

BrokerCheck Report

PRINCIPAL SECURITIES, INC.

CRD# 1137

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

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.

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Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)



PRINCIPAL SECURITIES, INC.

CRD# 1137

SEC# 8-13975

Main Office Location

655 9TH STREET
DES MOINES, IA 50309
Regulated by FINRA Kansas City Office

Mailing Address

PRINCIPAL FINANCIAL GROUP
711 HIGH STREET
DES MOINES, IA 50392-2080

Business Telephone Number

888-774-6267

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 corporation.
This firm was formed in Iowa on 05/01/1968.
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
- 52 U.S. states and territories

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

This firm conducts 14 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	8
Civil Event	2
Arbitration	2
Bond	3



Firm Profile

This firm is classified as a corporation.

This firm was formed in Iowa on 05/01/1968.

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.

PRINCIPAL SECURITIES, INC.

Doing business as PRINCIPAL SECURITIES, INC.

CRD# 1137

SEC# 8-13975

Main Office Location

655 9TH STREET
DES MOINES, IA 50309

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Mailing Address

PRINCIPAL FINANCIAL GROUP
711 HIGH STREET
DES MOINES, IA 50392-2080

Business Telephone Number

888-774-6267



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):	PRINCIPAL FINANCIAL SERVICES, INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	OWNER
Position Start Date	10/2001
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	ALVAREZ, CATHERINE MEAGHAN 5232936
Is this a domestic or foreign entity or an individual?	Individual
Position	VICE PRESIDENT / CHIEF COMPLIANCE OFFICER
Position Start Date	01/2020
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):	BEITZEL, CARLA KAY 1337908
Is this a domestic or foreign entity or an individual?	Individual
Position	VICE PRESIDENT OF DISTRIBUTION
Position Start Date	07/2020

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): BELTRAN, JESUS MANUEL
4642364

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

Position CHIEF SUPERVISION OFFICER

Position Start Date 04/2021

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): CLAIRE, CHAD THOMAS
7219218

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

Position CHIEF INFORMATION OFFICER

Position Start Date 12/2019

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): FRIEDRICH, AMY CHRISTINE

Firm Profile



Direct Owners and Executive Officers (continued)

	7097797
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR
Position Start Date	05/2019
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
<hr/>	
Legal Name & CRD# (if any):	MCCULLUM, KENNETH ALLEN 4695257
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR
Position Start Date	05/2021
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
<hr/>	
Legal Name & CRD# (if any):	MURRAY, MICHAEL FRANCIS 2074275
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT/CHIEF EXECUTIVE OFFICER/CHAIR
Position Start Date	07/2018
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): RANTS, DOUGLAS JOHN
7148529

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

Position CHIEF INFORMATION SECURITY OFFICER

Position Start Date 12/2019

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): RIGLER, DAVID ANDREW
5724812

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

Position CHIEF FINANCIAL OFFICER

Position Start Date 07/2020

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): SPADAFORA, CRAIG ALAN
3184320

Firm Profile



Direct Owners and Executive Officers (continued)

Is this a domestic or foreign entity or an individual?	Individual
Position	SENIOR VICE PRESIDENT / HEAD OF ADVISORY AND PLATFORM
Position Start Date	12/2019
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): STRABLE-SOETHOUT, DEANNA DAWNETTE
6467090

Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR
Position Start Date	04/2015
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): VANWINKLE, DANIEL SIMON
4715191

Is this a domestic or foreign entity or an individual?	Individual
Position	PSI AML OFFICER
Position Start Date	03/2021
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): WELDON, TRACI LEA
2203819

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

Position SENIOR VICE PRESIDENT

Position Start Date 10/2015

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):	PRINCIPAL FINANCIAL GROUP INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	PRINCIPAL FINANCIAL SERVICES INC.
Relationship to Direct Owner	OWNER
Relationship Established	10/2001
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	Yes

Firm History

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

No information reported.





Firm Operations

Registrations

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

This firm is currently registered with the SEC, 1 SRO and 52 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	07/19/1968

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	07/22/1968



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	10/22/1981	North Carolina	Approved	07/15/1982
Alaska	Approved	08/19/1969	North Dakota	Approved	10/21/1981
Arizona	Approved	09/12/1969	Ohio	Approved	07/16/1982
Arkansas	Approved	02/11/1993	Oklahoma	Approved	08/18/1982
California	Approved	08/29/1969	Oregon	Approved	10/24/1981
Colorado	Approved	02/01/1983	Pennsylvania	Approved	11/05/1969
Connecticut	Approved	09/22/1983	Puerto Rico	Approved	08/13/2007
Delaware	Approved	06/17/1982	Rhode Island	Approved	02/01/1983
District of Columbia	Approved	09/13/1969	South Carolina	Approved	10/28/1981
Florida	Approved	04/27/1983	South Dakota	Approved	07/15/1982
Georgia	Approved	09/21/1981	Tennessee	Approved	08/17/1981
Hawaii	Approved	11/20/1970	Texas	Approved	07/22/1983
Idaho	Approved	01/01/1969	Utah	Approved	04/21/1983
Illinois	Approved	12/13/1968	Vermont	Approved	07/12/1995
Indiana	Approved	09/13/1982	Virginia	Approved	09/22/1981
Iowa	Approved	07/08/1983	Washington	Approved	06/06/1983
Kansas	Approved	09/11/1969	West Virginia	Approved	10/03/1981
Kentucky	Approved	07/16/1982	Wisconsin	Approved	12/05/1969
Louisiana	Approved	04/20/1983	Wyoming	Approved	10/23/1969
Maine	Approved	01/26/1985			
Maryland	Approved	10/03/1981			
Massachusetts	Approved	07/31/1981			
Michigan	Approved	02/02/1983			
Minnesota	Approved	07/15/1982			
Mississippi	Approved	03/25/1982			
Missouri	Approved	07/15/1983			
Montana	Approved	04/20/1983			
Nebraska	Approved	10/08/1981			
Nevada	Approved	08/27/1983			
New Hampshire	Approved	02/01/1983			
New Jersey	Approved	07/11/1983			
New Mexico	Approved	10/07/1981			
New York	Approved	01/02/1985			



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 14 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 dealer
- Municipal securities broker
- Broker or dealer selling variable life insurance or annuities
- Solicitor of time deposits in a financial institution
- Put and call broker or dealer or option writer
- Investment advisory services
- Broker or dealer selling tax shelters or limited partnerships in primary distributions
- 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

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:	200 SEAPORT BOULEVARD BOSTON, MA 02210
Effective Date:	06/29/2017
Description:	PRINCIPAL SECURITIES, INC. HAS ENTERED INTO AN AGREEMENT TO CLEAR CERTAIN TRANSACTIONS THROUGH NATIONAL FINANCIAL SERVICES LLC ON A FULLY DISCLOSED BASIS. NATIONAL FINANCIAL SERVICES LLC IS AFFILIATED WITH FIDELITY CLEARING & CUSTODY SOLUTIONS.

Firm Operations

Industry Arrangements



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

Name: REGED, INC.

Business Address: 2100 GATEWAY CENTRE BLVD.
SUITE 200
MORRISVILLE, NC 27560

Effective Date: 09/01/2021

Description: PRINCIPAL SECURITIES, INC. HAS ENTERED INTO AGREEMENT TO HAVE REGED, INC. PROVIDE CERTAIN RETENTION, MAINTENANCE, AND D3P SERVICES FOR CERTAIN FIRM RECORDS THROUGH THE VENDOR'S SYSTEMS.

Name: MIND TICKLE, INC

Business Address: 115 SANSOME STREET, SUITE 700
SAN FRANCISCO, CA 94104

Effective Date: 09/11/2020

Description: MIND TICKLE, INC. IS AN ENTITY USED FOR BROKER DEALER SALESFORCE SUPPORT, TRAINING, AND SALES READINESS. THIS IS AN ELECTRONIC RECORD KEEPING AND COMMUNICATIONS PLATFORM.

Name: XTIVA VAULT

Business Address: 265 SUNRISE HIGHWAY
SUITE 1-359
ROCKVILLE CENTRE, NY 11570

Effective Date: 05/10/2020

Description: XTIVA VAULT MAINTAINS ELECTRONIC RECORD KEEPING SERVICES FOR THE BROKER DEALER, PRINCIPAL SECURITIES INC. CRD 1137.

Name: COMPLIANCE SOLUTIONS STRATEGIES

Business Address: 777 THIRD AVENUE
10TH FLOOR
NEW YORK, NY 10017

Effective Date: 05/06/2020

Description: COMPLIANCE SOLUTIONS STRATEGIES MAINTAINS ELECTRONIC RECORD KEEPING AND COMMUNICATIONS VIA THEIR ACM LIBRARY PLATFORM SERVICES FOR THE BROKER DEALER AND RIA, PRINCIPAL SECURITIES

Firm Operations



Industry Arrangements (continued)

INC. CRD 1137.

Name: FIS PROTEGENT

Business Address: 35 CORPORATE DRIVE
SUITE 170
BURLINGTON, MA 01803

Effective Date: 12/28/2012

Description: PRINCIPAL SECURITIES, INC. HAS ENTERED INTO AGREEMENT TO HAVE FIS PROTEGENT PROVIDE CERTAIN RETENTION, MAINTENANCE, AND D3P SERVICES FOR CERTAIN FIRM RECORDS THROUGH THE VENDOR'S SYSTEMS.

Name: MARKETINGPRO, INC.

Business Address: 2226 N COAST HIGHWAY
SUITE 320
NEWPORT, OR 97365

Effective Date: 04/17/2017

Description: PRINCIPAL SECURITIES, INC. HAS ENTERED INTO AGREEMENT WITH MARKETINGPRO, INC. TO PROVIDE RECORD RETENTION, MAINTENANCE, AND D3P SERVICES RELATED TO CERTAIN FIRM MARKETING RECORDS.

