DID NOT ADEQUATELY SUPERVISE THE PARTICULAR LOCATION OR ITS GENERAL AGENT IN CONNECTION WITH THE ACTIVITIES OCCURRING AT THE LOCATION. AS A RESULT, CERTAIN REGISTERED REPRESENTATIVES CONTINUED TO REFER CLIENTS TO OUTSIDE ENTITIES OFFERING PROMISSORY NOTES AND AT LEAST ONE



ADDITIONAL SALE OF UNAPPROVED PROMISSORY NOTES WENT UNDETECTED. AT A CERTAIN POINT, ALL INVESTORS STOPPED RECEIVING PAYMENTS FROM THE ISSUER. DESPITE THE FIRM'S INVESTIGATION CONCERNING OTHER PROMISSORY NOTE SALES, THE FIRM FOR THE FIRST TIME, BECAME AWARE OF THE PROMISSORY NOTE SALES AFTER REGISTERED REPRESENTATIVES REPORTED TO THE FIRM THAT A STATE SECURITIES REGULATORY AGENCY HAD INTERVIEWED THEM REGARDING THEIR INVOLVEMENT WITH THE PROMISSORY NOTES ISSUED IN 2007 AND 2008.

Initiated By: FINRA

Date Initiated: 08/21/2013

Docket/Case Number: [2009017118601](#)

Principal Product Type: Other

Other Product Type(s): PROMISSORY NOTES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/21/2013

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 \$125,000.00
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 IT IS CENSURED, FINED \$125,000 AND MUST PAY RESTITUTION TOTALING \$784,847.70 TO INVESTORS. A REGISTERED PRINCIPAL ON BEHALF OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION. THIS PROOF SHALL BE PROVIDED TO FINRA NO LATER THAN SIX MONTHS



AFTER ACCEPTANCE OF THE AWC. IF FOR ANY REASON THE FIRM CANNOT LOCATE ANY INVESTOR AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SIX MONTHS FROM THE DATE THE AWC IS ACCEPTED, OR SUCH ADDITIONAL PERIOD AGREED TO BY FINRA IN WRITING, THE FIRM SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE INVESTOR IS LAST KNOWN TO HAVE RESIDED. THE FIRM SHALL PROVIDE SATISFACTORY PROOF OF SUCH ACTION TO FINRA WITHIN 14 DAYS OF FORWARDING THE UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE STATE AUTHORITY. FINE PAID ON SEPTEMBER 12, 2013.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110, 3010(A)-IT WAS ALLEGED THAT MML INVESTORS SERVICES, LLC FAILED TO REASONABLY SUPERVISE ITS REGISTERED REPRESENTATIVES IN CONNECTION WITH THEIR UNAPPROVED SALE OF CERTAIN PRIVATE SECURITIES AWAY FROM THE FIRM. MML INVESTORS SERVICES, LLC'S WRITTEN SUPERVISORY PROCEDURES STATED THAT REPRESENTATIVES WERE PROHIBITED FROM PARTICIPATING IN PRIVATE SECURITIES TRANSACTIONS WITHOUT PRIOR WRITTEN APPROVAL OF THE CCO OR HIS/HER DELEGATE. IT WAS ALLEGED THAT REGISTERED REPRESENTATIVES, DESPITE THE PROHIBITION, WERE ENGAGED IN SELLING AWAY. IT WAS ALLEGED THAT THE FIRM DID NOT REASONABLY MONITOR FOR OR REVIEW INDICATIONS TO DETERMINE WHETHER THESE UNAPPROVED PRIVATE SECURITIES TRANSACTIONS WERE OCCURRING. IT WAS ALLEGED THAT CERTAIN REGISTERED REPRESENTATIVES RECOMMENDED UNAPPROVED PROMISSORY NOTES TO INVESTORS AND TWO OF THE REGISTERED REPRESENTATIVES SOLD UNAPPROVED PROMISSORY NOTES TO SEVEN INVESTORS WHO SUSTAINED LOSSES UP TO \$760,000.00 WHEN THE ISSUERS OF THE PROMISSORY NOTES DISCONTINUED INTEREST PAYMENTS. THE FIRM CONDUCTED PERIODIC SUPERVISORY REVIEWS AND AUDITS AND IT WAS ALLEGED THAT IT FAILED TO UNCOVER THE SALE OF UNAPPROVED PROMISSORY NOTES. THE FIRM INITIATED AN INTERNAL REVIEW AFTER WARNINGS FROM THE AGENCY SUPERVISORY OFFICER. DURING THE INVESTIGATION, THE FIRM NOTIFIED FINRA THAT THE EMPLOYMENT OF THE REGISTERED REPRESENTATIVES HAD BEEN TERMINATED IN CONNECTION WITH THEIR UNAPPROVED REFERRALS TO AN OUTSIDE ENTITY. THE FIRM INVESTIGATED THE CONCERNS THAT THE ASO RAISED, HOWEVER IT WAS ALLEGED THAT THE FIRM'S INVESTIGATION DID NOT UNCOVER ITS REGISTERED REPRESENTATIVES' IMPROPER SALES OF PROMISSORY NOTES FROM ITS OFFICES AND THAT CERTAIN REGISTERED



REPRESENTATIVES CONTINUED TO REFER CLIENTS TO OUTSIDE ENTITIES OFFERING PROMISSORY NOTES AND AT LEAST ONE ADDITIONAL SALE OF UNAPPROVED PROMISSORY NOTES WENT UNDETECTED. AT A CERTAIN POINT, ALL INVESTORS STOPPED RECEIVING PAYMENTS FROM THE ISSUER.

Initiated By: FINRA

Date Initiated: 08/21/2013

Docket/Case Number: [2009017118601](#)

Principal Product Type: Other

Other Product Type(s): PROMISSORY NOTES

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/21/2013

Sanctions Ordered: Censure
Monetary/Fine \$125,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, MML INVESTORS SERVICES, LLC (THE FIRM) CONSENTED TO A CENSURED, A FINE OF \$125,000.00 AND AGREED TO PAY RESTITUTION TOTALING \$787,847.70 TO INVESTORS. THE FIRM WILL PROVIDE PROOF THAT IT MADE RESTITUTION TO FINRA NO LATER THAN SIX MONTHS AFTER ACCEPTANCE OF THE AWC.

Firm Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, MML INVESTORS SERVICES, LLC (THE FIRM) CONSENTED TO A CENSURED, A FINE OF \$125,000.00 AND AGREED TO PAY RESTITUTION TOTALING \$787,847.70 TO INVESTORS. THE FIRM WILL PROVIDE PROOF THAT IT MADE RESTITUTION TO FINRA NO LATER THAN SIX MONTHS AFTER ACCEPTANCE OF THE AWC.

Disclosure 5 of 16

Reporting Source: Firm

Current Status: Final

Allegations: THE STATE OF RHODE ISLAND ALLEGED THAT MML INVESTORS SERVICES, LLC FAILED REASONABLY TO ENFORCE POLICIES, PROCEDURES AND



SYSTEMS REASONABLY DESIGNED TO PREVENT, DETECT AND ADDRESS VIOLATIONS BY A FORMER REGISTER REPRESENTATIVE AND FAILED REASONABLY TO SUPERVISE ACTIVITIES AT ITS OSJ AND DETACHED BRANCH OFFICE CONSTITUTING A VIOLATION OF R.I. GEN. LAWS § 7-11-212(B)(11).

Initiated By: STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS, DEPARTMENT OF BUSINESS REGULATION.

Date Initiated: 03/28/2011

Docket/Case Number: DBR NO. 11-S-0114

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought: A CIVIL PENALTY IN THE AMOUNT OF \$250,000.

Resolution: Consent

Resolution Date: 12/06/2012

Sanctions Ordered: Monetary/Fine \$250,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: MML INVESTORS SERVICES LLC MUST RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF ITS RHODE ISLAND DETACHED BRANCH OFFICES AND REGISTERED REPRESENTATIVES IN SUCH LOCATIONS AND ISSUE A WRITTEN REPORT TO BE FILED WITH THE DIRECTOR OF THE RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION.

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, MML INVESTORS SERVICES, LLC AGREED TO THE ENTRY OF THE ORDER AND PAID A FINE IN THE AMOUNT OF \$250,000. IN CONSIDERATION, THE DEPARTMENT OF BUSINESS REGULATION AGREED NOT TO PURSUE ANY FURTHER ACTION AGAINST MML INVESTORS SERVICES, LLC OTHER THAN AS SET FORTH IN THE ORDER.

