BrokerCheck Report

BLC FINANCIAL SERVICES, INC.

CRD# 126638

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

Please contact FINRA with any concerns.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**
- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
- **Where did this information come from?**
- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
    - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
    - information that regulators report regarding disciplinary actions or allegations against firms or brokers.
- **How current is this information?**
- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.
- **What if I want to check the background of an investment adviser firm or investment adviser representative?**
- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at https://www.adviserinfo.sec.gov. In the alternative, you may search the IAPD website directly or contact your state securities regulator at http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414.
- **Are there other resources I can use to check the background of investment professionals?**
- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.
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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.

BLC FINANCIAL SERVICES, INC.

CRD# 126638

SEC# 8-65898

Main Office Location

111 EAST WACKER DR 21ST FLOOR
CHICAGO, IL 60601

Mailing Address

111 EAST WACKER DR 21ST FLOOR
CHICAGO, IL 60601

Business Telephone Number

312-396-7354

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 Illinois on 03/17/2003.

Its fiscal year ends in December.

Firm History

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

Firm Operations

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

Disclosure Events

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

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	14

Registration Withdrawal Information

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

Date firm ceased business:	04/27/2012
Does this brokerage firm owe any money or securities to any customer or brokerage firm?	No

Firm Profile

This firm is classified as a corporation.

This firm was formed in Illinois on 03/17/2003.

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.

BLC FINANCIAL SERVICES, INC.

Doing business as BLC FINANCIAL SERVICES, INC.

CRD# 126638

SEC# 8-65898

Main Office Location

111 EAST WACKER DR 21ST FLOOR
CHICAGO, IL 60601

Mailing Address

111 EAST WACKER DR 21ST FLOOR
CHICAGO, IL 60601

Business Telephone Number

312-396-7354

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):	BANKERS LIFE AND CASUALTY CO.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	OWNER
Position Start Date	03/2003
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):	BONACH, EDWARD JOHN
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR
Position Start Date	04/2012
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):	GOLDBERG, SCOTT LOUIS 5296395
Is this a domestic or foreign entity or an individual?	Individual
Position	VICE PRESIDENT
Position Start Date	05/2010
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):	JACKSON, RONALD LEE
	1436312
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER
Position Start Date	04/2012
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):	KAEHR, THOMAS RICHARD
	4601435
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT, FINOP
Position Start Date	04/2012
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):	PERRY, SCOTT RICHARD
	4656648

Firm Profile

Direct Owners and Executive Officers (continued)

Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR
Position Start Date	03/2003
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):	VALDEZ, JAMES JOSEPH 4656726
Is this a domestic or foreign entity or an individual?	Individual
Position	SECRETARY
Position Start Date	03/2003
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Firm Profile

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

Indirect Owners

Legal Name & CRD# (if any):	BANKERS OF ILLINOIS
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	BANKERS LIFE AND CASUALTY CO.
Relationship to Direct Owner	S/H
Relationship Established	11/1992
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):	CIHC, INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	CONSECO LIFE INSURANCE COMPANY OF TEXAS
Relationship to Direct Owner	S/H
Relationship Established	11/1990
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):	CONSECO LIFE INSURANCE COMPANY OF TEXAS
Is this a domestic or foreign entity or an individual?	Domestic Entity

Firm Profile

Indirect Owners (continued)

Company through which indirect ownership is established	BANKERS OF IL
Relationship to Direct Owner	S/H
Relationship Established	09/1992
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):	CONSECO, INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	CIHC, INC.
Relationship to Direct Owner	S/H
Relationship Established	06/1994
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 no longer registered.

The firm's registration was from 09/29/2003 to 06/26/2012.

Firm Operations

Types of Business

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

This firm currently conducts 1 type of business.

Types of Business

Other - BLC FINANCIAL SERVICES, INC. (BLCF) PROVIDES SALES SUPPORT & A MARKETING PROGRAM TO BANKERS LIFE & CASUALTY AGENTS WHO ARE SECURITIES LICENSED WITH PROEQUITIES. BLCFS WILL RECEIVE COMPENSATION FROM PROEQUITIES BASED ON THESE SECURITIES SALES. BLCFS WILL NOT HAVE ANY REPRESENTATIVES THAT SELL SECURITIES TO THE PUBLIC.

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.
This firm does not engage in other non-securities business.

Non-Securities Business Description:

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 not refer or introduce customers to other brokers and dealers.

Firm Operations

Industry Arrangements

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

Name:	CONSECO SERVICES LLC
Business Address:	11825 N PENNSYLVANIA STREET CARMEL, IN 46032
Effective Date:	04/01/2009
Description:	REGISTRANT HAS A CONTRACTUAL ARRANGEMENT PURSUANT TO WHICH CCONSECO SERVICES LLC MAINTAINS CERTAIN BOOKS AND RECORDS AND PROVIDES ADMINISTRATIVE FUNCTIONS

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.

40/86 ADVISORS, INC. is under common control with the firm.

CRD #:	107740
Business Address:	11825 N. PENNSYLVANIA STREET CARMEL, IN 46032
Effective Date:	03/17/2003
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	40/86 ADVISORS,IS A REGISTERED INVESTMENT ADVISER, AND A WHOLLY-OWNED SUBSIDIARY OF CONSECO, INC. THE OPERATIONS OF THE APPLICANT ARE UNDER COMMON CONTROL OF CONSECO, INC. CONSECO, INC. IS LOCATED AT 11825 N. PENNSYLVANIA STREET, CARMEL IN 45032.