Name: ADVISOR WEBSITES

Business Address: #1812
117 W HASTINGS STREET
VANCOUVER, CANADA V6E2K3

Effective Date: 07/17/2017

Description: PRINCIPAL SECURITIES, INC. HAS ENTERED INTO AGREEMENT WITH ADVISOR WEBSITES AS A VENDOR TO PROVIDE FIRM RECORDS RETENTION, MAINTENANCE, AND D3P SERVICES RELATED TO CERTAIN WEBSITE MARKETING.

Name: SMARSH, INC.

Business Address: 851 SW 6TH AVENUE
SUITE 800
PORTLAND, OR 97204

Effective Date: 02/24/2015

Description: PRINCIPAL SECURITIES, INC. HAS ENTERED INTO AGREEMENT WITH SMARSH, INC. FOR THE VENDOR TO PROVIDE RECORDS RETENTION, MAINTENANCE, AND D3P SERVICES THROUGH THE VENDOR'S

Firm Operations



Industry Arrangements (continued)

SYSTEMS RELATED TO FIRM SUPERVISION OF ELECTRONIC COMMUNICATIONS.

Name:	IRON MOUNTAIN, INC.
Business Address:	4437 121ST STREET URBAN DALE, IA 50323
Effective Date:	05/01/2003
Description:	PRINCIPAL SECURITIES, INC., THROUGH MASTER AGREEMENT WITH THE VENDOR, UTILIZES IRON MOUNTAIN, INC. FOR OFFSITE STORAGE AND SECURE DISPOSAL OF PHYSICAL FIRM RECORDS DOCUMENTATION IN ACCORDANCE WITH SEC RECORD KEEPING REQUIREMENTS.
Name:	NATIONAL FINANCIAL SERVICES LLC
CRD #:	13041
Business Address:	200 SEAPORT BOULEVARD BOSTON, MA 02210
Effective Date:	06/29/2017
Description:	PRINCIPAL SECURITIES, INC. AS PART OF THE FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES LLC HAS INCLUDED AGREEMENT FOR THE VENDOR TO PROVIDE RETENTION, MAINTENANCE, AND D3P SERVICES RELATED TO CERTAIN FIRM ACCOUNT RECORDS FOR CLEARING FIRM CUSTOMERS MAINTAINED ON THE CLEARING FIRM RECORDS SYSTEMS.
Name:	FAULKNER MEDIA GROUP LLC
Business Address:	12395 WORLD TRADE DRIVE SUITE 200 SAN DIEGO, CA 92128
Effective Date:	11/09/2017
Description:	PRINCIPAL SECURITIES, INC. HAS ENTERED INTO AGREEMENT WITH FAULKNER MEDIA GROUP LLC AS A VENDOR TO PROVIDE RETENTION, MAINTENANCE, AND D3P SERVICES FOR CERTAIN FIRM ADVERTISING RECORDS.
Name:	REGULATORY INTELLIGENCE COMPLIANCE SOLUTIONS, INC.
Business Address:	144 CARRIAGE COURT ALLENDALE, NJ 07401
Effective Date:	01/01/2018

Firm Operations



Industry Arrangements (continued)

Description: PRINCIPAL SECURITIES, INC. HAS ENTERED INTO AGREEMENT WITH REGULATORY INTELLIGENCE COMPLIANCE SOLUTIONS, INC. FOR THE VENDOR TO PROVIDE RETENTION, MAINTENANCE AND D3P SERVICES FOR CERTAIN OF THE FIRM'S AUDIT PROGRAM RECORDS.

Name: PAPERCLIP, INC.

Business Address: ONE UNIVERSITY PLAZA
SUITE 518
HACKENSACK, NJ 07601

Effective Date: 03/10/2010

Description: PRINCIPAL SECURITIES, INC. HAS ENTERED INTO AGREEMENT WITH PAPERCLIP, INC. TO PROVIDE MAINTENANCE, RETENTION, AND D3P SERVICES FOR CERTAIN ELECTRONIC FIRM RECORDS.

Name: BOX, INC.

Business Address: 900 JEFFERSON AVENUE
REDWOOD CITY, CA 94063

Effective Date: 12/23/2017

Description: PRINCIPAL SECURITIES, INC. HAS ENTERED INTO AGREEMENT WITH BOX, INC. TO PROVIDE ELECTRONIC RECORD KEEPING AND RETENTION OF CERTAIN FIRM RECORDS VIA BOX, INC. SYSTEMS.

Name: RED OAK COMPLIANCE SOLUTIONS LLC

Business Address: 1101 ARROW POINT DRIVE
SUITE 301
CEDAR PARK, TX 75613

Effective Date: 04/12/2017

Description: PRINCIPAL SECURITIES, INC. HAS ENTERED INTO AGREEMENT WITH RED OAK COMPLIANCE SOLUTIONS LLC TO PROVIDE ELECTRONIC RECORDS MAINTENANCE AND AND STORAGE RETENTION VIA RED OAK SYSTEMS.

Name: 17A-4 LLC

Business Address: P.O BOX 1492
MILLBROOK, NY 12545

Effective Date: 02/13/2018

Description: PRINCIPAL SECURITIES, INC. HAS AGREED BY CONTRACT TO ENGAGE 17A-4 LLC AS THEIR VENDOR TO ACT AS DESIGNATED THIRD PARTY BOOKS AND RECORDS SERVICES IN COMPLIANCE WITH SEA 17A-4.

Firm Operations



Industry Arrangements (continued)

Name: DST ASSET MANAGER SOLUTIONS, INC.

Business Address: 2 HERITAGE DRIVE
QUINCY, MA 02171

Effective Date: 01/12/2007

Description: PRINCOR FINANCIAL SERVICES CORPORATION ENTERED INTO AN AGREEMENT WITH BOSTON FINANCIAL DATA SERVICES, INC. (BFDS) TO UTILIZE THE BACK OFFICE SYSTEM TO PROCESS PROPRIETARY MUTUAL FUND BUSINESS. PRINCOR NOW OPERATES AS PRINCIPAL SECURITIES, INC. AND BFDS NOW OPERATES AS DST ASSET MANAGER SOLUTIONS, INC.

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

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

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.

PRINCIPAL GLOBAL INVESTORS (HONG KONG) LIMITED is under common control with the firm.

CRD #:	296751
Business Address:	UNIT 1001-2 CENTRAL PLAZA 18 HARBOUR ROAD WAN CHAI, HONG KONG
Effective Date:	10/12/2020
Foreign Entity:	Yes
Country:	HONG KONG
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BOTH, PRINCIPAL SECURITIES INC AND PRINCIPAL GLOBAL INVESTORS (HONG KONG) ARE UNDER THE COMMON CONTROL OF PRINCIPAL FINANCIAL SERVICES INC.

PRINCIPAL REAL ESTATE EUROPE LIMITED is under common control with the firm.

Business Address:	65 GROSVENOR STREET LONDON, UNITED KINGDOM W1K3JH
Effective Date:	04/16/2018
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	PRINCIPAL REAL ESTATE EUROPE LIMITED IS A SUBSIDIARY OF PRINCIPAL FINANCIAL SERVICES, INC. PRINCIPAL FINANCIAL SERVICES, INC. ALSO

Firm Operations



Organization Affiliates (continued)

WHOLLY OWNS PRINCIPAL SECURITIES, INC.

SAMI BROKERAGE LLC is under common control with the firm.

CRD #: 18217

Business Address: 2 HIGH RIDGE PARK
2ND FLOOR
STAMFORD, CT 06905

Effective Date: 11/09/2018

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: SAMI BROKERAGE LLC IS A WHOLLY OWNED SUBSIDIARY OF SPECTRUM ASSET MANAGEMENT, INC. WHICH IS A WHOLLY-OWNED SUBSIDIARY OF PRINCIPAL GLOBAL INVESTORS HOLDING COMPANY (US), LLC, WHICH IS A WHOLLY-OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL SERVICES, INC. PRINCIPAL FINANCIAL SERVICES, INC. ALSO OWNS PRINCIPAL SECURITIES, INC.

PRINCIPAL ADVISED SERVICES is under common control with the firm.

CRD #: 297324

Business Address: 575 7TH STREET
DES MOINES, IA 50392

Effective Date: 11/14/2018

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: PRINCIPAL ADVISED SERVICES IS WHOLLY OWNED BY PRINCIPAL BANK AND INDIRECTLY OWNED BY PRINCIPAL FINANCIAL SERVICES, INC. PRINCIPAL SECURITIES IS WHOLLY OWNED BY PRINCIPAL FINANCIAL SERVICES, INC., AND BOTH ARE SUBSIDIARY FIRMS OF PRINCIPAL FINANCIAL GROUP.

Firm Operations



Organization Affiliates (continued)

ROBUSTWEALTH INC. is under common control with the firm.

CRD #: 269919

Business Address: 204 N UNION STREET
LAMBERTVILLE, IA 08530

Effective Date: 08/01/2018

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: ROBUSTWEALTH, INC. IS AN INDIRECTLY OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL SERVICES, INC. WHICH WHOLLY OWNS PRINCIPAL SECURITIES, INC. ALL ARE SUBSIDIARIES OF PRINCIPAL FINANCIAL GROUP.

PRINCIPAL GLOBAL INVESTORS TRUST COMPANY is under common control with the firm.

Business Address: 711 HIGH STREET
DES MOINES, IA 50392

Effective Date: 08/31/2007

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: PRINCIPAL FINANCIAL SERVICES, INC. HAS AN INDIRECT OWNERSHIP INTEREST IN PRINCIPAL GLOBAL INVESTORS TRUST COMPANY. PRINCIPAL SECURITIES, INC. WHOLLY OWNED BY PRINCIPAL FINANCIAL SERVICES, INC., A WHOLLY OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL GROUP, INC.