Firm Statement THE DIRECTOR OF THE RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION (THE "DIRECTOR") ENTERED INTO A CONSENT ORDER MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS (THE "ORDER") FOR THE RESOLUTION OF A MATTER INVOLVING MML INVESTORS SERVICES ON DECEMBER 6, 2012. THE MATTER WAS RESOLVED PRIOR TO INSTITUTING ADMINISTRATIVE PROCEEDINGS. MML INVESTORS SERVICES NEITHER ADMITTED, NOR DENIED THE FINDINGS. THE MATTER



AROSE OUT OF THE CONDUCT OF TWO FORMER REPRESENTATIVES OF MML INVESTORS SERVICES WHO HAVE BEEN BARRED FROM ENGAGING IN ANY SECURITIES BUSINESS IN THE STATE OF RHODE ISLAND AS A RESULT OF THEIR CONDUCT. ON MARCH 28, 2011, MML INVESTORS SERVICES ADVISED THE SECURITIES DIVISION THAT ONE OF THESE REPRESENTATIVES HAD EMBEZZLED MONEY FROM ONE OF HIS CLIENTS OVER THE COURSE OF TEN YEARS BY INDUCING THE CLIENT TO INVEST IN FRAUDULENT AND NON-EXISTENT PROMISSORY NOTES SOLD THROUGH THE REPRESENTATIVE'S OUTSIDE BUSINESS ACTIVITY. THE DIRECTOR ALLEGED THAT MML INVESTORS SERVICES FAILED TO REASONABLY SUPERVISE THESE REPRESENTATIVES IN VIOLATION OF R.I. GEN. LAWS SECTION 7-11-212(B)(11). THE ORDER DIRECTS MML INVESTORS SERVICES TO: (I) IMMEDIATELY CEASE AND DESIST FROM ANY FURTHER VIOLATIONS OF THE RHODE ISLAND UNIFORM SECURITIES ACT OF 1990 AND THE RULES PROMULGATED THEREUNDER; (II) PAY A PENALTY IN THE AMOUNT OF \$250,000 TO THE RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION; (III) CONFIRM IN WRITING THAT IT HAS REIMBURSED THE CLIENT FOR LOSSES ACCORDING TO THE TERMS OF A SETTLEMENT NEGOTIATED AMONGST THE PARTIES; AND, (IV) RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF ITS RHODE ISLAND DETACHED BRANCH OFFICES AND REGISTERED REPRESENTATIVES IN SUCH LOCATIONS AND ISSUE A WRITTEN REPORT TO BE FILED WITH THE DIRECTOR.

Disclosure 6 of 16

Reporting Source:	Regulator
Current Status:	Final
Allegations:	THAT DURING THE TIME PERIOD OF JULY 3, 2009 THROUGH APRIL 21, 2010 MML INVESTORS SERVICES, LLC OPERATED A BRANCH OFFICE IN THE STATE OF NEVADA, OTHER THAN THE PRINCIPAL OFFICE, WITHOUT THE BENEFIT OF BEING LICENSED PURSUANT NRS 90.360 (2) AND (3).
Initiated By:	NEVADA
Date Initiated:	01/05/2012
Docket/Case Number:	CI10-237
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)



Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 01/05/2012

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: Monetary/Fine \$1,000.00

Other Sanctions Ordered:

Sanction Details: FINE PAID IN FULL 01/05/2012.

Reporting Source: Firm

Current Status: Final

Allegations: THE SECURITIES DIVISION OF THE STATE OF NEVADA ALLEGED THAT DURING THE PERIOD OF JULY 3, 2009 THROUGH APRIL 21, 2010, MML INVESTORS SERVICES, LLC OPERATED A BRANCH OFFICE IN THE STATE OF NEVADA OTHER THAN THE PRINCIPAL OFFICE, WITHOUT THE BENEFIT OF BEING LICENSED PURSUANT NRS 90.360(2)AND(3).

Initiated By: STATE OF NEVADA, OFFICE OF THE SECRETARY OF STATE, SECURITIES DIVISION

Date Initiated: 01/05/2012

Docket/Case Number: FILE NO. CI10-237-JH

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 01/05/2012



Sanctions Ordered:	Monetary/Fine \$1,000.00
Other Sanctions Ordered:	
Sanction Details:	MML INVESTORS SERVICES, LLC PAID A FINE IN THE AMOUNT OF \$1,000.00.
Firm Statement	MML INVESTORS SERVICES, LLC CONSENTED TO THE ENTRY OF THE ORDER AND PAID A FINE IN THE AMOUNT OF \$1,000.00. IN CONSIDERATION, THE SECURITIES DIVISION AGREED NOT TO PURSUE ANY FURTHER ACTION AGAINST MML INVESTORS SERVICES, LLC OTHER THAN AS SET FORTH IN THE ORDER IN CONNECTION WITH THE SUBJECT MATTER OF THE ORDER.

Disclosure 7 of 16

Reporting Source:	Regulator
Current Status:	Final
Allegations:	FINRA RULE 2010, NASD RULE 2110, 3010: THE FIRM FAILED TO FILE IN A TIMELY MANNER AT LEAST 98 FILING, INCLUDING 5 FORM U5 FILINGS AND 93 AMENDMENTS TO FORMS U4 AND U5. THE FIRM'S FAILURE TO COMPLY WITH ITS REPORTING OBLIGATIONS MAY HAVE HAMPERED THE INVESTING PUBLIC'S ABILITY TO ASSESS THE BACKGROUND OF CERTAIN BROKERS THROUGH FINRA'S PUBLIC DISCLOSURE PROGRAM, RENDERED CERTAIN INFORMATION UNAVAILABLE TO MEMBER FIRMS MAKING HIRING DETERMINATIONS, MAY HAVE REDUCED THE ABILITY OF STATE SECURITIES REGULATORS TO REVIEW APPLICATIONS BY BROKERS TO TRANSFER FIRMS, AND HINDERED FINRA FROM PROMPTLY INVESTIGATING CERTAIN DISCLOSURE ITEMS. THE FIRM'S SUPERVISORY SYSTEM AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE REPORTING REQUIREMENTS OF ARTICLE V OF FINRA'S BY-LAWS. MOREOVER, THE FIRM FAILED TO ENFORCE THE WRITTEN PROCEDURES IT HAD ADOPTED TO PREVENT LATE DISCLOSURES TO FINRA. THERE WERE AT LEAST 55 INSTANCES OF LATE FILINGS IN WHICH THE FIRM EITHER FAILED TO ISSUE A LETTER OF WARNING TO THE REPRESENTATIVE OR FAILED TO FINE THE REPRESENTATIVE AS CALLED FOR BY ITS PROCEDURES. IN ADDITION, ALTHOUGH THE FIRM'S PROCEDURES CALLED FOR THE TERMINATION OF ANY REPRESENTATIVE WHO FAILED TO TIMELY DISCLOSE THREE REPORTABLE EVENTS TO THE FIRM, IT DID NOT TERMINATE AT LEAST TWO SUCH REPRESENTATIVES. THERE WERE ALSO AT LEAST 20 INSTANCES IN WHICH THE FIRM FAILED TO SANCTION SUPERVISORS AS CALLED FOR BY ITS PROCEDURES.
Initiated By:	FINRA
Date Initiated:	11/16/2011



Docket/Case Number: [2010020873501](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/16/2011

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 \$300,000.00

Other Sanctions Ordered: UNDERTAKINGS

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, FINED \$300,000 AND AGREES TO COMPLY WITH THE FOLLOWING UNDERTAKINGS: THE FIRM WILL REVIEW ITS SUPERVISORY SYSTEMS AND WRITTEN SUPERVISORY PROCEDURES FOR COMPLIANCE WITH ITS REPORTING OBLIGATIONS CONCERNING THE TIMELY FILING OF FORM U4 DISCLOSURE AMENDMENTS PURSUANT TO ARTICLE V, SECTION 2(C) OF FINRA'S BY-LAWS AND THE TIMELY FILING OF FORMS U5 AND FORMS U5 AMENDMENTS PURSUANT TO ARTICLE V, SECTION 3(A) AND 3(B). WITHIN 90 DAYS OF THE ISSUANCE OF THIS AWC, AN OFFICER OF THE FIRM WILL CERTIFY TO FINRA IN WRITING THAT THE FIRM CURRENTLY HAS IN PLACE SYSTEMS AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS REPORTING OBLIGATIONS UNDER FINRA'S BY-LAWS, ARTICLE V, SECTIONS 2(C), 2(A) AND 3(B) WITH RESPECT TO THE TIMELY FILING OF REQUIRED FORMS U4 AND U5, AND AMENDMENTS THERETO. IN ADDITION, WITHIN 15 DAYS FOLLOWING THE END OF EACH QUARTER IN CALENDAR YEAR 2012, THE FIRM WILL SUBMIT A REPORT DETAILING ANY FORM U5 FILINGS OR DISCLOSURE AMENDMENTS TO FORMS U4 AND U5 THAT WERE NOT TIMELY FILED WITH FINRA THAT QUARTER. AT THE SAME TIME, AN OFFICER OF THE FIRM WILL CERTIFY TO FINRA IN WRITING THAT THE SUBMITTED REPORT IS ACCURATE.