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	14	0

Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
   - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
   - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
   - A disclosure event may have a status of *pending, on appeal,* or *final.*
     - A "pending" event involves allegations that have not been proven or formally adjudicated.
     - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
     - A "final" event has been concluded and its resolution is not subject to change.
   - A final event generally has a disposition of *adjudicated, settled* or *otherwise resolved.*
     - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
     - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
     - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

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

Disclosure 1 of 14

Reporting Source:	Regulator
Current Status:	Final

Allegations:	BANKERS ACTED AS AN UNREGISTERED BROKER-DEALER AND INVESTMENT ADVISER IN NEW JERSEY IN VIOLATION OF N.J.S.A. 49:3-56(A). FURTHERMORE, BY EMPLOYING OR ASSOCIATING WITH DUAL AGENTS WHO WERE NOT LICENSED AS AGENTS OR INVESTMENT ADVISER REPRESENTATIVES OF BANKERS, BANKERS VIOLATED N.J.S.A. 49:3-56(H) AND N.J.S.A. 49:3-560).
Initiated By:	NEW JERSEY BUREAU OF SECURITIES
Date Initiated:	09/06/2012
Docket/Case Number:	2012-013
URL for Regulatory Action:	HTTPS://WWW.NJCONSUMERAFFAIRS. GOV/ACTIONS/BANKERSLIFE_AM_CONSENTORDER_28SEP2022.PDF
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:	09/06/2012
Sanctions Ordered:	Monetary/Fine $239,644.45 Cease and Desist/Injunction
Other Sanctions Ordered:	PAY PAST LICENSING AND REGISTRATION FEES TOTALING $5,000 FOR THE PERIOD FROM JANUARY 1, 2005, THROUGH DECEMBER 2, 2011. PAY $2,000 TO FUND STATE AUDITS TO ENSURE COMPLIANCE WITH THIS CONSENT ORDER, WHICH PORTION SHALL BE CONSIDERED A CIVIL MONETARY PENALTY. BANKERS SHALL CONTRACT WITH AN INDEPENDENT THIRD PARTY FOR THE PURPOSE OF REVIEWING BANKERS' COMPLIANCE WITH THE TERMS OF THIS CONSENT ORDER.
Sanction Details:	AN INVESTIGATION OF BANKERS LIFE AND CASUALTY COMPANY ("BANKERS LIFE") AND BLC FINANCIAL SERVICES, INC. ("BLCFS") (COLLECTIVELY, "BANKERS") DETERMINED THAT BANKERS SHOULD HAVE BEEN REGISTERED AS A BROKER-DEALER AND INVESTMENT ADVISER BETWEEN JANUARY 1, 2005, AND DECEMBER 2, 2011; AND WITHOUT BEING REGISTERED, EXEMPT FROM REGISTRATION, OR A FEDERAL COVERED INVESTMENT ADVISER, EMPLOYED OR ASSOCIATED WITH AGENTS AND INVESTMENT ADVISER REPRESENTATIVES WHO WERE NOT SO REGISTERED ON BEHALF OF BANKERS. BANKERS ENGAGED IN SUCH CONDUCT IN NEW JERSEY IN VIOLATION OF N.J.S.A. 49:3-47 ET SEQ.

("SECURITIES LAW"), SPECIFICALLY N.J.S.A. 49:3-56(A). THE CONDUCT ADDRESSED HEREIN HAS RESULTED IN NO KNOWN DIRECT CONSUMER HARM, AND THE PARTIES UNDERSTAND THAT REGISTERED AGENTS OR REPRESENTATIVES OF REGISTERED BROKERDEALERS OR INVESTMENT ADVISERS OTHER THAN BANKERS PARTICIPATED IN ALL SECURITIES TRANSACTIONS AND AT
LOCATIONS THAT WERE REGISTERED WITH THE APPROPRIATE SECURITIES AUTHORITIES AS BROKER-DEALER LOCATIONS OF BROKER-DEALERS OTHER THAN BANKERS. BANKERS HAS COOPERATED WITH STATE REGULATORS CONDUCTING THE INVESTIGATIONS BY RESPONDING TO INQUIRIES, PROVIDING DOCUMENTARY EVIDENCE, AND HALTING FURTHER RECEIPT OF BROKER-DEALER AND INVESTMENT ADVISER RELATED COMPENSATION WHILE THE INVESTIGATIONS WERE PENDING.

Regulator Statement	ORIGINAL CONSENT ORDER DATED SEPTEMBER 6, 2012 WAS AMENDED BASED ON BANKERS' SUBSTANTIAL EFFORTS TO REVISE ITS BUSINESS PRACTICES TO IMPROVE COMPLIANCE. PARAGRAPH 1O OF SECTION III OF THE ORIGINAL CONSENT ORDER IS REPLACED IT IN ITS ENTIRETY AS WRITTEN IN THE ORDER POSTED AT HTTPS://WWW.NJCONSUMERAFFAIRS.GOV/ACTIONS/BANKERSLIFE_AM_CONSENTORDER_28SEP2022.PDF.

Disclosure 2 of 14

Reporting Source:	Regulator
Current Status:	Final
Allegations:	BLC FINANCIAL SERVICES, INC. IS A WHOLLY-OWNED SUBSIDIARY OF BANKERS LIFE AND CASUALTY COMPANY ("BANKERS"). BANKERS ACTED AS AN UNREGISTERED BROKER-DEALER AND INVESTMENT ADVISER IN THE DISTRICT OF COLUMBIA IN VIOLATION OF D.C. OFFICIAL CODE §31-5602.01 (A) AND 31-5602.02(A); AND, EMPLOYED OR ASSOCIATED WITH DUAL AGENTS WHO WERE NOT LICENSED AS AGENTS OR INVESTMENT ADVISER REPRESENTATIVES OF THE FIRM IN VIOLATION OF §31-5602.01(B) AND 31-5602.02(F).
Initiated By:	DISTRICT OF COLUMBIA
Date Initiated:	10/11/2012
Docket/Case Number:	SB-CO-14-12
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	

Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	ADMINISTRATIVE CONSENT ORDER
Resolution:	Order
Resolution Date:	10/11/2012
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 $28,125.81 Cease and Desist/Injunction
Other Sanctions Ordered:	BANKERS PAID PENALTIES AND COSTS IN THE AMOUNT OF $28,125.81 TO THE DISTRICT OF COLUMBIA, WHICH AMOUNT CONSTITUTES THE DISTRICT OF COLUMBIA'S PROPORTIONATE SHARE OF THE TOTAL STATE SETTLEMENT AMOUNT OF $9.9 MILLION. BANKERS SHALL PAY PAST LICENSING AND REGISTRATION FEES TOTALING $260,000 TO STATES WHERE DUAL AGENTS WERE LOCATED AND ORDERED TO PAY $106,000 TO FUND STATE AUDITS TO ENSURE COMPLIANCE WITH THIS ORDER.
Sanction Details:	SANCTION DETAILS OF ADMINISTRATIVE CONSENT ORDER CAN BE VIEWED ONLINE AT: WWW.DISB.DC.GOV UNDER SECURITIES RELATED ORDERS.
Regulator Statement	CIVIL PENALTY IN THE AMOUNT OF $28,125.81 WAS PAID BY BLC FINANCIAL SERVICES, INC.

Disclosure 3 of 14

Reporting Source:	Regulator
Current Status:	Final
Allegations:	STATE REGULATORS FROM MULTIPLE JURISDICTIONS CONDUCTED COORDINATED INVESTIGATIONS OF BANKERS LIFE AND CASUALTY COMPANY AND BLC FINANCIAL SERVICES, INC. ("RESPONDENTS") TO DETERMINE WHETHER RESPONDENTS SHOULD HAVE BEEN REGISTERED AS A BROKER DEALER AND INVESTMENT ADVISER BETWEEN JANUARY 1, 2005 AND DECEMBER 2, 2011.
Initiated By:	FLORIDA OFFICE OF FINANCIAL REGULATION ("OFR")
Date Initiated:	12/05/2012

Docket/Case Number:	0667-S-9/12
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:	Order
Resolution Date:	12/05/2012
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 $1,125,333.66
Other Sanctions Ordered:	
Sanction Details:	ON 12/05/2012, THE OFFICE ENTERED A FINAL ORDER ADOPTING THE STIPULATION AND CONSENT AGREEMENT WITH BANKERS LIFE AND CASUALTY AND BLC FINANCIAL SERVICES, INC ("RESPONDENTS"). IN ACCORDANCE WITH THE TERMS OF THE MULTISTATE SETTLEMENT, RESPONDENTS SHALL PAY $9.9 MILLION TO BE DISTRIBUTED AMONG THE STATES WHERE DUAL AGENTS WERE LOCATED DURING THE PERIOD FROM JANUARY 1, 2005, THROUGH DECEMBER 2, 2011, ALLOCATED ACCORDING TO A SCHEDULE PROVIDED BY THE MULTISTATE INVESTIGATION WORKING GROUP. RESPONDENT SHALL PAY $1,125,333.66 TO THE STATE OF FLORIDA, OFFICE OF FINANCIAL REGULATION AS ITS PORTION OF THE TOTAL AMOUNT, WHICH PORTION SHALL BE CONSIDERED AN ADMINISTRATIVE FINE. RESPONDENTS SHALL PAY $2,000 TO THE OFFICE FOR ITS PORTION OF THE STATE AUDIT FUNDS.

Disclosure 4 of 14

Reporting Source:	Regulator
Current Status:	Final
Allegations:	BLC FINANCIAL SERVICES, INC. AND ANOTHER NAMED RESPONDENT EFFECTED TRANSACTIONS IN SECURITIES IN PA AS A BROKER-DEALER,

	UTILIZING AGENTS, INVESTMENT ADVISERS, AND INVESTMENT ADVISER REPRESENTATIVES WHICH WERE NOT REGISTERED NOR EXEMPT FROM REGISTRATION IN VIOLATION OF THE PA SECURITIES ACT OF 1972.
Initiated By:	PENNSYLVANIA CONTACT: COUNSEL CAROLYN MENDELSON (412)-565-5083
Date Initiated:	10/11/2012
Docket/Case Number:	2012-04-10 (120087)
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	10/11/2012
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 $178,293.34
Other Sanctions Ordered:	BLC FINANCIAL SERVICES, INC. AND OTHER NAMED RESPONDENT ARE ORDERED TO PAY TO THE COMMONWEALTH OF PA A $178,293.34 ADMINISTRATIVE ASSESSMENT. THIS AMOUNT CONSTITUTES THE COMMONWEALTH OF PA'S PROPORTIONATE SHARE OF THE STATE SECURITIES COMMISSIONS' GLOBAL SETTLEMENT OF $9,900,000.
Sanction Details:	BLC FINANCIAL SERVICES, INC. AND OTHER NAMED RESPONDENT ARE ALSO ORDERED TO PAY $5,000.00 INVESTIGATIVE AND LEGAL COSTS. THIS AMOUNT CONSTITUTES THE COMMONWEALTH OF PA'S PROPORTIONATE SHARE OF THE STATE SECURITIES COMMISSIONS' GLOBAL SETTLEMENT AMOUNT FOR PAST REGISTRATION AND LICENSING FEES OF $260,000.
Regulator Statement	FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ISSUED TO BLC FINANCIAL SERVICES, INC. AND OTHER NAMED RESPONDENT.