PRINCIPAL NATIONAL LIFE INSURANCE COMPANY is under common control with the firm.

Business Address: 711 HIGH STREET
DES MOINES, IA 50392

Effective Date: 10/21/2003

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	PRINCIPAL NATIONAL LIFE INSURANCE COMPANY AND PRINCIPAL SECURITIES, INC. ARE COMMONLY OWNED BY PRINCIPAL FINANCIAL SERVICES, INC., A WHOLLY OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL GROUP, INC.

PRINCIPAL GLOBAL INVESTORS (AUSTRALIA) LTD is under common control with the firm.

Business Address:	LEVEL 43 AMP CENTRE SYDNEY NSW, AUSTRALIA
Effective Date:	10/14/2002
Foreign Entity:	Yes
Country:	AUSTRALIA
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	PRINCIPAL FINANCIAL SERVICES, INC. HAS INDIRECT OWNERSHIP IN PRINCIPAL GLOBAL INVESTORS (AUSTRALIA) LTD. PRINCIPAL FINANCIAL SERVICES, INC. WHOLLY OWNS PRINCIPAL SECURITIES, INC. AND IS A WHOLLY OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL GROUP, INC.

PRINCIPAL ENTERPRISE CAPITAL, LLC is under common control with the firm.

CRD #:	157574
Business Address:	801 GRAND AVENUE DES MOINES, IA 50309
Effective Date:	09/24/1998
Foreign Entity:	No
Country:	
Securities Activities:	No

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: Yes

Description: PRINCIPAL ENTERPRISE CAPITAL, LLC IS A WHOLLY-OWNED SUBSIDIARY OF PRINCIPAL GLOBAL INVESTORS HOLDING COMPANY (US), LLC, WHICH IS A WHOLLY-OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL SERVICES, INC. PRINCIPAL FINANCIAL SERVICES, INC. ALSO OWNS PRINCIPAL SECURITIES, INC.

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

Business Address: UNIT 1001-1003 CENTRAL PLAZA
WANCHAI, HONG KONG

Effective Date: 12/24/1997

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: No

Investment Advisory Activities: Yes

Description: PRINCIPAL ASSET MANAGEMENT COMPANY (ASIA) IS INDIRECTLY OWNED BY PRINCIPAL FINANCIAL SERVICES, INC. WHICH ALSO OWNS PRINCIPAL SECURITIES, INC. PRINCIPAL FINANCIAL SERVICES, INC. IS A WHOLLY OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL GROUP, INC.

DELAWARE CHARTER GUARANTEE & TRUST COMPANY is under common control with the firm.

Business Address: 711 HIGH STREET
DES MOINES, IA 50392-0306

Effective Date: 11/10/1986

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: DELAWARE CHARTER GUARANTEE & TRUST COMPANY IS INDIRECTLY OWNED BY PRINCIPAL LIFE INSURANCE COMPANY WHICH IS UNDER COMMON OWNERSHIP WITH PRINCIPAL SECURITIES BY PRINCIPAL FINANCIAL SERVICES, INC., A WHOLLY OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL GROUP, INC.

Firm Operations**Organization Affiliates (continued)****CLARITAS INVESTMENTS, LTD. is under common control with the firm.**

Business Address: AVENIDA PRESIDENTE JUSCELINO RUBITSCHECK
50, 10 ANDAR
SAO PAULO, BRAZIL 04543-000

Effective Date: 04/02/2012

Foreign Entity: Yes

Country: BRAZIL

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: CLARITAS INVESTMENTS LTD IS A WHOLLY-OWNED INDIRECT SUBSIDIARY OF PRINCIPAL FINANCIAL SERVICES, INC. PRINCIPAL FINANCIAL SERVICES, INC. ALSO OWNS PRINCIPAL SECURITIES, INC.

ORIGIN ASSET MANAGEMENT LLP is under common control with the firm.

CRD #: 139897

Business Address: ONE CAREY LANE
LONDON, UNITED KINGDOM ECV 8AE

Effective Date: 10/03/2011

Foreign Entity: Yes

Country: LONDON, UNITED KINGDOM

Securities Activities: No

Investment Advisory Activities: Yes

Description: ORIGIN ASSET MANAGEMENT LLP IS A MAJORITY-OWNED INDIRECT SUBSIDIARY OF PRINCIPAL GLOBAL INVESTORS HOLDING COMPANY, LLC, WHICH IS A WHOLLY-OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL SERVICES, INC. PRINCIPAL FINANCIAL SERVICES, INC. ALSO OWNS PRINCIPAL SECURITIES, INC.

PRINCIPAL FUNDS DISTRIBUTOR, INC. is under common control with the firm.

CRD #: 43261

Business Address: 620 COOLIDGE DRIVE
SUITE 300

Firm Operations



Organization Affiliates (continued)

FOLSOM, CA 95561

Effective Date: 05/04/2010

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: PRINCIPAL FUNDS DISTRIBUTOR, INC. IS A WHOLLY-OWNED SUBSIDIARY OF PRINCIPAL GLOBAL INVESTORS HOLDING COMPANY (US), LLC, WHICH IS A WHOLLY-OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL SERVICES, INC. PRINCIPAL FINANCIAL SERVICES, INC. ALSO OWNS PRINCIPAL SECURITIES, INC.

POST ADVISORY GROUP, LLC is under common control with the firm.

CRD #: 108860

Business Address: 2049 CENTURY PARK EAST
SUITE 3050
LOS ANGELES, CA 90067

Effective Date: 01/05/2004

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: POST ADVISORY GROUP, LLC IS A MAJORITY-OWNED SUBSIDIARY OF PRINCIPAL GLOBAL INVESTORS HOLDING COMPANY (US), LLC, WHICH IS A WHOLLY-OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL SERVICES, INC. PRINCIPAL FINANCIAL SERVICES, INC. ALSO OWNS PRINCIPAL SECURITIES, INC.

PRINCIPAL LIFE INSURANCE COMPANY is under common control with the firm.

Business Address: 711 HIGH STREET
DES MOINES, IA

Effective Date: 05/01/1968

Foreign Entity: No

Firm Operations**Organization Affiliates (continued)****Country:****Securities Activities:** Yes**Investment Advisory Activities:** No**Description:** PRINCIPAL LIFE INSURANCE COMPANY AND PRINCIPAL SECURITIES, INC ARE COMMONLY OWNED BY PRINCIPAL FINANCIAL SERVICES, INC., WHICH IS WHOLLY OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL GROUP, INC.**SPECTRUM ASSET MANAGEMENT, INC. is under common control with the firm.****CRD #:** 300463**Business Address:** 2 HIGH RIDGE PARK
STAMFORD, CT 06905**Effective Date:** 10/01/2001**Foreign Entity:** No**Country:****Securities Activities:** No**Investment Advisory Activities:** Yes**Description:** SPECTRUM ASSET MANAGEMENT, INC. IS A WHOLLY-OWNED SUBSIDIARY OF PRINCIPAL GLOBAL INVESTORS HOLDING COMPANY (US), LLC, WHICH IS A WHOLLY-OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL SERVICES, INC. PRINCIPAL FINANCIAL SERVICES, INC. ALSO OWNS PRINCIPAL SECURITIES, INC.**PRINCIPAL REAL ESTATE INVESTORS LLC is under common control with the firm.****CRD #:** 109008**Business Address:** 801 GRAND AVENUE
DES MOINES, IA 50309**Effective Date:** 09/05/2002**Foreign Entity:** No**Country:** DELAWARE**Securities Activities:** No**Investment Advisory Activities:** Yes

Firm Operations



Organization Affiliates (continued)

Description: PRINCIPAL REAL ESTATE INVESTORS, LLC IS A WHOLLY-OWNED SUBSIDIARY OF PRINCIPAL GLOBAL INVESTORS HOLDING COMPANY (US), LLC, WHICH IS A WHOLLY-OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL SERVICES, INC. PRINCIPAL FINANCIAL SERVICES, INC. ALSO OWNS PRINCIPAL SECURITIES, INC.

PRINCIPAL GLOBAL INVESTORS is under common control with the firm.

CRD #: 109002

Business Address: 801 GRAND AVENUE
DES MOINES, IA 50309

Effective Date: 10/07/2002

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: PRINCIPAL GLOBAL INVESTORS, LLC IS A WHOLLY-OWNED SUBSIDIARY OF PRINCIPAL GLOBAL INVESTORS HOLDING COMPANY (US), LLC, WHICH IS A WHOLLY-OWNED SUBSIDIARY OF PRINCIPAL FINANCIAL SERVICES, INC. PRINCIPAL FINANCIAL SERVICES, INC. ALSO OWNS PRINCIPAL SECURITIES, INC.