Reporting Source: Firm
Current Status: Final
Allegations: NASD CONDUCT RULE 2110 (FOR CONDUCT PRIOR TO DECEMBER 15, 2008) AND 3010 AND FINRA RULE 2010 (FOR CONDUCT AFTER DECEMBER 14, 2008).
Initiated By: FINRA
Date Initiated: 11/16/2011
Docket/Case Number: [2010020873501](#)
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought: FINE
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 11/16/2011
Sanctions Ordered: Censure
 Monetary/Fine \$300,000.00
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, FINED \$300,000 AND AGREES TO COMPLY WITH THE FOLLOWING UNDERTAKINGS: THE FIRM WILL REVIEW ITS SUPERVISORY SYSTEMS AND WRITTEN SUPERVISORY PROCEDURES FOR COMPLIANCE WITH ITS REPORTING OBLIGATIONS CONCERNING THE TIMELY FILING OF FORM U-4 DISCLOSURE AMENDMENTS PURSUANT TO ARTICLE V, SECTION 2(C) OF FINRA'S BY-LAWS AND THE TIMELY FILING OF FORMS U5 AND FORMS U5 AMENDMENTS PURSUANT TO ARTICLE V, SECTION 3(A) AND 3(B). WITHIN 90 DAYS OF THE ISSUANCE OF THE AWC, AN OFFICER OF THE FIRM WILL CERTIFY TO FINRA IN WRITING THAT THE FIRM CURRENTLY HAS IN PLACE SYSTEMS AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS REPORTING OBLIGATIONS UNDER FINRA'S BY-LAWS, ARTICLE V, SECTIONS 2(C), 2(A) AND 3(B) WITH RESPECT TO THE TIMELY FILING OF REQUIRED FORMS U4 AND U5, AND AMENDMENTS THERETO. IN ADDITION, WITHIN 15 DAYS



FOLLOWING THE END OF EACH QUARTER IN CALENDAR YEAR 2012, THE FIRM WILL SUBMIT A REPORT DETAILING ANY FORM U5 FILINGS OR DISCLOSURE AMENDMENTS TO FORMS U4 AND U5 THAT WERE NOT TIMELY FILED WITH FINRA THAT QUARTER. AT THE SAME TIME, AN OFFICER WILL CERTIFY TO FINRA IN WRITING THAT THE SUBMITTED REPORT IS ACCURATE.

Firm Statement

THE ALLEGED RULE VIOLATIONS RELATED TO THE FIRM'S COMPLIANCE WITH FINRA RULES APPLICABLE TO FILING FORMS U5 AND AMENDMENTS TO FORMS U4 AND U5. FROM APPROXIMATELY MAY 13, 2008 THROUGH OCTOBER 10, 2010, THE FIRM FAILED TO FILE IN A TIMELY MANNER, AT LEAST 98 FILINGS, INCLUDING 5 FORM U5 FILINGS AND 93 AMENDMENTS TO FORMS U4 AND U5. FINRA ALSO FOUND THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND ESTABLISH, MAINTAIN AND ENFORCE SUPERVISORY PROCEDURES THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE REPORTING REQUIREMENTS SET FORTH IN ARTICLE V OF FINRA'S BY-LAWS.

Disclosure 8 of 16

Reporting Source:

Regulator

Current Status:

Final

Allegations:

FINRA RULE 2010, NASD RULES 2110, 2440, 3010 - MML INVESTOR SERVICES, LLC PURCHASED OR SOLD TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE SECURITIES AS AGENT FOR A CUSTOMER IN OVER-THE-COUNTER TRANSACTIONS FOR A COMMISSION OR SERVICE CHARGE THAT WAS IN EXCESS OF A FAIR AMOUNT, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO SUCH SECURITY AT THE TIME OF THE TRANSACTION, THE EXPENSE OF EXECUTING THE ORDER AND THE VALUE OF ANY SERVICE RENDERED BY REASON OF EXPERIENCE IN AND KNOWLEDGE OF SUCH SECURITY AND THE MARKET THEREFOR. THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES BY CHARGING COMMISSIONS IN EXCESS OF THE PROCEDURE'S LIMITS, WHICH SPECIFIED THAT NO COMMISSION SHALL EXCEED 2.25 PERCENT OF THE PRINCIPAL AMOUNT OF THE TRANSACTION BEYOND A MINIMUM \$65 CHARGE.

Initiated By:

FINRA

Date Initiated:

06/17/2011

Docket/Case Number:

[2009019499901](#)

Principal Product Type:

Other

Other Product Type(s):

TRACE-ELIGIBLE SECURITIES



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/17/2011

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 \$32,500.00

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 AND FINED \$32,500.

Reporting Source: Firm

Current Status: Final

Allegations: THE ALLEGATIONS INCLUDED VIOLATIONS OF FINRA RULE 2010, NASD RULES 2110, 2440, 3010 AND THAT MML INVESTORS SERVICES, LLC PURCHASED OR SOLD 14 TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) ELIGIBLE SECURITIES AS AN AGENT FOR A CUSTOMER IN OVER-THE-COUNTER TRANSACTIONS FOR A COMMISSION OR SERVICE CHARGE THAT WAS IN EXCESS OF A FAIR AMOUNT, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO SUCH SECURITY AT THE TIME OF THE TRANSACTION, THE EXPENSE OR EXECUTING THE ORDER AND THE VALUE OF ANY SERVICE RENDERED BY REASON OF EXPERIENCE IN AND KNOWLEDGE OF SUCH SECURITY AND THE MARKET. THEREFORE, IT WAS ALLEGED THAT THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES BY CHARGING COMMISSIONS IN EXCESS OF THE PROCEDURE'S LIMITS, WHICH SPECIFY THAT NO COMMISSION SHALL EXCEED 2.25 PERCENT OF THE PRINCIPAL AMOUNT OF THE TRANSACTION BEYOND A MINIMUM \$65.00 CHARGE.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)



Date Initiated: 06/17/2011
Docket/Case Number: [2009019499901](#)
Principal Product Type: Other
Other Product Type(s): TRACE-ELIGIBLE SECURITIES
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought: FINE
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 06/17/2011
Sanctions Ordered: Censure
 Monetary/Fine \$32,500.00
Other Sanctions Ordered:
Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, MML INVESTORS SERVICES, LLC CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. THE FIRM WAS CENSURED AND FINED \$32,500.00

Disclosure 9 of 16

Reporting Source: Firm
Current Status: Final
Allegations: THE SECURITIES DIVISION OF THE STATE OF NEVADA ALLEGED THAT THE APPLICANT VIOLATED N.A.C. 90.327(1)(D)(1).
Initiated By: STATE OF NEVADA, OFFICE OF THE SECRETARY OF STATE, SECURITIES DIVISION
Date Initiated: 02/06/2009
Docket/Case Number: FILE NO.: CI08-109
Principal Product Type: Other
Other Product Type(s): OPERATING BUSINESS WITHIN A FINANCIAL INSTITUTION (SOUTHWESTERN USA BANK) PRIOR TO ENTERING INTO A NETWORKING AGREEMENT.
Principal Sanction(s)/Relief Sought: Other



Other Sanction(s)/Relief Sought:	CONSENT AGREEMENT AND PAYMENT OF FINE.
Resolution:	Consent
Resolution Date:	03/27/2009
Sanctions Ordered:	Monetary/Fine \$2,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE APPLICANT ENTERED INTO A CONSENT AGREEMENT WITH THE NEVADA SECRETARY OF STATE, SECURITIES DIVISION.
Firm Statement	THE SECURITIES DIVISION OF THE STATE OF NEVADA ALLEGED THAT DURING THE PERIOD OF MAY 9, 2006 THROUGH MAY 21, 2008, THE APPLICANT CONDUCTED BUSINESS OUT OF A FINANCIAL INSTUTION WITHOUT FIRST ENTERING INTO A NETWORKING AGREEMENT.