Disclosure 5 of 14

Reporting Source:	Regulator
Current Status:	Final
Allegations:	THE ARKANSAS SECURITIES COMMISSIONER ENTERED INTO A CONSENT ORDER (ORDER NO. S-12-0134-12-OR01) WITH BANKERS LIFE AND CASUALTY COMPANY ("BANKERS LIFE"), A LIFE INSURANCE COMPANY LOCATED IN ILLINOIS, AND BLC FINANCIAL SERVICES, INC. ("BLCFS"), ITS WHOLLY-OWNED SUBSIDIARY ALSO LOCATED IN ILLINOIS (COLLECTIVELY "BANKERS"), ON SEPTEMBER 18, 2012. BANKERS LIFE HAS NEVER BEEN REGISTERED AS A BROKER-DEALER OR INVESTMENT ADVISER. BLCFS HAS NEVER BEEN REGISTERED IN ANY CAPACITY WITH THE ARKANSAS SECURITIES DEPARTMENT. THE CONSENT ORDER WAS BASED ON A GLOBAL SETTLEMENT BETWEEN BANKERS AND A NUMBER OF STATES, LED BY A MEMBER TASK FORCE OF THE NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, REGARDING BANKERS' ACTIVITY AS A BROKER-DEALER AND INVESTMENT ADVISER WITHOUT BEING REGISTERED, EXEMPT FROM REGISTRATION, OR A FEDERAL COVERED INVESTMENT ADVISER AND ASSOCIATING WITH AGENTS AND INVESTMENT ADVISER REPRESENTATIVES WHO WERE NOT REGISTERED ON BEHALF OF BANKERS, IN VIOLATION OF THE ARKANSAS SECURITIES ACT, ARK. CODE ANN. § 23-42-301. BANKERS PAID $9.9 MILLION TO BE DISTRIBUTED AMONG THE STATES WHERE DUAL AGENTS WERE LOCATED. THE CONSENT ORDER IMPOSED A FINE OF $77,937.98 AS ARKANSAS'S PORTION OF TOTAL AMOUNT; A PAYMENT OF $5,000.00 FOR LICENSING AND REGISTRATION FEES; AND A PAYMENT OF $2,000.00 FOR AUDIT FEES.
Initiated By:	ARKANSAS SECURITIES DEPARTMENT
Date Initiated:	09/18/2012
Docket/Case Number:	S-12-0134-12-OR01
URL for Regulatory Action:	
Principal Product Type:	Insurance
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	FINE OF $77,937.98; PAYMENT OF $5,000.00 FOR LICENSING AND REGISTRATION FEES; AND PAYMENT OF $2,000.00 FOR AUDIT FEES
Resolution:	Consent
Resolution Date:	09/18/2012

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 $77,937.98
Other Sanctions Ordered:	PAYMENT OF $5,000.00 FOR LICENSING AND REGISTRATION FEES; AND PAYMENT OF $2,000.00 FOR AUDIT FEES
Sanction Details:	FINE OF $77,937.98; PAYMENT OF $5,000.00 FOR LICENSING AND REGISTRATION FEES; AND PAYMENT OF $2,000.00 FOR AUDIT FEES, WHICH WERE PAID BY BANKERS ON SEPTEMBER 27, 2012.
Regulator Statement	THE CONSENT ORDER WAS BASED ON A GLOBAL SETTLEMENT BETWEEN BANKERS AND A NUMBER OF STATES, WHICH RESULTED FROM AN INVESTIGATION AND SETTLEMENT NEGOTIATION LED BY A MEMBER TASK FORCE OF NASAA, REGARDING BANKERS' ACTIVITY AS A BROKER-DEALER AND INVESTMENT ADVISER WITHOUT BEING REGISTERED, EXEMPT FROM REGISTRATION, OR A FEDERAL COVERED INVESTMENT ADVISER AND ASSOCIATING WITH AGENTS AND INVESTMENT ADVISER REPRESENTATIVES WHO WERE NOT REGISTERED ON BEHALF OF BANKERS.

Disclosure 6 of 14

Reporting Source:	Regulator
Current Status:	Final
Allegations:	UNLICENSED BROKER-DEALER AND INVESTMENT ADVISER ACTIVITY; EMPLOYING OR ASSOCIATING WITH DUAL AGENTS WHO WERE NOT LICENSED AS SALESPERSONS OR INVESTMENT ADVISER REPRESENTATIVES
Initiated By:	OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, DIVISION OF FINANCE AND CORPORATE SECURITIES
Date Initiated:	09/17/2012
Docket/Case Number:	S-12-0053
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist

Other Sanction(s)/Relief Sought:	CIVIL PENALTY OF $70,009.95; PAYMENT OF $3,684.73 FOR THE CONSUMER FINANCIAL EDUCATION ACCOUNT; $5,000 FOR ADDITIONAL LICENSING FEES; AND $2,000 FOR ADDITIONAL AUDIT FEES.
Resolution:	Consent
Resolution Date:	09/17/2012
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 $7,009.95 Cease and Desist/Injunction
Other Sanctions Ordered:	PAYMENT TO CONSUMER FINANCIAL EDUCATION ACCOUNT; ADDITIONAL LICENSING FEES; AND ADDITIONAL AUDIT FEES
Sanction Details:	CIVIL PENALTY OF $70,009.95; PAYMENT OF $3,684.73 FOR THE CONSUMER FINANCIAL EDUCATION ACCOUNT; $5,000 FOR ADDITIONAL LICENSING FEES; AND $2,000 FOR ADDITIONAL AUDIT FEES, WHICH WERE PAID IN FUL ON 9/21/12.
Regulator Statement	THIS CASE AROSE FROM MULT-STATE, COORDINATED INVESTIGATIONS REGARDING UNLICENSED BROKER-DEALER AND INVESTMENT ADVISER ACTIVITY CONCERNING BANKERS LIFE AND CASUALTY COMPANY, BLC FINANCIAL SERVICES, INC ET AL. THE OREGON CASE REGARDING BANKERS RESOLVED BY CONSENT ORDER EXECUTED ON 9/17/12.

