

BrokerCheck Report

UBS FINANCIAL SERVICES INCORPORATED OF PUERTO RICO

CRD# 13042

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About BrokerCheck®



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

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- o information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



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

brokercheck.finra.org



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

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



UBS FINANCIAL SERVICES INCORPORATED OF PUERTO RICO

CRD# 13042

SEC# 8-28475

Main Office Location

250 MUNOZ RIVERA AVENUE
HATO REY, PR 00918
Regulated by FINRA Woodbridge Office

Mailing Address

1000 HARBOR BLVD
8TH FLOOR, COMPLIANCE DEPARTMENT
WEEHAWKEN, NJ 07086

Business Telephone Number

787-250-3681

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 Puerto Rico on 04/05/1978.

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
- 2 Self-Regulatory Organizations
- 1 U.S. state or territory

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

This firm conducts 19 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
Arbitration	41



Firm Profile

This firm is classified as a corporation.

This firm was formed in Puerto Rico on 04/05/1978.

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.

UBS FINANCIAL SERVICES INCORPORATED OF PUERTO RICO

Doing business as UBS FINANCIAL SERVICES INCORPORATED OF PUERTO RICO

CRD# 13042

SEC# 8-28475

Main Office Location

250 MUNOZ RIVERA AVENUE
HATO REY, PR 00918

Regulated by FINRA Woodbridge Office

Mailing Address

1000 HARBOR BLVD
8TH FLOOR, COMPLIANCE DEPARTMENT
WEEHAWKEN, NJ 07086

Business Telephone Number

787-250-3681



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): UBS FINANCIAL SERVICES INC.

8174

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

Position OWNER

Position Start Date 04/1978

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

Legal Name & CRD# (if any): GONZALEZ, RICARDO ALBERTO JR

1460620

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

Position DIRECTOR

Position Start Date 08/2015

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Legal Name & CRD# (if any): GRAU BRULL, JOSE H

2479941

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

Position CFO

Firm Profile



Direct Owners and Executive Officers (continued)

Position Start Date	01/2012
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	MANZ, ALEXANDRE CYRIL 5214595
Is this a domestic or foreign entity or an individual?	Individual
Position	GENERAL COUNSEL, EXECUTIVE DIRECTOR
Position Start Date	04/2014
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	PRIMIANO, ANTHONY 2090776
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER
Position Start Date	07/2019
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



Direct Owners and Executive Officers (continued)

Legal Name & CRD# (if any):	UBINAS TAYLOR, CARLOS VERNER 1985568
Is this a domestic or foreign entity or an individual?	Individual
Position	CHAIRMAN, PRESIDENT
Position Start Date	02/2010
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):	UBS AMERICAS INC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	UBS FINANCIAL SERVICES INC
Relationship to Direct Owner	OWNER
Relationship Established	11/2000
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, 2 SROs and 1 U.S state or territory.

Federal Regulator	Status	Date Effective
SEC	Approved	11/12/1982

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

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

A government securities broker or dealer only: No

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

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	03/18/1983
Nasdaq Stock Market	Approved	07/12/2006

Firm Operations



Registrations (continued)

U.S. States & Territories	Status	Date Effective
Puerto Rico	Approved	09/01/1984



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 19 types of businesses.

Types of Business

Exchange member engaged in exchange commission business other than floor activities

Exchange member engaged in floor activities

Broker or dealer making inter-dealer markets in corporation securities over-the-counter

Broker or dealer retailing corporate equity securities over-the-counter

Broker or dealer selling corporate debt securities

Underwriter or selling group participant (corporate securities other than mutual funds)

Mutual fund underwriter or sponsor

Mutual fund retailer

U S. government securities dealer

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

Broker or dealer selling oil and gas interests

Put and call broker or dealer or option writer

Broker or dealer selling securities of non-profit organizations (e.g., churches, hospitals)

Investment advisory services

Broker or dealer selling tax shelters or limited partnerships in primary distributions

Other Types of Business

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

Name: UBS FINANCIAL SERVICES INC.
CRD #: 8174
Business Address: 1285 AVENUE OF THE AMERICAS
NEW YORK, NY 10019
Effective Date: 03/18/1983
Description: APPLICANT HAS ITS RETAIL BUSINESS CLEARED BY ITS PARENT, UBS
FIANCIAL SERVICES INC ON A FULLY DISCLOSED BASIS. APPLICANT
CLEARS ITS OWN INSTITUTIONAL BUSINESS.