Disclosure 10 of 16

Reporting Source:	Firm
Current Status:	Final
Allegations:	DURING THE PERIOD BETWEEN JANUARY 1, 2001 AND DECEMBER 31, 2006, ELEVEN AGENTS SOLD TEN VARIABLE ANNUITY CONTRACTS TO VERMONT RESIDENTS WITHOUT BEING REGISTERED WITH THE VERMONT SECURITIES DIVISION, IN VIOLATION OF 9 V.S.A § 4213(A) AND 9 V.S.A. § 5402(A) OF THE VERMONT SECURITIES ACT.
Initiated By:	STATE OF VERMONT, DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION
Date Initiated:	01/03/2007
Docket/Case Number:	DOCKET NUMBER 07-030-S
Principal Product Type:	Other
Other Product Type(s):	VARIABLE ANNUITY CONTRACTS
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	ADMINISTRATIVE SANCTIONS
Resolution:	Consent
Resolution Date:	05/05/2008



Sanctions Ordered:	Monetary/Fine \$45,064.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	MML INVESTORS SERVICES, INC. AGREED TO CEASE FROM FURTHER VIOLATIONS OF THE UNIFORM SECURITIES ACT. MML INVESTORS SERVICES, INC. AGREED TO PAY A TOTAL OF \$45,064.00 IN ADMINISTRATIVE PENALTIES, BACK REGISTRATION FEES, INVESTIGATION COSTS AND DISGORGEMENT OF COMMISSIONS, FEES, SERVICES CHARGES OR SIMILAR ITEMS ASSOCIATED WITH THE CONSENT ORDER. MML INVESTORS SERVICES, INC. WILL PROVIDE THE VERMONT SECURITIES DIVISION WITH A REPORT WITHIN 90 DAYS DEMONSTRATING THAT IT HAS TAKEN THE NECESSARY STEPS TO ENSURE THAT A SIMILAR OCCURRENCE WILL NOT HAPPEN IN THE FUTURE.
Sanction Details:	MML INVESTORS SERVICES, INC. AGREED TO PAY A TOTAL OF \$45,064.00 IN ADMINISTRATIVE PENALTIES, BACK REGISTRATION FEES, INVESTIGATION COSTS AND DISGORGEMENT OF COMMISSIONS, FEES, SERVICES CHARGES OR SIMILAR ITEMS ASSOCIATED WITH THE CONSENT ORDER.
Firm Statement	MML INVESTORS SERVICES, INC. AGREED TO CEASE FROM FURTHER VIOLATIONS OF THE UNIFORM SECURITIES ACT. MML INVESTORS SERVICES, INC. AGREED TO PAY A TOTAL OF \$45,064.00 IN ADMINISTRATIVE PENALTIES, BACK REGISTRATION FEES, INVESTIGATION COSTS AND DISGORGEMENT OF COMMISSIONS, FEES, SERVICES CHARGES OR SIMILAR ITEMS ASSOCIATED WITH THE CONSENT ORDER. MML INVESTORS SERVICES, INC. WILL PROVIDE THE VERMONT SECURITIES DIVISION WITH A REPORT WITHIN 90 DAYS DEMONSTRATING THAT IT HAS TAKEN THE NECESSARY STEPS TO ENSURE THAT A SIMILAR OCCURRENCE WILL NOT HAPPEN IN THE FUTURE.

Disclosure 11 of 16

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 2310 AND 3010: MML INVESTORS SERVICES, INC. (THE "FIRM") MADE UNSUITABLE RECOMMENDATIONS OF CLASS B SHARES OF MUTUAL FUNDS AND FAILED TO ESTABLISH, MAINTAIN AND ENFORCE SYSTEMS AND PROCEDURES DESIGNED TO ENSURE THAT ITS CLIENTS RECEIVED THE OPPORTUNITY TO PURCHASE CLASS A SHARES IN CERTAIN MUTUAL FUNDS AT NET ASSET VALUE ("NAV"). WITHIN THE REVIEW PERIOD (JAN. 1, 2003 AND JULY 31, 2004) THE FIRM EFFECTED TRANSACTIONS WHERE IT MADE RECOMMENDATIONS TO CLIENTS TO PURCHASE CLASS B SHARES THROUGH ITS REGISTERED REPRESENTATIVES. IN CONNECTION WITH ITS RECOMMENDATIONS, THE



FIRM DID NOT CONSIDER ON A CONSISTENT BASIS THAT AN EQUAL INVESTMENT IN CLASS A SHARES WOULD GENERALLY HAVE BEEN MORE ADVANTAGEOUS FOR CERTAIN CLIENTS. THE FIRM DID NOT CONSISTENTLY CONSIDER THAT LARGE INVESTMENTS IN CLASS A SHARES OF MUTUAL FUNDS ENTITLE CLIENTS TO BREAKPOINT DISCOUNTS ON SALES CHARGES, GENERALLY BEGINNING AT THE \$50,000 INVESTMENT LEVEL, WHICH IS NOT AVAILABLE FOR INVESTMENT IN CLASS B SHARES. CLIENTS MAY BE ENTITLED TO BREAKPOINTS BASED UPON A SINGLE MUTUAL FUND PURCHASE, MULTIPLE PURCHASES IN THE SAME "FAMILY OF FUND" AND/OR MUTUAL FUND INVESTMENTS HELD AT THE TIME OF THE NEW PURCHASE, BY MEMBERS OF THE CLIENT'S "HOUSEHOLD" AS THAT TERM IS DEFINED IN THE PROSPECTUS OF THE FUND IN WHICH THE SHARES ARE BEING PURCHASED. UNLIKE CLASS A SHARES, CLASS B SHARES ARE SUBJECT TO CONTINGENT DEFERRED SALES CHARGES ("CDSCS") FOR A PERIOD OF TIME, GENERALLY SIX YEARS, AS WELL AS HIGHER ONGOING RULE 12B-1 FEES FOR AS LONG AS THE CLASS B SHARES ARE HELD. THE CDSCS AND THE HIGHER ONGOING RULE 12B-1 FEES SIGNIFICANTLY AFFECT THE RETURN ON CLIENTS' MUTUAL FUND INVESTMENTS. (ALLEGATIONS CONTINUED IN THE COMMENTS SECTION)

Initiated By: NASD

Date Initiated: 06/28/2007

Docket/Case Number: [EAF0401340002](#)

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/28/2007

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 \$473,000.00

**Other Sanctions Ordered:**

(SANCTION DETAILS CONTINUED) FOR EACH CLIENT WHO PAID AN INITIAL SALES CHARGE, THE FIRM WILL REFUND THE SALES CHARGE PAID, PLUS INTEREST. FOR EACH CLIENT WHO PURCHASED A CLASS OF SHARES OTHER THAN CLASS A, THE FIRM WILL MAKE A CASH PAYMENT TO THE CLIENT SUFFICIENT TO PLACE THE CLIENT IN A SUBSTANTIALLY EQUIVALENT FINANCIAL POSITION SUCH CLIENT WOULD HAVE BEEN IN WITH RESPECT TO THE QUALIFYING NAV PURCHASE HAD THE INVESTOR PURCHASED CLASS A SHARES AT NAV. THE FIRM PROVIDED OR WILL PROVIDE REMEDIATION IN ACCORDANCE WITH A METHODOLOGY NOT UNACCEPTABLE TO NASD. WITHIN 60 DAYS FROM THE EFFECTIVE DATE OF THIS AWC, AND PRIOR TO ANY REMEDIATION PAYMENT, THE FIRM MUST SUBMIT TO NASD FOR REVIEW A SAMPLE LETTER TO CLIENTS OF B SHARE OR NAV REMEDIATION PAYMENTS, NOT UNACCEPTABLE TO NASD. WITHIN 60 DAYS FROM THE NOTICE OF ACCEPTANCE OF THIS AWC, THE FIRM MUST DESIGNATE AND TRAIN STAFF (THE "RESPONSE TEAM") TO FIELD AND RESPOND TO CLIENT INQUIRES IN CONNECTION WITH THIS AWC AND THE REMEDIATION PROCESS PURSUANT TO THIS AWC. THE FIRM MUST COMPLETE THE REMEDIATION PROCESS WITHIN 270 DAYS FROM THE EFFECTIVE DATE OF THIS AWC. WITHIN 330 DAYS FOLLOWING THE EFFECTIVE DATE OF THIS AWC, THE FIRM MUST FILE A REPORT (THE "INITIAL REPORT") WITH NASD, AND SIMULTANEOUSLY WITH THE THIRD PARTY EXAMINER. THE FIRM'S INITIAL REPORT MUST BE SUBMITTED TO NASD, CERTIFIED TO, AN OFFICER OF THE FIRM WHO IS REGISTERED WITH NASD AT THE TIME OF THE CERTIFICATION. IN ADDITION, WITHIN 60 DAYS FOLLOWING THE EFFECTIVE DATE OF THIS AWC, THE FIRM MUST RETAIN A THIRD PARTY EXAMINER, WHO SHALL NOT BE UNACCEPTABLE TO NASD TO EXAMINE THE FIRM'S PERFORMANCE OF IT OBLIGATIONS UNDER THE TERMS OF THIS AWC AS REFLECTED IN THE FIRM'S INITIAL REPORT. AT THE CONCLUSION OF THE EXAMINATION, BUT NOT LATER THAN 420 DAYS FOLLOWING THE EFFECTIVE DATE OF THIS AWC, THE FIRM MUST REQUIRE THE THIRD PARTY EXAMINER TO SUBMIT A WRITTEN FINAL REPORT TO THE FIRM AND TO NASD.