Disclosure 7 of 14

Reporting Source:	Regulator
Current Status:	Final
Allegations:	THE ALABAMA SECURITIES COMMISSION ENTERED INTO A CONSENT ORDER WITH BANKERS LIFE AND CASUALTY AND BLC FINANCIAL SERVICES, INC REGARDING THEIR UNREGISTERED ACTIVITY INVOLVING PROEQUITIES INC AND UVEST FINANCIAL INC. THE ORDER WAS BASED ON BANKERS' ACTIVITY AS A BROKER DEALER AND INVESTMENT ADVISOR WITHOUT BEING REGISTERED, EXEMPT FROM REGISTRATION OR A FEDERAL COVERED INVESTMENT ADVISOR, AND ASSOCIATING WITH AGENTS AND INVESTMENT ADVISOR REPS WHO WERE NOT REGISTERED ON BEHALF OF BANKERS. UNDER THE ORDER, BANKERS LIFE AND CASUALTY AND BLC FINANCIAL SERVICES PAID THE COMMISSION A PENALTY AMOUNT OF $26,822.80. ON NOVEMBER 2, 2018, THE

COMMISSION AMENDED THE BANKERS LIFE AND CASUALTY AND BLC FINANCIAL SERVICES INC. CONSENT ORDER WITH PARTIAL RELIEF FROM THE ORIGINAL ORDER.

Initiated By:	ALABAMA
Date Initiated:	06/22/2012
Docket/Case Number:	CD-2012-0023
URL for Regulatory Action:	
Principal Product Type:	Annuity(ies) - Variable
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	CONSENT ORDER
Resolution:	Consent
Resolution Date:	06/22/2012
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:	Monetary/Fine $26,822.80
Other Sanctions Ordered:	
Sanction Details:	THE ALABAMA SECURITIES COMMISSION ENTERED INTO A CONSENT ORDER WITH BANKERS LIFE AND CASUALTY AND BLC FINANCIAL SERVICES, INC REGARDING THEIR UNREGISTERED ACTIVITY INVOLVING PROEQUITIES INC AND UVEST FINANCIAL INC. THE ORDER WAS BASED ON BANKERS' ACTIVITY AS A BROKER DEALER AND INVESTMENT ADVISOR WITHOUT BEING REGISTERED, EXEMPT FROM REGISTRATION OR A FEDERAL COVERED INVESTMENT ADVISOR, AND ASSOCIATING WITH AGENTS AND INVESTMENT ADVISOR REPS WHO WERE NOT REGISTERED ON BEHALF OF BANKERS. UNDER THE ORDER, BANKERS LIFE AND CASUALTY AND BLC FINANCIAL SERVICES PAID THE COMISSION A PENALTY AMOUNT OF $26,822.80.
Regulator Statement	THE ALABAMA SECURITIES COMMISSION ENTERED INTO A CONSENT ORDER WITH BANKERS LIFE AND CASUALTY AND BLC FINANCIAL SERVICES, INC REGARDING THEIR UNREGISTERED ACTIVITY INVOLVING PROEQUITIES INC AND UVEST FINANCIAL INC. THE ORDER WAS BASED

ON BANKERS' ACTIVITY AS A BROKER DEALER AND INVESTMENT ADVISOR WITHOUT BEING REGISTERED, EXEMPT FROM REGISTRATION OR A FEDERAL COVERED INVESTMENT ADVISOR, AND ASSOCIATING WITH AGENTS AND INVESTMENT ADVISOR REPS WHO WERE NOT REGISTERED ON BEHALF OF BANKERS. UNDER THE ORDER, BANKERS LIFE AND CASUALTY AND BLC FINANCIAL SERVICES PAID THE COMISSION A PENALTY AMOUNT OF $26,822.80.ON NOVEMBER 2, 2018, THE COMMISSION AMENDED THE BANKERS LIFE AND CASUALTY AND BLC FINANCIAL SERVICES INC. CONSENT ORDER WITH PARTIAL RELIEF FROM THE ORIGINAL ORDER.