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

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



Disclosure Events

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

	Pending	Final	On Appeal
Regulatory Event	0	8	0
Civil Event	0	2	0
Arbitration	N/A	2	N/A
Bond	N/A	3	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 8

Reporting Source: Regulator
Current Status: Final



Allegations: SEC ADMIN RELEASE IA 5154, MARCH 11, 2019: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE INSTITUTED AGAINST PRINCIPAL SECURITIES, INC. ("RESPONDENT"). ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT THESE PROCEEDINGS ARISE OUT OF BREACHES OF FIDUCIARY DUTY AND INADEQUATE DISCLOSURES BY THE RESPONDENT IN CONNECTION WITH ITS MUTUAL FUND SHARE CLASS SELECTION PRACTICES AND THE FEES IT RECEIVED. AT TIMES DURING THE RELEVANT PERIOD, RESPONDENT PURCHASED, RECOMMENDED, OR HELD FOR ADVISORY CLIENTS MUTUAL FUND SHARE CLASSES THAT CHARGED 12B-1 FEES INSTEAD OF LOWER-COST SHARE CLASSES OF THE SAME FUNDS FOR WHICH THE CLIENTS WERE ELIGIBLE. RESPONDENT RECEIVED 12B-1 FEES IN CONNECTION WITH THESE INVESTMENTS. RESPONDENT FAILED TO DISCLOSE IN ITS FORM ADV OR OTHERWISE THE CONFLICTS OF INTEREST RELATED TO (A) ITS RECEIPT OF 12B-1 FEES, AND/OR (B) ITS SELECTION OF MUTUAL FUND SHARE CLASSES THAT PAY SUCH FEES. DURING THE RELEVANT PERIOD, RESPONDENT RECEIVED 12B-1 FEES FOR ADVISING CLIENTS TO INVEST IN OR HOLD SUCH MUTUAL FUND SHARE CLASSES. AS A RESULT OF THE CONDUCT, RESPONDENT WILLFULLY VIOLATED SECTIONS 206(2) AND 207 OF THE ADVISERS ACT.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 03/11/2019

Docket/Case Number: 3-19057

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

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

Resolution: Order

Resolution Date: 03/11/2019

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? Yes



Sanctions Ordered:	Censure Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS AND PREJUDGMENT INTEREST
Sanction Details:	THE RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(2) AND 207 OF THE ADVISERS ACT. RESPONDENT IS CENSURED, SHALL PAY DISGORGEMENT OF \$1,552,412.38 AND PREJUDGMENT INTEREST OF \$212,211.88, AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT.
Regulator Statement	RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN THE RESPONDENT'S OFFER. RESPONDENT SELF-REPORTED TO THE COMMISSION THE VIOLATIONS DISCUSSED IN THIS ORDER PURSUANT TO THE DIVISION OF ENFORCEMENT'S SHARE CLASS SELECTION DISCLOSURE INITIATIVE ("SCSD INITIATIVE"). ACCORDINGLY, THIS ORDER AND RESPONDENT'S OFFER ARE BASED ON THE INFORMATION SELF-REPORTED BY RESPONDENT.

Reporting Source:	Firm
Current Status:	Final
Allegations:	SEC ADMIN RELEASE IA 5154, MARCH 11, 2019: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE INSTITUTED AGAINST PRINCIPAL SECURITIES, INC. ("RESPONDENT"). ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT THESE PROCEEDINGS ARISE OUT OF BREACHES OF FIDUCIARY DUTY AND INADEQUATE DISCLOSURES BY THE RESPONDENT IN CONNECTION WITH ITS MUTUAL FUND SHARE CLASS SELECTION PRACTICES AND THE FEES IT RECEIVED. AT TIMES DURING THE RELEVANT PERIOD, RESPONDENT PURCHASED, RECOMMENDED, OR HELD FOR ADVISORY CLIENTS MUTUAL FUND SHARE CLASSES THAT CHARGED 12B-1 FEES INSTEAD OF LOWER-COST SHARE CLASSES OF THE SAME FUNDS FOR WHICH THE CLIENTS WERE ELIGIBLE. RESPONDENT RECEIVED 12B-1 FEES IN CONNECTION WITH THESE INVESTMENTS. RESPONDENT FAILED TO DISCLOSE IN ITS FORM ADV OR OTHERWISE THE CONFLICTS OF INTEREST RELATED TO (A) ITS RECEIPT OF 12B-1 FEES, AND/OR (B) ITS SELECTION OF MUTUAL FUND SHARE CLASSES THAT PAY SUCH FEES. DURING THE RELEVANT PERIOD,



RESPONDENT RECEIVED 12B-1 FEES FOR ADVISING CLIENTS TO INVEST IN OR HOLD SUCH MUTUAL FUND SHARE CLASSES. AS A RESULT OF THE CONDUCT, RESPONDENT WILLFULLY VIOLATED SECTIONS 206(2) AND 207 OF THE ADVISERS ACT.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 03/11/2019

Docket/Case Number: 3-19057

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

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

Resolution: Order

Resolution Date: 03/11/2019

Sanctions Ordered: Censure
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: UNDERTAKINGS AND PREJUDGMENT INTEREST

Sanction Details: CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(2) AND 207 OF THE ADVISERS ACT. CENSURED, PAY DISGORGEMENT OF \$1,552,412.38 AND PREJUDGMENT INTEREST OF \$212,211.88, AND COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT.

Firm Statement PRINCIPAL SECURITIES SELF-REPORTED TO THE SECURITIES AND EXCHANGE COMMISSION (SEC) AS PART OF THE SEC'S SHARE CLASS SELECTION DISCLOSURE INITIATIVE (SCSD) POSSIBLE VIOLATIONS OF THE INVESTMENT ADVISERS ACT OF 1940 (ADVISERS ACT) RELATING TO THE FIRM'S FAILURE TO MAKE NECESSARY DISCLOSURES CONCERNING MUTUAL FUND SHARE CLASS SELECTION. WITHOUT THE FIRM ADMITTING OR DENYING THE FINDINGS, ON MARCH 11, 2019, THE SEC ENTERED AN ORDER AGAINST THE FIRM ALLEGING BREACHES OF FIDUCIARY DUTY AND INADEQUATE DISCLOSURES IN CONNECTION WITH THE FIRM'S MUTUAL FUND SHARE CLASS SELECTION PRACTICES AND FEES IT RECEIVED PURSUANT TO RULE 12B-1 UNDER THE INVESTMENT COMPANY ACT OF 1940. AT TIMES DURING THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2018, THE FIRM PURCHASED, RECOMMENDED OR HELD ADVISORY CLIENTS' MUTUAL FUND SHARE CLASSES THAT CHARGED 12B-



1 FEES INSTEAD OF LOWER-COST SHARE CLASSES OF THE SAME FUNDS FOR WHICH THE CLIENTS WERE ELIGIBLE. THE FIRM RECEIVED 12B-1 FEES IN CONNECTION WITH THESE INVESTMENTS. THE FIRM FAILED TO DISCLOSE IN ITS FORM ADV OR OTHERWISE THE CONFLICTS OF INTEREST RELATED TO ITS RECEIPT OF 12B-1 FEES AND/OR ITS SELECTION OF MUTUAL FUND SHARE CLASSES THAT PAY SUCH FEES. THE FIRM WAS CENSURED AND ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 206(2) AND 207 OF THE ADVISERS ACT. THE FIRM WAS ALSO REQUIRED TO PAY DISGORGEMENT AND PREJUDGMENT INTEREST TO AFFECTED INVESTORS TOTALING \$1,764,624.26, AS WELL AS TO TAKE OTHER REMEDIAL ACTIONS. THE FIRM IS IN THE PROCESS OF ARRANGING FOR AND EXECUTING THE PAYMENTS OF DISGORGEMENT AND INTEREST TO IMPACTED CUSTOMERS.

Disclosure 2 of 8

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 FOR AT LEAST THREE YEARS, ITS SYSTEM FOR SUPERVISING ADDITIONS TO EXISTING VARIABLE ANNUITIES WAS NOT REASONABLY DESIGNED TO ENSURE THAT THEY COMPLIED WITH APPLICABLE SECURITIES LAWS AND RULES, INCLUDING THOSE GOVERNING SUITABILITY A PROBLEM THAT AFFECTED MORE THAN 4,000 TRANSACTIONS. THE FINDINGS STATED THAT THE FIRM'S CUSTOMERS ADDED MONEY TO EXISTING VARIABLE ANNUITIES ON MORE THAN 6,000 OCCASIONS. THOSE ADDITIONS ACCOUNTED FOR APPROXIMATELY ONE-SIXTH OF THE FIRM'S REVENUE FROM VARIABLE PRODUCTS DURING THAT PERIOD. WHILE THE FIRM REVIEWED SOME OF THOSE ADDITIONS BY THREE EXCEPTION REPORTS AND PERIODIC BRANCH AND DESK AUDITS, THE SCOPE OF THAT SUPERVISION WAS UNREASONABLY LIMITED. FIRST, THE EXCEPTION REPORTS COVERED ONLY TRANSACTIONS INVOLVING ONE OF THE FIRM'S AFFILIATES, NOT ALL OF THE EXISTING VARIABLE ANNUITIES THAT THE FIRM'S CUSTOMERS HELD. SECOND, THE EXCEPTION REPORTS COVERED ONLY ADDITIONS TO EXISTING VARIABLE ANNUITIES THAT WERE FUNDED BY SURRENDERING INSURANCE PRODUCTS, NOT ALL SOURCES, FOR EXAMPLE, THE EXCEPTION REPORTS DID NOT COVER ADDITIONS THAT WERE FUNDED BY ROLLING OVER A RETIREMENT PLAN. THIRD, THE FIRM'S SUPERVISORS USED THE EXCEPTION REPORTS TO IDENTIFY TRADING TRENDS AND PATTERNS, RATHER THAN TO EVALUATE THE PROPRIETY OF INDIVIDUAL ADDITIONS. FOURTH, THE FIRM'S PERIODIC AUDITS COVERED ONLY SELECTED CUSTOMERS, NOT ADDITIONS TO EXISTING VARIABLE