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 \$473,000 AND AGREES TO THE FOLLOWING UNDERTAKINGS: THE FIRM MUST CREATE A LIST OF CLIENTS WHO PURCHASED \$50,000 OR MORE OF CLASS B SHARES, IN ANY SINGLE FUND FAMILY, WHICH SHALL BE AGGREGATED BY HOUSEHOLD AND FUND FAMILY IN DETERMINING IF THE \$50,000 THRESHOLD WAS MET. WITHIN 270 DAYS FROM THE EFFECTIVE DATE OF THIS AWC, THE FIRM MUST MAKE A CASH PAYMENT TO EACH CLIENT WHO MADE A QUALIFYING SHARE PURCHASE(S) AND HELD ALL OR ANY PORTION OF HIS OR HER CLASS B SHARES AS OF THE EFFECTIVE DATE OF THIS AWC, INCLUDING REINVESTMENT SHARES, SO THAT SUCH CLIENT IS PUT INTO SUBSTANTIALLY THE SAME FINANCIAL POSITION IN WHICH HE



OR SHE WOULD HAVE BEEN WITH RESPECT TO THE HELD QUALIFYING SHARE PURCHASES HAD THE CLIENT PURCHASED CLASS A SHARES INSTEAD OF CLASS B SHARES. WITHIN 270 DAYS FROM THE EFFECTIVE DATE OF THIS AWC, THE FIRM MUST MAKE A CASH PAYMENT TO EACH CLIENT WHO MADE A QUALIFYING SHARE PURCHASE(S) AND SOLD SOME OR ALL OF HIS OR HER CLASS B SHARES COMPRISING THE QUALIFYING PURCHASE(S) OF THE DIFFERENCE, IF ANY BETWEEN THE VALUE OF THE CLASS B SHARES REDEEMED, AS OF THE DATE OF REDEMPTION, AND THE VALUE BASED ON ACTUAL FUND PERFORMANCE, OF CLASS A SHARES HAD THEY BEEN PURCHASED INSTEAD. CLIENTS WILL BE ENTITLED TO BREAKPOINTS CALCULATED BASED ON THE TOTAL OF ALL OPENING CLASS B BALANCES, DEPENDING ON THE SHARE CLASS FOR WHICH CONVERSION AND/OR CASH IN BEING OFFERED AGGREGATED BY HOUSEHOLD AND FUND FAMILY, PLUS THE TOTAL RESPECTIVE CLASS B SHARE PURCHASES AGGREGATED BY HOUSEHOLD AND FUND FAMILY DURING THE RELEVANT TIME PERIOD. THE FIRM HAS PROVIDED OR WILL PROVIDE REMEDIATION TO CERTAIN CLIENTS WHO PURCHASED SHARES OF MUTUAL FUNDS DURING THE PERIOD, AS APPLICABLE, AND QUALIFIED FOR, BUT DID NOT RECEIVE, THE BENEFIT OF AN NAV TRANSFER PROGRAM. (SANCTION DETAIL CONTINUED IN OTHER SANCTIONS ORDERED SECTION)

Regulator Statement

(ALLEGATIONS CONTINUED) THE FIRM'S SUPERVISORY AND COMPLIANCE POLICIES AND PROCEDURES DURING THE REVIEW PERIOD WERE NOT REASONABLY ESTABLISHED, MAINTAINED AND/OR ENFORCED SO THAT THE FIRM, AT THE POINT OF EACH SALE, PROVIDED CONSIDERATION TO, ON A CONSISTENT BASIS, THE BENEFITS OF VARIOUS MUTUAL FUND SHARE CLASSES AS THEY APPLIED TO CLIENTS. WITH REGARD TO THE SALE OF MUTUAL FUNDS THAT OFFERED NAV PROGRAMS, FROM JANUARY 1, 2001 THROUGH JUNE 30, 2004, THE FIRM FAILED TO EXERCISE REASONABLE DUE DILIGENCE TO IDENTIFY THE ESSENTIAL TERMS AND CONDITIONS OF THE NAV TRANSFER PROGRAMS OF CERTAIN MUTUAL FUNDS, AND FAILED TO ESTABLISH, MAINTAIN AND ENFORCE SYSTEMS AND PROCEDURES TO ENSURE IT CLIENTS RECEIVED NAV PRICING WHEN THEY QUALIFIED.

Reporting Source:

Firm

Current Status:

Final

Allegations:

NASD RULES 2110, 2310 AND 3010: MML INVESTORS SERVICES, INC. (THE "FIRM") MADE UNSUITABLE RECOMMENDATIONS OF CLASS B SHARES OF MUTUAL FUNDS AND FAILED TO ESTABLISH, MAINTAIN AND ENFORCE SYSTEMS AND PROCEDURES DESIGNED TO ENSURE THAT ITS CLIENTS RECEIVED THE OPPOTUNITY TO PURCHASE CLASS A SHARES IN CERTAIN



MUTUAL FUNDS AT THE NET ASSET VALUE ("NAV"). WITHIN THE REVIEW PERIOD (JAN. 1, 2003 AND JULY 31, 2004) THE FIRM EFFECTED TRANSACTIONS WHERE IT MADE RECOMMENDATIONS TO CLIENTS TO PURCHASE CLASS B SHARES THROUGH ITS REGISTERED REPRESENTATIVES. IN CONNECTION WITH ITS RECOMMENDATIONS, THE FIRM DID NOT CONSIDER ON A CONSISTENT BASIS THAT AN EQUAL INVESTMENT IN CLASS A SHARES WOULD GENERALLY HAVE BEEN MORE ADVANTAGEOUS FOR CERTAIN CLIENTS. THE FIRM DID NOT CONSISTENTLY CONSIDER THAT LARGE INVESTMENTS IN CLASS A SHARES OF MUTUAL FUNDS ENTITLE CLIENTS TO BREAKPOINT DISCOUNTS ON SALES CHARGES, GENERALLY BEGINNING AT THE \$50,000 INVESTMENT LEVEL, WHICH IS NOT AVAILABLE FOR INVESTMENT IN CLASS B SHARES. CLIENTS MAY BE ENTITLED TO BREAKPOINTS BASED UPON A SINGLE MUTUAL FUND PURCHASE, MULTIPLE PURCHASES IN THE SAME "FAMILY OF FUND" AND/OR MUTUAL FUND INVESTMENTS HELD AT THE TIME OF THE NEW PURCHASE, BY MEMBERS OF THE CLIENT'S HOUSEHOLDS. THAT TERM IS DEFINED IN THE PROSPECTUS OF THE FUND IN WHICH THE SHARES ARE BEING PURCHASED. UNLIKE CLASS A SHARES, CLASS B SHARES ARE SUBJECT TO CONTINGENT DEFERRED SALES CHARGES ("CDSCS") FOR A PERIOD OF TIME, GENERALLY SIX YEARS, AS WELL AS HIGH ONGOING RULE 12B-1 FEES FOR AS LONG AS THE CLASS B SHARES ARE HELD. THE CDSCS AND THE HIGHER ONGOING RULE 12B-1 FEES SIGNIFICANTLY AFFECT THE RETURN ON CLIENTS' MUTUAL FUND INVESTMENTS. (ALLEGATIONS CONTINUED IN COMMENTS SECTION)

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 06/28/2007

Docket/Case Number: [EAF0401340002](#)