Disclosure 8 of 14

Reporting Source:	Regulator
Current Status:	Final
Allegations:	BLC FINANCIAL SERVICES, INC. HAS BEEN A MEMBER OF NASD OR FINRA SINCE 2003 AND IS REGISTERED AS A BROKER-DEALER ONLY IN ILLINOIS. BLCFS HAS NEVER BEEN REGISTERED AS A DEALER OR INVESTMENT ADVISER IN TEXAS, AND IT HAS NOT REGISTERED ANY AGENTS OR INVESTMENT ADVISER REPRESENTATIVES IN TEXAS. PURSUANT TO SECTION 12.A OF THE TEXAS SECURITIES ACT, A PERSON MAY NOT ACT AS A DEALER IN TEXAS UNLESS REGISTERED OR EXEMPT FROM REGISTRATION. SIMILARLY, PURSUANT TO SECTION 12.B OF THE TEXAS SECURITIES ACT, A PERSON MAY NOT ACT AS AN INVESTMENT ADVISER IN TEXAS UNLESS REGISTERED, EXEMPT FROM REGISTRATION, OR A FEDERAL COVERED INVESTMENT ADVISER. IN CONCLUSION, BANKERS ACTED AS AN UNREGISTERED DEALER AND INVESTMENT ADVISER IN TEXAS IN VIOLATION SECTIONS 12.A AND 12.B OF THE TEXAS SECURITIES ACT. BANKERS SHALL CEASE AND DESIST FROM (1) ACTING AS A DEALER OR INVESTMENT ADVISER IN TEXAS UNLESS AND UNTIL REGISTERED TO DO SO; (2) EMPLOYING OR ASSOCIATING WITH AGENTS OR INVESTMENT ADVISER REPRESENTATIVES IN TEXAS WHO ARE NOT REGISTERED ON BEHALF OF BANKERS; OR OTHERWISE VIOLATING THE TEXAS SECURITIES ACT; PROVIDED, HOWEVER, THAT NOTHING IN THIS CONSENT ORDER SHALL PREVENT BANKERS FROM EMPLOYING OR ASSOCIATING WITH INSURANCE PRODUCERS WHO ARE ALSO REGISTERED REPRESENTATIVE OR INVESTMENT ADVISER REPRESENTATIVES OF A LICENSED DEALER SO LONG AS ALL SECURITIES-RELATED FUNCTIONS ARE CARRIED OUT CONSISTENT WITH THE CONDITIONS SET FORTH ABOVE. WITHIN TEN DAYS AFTER THE ENTRY OF THIS ORDER, BANKERS SHALL PAY THE SUM OF $537,897.78 TO THE GENERAL FUND OF THE STATE OF TEXAS. ON FEBRUARY 19, 2020, THE SECURITIES COMMISSIONER AMENDED THE BANKERS LIFE AND CASUALTY AND BLC FINANCIAL SERVICES INC.

	CONSENT ORDER WITH PARTIAL RELIEF FROM THE ORIGINAL ORDER.
Initiated By:	TEXAS
Date Initiated:	09/05/2012
Docket/Case Number:	IC12-CAF-14
URL for Regulatory Action:	
Principal Product Type:	Insurance
Other Product Type(s):	N/A
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Order
Resolution Date:	09/05/2012
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 $537,897.78
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Regulator Statement	N/A

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	ON JULY 23, 2012, THE SECURITIES DIVISION ENTERED INTO A CONSENT ORDER WITH BANKERS LIFE AND CASUALTY COMPANY AND BLC FINANCIAL SERVICES, INC. (COLLECTIVELY "BANKERS"). THE CONSENT ORDER WAS THE RESULT OF A MULTISTATE INVESTIGATION LED BY THE OFFICE OF SECURITIES OF THE MAINE DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION. IN THE CONSENT ORDER, THE SECURITIES DIVISION ALLEGED THAT BANKERS ACTED AS AN UNREGISTERED BROKER-DEALER AND INVESTMENT ADVISER IN THE STATE OF

WASHINGTON. THE SECURITIES DIVISION ALSO ALLEGED THAT BANKERS EMPLOYED UNREGISTERED SECURITIES SALESPEOPLE AND INVESTMENT ADVISER REPRESENTATIVES IN THE STATE OF WASHINGTON. ACCORDING TO THE TERMS OF THE MULTISTATE SETTLEMENT, BANKERS IS TO PAY $9.9 MILLION IN FINES, OF WHICH WASHINGTON STATE IS TO RECEIVE $323,072.90. BANKERS IS TO PAY PAST LICENSING AND REGISTRATION FEES OF $260,000 OF WHICH WASHINGTON STATE IS TO RECEIVE $5,000. BANKERS IS TO ALSO PAY $106,000 TO FUND STATE AUDITS TO ENSURE COMPLIANCE WITH THE TERMS OF THE CONSENT ORDER OF WHICH WASHINGTON STATE IS TO RECEIVE $2,000. THE CONSENT ORDER ALSO REQUIRES BANKERS TO CEASE AND DESIST FROM VIOLATING THE WASHINGTON STATE SECURITIES ACT, AND MANDATES PROPHYLACTIC MEASURES TO ENSURE COMPLIANCE. BANKERS ADMITTED THE FINDINGS OF FACT, BUT NEITHER ADMITTED NOR DENIED THE CONCLUSIONS OF LAW. BANKERS WAIVED ITS RIGHTS TO A HEARING AND JUDICIAL REVIEW OF THE MATTER.

Initiated By:	WASHINGTON
Date Initiated:	07/23/2012
Docket/Case Number:	S-12-0985-12-CO01
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	IMPOSE FINES; PAY PAST LICENSING AND REGISTRATION FEES; PAY TO FUND STATE AUDITS
Resolution:	Consent
Resolution Date:	07/23/2012
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 $323,072.90

Other Sanctions Ordered:	
Sanction Details:	BANKERS IS TO PAY WASHINGTON STATE A FINE OF $323,072.90. BANKERS IS TO PAY PAST LICENSING AND REGISTRATION FEES OF WHICH WASHINGTON STATE IS TO RECEIVE $5000. BANKERS IS TO PAY TO FUND STATE AUDITS TO ENSURE COMPLIANCE WITH THE TERMS OF THE CONSENT ORDER OF WHICH WASHINGTON STATE IS TO RECEIVE $2000. ALL PENALITIES WERE PAID IN FULL ON 8/3/12.
Regulator Statement	WILLIAM MCGINTY 360-902-8745

Disclosure 10 of 14

Reporting Source:	Regulator
Current Status:	Final
Allegations:	THE DEPARTMENT ALLEGED THAT RESPONDENT ACTED AS AN UNLICENSED BROKER-DEALER/INVESTMENT ADVISER, IN VIOLATION OF SECTIONS 30-14-401 AND 403 OF THE IDAHO UNIFORM SECURITIES ACT AND THAT RESPONDENT EMPLOYED OF ASSOCIATED WITH UNLICENSED AGENTS AND INVESTOR REPRESENTATIVES, IN VIOLATION OF SECTION 30-14-403 OF THE ACT.
Initiated By:	IDAHO
Date Initiated:	09/06/2012
Docket/Case Number:	2012-7-10
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CIVIL AND ADMINISTRATIVE PENALT(IES)/FINES
Resolution:	Stipulation and Consent
Resolution Date:	09/06/2012
Sanctions Ordered:	Monetary/Fine $26,568.02 Cease and Desist/Injunction
Other Sanctions Ordered:	PAYMENT OF LICENSING FEES AND AUDIT FEE
Sanction Details:	RESPONDENT AGREED TO PAY PAST LICENSING FEES IN THE AMOUNT OF $5,000 AND AN AUDIT FEE OF $2,000.