ANNUITIES GENERALLY OR PATTERNS OF RECOMMENDATIONS TO MAKE SUCH ADDITIONS. THE FINDINGS ALSO STATED THAT THE FIRM'S SYSTEM DID NOT CAPTURE, SO THE FIRM DID NOT REVIEW, MORE THAN TWO-THIRDS OF THOSE ADDITIONS TO EXISTING VARIABLE ANNUITIES. NOR WAS THE FIRM'S SYSTEM REASONABLY DESIGNED TO FOCUS ON THE ADDITIONS THAT POSED THE GREATEST RISK TO THE FIRM'S CUSTOMERS, FOR EXAMPLE, ADDITIONS RESULTING IN HIGH CONCENTRATIONS OF CUSTOMERS' NET WORTH IN VARIABLE CONTRACTS, OR ADDITIONS BY CUSTOMERS WHOSE FINANCIAL NEEDS AND GOALS HAD CHANGED SINCE THEY INITIALLY PURCHASED THEIR CONTRACTS. AS A RESULT, THE FIRM'S SYSTEM WAS NOT LIKELY TO DETECT AND FLAG RELATIVELY RISKY TRANSACTIONS SUCH AS A LARGE ADDITION TO A CONTRACT LONG AFTER IT WAS PURCHASED, PROMPTED BY A RECOMMENDATION FROM AN ASSOCIATED PERSON SO THAT THE FIRM COULD DETERMINE WHETHER SUCH RECOMMENDATIONS VIOLATED ANY SECURITIES LAWS OR RULES. THOSE GAPS IN THE FIRM'S SYSTEM RESULTED IN IMPROPER TRANSACTIONS ESCAPING DETECTION BY THE FIRM, CAUSING HARM TO CONTRACT HOLDERS. FOR EXAMPLE, THE FIRM DID NOT DETECT RECOMMENDED IN-AND-OUT TRADING BETWEEN A CUSTOMER'S VARIABLE ANNUITIES, WHICH RESULTED IN FREQUENT AND UNNECESSARY SURRENDER CHARGES, NOR DID THE FIRM DETECT ANOTHER CUSTOMER'S EXCESSIVE CONCENTRATION IN A VARIABLE ANNUITY RESULTING FROM A \$300,000 ADDITION TO THAT CONTRACT WHICH MORE THAN DOUBLED THE CUSTOMER'S INITIAL INVESTMENT.

Initiated By: FINRA

Date Initiated: 10/26/2017

Docket/Case Number: [2015047322502](#)

Principal Product Type: Annuity(ies) - Variable

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/26/2017



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 \$250,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$250,000. FINES PAID IN FULL ON NOVEMBER 30, 2017.

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 FOR AT LEAST THREE YEARS, ITS SYSTEM FOR SUPERVISING ADDITIONS TO EXISTING VARIABLE ANNUITIES WAS NOT REASONABLY DESIGNED TO ENSURE THAT THEY COMPLIED WITH APPLICABLE SECURITIES LAWS AND RULES, INCLUDING THOSE GOVERNING SUITABILITY.

Initiated By: FINRA

Date Initiated: 10/26/2017

Docket/Case Number: [2015047322502](#)

Principal Product Type: Annuity(ies) - Variable

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/26/2017

Sanctions Ordered: Censure
Monetary/Fine \$250,000.00

Other Sanctions Ordered:

**Sanction Details:**

PRINCIPAL SECURITIES WAS CENSURED AND FINED \$250,000.

Firm Statement

FINRA FOUND THAT GAPS IN THE FIRM'S SYSTEM FOR SUPERVISING ADDITIONS TO EXISTING VARIABLE ANNUITIES RESULTED IN IMPROPER TRANSACTIONS ESCAPING DETECTION BY THE FIRM, CAUSING HARM TO CONTRACT HOLDERS. AS EXAMPLES FINRA FOUND THE FIRM DID NOT DETECT RECOMMENDED IN-AND-OUT TRADING BETWEEN A CUSTOMER'S VARIABLE ANNUITIES, WHICH RESULTED IN FREQUENT AND UNNECESSARY SURRENDER CHARGES, AND THAT THE FIRM DID NOT DETECT ANOTHER CUSTOMER'S EXCESSIVE CONCENTRATION IN A VARIABLE ANNUITY RESULTING FROM A \$300,000 ADDITION TO THAT CONTRACT WHICH MORE THAN DOUBLED THE CUSTOMER'S INITIAL INVESTMENT. (PRINCIPAL SECURITIES HAS REMEDIED THE HARM TO THOSE CUSTOMERS. IN NOVEMBER 2016, FINRA BARRED THE ASSOCIATED PERSON WHO INITIATED THOSE TRANSACTIONS, MATTHEW GEISER, FROM THE BROKERAGE INDUSTRY FOR FAILING TO COOPERATE WITH FINRA'S INVESTIGATION OF THIS MATTER.) WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND THE ENTRY OF THE FINDINGS.

Disclosure 3 of 8**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 ESTABLISH, MAINTAIN, AND ENFORCE A REASONABLE SUPERVISORY SYSTEM RELATED TO THE USE OF CONSOLIDATED REPORTS PROVIDED TO CUSTOMERS BY ITS REGISTERED REPRESENTATIVES. THE FINDINGS STATED THAT THE FIRM PROVIDED FOUR CONSOLIDATED REPORTING SYSTEMS FOR ITS REGISTERED REPRESENTATIVES TO ENTER CUSTOMIZED VALUES FOR ASSETS AND ACCOUNTS HELD AWAY FROM THE FIRM INTO A CONSOLIDATED REPORT (MANUAL ENTRIES). THE FIRM, HOWEVER, DID NOT REQUIRE THE REPORTS TO BE REVIEWED BY A SUPERVISOR BEFORE BEING PROVIDED TO CUSTOMERS. AS A RESULT, THERE WAS NO SUPERVISORY REVIEW OF THE MANUAL ENTRIES TO THE REPORTS. THE FINDINGS ALSO STATED THAT THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) REQUIRED REGISTERED REPRESENTATIVES TO SUBMIT CORRESPONDENCE FOR SUPERVISORY REVIEW ON A MONTHLY BASIS; THE PROCEDURES, HOWEVER, DID NOT CLASSIFY CONSOLIDATED REPORTS GENERATED THROUGH THE FOUR ABOVE-MENTIONED REPORTING SYSTEMS AS CORRESPONDENCE. MOREOVER, THE FIRM'S WSPS DID NOT ADDRESS THE REVIEW OF CONSOLIDATED REPORTS GENERATED BY THOSE REPORTING SYSTEMS.



THUS, THE FIRM DID NOT REVIEW THE REPORTS PROVIDED TO CUSTOMERS. THE FINDINGS ALSO INCLUDED THAT THE FIRM'S WSPS REQUIRED REGISTERED REPRESENTATIVES TO RETAIN RECORDS RELATED TO BUSINESS TRANSACTIONS AND CERTAIN ACTIVITIES FOR CUSTOMERS WITH RESPECT TO THE FIRM'S BROKER/DEALER BUSINESS. SPECIFICALLY, REPRESENTATIVES WERE REQUIRED TO RETAIN PERSONAL FINANCIAL PLANS CREATED FOR CUSTOMERS, ANY RESULTING INVESTMENT ADVICE, AND ALL CUSTOMER ACCOUNT RECORDS. THESE DOCUMENTS WERE TO BE MAINTAINED IN CUSTOMER FILES FOR AT LEAST SIX YEARS. TWO REGISTERED REPRESENTATIVES IN ONE OF THE FIRM'S BRANCH OFFICES, FAILED TO RETAIN COPIES OF CONSOLIDATED REPORTS IN ACCORDANCE WITH THE FIRM'S WSPS.

Initiated By: FINRA

Date Initiated: 12/21/2016

Docket/Case Number: [2015043589501](#)

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: 12/21/2016

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
Monetary/Fine \$125,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$125,000. FINES PAID ON 12/26/15.

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 (1) FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A REASONABLE SUPERVISORY SYSTEM RELATED TO THE USE OF CONSOLIDATED REPORTS PROVIDED TO CUSTOMERS BY ITS REGISTERED REPRESENTATIVES, AND (2) FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING TWO REGISTERED REPRESENTATIVES IN ONE OF THE FIRM'S BRANCH OFFICES WHO FAILED TO RETAIN COPIES OF CONSOLIDATED REPORTS IN ACCORDANCE WITH THE FIRM'S WRITTEN SUPERVISORY PROCEDURES.
Initiated By:	FINRA
Date Initiated:	12/21/2016
Docket/Case Number:	2015043589501
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:	12/21/2016
Sanctions Ordered:	Censure Monetary/Fine \$125,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$125,000.
Firm Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT (1) FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A REASONABLE SUPERVISORY SYSTEM RELATED TO THE USE OF CONSOLIDATED REPORTS PROVIDED TO CUSTOMERS BY ITS REGISTERED REPRESENTATIVES, AND (2) FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING TWO REGISTERED REPRESENTATIVES IN ONE OF THE FIRM'S BRANCH OFFICES WHO FAILED TO RETAIN COPIES OF CONSOLIDATED REPORTS IN ACCORDANCE WITH THE FIRM'S WRITTEN SUPERVISORY PROCEDURES.