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/28/2007

Sanctions Ordered: Censure
Monetary/Fine \$473,000.00

Other Sanctions Ordered: (SANCTION DETAILS CONTINUED) FOR EACH CLIENT WHO PAID AN INITIAL



SALES CHARGE, THE FIRM WILL REFUND THE SALES CHARGE PAID, PLUS INTEREST. FOR EACH CLIENT WHO PURCHASED A CLASS OF SHARES OTHER THAN CLASS A, THE FIRM WILL MAKE A CASH PAYMENT TO THE CLIENT SUFFICIENT TO PLACE THE CLIENT IN A SUBSTANTIALLY EQUIVALENT FINANCIAL POSITION SUCH CLIENT WOULD HAVE BEEN IN WITH RESPECT TO THE QUALIFYING NAV PURCHASE HAD THE INVESTOR PURCHASED CLASS A SHARES AT NAV. THE FIRM PROVIDED OR WILL PROVIDE REMEDIATION IN ACCORDANCE WITH A METHODOLOGY NOT UNACCEPTABLE TO NASD. WITH 60 DAYS FROM THE EFFECTIVE DATE OF THIS AWC, AND PRIOR TO ANY REMEDIATION PAYMENT, THE FIRM MUST SUBMIT TO NASD FOR REVIEW A SAMPLE LETTER TO CLIENTS OF B SHARE OR NAV REMEDIATION PAYMENTS, NOT UNACCEPTABLE TO NASD. WITHIN 60 DAYS FROM THE NOTICE OF ACCEPTANCE OF THIS AWC, THE FIRM MUST DESIGNATE AND TRAIN STAFF (THE "RESPONSE TEAM") TO FIELD AND RESPOND TO CLIENT INQUIRIES IN CONNECTION WITH THIS AWC AND THE REMEDIATION PROCESS PURSUANT TO THIS AWC. THE FIRM MUST COMPLETE THE REMEDIATION PROCESS WITHIN 270 DAYS FROM THE EFFECTIVE DATE OF THIS AWC. WITHIN 330 DAYS FOLLOWING THE EFFECTIVE DATE OF THIS AWC, THE FIRM MUST FILE A REPORT (THE "INITIAL REPORT") WITH NASD, AND SIMULTANEOUSLY WITH THE THIRD PARTY EXAMINER. THE FIRM'S INITIAL REPORT MUST BE SUBMITTED TO NASD, CERTIFIED TO, BY AN OFFICER OF THE FIRM WHO IS REGISTERED WITH NASD AT THE TIME OF THE CERTIFICATION. IN ADDITION, WITHIN 60 DAYS FOLLOWING THE EFFECTIVE DATE OF THIS AWC, THE FIRM MUST RETAIN A THIRD PARTY EXAMINER, WHO SHALL NOT BE UNACCEPTABLE TO NASD TO EXAMINE THE FIRM'S PERFORMANCE OF ITS OBLIGATIONS UNDER THE TERMS OF THIS AWC AS REFLECTED IN THE FIRM'S INITIAL REPORT. AT THE CONCLUSION OF THE EXAMINATION, BUT NO LATER THAN 420 DAYS FOLLOWING THE EFFECTIVE DATE OF THIS AWC, THE FIRM MUST REQUIRE THE THIRD PARTY EXAMINER TO SUBMIT A WRITTEN FINAL REPORT TO THE FIRM AND TO NASD.

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 \$473,000 AND AGREES TO THE FOLLOWING UNDERTAKINGS: THE FIRM MUST CREATE A LIST OF CLIENTS WHO PURCHASED \$50,000 OR MORE OF CLASS B SHARES, IN ANY SINGLE FUND FAMILY, WHICH SHALL BE AGGREGATED BY HOUSEHOLD AND FUND FAMILY IN DETERMINING IF THE \$50,000 THRESHOLD WAS MET. WITHIN 270 DAYS FROM THE EFFECTIVE DATE OF THIS AWC, THE FIRM MUST MAKE A CASH PAYMENT TO EACH CLIENT WHO MADE A QUALIFYING SHARE PURCHASE(S) AND HELD ALL OR ANY PORTION OF HIS OR HER CLASS B SHARES AS OF THE EFFECTIVE DATE OF THIS AWC, INCLUDING REINVESTMENT SHARES, SO THAT SUCH CLIENT IS PUT INTO SUBSTANTIALLY THE SAME FINANCIAL POSITION IN WHICH HE OR SHE WOULD HAVE BEEN WITH RESPECT TO THE HELD QUALIFYING



SHARE PURCHASES HAD THE CLIENT PURCHASED CLASS A SHARES INSTEAD OF CLASS B SHARES. WITHIN 270 DAYS FROM THE EFFECTIVE DATE OF THIS AWC, THE FIRM MUST MAKE A CASH PAYMENT TO EACH CLIENT WHO MADE A QUALIFYING SHARE PURCHASE(S) AND SOLD SOME OR ALL OF HIS OR HER CLASS B SHARES COMPRISING THE QUALIFYING PURCHASE(S) OF THE DIFFERENCE, IF ANY BETWEEN THE VALUE OF THE CLASS B SHARES REDEEMED, AS OF THE DATE OF REDEMPTION, AND THE VALUE BASED ON ACTUAL FUND PERFORMANCE, OF CLASS A SHARES HAD THEY BEEN PURCHASED INSTEAD. CLIENTS WILL BE ENTITLED TO BREAKPOINTS CALCULATED BASED ON THE TOTAL OF ALL OPENING CLASS B BALANCES, AGGREGATED BY HOUSEHOLD AND FUND FAMILY, PLUS THE TOTAL OF ALL RESPECTIVE CLASS B SHARE PURCHASES AGGREGATED BY HOUSEHOLD AND FUND FAMILY DURING THE RELEVANT TIME PERIOD. THE FIRM HAS PROVIDED OR WILL PROVIDE REMEDIATION TO CERTAIN CLIENTS WHO PURCHASED SHARES OF MUTUAL FUNDS DURING THE PERIOD, AS APPLICABLE, AND QUALIFIED FOR, BUT DID NOT RECEIVE, THE BENEFIT OF AN NAV TRANSFER PROGRAM. (SANCTION DETAIL CONTINUED IN OTHER SANCTIONS ORDERED SECTION)

Firm Statement

(ALLEGATIONS CONTINUED) THE FIRM'S SUPERVISORY AND COMPLIANCE POLICIES AND PROCEDURES DURING THE REVIEW PERIOD WERE NOT REASONABLY ESTABLISHED, MAINTAINED AND/OR ENFORCE SO THAT THE FIRM, AT THE POINT OF EACH SALE, PROVIDED CONSIDERATION TO, ON A CONSISTENT BASIS, THE BENEFITS OF VARIOUS MUTUAL FUND SHARE CLASSES AS THEY APPLIED TO CLIENTS. WITH REGARD TO THE SALE OF MUTUAL FUNDS THAT OFFERED NAV PROGRAMS, FROM JANUARY 1, 2001 THROUGH JUNE 30, 2004, THE FIRM FAILED TO EXERCISE REASONABLE DUE DILIGENCE TO IDENTIFY THE ESSENTIAL TERMS AND CONDITIONS OF THE NAV TRANSFER PROGRAMS OF CERTAIN MUTUAL FUNDS, AND FAILED TO ESTABLISH, MAINTAIN AND ENFORCE SYSTEMS AND PROCEDURES TO ENSURE IT CLIENTS RECEIVED NAV PRICING WHEN THEY QUALIFIED. PRIOR TO NASD'S INVESTIGATION, (1) THE FIRM INITIATED A SELF-REVIEW UPON ITS DISCOVERY OF VIOLATIONS RELATING TO NAV TRANSFER PROGRAMS, (2) AFTER CONDUCTING AN EXTENSIVE AND THOROUGH REVIEW, THE FIRM IDENTIFIED THE CAUSES OF THE VIOLATIONS AND CORRECTED ITS SYSTEMS TO PREVENT FUTURE VIOLATIONS, AND (3) THE FIRM ACTED PROMPTLY AND IN GOOD FAITH TO MAKE CUSTOMERS WHOLE. AS A RESULT, NASD CONCLUDED THAT IT WOULD NOT BE APPROPRIATE IN THIS CASE TO IMPOSE A FINE FOR THE SUPERVISORY VIOLATIONS BY THE FIRM DESCRIBED ABOVE WITH RESPECT TO NAV TRANSFER PROGRAMS.