Regulator Statement	A COPY OF THE CONSENT ORDER MAY BE VIEWED AT HTTP://FINANCE.IDAHO.GOV UNDER THE ADMINISTRATIVE ACTION TAB.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	THE DIVISION ALLEGED THAT RESPONDENT ACTED AS AN UNLICENSED BROKER-DEALER AND INVESTMENT ADVISER, IN VIOLATION OF SECTION 61-1-3 OF THE UTAH UNIFORM SECURITIES ACT AND THAT RESPONDENT EMPLOYED OR ASSOCIATED WITH UNLICENSED AGENTS AND INVESTMENT ADVISER REPRESENTATIVES, ALSO IN VIOLATION OF SECTION 61-1-3 OF THE ACT.
Initiated By:	UTAH
Date Initiated:	07/19/2012
Docket/Case Number:	SD-12-0044
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:	CEASE AND DESIST
Resolution:	Stipulation and Consent
Resolution Date:	07/19/2012
Sanctions Ordered:	Monetary/Fine $31,495.50 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	PURSUANT TO THE TERMS OF THIS MULTISTATE SETTLEMENT, RESPONDENT PAID A FINE OF $24,495.50 AND LICENSING FEES OF $5000 AND AN AUDIT FEE OF $2000. THE TOTAL OF $31,495.50 WAS PAID WITHIN TEN (10) DAYS OF ENTRY OF THE ORDER.
Regulator Statement	A .PDF COPY OF THE ORDER CAN BE VIEWED ONLINE AT: HTTP://SECURITIES.UTAH.GOV/DOCKETS/12004401.PDF (NOTE: THE WEB ADDRESS MUST BE ENTERED IN ALL LOWER CASE LETTERS).

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	ONE OF A SERIES OF SIMILAR CONSENT ADMINISTRATIVE ORDERS NEGOTIATED BY NASAA BASED ON ACTIVITY BANKERS LIFE AND CASUALTY CO. & BLC FINANCIAL SERVICES INC.AS BROKER-DEALERS & INVESTMENT ADVISERS WITHOUT BEING REGISTERED, EXEMPT FROM REGISTRATION, OR A FEDERAL COVERED INVESTMENT ADVISER & ASSOCIATING WITH AGENTS & INVESTMENT ADVISER REPRESENTATIVES WHO WERE NOT REGISTERED ON BEHALF OF BANKERS LIFE & CASUALTY CO. AND BLC FINANCIAL SERVICES INC. ORDER IMPOSES MONETARY PENALTIES & SUPERVISION BY A NASAA MEMBER.
Initiated By:	WISCONSIN
Date Initiated:	01/01/2005
Docket/Case Number:	S-225316(EX)
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:	Decision & Order of Offer of Settlement
Resolution Date:	07/13/2012
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:	Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	BANKERS SHALL PAY $320,000.62 TO DFI OF WI. THEY SHAL PAY PAST LICENSING & REGISTRATION FEES TOTALING $260,000. TO THE STATES WHERE DUAL AGENTS WERE LOCATED DURING 1/1/05 THRU 12/2/11.

BLCFS SHALL PAY $2,000. TO DFI FOR ITS PORTION OF THE STATE AUDIT FUNDS.

Disclosure 13 of 14

Reporting Source:	Regulator
Current Status:	Final
Allegations:	ON JUNE 29, 2012, THE CONNECTICUT BANKING COMMISSIONER ENTERED A CONSENT ORDER (NO. CO-12-8018-S) WITH RESPECT TO BANKERS LIFE AND CASUALTY COMPANY, AN ILLINOIS LIFE INSURANCE COMPANY, AND BLC FINANCIAL SERVICES, INC., ITS WHOLLY-OWNED SUBSIDIARY, BOTH OF 111 EAST WACKER DRIVE, 21ST FLOOR, CHICAGO, ILLINOIS. BLC FINANCIAL SERVICES, INC. WAS PREVIOUSLY REGISTERED AS A BROKER-DEALER ONLY IN ILLINOIS AND HAS SINCE TERMINATED ITS FEDERAL AND STATE REGISTRATIONS. THE CONSENT ORDER FOLLOWED A MULTISTATE INVESTIGATION, CAPPED BY A GLOBAL SETTLEMENT, INTO UNREGISTERED BROKER-DEALER AND INVESTMENT ADVISORY ACTIVITY BY THE FIRMS. THE MULTISTATE INVESTIGATION ALSO FOCUSED ON THE FIRMS' EMPLOYMENT OF DUAL AGENTS WHO, ALTHOUGH REGISTERED WITH UVEST FINANCIAL SERVICES GROUP, INC. AND PROEQUITIES, INC., WERE NOT REGISTERED AGENTS AND INVESTMENT ADVISER AGENTS OF THE RESPONDENTS. THE RESPONDENTS RECEIVED REVENUE SHARING PAYMENTS BASED ON THE DUAL AGENTS' SECURITIES TRANSACTIONS.
Initiated By:	CONNECTICUT
Date Initiated:	06/29/2012
Docket/Case Number:	CO-12-8018-S
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:	06/29/2012