Disclosure 4 of 8

Reporting Source: Regulator



Current Status:	Final
Allegations:	<p>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. 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. THESE SALES DISADVANTAGED ELIGIBLE CUSTOMERS BY CAUSING SUCH CUSTOMERS TO PAY HIGHER FEES THAN THEY WERE ACTUALLY REQUIRED TO PAY. THE FINDINGS ALSO STATED THAT 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. 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. AS A RESULT OF THE FIRM'S FAILURE TO APPLY AVAILABLE SALES-CHARGE WAIVERS, THE FIRM ESTIMATES THAT ELIGIBLE CUSTOMERS WERE OVERCHARGED BY APPROXIMATELY \$900,000 FOR MUTUAL FUND PURCHASES MADE SINCE JULY 1, 2009.</p>
Initiated By:	FINRA
Date Initiated:	11/15/2016
Docket/Case Number:	2015048330401
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/15/2016



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:	INTEREST
Sanction Details:	THE FIRM WAS CENSURED AND REQUIRED TO PROVIDE FINRA WITH A REMEDIATION PLAN TO REMEDIATE ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE MUTUAL FUND SALES-CHARGE WAIVER. AS PART OF THIS SETTLEMENT, THE FIRM AGREES TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS, WHICH IS ESTIMATED TO TOTAL \$1,035,000 (THE AMOUNT ELIGIBLE CUSTOMERS WERE OVERCHARGED, INCLUSIVE OF INTEREST).
Regulator Statement	IN RESOLVING THIS MATTER, FINRA HAS RECOGNIZED THE EXTRAORDINARY COOPERATION OF THE FIRM FOR HAVING: (1) INITIATED, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, AN INVESTIGATION TO IDENTIFY WHETHER ELIGIBLE CUSTOMERS RECEIVED SALES-CHARGE WAIVERS DURING THE RELEVANT PERIOD; (2) PROMPTLY ESTABLISHED A PLAN OF REMEDIATION FOR ELIGIBLE CUSTOMERS WHO DID NOT RECEIVE APPROPRIATE SALES-CHARGE WAIVERS; (3) PROMPTLY SELF-REPORTED TO FINRA; (4) PROMPTLY TAKEN ACTION AND REMEDIAL STEPS TO CORRECT THE VIOLATIVE CONDUCT; AND (5) EMPLOYED SUBSEQUENT CORRECTIVE MEASURES, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, TO REVISE ITS PROCEDURES TO AVOID RECURRENCE OF THE MISCONDUCT.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA ALLEGED PRINCIPAL SECURITIES FAILED TO IDENTIFY AND APPLY AVAILABLE MUTUAL FUND SALES CHARGE WAIVERS TO CERTAIN ELIGIBLE RETIREMENT AND CHARITABLE ORGANIZATION ACCOUNTS AND FAILED TO REASONABLY SUPERVISE THE APPLICATION OF THESE SALES CHARGE WAIVERS. FINRA ALLEGED THAT THIS VIOLATED NASD CONDUCT RULE 3010 AND FINRA RULES 3110 AND 2010. WITHOUT ADMITTING OR DENYING THE FINDINGS, PRINCIPAL SECURITIES ACCEPTED AND CONSENTED TO CENSURE AND RESTITUTION TO THE ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE SALES CHARGE WAIVERS SINCE JULY 1, 2009.



Initiated By:	FINRA
Date Initiated:	11/15/2016
Docket/Case Number:	2015048330401
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/15/2016
Sanctions Ordered:	Censure Disgorgement/Restitution
Other Sanctions Ordered:	INTEREST
Sanction Details:	THE FIRM WAS CENSURED AND REQUIRED TO PROVIDE FINRA WITH A REMEDIATION PLAN TO REMEDIATE ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE MUTUAL FUND SALES-CHARGE WAIVER. AS PART OF THIS SETTLEMENT, THE FIRM AGREES TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS, WHICH IS ESTIMATED TO TOTAL \$1,035,000 (THE AMOUNT ELIGIBLE CUSTOMERS WERE OVERCHARGED, INCLUSIVE OF INTEREST).
Firm Statement	AFTER AN INTERNAL REVIEW, IN DECEMBER 2015 PRINCIPAL SECURITIES SELF-REPORTED THAT CERTAIN ELIGIBLE RETIREMENT AND CHARITABLE ORGANIZATION ACCOUNT CUSTOMERS WITH MUTUAL FUNDS HAD NOT RECEIVED AVAILABLE SALES CHARGE WAIVERS BETWEEN JULY 1, 2009 AND THAT POINT IN TIME. PRINCIPAL SECURITIES BEGAN MAKING REFUNDS TO IMPACTED ELIGIBLE CUSTOMERS AFTER IT SELF-REPORTED. FINRA ALLEGED PRINCIPAL SECURITIES HAD VIOLATED NASD CONDUCT RULE 3010 AND FINRA RULES 3110 AND 2010 BY FAILING TO IDENTIFY AND APPLY ALL AVAILABLE MUTUAL FUND SALES CHARGE WAIVERS TO ELIGIBLE CUSTOMERS AND FAILING TO REASONABLY SUPERVISE THE APPLICATION OF SALES CHARGE WAIVERS. WITHOUT ADMITTING OR DENYING THE FINDINGS, PRINCIPAL SECURITIES ACCEPTED AND CONSENTED TO CENSURE AND RESTITUTION TO THE ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT HAD NOT RECEIVED, THE APPLICABLE SALES CHARGE WAIVERS.



Disclosure 5 of 8

Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO TIMELY REVIEW APPROXIMATELY 2.7 MILLION INCOMING EMAIL COMMUNICATIONS FOR APPROXIMATELY 2,100 EMAIL ACCOUNTS DUE TO A CODING ERROR IN THE FIRM'S EMAIL MONITORING SYSTEM. THE FINDINGS STATED THAT THE FIRM DISCOVERED A DISPARITY BETWEEN THE NUMBER OF EMAILS STORED IN ITS EMAIL RETENTION SYSTEM AND THE NUMBER OF EMAILS DIVERTED TO THE FIRM'S EMAIL REVIEW SYSTEM. IN ITS INVESTIGATION, THE FIRM DISCOVERED INCOMING EMAILS FOR APPROXIMATELY 2,100 ACCOUNTS WITH VANITY DOMAINS (EMAIL ADDRESSES OTHER THAN PRINCIPAL.COM) WERE DIVERTED TO THE FIRM'S EMAIL RETENTION SYSTEM WITHOUT FIRST BEING RUN THROUGH THE FIRM'S EMAIL SYSTEM FOR SUPERVISORY REVIEW BECAUSE OF A CUSTOM CODING PROBLEM IN THE EMAIL REVIEW SYSTEM. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ADEQUATELY MONITOR AND TEST ITS TECHNOLOGY INFRASTRUCTURE TO DETERMINE THAT EMAILS WERE PROPERLY ROUTED TO THE FIRM'S EMAIL MONITORING SYSTEM AND TO DETERMINE IF VANITY EMAIL DOMAINS WERE EXPERIENCING DISRUPTIONS THAT WOULD RESULT IN THE FAILURE TO REVIEW EMAIL CORRESPONDENCE IN THOSE ACCOUNTS.</p>
Initiated By:	FINRA
Date Initiated:	12/02/2015
Docket/Case Number:	2013035279601
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:	12/02/2015



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: Censure
Monetary/Fine \$115,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$115,000.
FINE PAID IN FULL ON DECEMBER 21, 2015.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED PRINCOR'S EMAIL MONITORING PROCESSES WERE INADEQUATE DUE TO A CODING ERROR THAT RESULTED IN A PORTION OF INCOMING EMAIL COMMUNICATIONS NOT BEING TIMELY REVIEWED. FINRA ALLEGED THAT THIS VIOLATED NASD RULE 2010 AND FINRA RULE 2010. WITHOUT ADMITTING OR DENYING THE FINDINGS, PRINCOR ACCEPTED AND CONSENTED TO CENSURE AND A FINE OF \$115,000.

Initiated By: FINRA

Date Initiated: 12/02/2015

Docket/Case Number: [2013035279601](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/02/2015

Sanctions Ordered: Censure
Monetary/Fine \$115,000.00

Other Sanctions Ordered:

Sanction Details: PRINCOR WAS CENSURED AND FINED \$115,000. THE FINE WAS PAID ON



12/21/2015.

Firm Statement

FINRA ALLEGED PRINCOR'S EMAIL MONITORING PROCESSES WERE INADEQUATE DUE TO A CODING ERROR THAT RESULTED IN A PORTION OF INCOMING EMAIL COMMUNICATIONS NOT BEING TIMELY REVIEWED. FINRA ALLEGED THAT THIS VIOLATED NASD RULE 2010 AND FINRA RULE 2010. WITHOUT ADMITTING OR DENYING THE FINDINGS, PRINCOR ACCEPTED AND CONSENTED TO CENSURE AND A FINE OF \$115,000.

Disclosure 6 of 8**Reporting Source:** Firm**Current Status:** Final

Allegations: THE SOUTH DAKOTA DIVISION OF SECURITIES BELIEVES PRINCOR FAILED TO HAVE A SUPERVISORY SYSTEM IN PLACE THAT WAS REASONABLY EXPECTED TO PREVENT AND DETECT REGISTERED REPRESENTATIVES' LACK OF REGISTRATION IN A CLIENT'S STATE OF RESIDENCE.

Initiated By: STATE OF SOUTH DAKOTA DEPARTMENT OF LABOR & REGULATION
DIVISION OF SECURITIES

Date Initiated: 10/29/2014**Docket/Case Number:** N/A**Principal Product Type:** Mutual Fund(s)**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:** 10/29/2014**Sanctions Ordered:** Monetary/Fine \$5,000.00**Other Sanctions Ordered:**

Sanction Details: \$5000 FINE LEVIED AGAINST PRINCOR. PAYMENT WAS SENT TO THE DIVISION ON 10/31/2014.

Firm Statement

A PRINCOR REGISTERED REPRESENTATIVE (ERICA ROBISH), BASED IN SOUTH DAKOTA, MADE A MUTUAL FUND SALE TO A NORTH DAKOTA RESIDENT IN FEBRUARY 2014, DURING THE TIME HER NORTH DAKOTA SECURITIES REGISTRATION HAD LAPSED. MS. ROBISH THOUGHT HER

NORTH DAKOTA REGISTRATION WAS STILL ACTIVE, BUT IT HAD EXPIRED THE END OF 2013. THE SALE RESULTED IN A ND SECURITIES DEPARTMENT COMPLAINT RECEIVED BY PRINCOR ON MAY 28, 2014. IN REVIEWING THE CIRCUMSTANCES OF THE COMPLAINT, PRINCOR COMPLIANCE LEARNED THAT MS. ROBISH WAS NOT REGISTERED IN NORTH DAKOTA AT THE TIME OF THE SALE. AS A RESULT, PRINCOR REFUNDED THE INITIAL SALES CHARGE TO THE CLIENT, AS THE CLIENT HAD REQUESTED. MS. ROBISH HAD ALREADY REREGISTERED IN NORTH DAKOTA ON MAY 6, 2014.