Disclosure 12 of 16

Reporting Source:

Firm



Current Status:	Final
Allegations:	THE COMMISSIONER ALLEGED THAT THE FIRM FAILED TO PROPERLY REGISTER ONE REPRESENTATIVE IN THE STATE AND SUBSEQUENTLY ALLOWED THE UNREGISTERED REPRESENTATIVE TO TRANSACT BUSINESS WITH CLIENTS.
Initiated By:	STATE OF VERMONT, DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION, SECURITIES DIVISION.
Date Initiated:	10/13/2006
Docket/Case Number:	DOCKET NO. 06-091-S
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	FINE DISGORGEMENT OF FEES/COMMISSIONS PAID BY VERMONT CUSTOMERS.
Resolution:	Consent
Resolution Date:	01/03/2007
Sanctions Ordered:	Monetary/Fine \$10,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	FINE - \$10,000.00 DISGORGEMENT - \$11,375.50
Sanction Details:	FINE 1/4/2007 - \$10,000 DISGORGEMENT 1/31/2007 - \$11,375.50
Firm Statement	THE ORDER WAS FINALIZED BASED ON THE STATE'S DETERMINATION THAT THE FIRM DID NOT HAVE A SYSTEM WHICH ASSURED THE PROPER REGISTRATION OF ITS REPRESENTATIVE AND THAT, AS A RESULT, THE UNREGISTERED REPRESENTATIVE WAS ALLOWED TO TRANSACT BUSINESS WITH CUSTOMERS.

Disclosure 13 of 16

Reporting Source:	Firm
Current Status:	Final



Allegations:	THE MARYLAND SECURITIES COMMISSIONER ALLEGED THAT THE FIRM FAILED TO RENEW THE INVESTMENT ADVISER REGISTRATION OF A REPRESENTATIVE AND SUBSEQUENTLY ALLOWED THE UNREGISTERED INVESTMENT ADVISER REPRESENTATIVE TO RECEIVE COMPENSATION FOR SOLICITING CLIENTS FROM DECEMBER 2004 UNTIL NOVEMBER 2005.
Initiated By:	MARYLAND SECURITIES COMMISSIONER
Date Initiated:	12/05/2005
Docket/Case Number:	DOCKET NO. 2005-0668
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	01/04/2006
Sanctions Ordered:	Monetary/Fine \$500.00
Other Sanctions Ordered:	
Sanction Details:	MML INVESTORS SERVICES, INC. ENTERED INTO A CONSENT ORDER AND PAID A FINE IN THE AMOUNT OF \$500 ON DECEMBER 28, 2005. THE FIRM AGREED TO REVIEW ITS BOOKS AND RECORDS ON AN ANNUAL BASIS TO ENSURE ITS REPRESENTATIVES THAT ARE REQUIRED TO BE REGISTERED WITH THE STATE OF MARYLAND ARE SO REGISTERED. ADDITIONALLY, THE FIRM AGREED TO COMPLY WITH THE ACT AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.
Firm Statement	THE CONSENT ORDER WAS DEEMED IN THE PUBLIC INTEREST DUE TO THE FIRM'S FAILURE TO RENEW A REPRESENTATIVE'S REGISTRATION IN 2001 AND 2002 COMBINED WITH THE REPRESENTATIVE'S RECEIPT OF COMPENSATION FOR SOLICITING CLIENTS FROM DECEMBER 2004 THROUGH NOVEMBER 2005. THE FIRM CONSENTED TO THE ORDER ON DECEMBER 27, 2005 AND THE MARYLAND SECURITIES COMMISSIONER SIGNED THE ORDER ON JANUARY 4, 2006.

Disclosure 14 of 16

Reporting Source:	Regulator
Current Status:	Final



Allegations: ARTICLE V, SECTIONS 2(C) AND 3(B) OF NASD'S BY-LAWS, NASD RULES 2110, 3010 - MML INVESTORS SERVICES, INC. FILED AT LEAST 220 LATE AMENDMENTS TO FORMS U4 AND U5, REPRESENTING APPROXIMATELY 69% OF THE REQUIRED AMENDMENTS RELATING TO REPORTABLE CUSTOMER COMPLAINTS, TERMINATIONS, REGULATORY ACTIONS, AND CRIMINAL DISCLOSURES. THE FIRM'S SUPERVISORY SYSTEM AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS ARTICLE V REPORTING OBLIGATIONS.

Initiated By: NASD

Date Initiated: 11/30/2004

Docket/Case Number: CAF040098

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/30/2004

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 \$250,000.00

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, MML INVESTOR SERVICES, INC. CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED, FINED \$250,000 WHICH SHALL BE PAID WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF THIS AWC. PROMPTLY FOLLOWING NOTICE OF ACCEPTANCE OF THIS AWC, THE FIRM'S INTERNAL AUDIT DEPT. OR PERSONNEL NOT DIRECTLY RESPONSIBLE FOR THE FIRM'S ARTICLE V REPORTING OBLIGATIONS AND THEIR IMMEDIATE SUPERVISORS SHALL CONDUCT AN AUDIT FOR THE PERIOD JANUARY 1, 2004 THROUGH SEPTEMBER 30, 2004 TO ASSESS THE EFFECTIVENESS OF ITS SYSTEM



AND PROCEDURES FOR ENSURING TIMELY FILING OF FORM U4 AND U5 AMENDMENTS AND SHALL PREPARE A WRITTEN REPORT SUMMARIZING FINDINGS AND RECOMMENDATIONS AND SHALL FOR THE NEXT FOUR CALENDAR QUARTERS BEGINNING FOURTH QUARTER 2004, CONDUCT A SIMILAR AUDIT AND PREPARE A SIMILAR WRITTEN AUDIT REPORT. NO LATER THAN 90 DAYS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED AND THE OFFICER HAS REVIEWED THE CURRENT AUDIT REPORT. NO LATER THAN 60 DAYS AFTER THE DATE OF THE REPORT, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS IMPLEMENTED, OR HAS BEGUN TO IMPLEMENT, ANY RECOMMENDATIONS WITHIN A SPECIFIED TIME PERIOD. NO LATER THAN 60 DAYS AFTER THE LAST DAY OF THE NEXT FOUR QUARTERS, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED, THE CURRENT AUDIT REPORT WAS REVIEWED, AND RECOMMENDATIONS IMPLEMENTED, OR BEGUN TO BE IMPLEMENTED. NO LATER THAN SIX MONTHS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS REVIEWED ITS SYSTEM AND PROCEDURES FOR COMPLYING WITH ITS ARTICLE V REPORTING OBLIGATIONS AND HAS ESTABLISHED A SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REPORTING REQUIREMENTS SET FORTH THEREIN.

Reporting Source: Firm

Current Status: Final

Allegations: ARTICLE V, SECTIONS 2(C) AND 3(B) OF NASD'S BY-LAWS, NASD RULES 2110, 3010 - MML INVESTORS SERVICES, INC. FILED AT LEAST 220 LATE AMENDMENTS TO FORMS U4 AND U5, REPRESENTING APPROXIMATELY 69% OF THE REQUIRED AMENDMENTS RELATING TO REPORTABLE CUSTOMER COMPLAINTS, TERMINATIONS, REGULATORY ACTIONS, AND CRIMINAL DISCLOSURES. THE FIRM'S SUPERVISORY SYSTEM AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS ARTICLE V REPORTING OBLIGATIONS.

Initiated By: NASD

Date Initiated: 11/30/2004

Docket/Case Number: CAF040098

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure



Other Sanction(s)/Relief Sought:	FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/30/2004
Sanctions Ordered:	Censure Monetary/Fine \$250,000.00
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	<p>WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED, FINED \$250,000 WHICH SHALL BE PAID WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF THIS AWC. PROMPTLY FOLLOWING NOTICE OF ACCEPTANCE OF THIS AWC, THE FIRM'S INTERNAL AUDIT DEPT. OR PERSONNEL NOT DIRECTLY RESPONSIBLE FOR THE FIRM'S ARTICLE V REPORTING OBLIGATIONS AND THEIR IMMEDIATE SUPERVISORS SHALL CONDUCT AN AUDIT FOR THE PERIOD JANUARY 1, 2004 THROUGH SEPTEMBER 30, 2004 TO ASSESS THE EFFECTIVENESS OF ITS SYSTEM AND PROCEDURES FOR ENSURING TIMELY FILING OF FORM U4 AND U5 AMENDMENTS AND SHALL PREPARE A WRITTEN REPORT SUMMARIZING FINDINGS AND RECOMMENDATIONS AND SHALL FOR THE NEXT FOUR CALENDAR QUARTERS BEGINNING FOURTH QUARTER 2004, CONDUCT A SIMILAR AUDIT AND PREPARE A SIMILAR WRITTEN AUDIT REPORT. NO LATER THAN 90 DAYS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED AND THE OFFICER HAS REVIEWED THE CURRENT AUDIT REPORT. NO LATER THAN 60 DAYS AFTER THE DATE OF THE REPORT, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS IMPLEMENTED, OR HAS BEGUN TO IMPLEMENT, ANY RECOMMENDATIONS WITHIN A SPECIFIED TIME PERIOD. NO LATER THAN 60 DAYS AFTER THE LAST DAY OF THE NEXT FOUR QUARTERS, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED, THE CURRENT AUDIT REPORT WAS REVIEWED, AND RECOMMENDATIONS IMPLEMENTED, OR BEGUN TO BE IMPLEMENTED. NO LATER THAN SIX MONTHS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS REVIEWED ITS SYSTEM AND PROCEDURES FOR COMPLYING WITH ITS ARTICLE V REPORTING OBLIGATIONS AND HAS ESTABLISHED A SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REPORTING REQUIREMENTS SET FORTH THEREIN.</p>