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 $965,469.30 Cease and Desist/Injunction
Other Sanctions Ordered:	THE CONSENT ORDER DIRECTED BANKERS LIFE AND CASUALTY COMPANY AND BLC FINANCIAL SERVICES, INC. TO CEASE AND DESIST FROM TRANSACTING BUSINESS AS A BROKER-DEALER OR INVESTMENT ADVISER IN CONNECTICUT ABSENT REGISTRATION AND FROM EMPLOYING UNREGISTERED AGENTS OR INVESTMENT ADVISER AGENTS. THE CONSENT ORDER ALSO FINED THE RESPONDENTS $965,469.30, WHICH REPRESENTED CONNECTICUT'S SHARE OF THE $9.9 MILLION MULTISTATE SETTLEMENT, AND REQUIRED THAT THEY REIMBURSE THE STATE $5,000 FOR PAST DUE AGENT LICENSING FEES. THE CONSENT ORDER ALSO REQUIRED THAT THE RESPONDENTS PAY THE EXPENSES, NOT TO EXCEED $2,000 IN THE AGGREGATE, OF ONE OR MORE EXAMINATIONS TO BE CONDUCTED BY THE SECURITIES AND BUSINESS INVESTMENTS DIVISION WITHIN 24 MONTHS. ADDITIONAL REMEDIAL STEPS IN THE SETTLEMENT INCLUDED A REQUIREMENT THAT THE RESPONDENTS 1) CONTRACT WITH AN INDEPENDENT THIRD PARTY TO REVIEW THEIR COMPLIANCE WITH THE CONSENT ORDER; 2) NOT ATTEMPT TO RECOUP THEIR SETTLEMENT PAYMENTS FROM DUAL AGENTS, UVEST FINANCIAL SERVICES GROUP, INC. PROEQUITIES, INC. OR THEIR CUSTOMERS (INCLUDING THROUGH PREMIUM INCREASES); 3) CEDE SUPERVISORY, COMPENSATION AND OTHER CONTROL OVER AGENT SECURITIES AND INVESTMENT ADVISORY ACTIVITIES TO THE BROKER-DEALER WITH WHOM THEY HAD A THIRD PARTY BROKERAGE AGREEMENT; AND 4) IN THE CASE OF BANKERS LIFE AND CASUALTY COMPANY, CURB THE SECURITIES-RELATED ACTIVITIES OF INSURANCE PRODUCERS WHO WERE NOT LICENSED TO SELL SECURITIES PRODUCTS OR GIVE INVESTMENT ADVICE ON SECURITIES.
Sanction Details:	SEE RESPONSE TO ITEM 13.B.

Disclosure 14 of 14

Reporting Source:	Firm
Current Status:	Final
Allegations:	BLCFS WAS LICENSED AS A BROKER DEALER IN ILLINOIS AND REGISTERED WITH FINRA FOR THE SOLE PURPOSE OF RECEIVING COMMISSIONS RELATED TO SECURITIES TRANSACTIONS ENTERED

	THROUGH ITS CONTRACTUAL, FULL-SERVICE BROKER DEALER, UVEST AND/OR PROEQUITIES. WHILE ALL SECURITIES TRANSACTIONS WERE IN FACT FACILITATED BY THE APPLICABLE BROKER DEALER AND THERE WAS NO CONSUMER HARM, A MULTI-STATE CONSORTIUM OF STATE SECURITIES REGULATORS, LED BY MAINE, CONCLUDED THAT BLCFS SHOULD HAVE BEEN LICENSED IN ALL STATES.
Initiated By:	STATE OF MAINE DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION OFFICE OF SECURITIES
Date Initiated:	12/02/2011
Docket/Case Number:	IN RE BANKERS LIFE AND CASUALTY AND BLC FINANCIAL SERVICES, INC., DOCKET NO. 11-7365
Principal Product Type:	Annuity(ies) - Variable
Other Product Type(s):	MUTUAL FUNDS
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST, AGREEMENT TO WITHDRAW REGISTRATION
Resolution:	Consent
Resolution Date:	03/30/2012
Sanctions Ordered:	Monetary/Fine $563,717.56 Cease and Desist/Injunction Revocation/Expulsion/Denial
Other Sanctions Ordered:	COSTS ($200,000); PAST LICENSE FEES ($5,000); AUDITS ($2,000) TOTAL SANCTIONS IF ALL 53 JURISDICTIONS SIGN ON TO THE CONSENT AGREEMENT: $10,266,000
Sanction Details:	BLCFS IS REQUIRED TO WITHDRAW ITS REGISTRATION AS A BROKER-DEALER WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE STATE OF ILLINOIS AND TERMINATE ITS MEMBERSHIP WITH FINRA WITHIN THIRTY DAYS FROM THE DATE THE CONSENT ORDER IS SIGNED BY THE SECURITIES ADMINISTRATOR AND SHALL NOT REAPPLY FOR REGISTRATION OR MEMBERSHIP.
Firm Statement	MAINE IS THE ONLY STATE TO HAVE EXECUTED THE CONSENT ORDER. THE AMOUNTS PAYABLE TO MAINE WERE PAID IN ACCORDANCE WITH THE CONSENT ORDER. AN INDEPENDENT THIRD PARTY WILL REVIEW COMPLIANCE WITH THE CONSENT ORDER, THE FIRST OF WHICH WILL BE FILED WITH THE MAINE OFFICE OF SECURITIES BY SEPTEMBER 30, 2012. BLCFS IS IN THE PROCESS OF PREPARING A FORM BDW AND WILL FILE IT SHORTLY.

End of Report

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