THAT SETTLEMENT WAS LISTED ON MS. ROBISH'S U4 AND THE ENFORCEMENT DIVISION OF THE SOUTH DAKOTA SECURITIES DIVISION (WHERE SHE RESIDES AND IS ALSO REGISTERED) BEGAN INVESTIGATING. SOUTH DAKOTA ADMINISTRATIVE RULE 20:08:03:08 REQUIRES THAT EACH BROKER-DEALER ESTABLISH AND KEEP CURRENT A SET OF WRITTEN SUPERVISORY PROCEDURES AND A SYSTEM FOR APPLYING SUCH PROCEDURES, WHICH MAY BE REASONABLY EXPECTED TO PREVENT AND DETECT ANY VIOLATIONS OF CHAPTER 47-31B OF THE SOUTH DAKOTA LAW. WHEN THE NEW ACCOUNT WAS REVIEWED BY A PRINCIPAL IN FEBRUARY, THERE WERE TWO REPRESENTATIVES LISTED FOR THE ACCOUNT, ONE OF WHOM WAS REGISTERED IN NORTH DAKOTA. BUT THE PRINCIPAL MISSED THAT MS. ROBISH WAS NOT REGISTERED IN NORTH DAKOTA AT THAT TIME, SO THE ACCOUNT WAS ESTABLISHED. SUBSEQUENTLY, THE AREA THAT PAYS COMMISSIONS PREVENTED PAYMENT OF THE COMMISSION TO MS. ROBISH SINCE SHE WAS NOT REGISTERED IN NORTH DAKOTA AT THE TIME OF THE SALE, BUT THE COMMISSIONS AREA DID NOT NOTIFY PRINCOR COMPLIANCE OR OPERATIONS OF THE STATE REGISTRATION ISSUE.

PRINCOR IS REVIEWING AND CONTINUING ITS EFFORTS TO ENHANCE ITS OVERALL SUPERVISORY PROCEDURES AND TRAINING REGARDING STATE REGISTRATION. PRINCOR AGREED TO ENTER INTO A CONSENT ORDER WITH THE SOUTH DAKOTA SECURITIES DIVISION AND PAY A \$5,000 FINE RELATING TO SUPERVISION OF STATE REGISTRATION.

Disclosure 7 of 8

Reporting Source:	Regulator
Current Status:	Final
Allegations:	FINRA RULE 2010, NASD RULE 3010(A): THE FIRM'S EMAIL SURVEILLANCE SYSTEM FOR FIELD REPRESENTATIVES CONTAINED TWO INTERNAL WEAKNESSES. FIRST, FIELD REPRESENTATIVES WERE REQUIRED TO PRINT OUT ALL EMAILS RELATED TO THE FIRM'S BUSINESS AS A BROKER-DEALER AND FORWARD THEM TO THEIR SUPERVISORS FOR REVIEW AT



THE FIRM'S OSJ OFFICES. THIS WAS A POOR CONTROL FOR REVIEWING EMAILS BECAUSE IT ALLOWED FIELD REPRESENTATIVES TO PROVIDE WHAT THEY CONSIDERED NECESSARY FOR REVIEW. SECOND, IN APRIL 2008, THE FIRM IMPLEMENTED AN ELECTRONIC SURVEILLANCE SYSTEM, WHICH UTILIZED A SEARCH ENGINE TO MONITOR THE EMAILS OF CERTAIN FIELD REPRESENTATIVES. THE FIRM SELECTED THE FIELD REPRESENTATIVES TO BE MONITORED ON A ROLLING BASIS, USING A RISK-BASED APPROACH. THE FIELD REPRESENTATIVES WHO MET THE RISK-BASED CRITERIA WERE SUBJECT TO SELECTION FOR MONITORING THROUGH THE SYSTEM. OTHER REPRESENTATIVES WERE NOT CONSIDERED FOR SUCH MONITORING, BUT THE FIRM CONTINUED TO MANUALLY REVIEW THE EMAILS OF ALL FIELD REPRESENTATIVES, AS DESCRIBED ABOVE. THE FIRM'S ANTICIPATED ROLL-OUT OF THE SEARCH ENGINE-BASED SURVEILLANCE SYSTEM TO ALL FIELD REPRESENTATIVES WAS REPEATEDLY DELAYED. THEREFORE, THE FIRM DID NOT ADEQUATELY SUPERVISE THE EMAIL CORRESPONDENCE OF ITS FIELD REPRESENTATIVES BECAUSE NOT ALL OF THOSE REPRESENTATIVES WERE ELIGIBLE TO BE MONITORED THROUGH THE SEARCH ENGINE BASED SURVEILLANCE SYSTEM.

Initiated By: FINRA

Date Initiated: 07/25/2012

Docket/Case Number: 2011025498201

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: 07/25/2012

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: Censure
Monetary/Fine \$7,500.00

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 \$7,500. FINE PAID IN FULL ON JULY 31, 2012.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA FOUND PRINCOR'S EMAIL MONITORING PROCESSES WERE INADEQUATE AND FINRA FOUND THAT THIS VIOLATED NASD RULE 3010(A) AND FINRA RULE 2010. PRINCOR WAS CENSURED AND FINED \$7,500.

Initiated By: FINRA

Date Initiated: 07/25/2012

Docket/Case Number: 2011025498201

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/25/2012

Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: PRINCOR WAS CENSURED AND FINED \$7,500. THE FINE WAS PAID ON 07/31/2012.

Firm Statement FINRA FOUND PRINCOR'S EMAIL MONITORING PROCESSES WERE INADEQUATE AND FINRA FOUND THAT THIS VIOLATED NASD RULE 3010(A) AND FINRA RULE 2010. PRINCOR WAS CENSURED AND FINED \$7,500.

Disclosure 8 of 8

Reporting Source: Regulator

Current Status: Final



Allegations: FROM ITS INVESTIGATION, THE DIVISION FOUND FACTS THAT THE RESPONDENT'S REGISTERED AGENT, DORIAN SAUNDERS, ENGAGED IN DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES, COMMODITIES, INVESTMENT, FRANCHISE, BANKING, FINANCE, OR INSURANCE BUSINESS IN VIOLATION OF SECTION 409.4-412(D), RSMO. (CUM. SUPP. 2008). FROM THIS INVESTIGATION THE DIVISION FOUND FACTS THAT LED IT TO BELIEVE THAT THE RESPONDENT FAILED TO REASONABLY VISE THE REGISTERED AGENT'S UNAUTHORIZED OUTSIDE BUSINESS ACTIVITY. THE DIVISION ALLEGES THAT THE RESPONDENT'S ACTIONS CONSTITUTE GROUNDS TO DISCIPLINE THE REGISTRATION OF PRINCOR FINANCIAL SERVICES CORPORATION PURSUANT TO SECTION 409.4-412, RSMO. (CUM. SUPP. 2008).

Initiated By: MISSOURI

Date Initiated: 04/07/2009

Docket/Case Number: AP-09-16

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: CONSENT ORDER

Resolution: Consent

Resolution Date: 05/04/2009

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

Sanctions Ordered: Monetary/Fine \$227,600.00
Disgorgement/Restitution

Other Sanctions Ordered: RESPONDENT SHALL PAY \$146,050 TO THE MISSOURI SECRETARY OF STATE'S INVESTOR RESTITUTION FUND. THE DIVISION SHALL FORWARD THESE FUNDS TO THE INVESTOR RESTITUTION FUND TO BE PAID TO THE INDIVIDUALS AND IN THE AMOUNTS IDENTIFIED IN THE ATTACHED EXHIBIT. RESPONDENT SHALL PAY TO THE MISSOURI SECRETARY OF STATE'S INVESTOR EDUCATION AND PROTECTION FUND \$75,000. RESPONDENT IS ORDERED TO PAY \$5,650.00 AS THE COST OF THIS INVESTIGATION.



Sanction Details: SEE ABOVE

Reporting Source: Firm

Current Status: Final

Appealed To and Date Appeal Filed: N/A

Allegations: THE MISSOURI SECURITIES DIVISION BELIEVES PRINCOR FAILED TO REASONABLY SUPERVISE THE UNAUTHORIZED OUTSIDE BUSINESS ACTIVITY (FOREIGN CURRENCY TRADING) OF A REGISTERED REPRESENTATIVE WHO USED TO BE AFFILIATED WITH PRINCOR.

Initiated By: STATE OF MISSOURI OFFICE OF THE SECRETARY OF STATE - MISSOURI SECURITIES DIVISION

Date Initiated: 05/04/2009

Docket/Case Number: AP-09-16

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 05/04/2009

Sanctions Ordered: Disgorgement/Restitution

Other Sanctions Ordered: N/A

Sanction Details: N/A

Firm Statement BASED ON AN INVESTIGATION CONDUCTED BY THE MISSOURI SECURITIES DIVISION, THE DIVISION BELIEVES THAT PRINCOR FAILED TO REASONABLY SUPERVISE THE UNAUTHORIZED OUTSIDE BUSINESS ACTIVITY OF A REGISTERED REPRESENTATIVE WHO USED TO BE AFFILIATED WITH PRINCOR. PRINCOR ENTERED INTO A CONSENT ORDER WITH THE MISSOURI SECRETARY OF STATE/MISSOURI SECURITIES DIVISION, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS. PURSUANT TO THE CONSENT ORDER, PRINCOR HAS, AS AGREED, PAID \$146,050 TO THE MISSOURI SECRETARY OF STATE'S INVESTOR



RESTITUTION FUND, \$75,000 TO THE MISSOURI SECRETARY OF STATE'S INVESTOR EDUCATION AND PROTECTION FUND, AND \$5,650 TO THE MISSOURI SECRETARY OF STATE'S INVESTOR EDUCATION AND PROTECTION FUND AS COSTS OF THE INVESTIGATION.