Reporting Source: Regulator
Current Status: Final
Allegations: UNREGISTERED ACTIVITY
Initiated By: FLORIDA DIVISION OF SECURITIES AND INVESTOR PROTECTION
Date Initiated: 04/03/2000
Docket/Case Number: 2922-S-2/00
URL for Regulatory Action:
Principal Product Type: Equity Listed (Common & Preferred Stock)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Cease and Desist
Other Sanction(s)/Relief Sought:
Resolution: Stipulation and Consent
Resolution Date: 04/12/2000
Sanctions Ordered: Monetary/Fine \$3,000.00
 Cease and Desist/Injunction
Other Sanctions Ordered:
Sanction Details: N/A
Regulator Statement MML INVESTOR SERVICES OPERATED A BRANCH OFFICE AT 6301 NW 5TH WAY, SUITE 5010 IN FT. LAUDERDALE WITHOUT BEING REGISTERED WITH THE DIVISION OF SECURITIES.

Reporting Source: Firm
Current Status: Final
Allegations: THE ACTION ALLEGED THAT MML INVESTORS SERVICES, INC. ALLOWED A FLORIDA BUSINESS LOCATION TO OPERATE FOR 6 WEEKS BEFORE FILING A STATE BRANCH OFFICE REGISTRATION APPLICATION. THE ACTION FURTHER ALLEGED THAT THE DELAY IN REGISTRATION CONSTITUTED A FAILURE TO MAINTAIN A REASONABLE SUPERVISORY SYSTEM ON THE PART OF MICHAEL L. KERLEY AND MML INVESTORS SERVICES, INC.
Initiated By: FLORIDA DEPARTMENT OF BANKING AND FINANCE DIVISION OF SECURITIES



Date Initiated: 02/21/2000
Docket/Case Number: 2922-S-2/00
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Order
Resolution Date: 04/12/2000
Sanctions Ordered: Monetary/Fine \$3,000.00
 Cease and Desist/Injunction
Other Sanctions Ordered: CEASE AND DESIST
Sanction Details: APPLICANT AGREED TO CEASE AND DESIST FROM ANY AND ALL VIOLATIONS OF CHAPTER 517 FLORIDA STATUTES, AND THE RULES PROMULGATED THEREUNDER AND AN ADMINISTRATIVE FINE IN THE AMOUNT OF \$3,000.00
Firm Statement THE ADMINISTRATIVE COMPLAINT FILED AGAINST MICHAEL L. KERLEY WAS DISMISSED WITHOUT PREJUDICE.

Disclosure 16 of 16

Reporting Source: Regulator
Current Status: Final
Allegations: Not Provided
Initiated By: TEXAS STATE SECURITIES BOARD
Date Initiated: 05/03/1999
Docket/Case Number: 99-030, CAF-1359
URL for Regulatory Action:
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:


Other Sanction(s)/Relief Sought:

Resolution: Order
Resolution Date: 05/03/1999
Sanctions Ordered: Monetary/Fine \$7,500.00
Other Sanctions Ordered:
Sanction Details: ADMINISTRATIVE DISCIPLINARY ORDER
Regulator Statement ON MAY 3, 1999, THE TEXAS SECURITIES COMMISSIONER ENTERED AN ADMINISTRATIVE DISCIPLINARY ORDER REPRIMANDING AND FINING MML INVESTORS SERVICES, INC. FOR FAILURE TO REPORT AN AGENT'S FELONY CHARGE AND CONVICTION WITHIN 30 DAYS AS REQUIRED, PURSUANT TO SECTIONS 14.A(6) AND (7) OF THE TEXAS SECURITIES ACT. A FINE IN THE AMOUNT OF \$7,500 WAS ASSESSED PURSUANT TO SECTION 23-1 OF THE ACT. THE RESPONDENT ALSO AGREED TO COMPLY WITH AN UNDERTAKING FILED WITH THE SECURITIES COMMISSIONER. CONTACT: ENFORCEMENT DIVISION, (512) 305-8392

Reporting Source: Firm
Current Status: Final
Allegations: VIOLATIONS OF SECTIONS 14.A(6) AND (7) OF THE TEXAS SECURITIES ACT REGARDING FAILURE TO REPORT ANY CHANGE IN INFORMATION PREVIOUSLY REPORTED TO THE SECURITIES COMMISSIONER WITH RESPECT TO AGENTS WITHIN 30 DAYS OF THE CHANGE.
Initiated By: SECURITIES COMMISSIONER OF THE STATE OF TEXAS
Date Initiated: 04/26/1999
Docket/Case Number: SSB DOCKET NO. 99-030
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Reprimand
Other Sanction(s)/Relief Sought: MML INVESTORS SERVICES, INC. ENTERED INTO A DISCIPLINARY ORDER AND AGREED TO CERTAIN UNDERTAKINGS AND AN ADMINISTRATIVE PENALTY.



Resolution: Order

Resolution Date: 05/03/1999

Sanctions Ordered: Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: MML INVESTORS SERVICES, INC. ENTERED INTO A DISCIPLINARY ORDER AND AGREED TO CERTAIN UNDERTAKINGS, A REPRIMAND AND AN ADMINISTRATIVE PENALTY OF \$7,500.

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-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	09/21/2010
Case Number:	10-04047
Disputed Product Type:	OTHER TYPES OF SECURITIES
Sum of All Relief Requested:	\$1,265,286.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	03/27/2013
Sum of All Relief Awarded:	\$1,137,923.00

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

Civil Bond

This type of disclosure event involves a civil bond for the brokerage firm that has been denied, paid, or revoked by a bonding company.

Disclosure 1 of 2

Reporting Source:	Firm
Policy Holder:	MML INVESTORS SERVICES, INC.
Bonding Company Name:	FEDERAL INSURANCE COMPANY
Disposition:	Denied
Disposition Date:	01/01/1984
Firm Statement	IN 1984, FEDERAL INSURANCE COMPANY DENIED RENEWAL OF REGISTRANT'S BROKERS BOND AND REGISTRANT'S DEALER BONDS POSTED FOR THE FOLLOWING STATES: VERMONT, ALASKA, ARIZONA, IDAHO, SOUTH CAROLINA, HAWAII, NEW MEXICO, OREGON, NORTH DAKOTA, MAINE AND MISSISSIPPI. WE UNDERSTAND THAT FEDERAL INSURANCE COMPANY IMPLEMENTED A POLICY OF NO LONGER WRITING SUCH BONDS FOR FINANCIAL INSTITUTIONS SUCH AS REGISTRANT.

Disclosure 2 of 2

Reporting Source:	Firm
Policy Holder:	MML INVESTORS SERVICES, INC.
Bonding Company Name:	NATIONAL FIRE INSURANCE CO. OF PITTSBURGH
Disposition:	Payout
Disposition Date:	12/12/1991
Payout Details:	BONDING COMPANY PAID \$240,062.59 TO APPLICANT
Firm Statement	NATIONAL FIRE INSURANCE CO. OF PITTSBURGH, FIDELITY BOND CLAIM #004364. REGISTERED REPRESENTATIVE TED R. STARLING, CRD #1025892, FRAUDULENTLY CONVERTED APPROXIMATELY \$265,000 OF CUSTOMER FUNDS TO HIS OWN USE. THERE WERE NO ALLEGATIONS AGAINST MML INVESTORS SERVICES, INC. MML INVESTORS SERVICES, INC. SOUGHT RECOVERY OF THESE LOSSES FROM ITS FIDELITY BOND CARRIER.

End of Report



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