Civil - Final

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

Disclosure 1 of 2

Reporting Source:	Firm
Current Status:	Final
Appellate Court Name and Date Appeal Filed:	N/A
Allegations:	LAWSUIT ALLEGES MISAPPROPRIATION OF KEY BANK TRADE SECRETS, TORTIOUS INTERFERENCE WITH AGREEMENTS, CONVERSION, UNFAIR COMPETITION, DECEPTIVE TRADE PRACTICES, UNJUST ENRICHMENT.
Initiated By:	KEYBANK, NATIONAL ASSOCIATION AND KEY INVESTMENT SERVICES, LLC
Court Details:	SUPREME COURT OF THE STATE OF NEW YORK, ALBANY COUNTY, NEW YORK, CASE 2205/2014
Date Court Action Filed:	04/21/2014
Date Notice/Process Served:	04/22/2014
Principal Product Type:	No Product
Other Product Types:	
Relief Sought:	Restraining Order
Other Relief Sought:	INJUNCTION & MONETARY DAMAGES
Resolution:	Settled
Resolution Date:	10/01/2014
Sanctions Ordered or Relief Granted:	
Other Sanctions:	TEMPORARY RESTRAINING ORDER. CASE SETTLED FOR \$105,000.
Sanction Details:	ON APRIL 22, 2014 THE PLAINTIFFS OBTAINED A TEMPORARY RESTRAINING ORDER ENJOINING AND RESTRAINING THE DEFENDANTS FROM MAKING USE OF TRADE SECRETS AND CUSTOMER INFORMATION OF KEY BANK, AND FROM SOLICITING EXISTING CUSTOMERS OR EMPLOYEES OF KEY BANK TO TERMINATE THEIR RELATIONSHIP WITH KEY BANK. TEMPORARY RESTRAINING ORDER ENDED OCTOBER 16, 2014 WHEN THE CASE WAS DISCONTINUED AFTER THE SETTLEMENT. SETTLEMENT AMOUNT WAS PAID OCTOBER 15, 2014.
Firm Statement	KEY BANK, NA AND KEY INVESTMENT SERVICES, LLC FILED A LAWSUIT ON



APRIL 21, 2014 IN ALBANY COUNTY, NEW YORK, CASE # 2205-14, AFTER THREE INDIVIDUALS WHO HAD BEEN ASSOCIATED WITH KEY BANK TERMINATED THEIR RELATIONSHIP WITH KEY BANK AND BECAME ASSOCIATED WITH PRINCOR FINANCIAL SERVICES CORPORATION. THE THREE INDIVIDUALS ARE SCOTT POWHIDA, LAWRENCE D. DILLON AND VICTORIA AMYOT. THE LAWSUIT AND A RELATED FINRA ARBITRATION ACTION (CASE NO. 14-017682) WERE FILED AGAINST PRINCOR, TWO OF PRINCOR'S AFFILIATES, AND THE THREE ASSOCIATED PERSONS. THE LAWSUIT ALLEGED MISAPPROPRIATION OF KEY BANK TRADE SECRETS, TORTIOUS INTERFERENCE WITH AGREEMENTS, CONVERSION, UNFAIR COMPETITION, DECEPTIVE TRADE PRACTICES, UNJUST ENRICHMENT. EFFECTIVE OCTOBER 1, 2014, THE PARTIES ENTERED INTO A SETTLEMENT PURSUANT TO WHICH THE TEMPORARY RESTRAINING ORDER WAS VACATED, AND THE DEFENDANTS AGREED TO CERTAIN LIMITATIONS: (I) ON USE OF TRADE SECRETS AND CONFIDENTIAL INFORMATION OF KEY BANK, AND (II) REGARDING SOLICITATION OF EXISTING CUSTOMERS AND EMPLOYEES OF KEY BANK. THIS LAWSUIT AND THE RELATED FINRA ARBITRATION ACTION (CASE NO. 14-017682) WERE BOTH COVERED BY THIS SETTLEMENT IN THE AMOUNT OF \$105,000. A STIPULATION AND ORDER OF DISCONTINUANCE OF THE LAWSUIT WAS SIGNED BY THE JUDGE ON OCTOBER 16, 2014

Disclosure 2 of 2

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE LAWSUIT MAKES CLAIMS FOR BREACH OF CONTRACT MISAPPROPRIATION OF TRADE SECRETS, TORTIOUS INTERFERENCE, BREACH OF FIDUCIARY DUTY AND THE DUTY OF LOYALTY AND CONVERSION.
Initiated By:	MINNESOTA LIFE INSURANCE COMPANY, SECURIAN FINANCIAL SERVICES
Court Details:	UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION; DOCKET NO. 1:13-CV-252-RHB, GRAND RAPIDS, MI.
Date Court Action Filed:	03/05/2013
Date Notice/Process Served:	03/06/2013
Principal Product Type:	Insurance
Other Product Types:	
Relief Sought:	Injunction

**Other Relief Sought:****Resolution:** Settled**Resolution Date:** 01/09/2014**Sanctions Ordered or Relief Granted:****Other Sanctions:** MONITARY SETTLEMENT, SEE #13 C**Sanction Details:** THE CLAIMS MADE IN THIS CASE AND IN A RELATED ARBITRATION PROCEEDING WERE SETTLED FOR A COMBINED TOTAL OF: (I) APPROXIMATELY \$746,000 AS REPAYMENT TO PLAINTIFF(S) OF COMPENSATION ADVANCES PREVIOUSLY MADE BY PLAINTIFF(S), PLUS (II) APPROXIMATELY \$297,000 TO RESOLVE OTHER CLAIMS IN THE LAWSUIT AND ARBITRATION. THE INJUNCTION, WHICH BECAME EFFECTIVE UPON DEFENDANT SERVED RECEIPT OF THE ORDER ON 3/6/2013, WAS TERMINATED EFFECTIVE 1/24/2014. SETTLEMENT AMOUNT WAS PAID BY PRINCIPAL LIFE INSURANCE COMPANY, A PORTION OF WHICH MAY BE ALLOCATED TO PRINCOR FROM PRINCIPAL LIFE.**Firm Statement**

THE LAWSUIT MADE CLAIMS FOR BREACH OF CONTRACT MISAPPROPRIATION OF TRADE SECRETS, TORTIOUS INTERFERENCE, BREACH OF FIDUCIARY DUTY AND THE DUTY OF LOYALTY AND CONVERSION. A STIPULATED PRELIMINARY INJUNCTION WAS AGREED TO AND PROVIDED FOR RESTRICTIONS ON THE USE AND RETENTION OF INFORMATION RELATED TO THE PLAINTIFFS' POLICYHOLDERS AND CLIENTS. THE MATTER WAS SETTLED AS NOTED IN #13C. THE INJUNCTION IS TERMINATED.

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 2

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT RELATED-TRANSFER
Arbitration Forum:	FINRA
Case Initiated:	05/13/2009
Case Number:	09-01272
Disputed Product Type:	MUTUAL FUNDS
Sum of All Relief Requested:	\$5,499.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	10/15/2009
Sum of All Relief Awarded:	\$5,499.00

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

Disclosure 2 of 2

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	EXECUTIONS-OTHER
Arbitration Forum:	FINRA
Case Initiated:	08/24/2009
Case Number:	09-04612
Disputed Product Type:	COMMON STOCK
Sum of All Relief Requested:	\$30,000.00
Disposition:	AWARD AGAINST PARTY



Disposition Date: 03/17/2010

Sum of All Relief Awarded: \$3,323.00

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 3

Reporting Source:	Firm
Policy Holder:	PRINCIPAL SECURITIES, INC.
Bonding Company Name:	NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA
Disposition:	Payout
Disposition Date:	10/26/2021
Payout Details:	\$139,171.41 AND THE CHECK WAS DATED 10/22/2021
Firm Statement	THIS WAS A REIMBURSEMENT OF MONIES PAID AND EXPENSES INCURRED FOR A CLAIM BY A PRINCIPAL SECURITIES, INC. (PSI) CLIENT. THE CLIENT PROVIDED DOCUMENTATION TO SUPPORT HER ALLEGATIONS THAT MONEY SHE GAVE DIRECTLY TO A NOW FORMER REPRESENTATIVE OF THE FIRM TO FUND A NEW ACCOUNT AT PSI WAS NOT INVESTED BY THE REPRESENTATIVE.

Disclosure 2 of 3

Reporting Source:	Firm
Policy Holder:	PRINCIPAL SECURITIES, INC
Bonding Company Name:	AMERICAN INTERNATIONAL GROUP, INC.
Disposition:	Payout
Disposition Date:	02/27/2019
Payout Details:	2/27/2019 - \$248,217.94
Firm Statement	FORMER REGISTERED REPRESENTATIVE HAD CLIENTS GIVE HIM MONEY TO INVEST ON THEIR BEHALF. FORMER REGISTERED REPRESENTATIVE DID NOT INVEST THE MONEY OR RETURN IT TO THE CLIENTS.

Disclosure 3 of 3

Reporting Source:	Firm
Policy Holder:	PRINCIPAL SECURITIES, INC.
Bonding Company Name:	AMERICAN INTERNATIONAL GROUP
Disposition:	Payout



Disposition Date: 09/07/2019

Payout Details: 9/7/2019 - \$517,373.98

Firm Statement FORMER REGISTERED REPRESENTATIVE HAD CLIENTS GIVE HER MONEY TO PROVIDE A CONTRIBUTION TO A CHARITABLE ORGANIZATION WITH THE PROMISE OF A RETURN ON INVESTMENT.

End of Report



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