Firm Operations

Industry Arrangements



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

Name: UBS FINANCIAL SERVICES INC.
CRD #: 8174
Business Address: 1285 AVENUE OF THE AMERICAS
NEW YORK, NY 10019
Effective Date: 02/15/2002
Description: APPLICANT HAS ITS RETAIL BUSINESS CLEARED BY ITS PARENT, UBS FINANCIAL SERVICES INC. ON A FULLY DISCLOSED BASIS. APPLICANT CLEARS ITS OWN INSTITUTIONAL BUSINESS.

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.

UBS USA LLC is under common control with the firm.

Business Address:	315 DEADERICK STREET SUITE 500 NASHVILLE, TN 37238
Effective Date:	01/01/2014
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UBS AG DIRECTLY OR INDIRECTLY OWNS UBS USA LLC.

UBS SECURITIES MALAYSIA SDN BHD is under common control with the firm.

Business Address:	LEVEL 7, WISMA HONG LEONG 18 JALAN PERAK KUALA LUMPUR, MALAYSIA 50450
Effective Date:	09/19/2005
Foreign Entity:	Yes
Country:	MALAYSIA
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES MALAYSIA SDN BHD

UBS INVESTMENT MANAGEMENT CANADA INC. is under common control with the firm.

Firm Operations**Organization Affiliates (continued)**

Business Address: 154 UNIVERSITY AVENUE
SUITE 800
TORONTO, CANADA M5H 3Z4

Effective Date: 12/23/2004

Foreign Entity: Yes

Country: CANADA

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS INVESTMENT MANAGEMENT CANADA INC.

UBS AGRIVEST LLC is under common control with the firm.

CRD #: 107754

Business Address: 242 TRUMBULL STREET
HARTFORD, CT

Effective Date: 03/16/2016

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: UBS REALTY INVESTORS LLC DIRECTLY OR INDIRECTLY OWNS 90% OF UBS FARMLAND INVESTORS LLC (F/K/A UBS AGRIVEST LLC) AND UBS AMERICAS INC OWNS 10%. UBS AMERICAS IS WHOLLY OWNED BY UBS AG.

UBS CLEARING SERVICES CORPORATION is under common control with the firm.

Business Address: 1209 ORANGE STREET
WILMINGTON, DE 19801

Effective Date: 02/14/1990

Foreign Entity: No

Country:

Securities Activities: Yes

Firm Operations**Organization Affiliates (continued)**

Investment Advisory Activities: No

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS CLEARING SERVICES CORPORATION.

UBS O'CONNOR LIMITED is under common control with the firm.

Business Address: 21 LOMBARD STREET
LONDON, UNITED KINGDOM EC3V 9AH

Effective Date: 06/12/1987

Foreign Entity: Yes

Country: UNITED KINGDOM

Securities Activities: Yes

Investment Advisory Activities: No

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS O'CONNOR LIMITED

UBS CAPITAL MARKETS L.P. is under common control with the firm.

CRD #: 2692

Business Address: 111 PAVONIA AVE. EAST
JERSEY CITY, NJ 07310

Effective Date: 11/01/2004

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UBS CAPITAL MARKETS L.P. (A REGISTERED BROKER-DEALER)AND APPLICANT ARE ULTIMATELY OWNED BY UBS A.G. (A SWISS BANK).

UBS SECURITIES LLC is under common control with the firm.

CRD #: 7654

Business Address: 677 WASHINGTON BLVD
STAMFORD, CT 06901

Firm Operations**Organization Affiliates (continued)**

Effective Date: 11/01/2000
Foreign Entity: No
Country:
Securities Activities: Yes
Investment Advisory Activities: Yes
Description: UBS AMERICAS HOLDING LLC OWNS 32% OF APPLICANT WHICH IS OWNED BY UBS AMERICAS HOLDING LLC.

UBS GLOBAL ASSET MANAGEMENT (AMERICAS) INC. is under common control with the firm.

Business Address: 209 SOUTH LASALLE STREET
 CHICAGO, IL 60604
Effective Date: 11/03/2000
Foreign Entity: No
Country:
Securities Activities: No
Investment Advisory Activities: Yes
Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS GLOBAL ASSET MANAGEMENT (AMERICAS) INC. FORMERLY BRINSON PARTNERS, INC.

UBS SECURITIES AUSTRALIA LTD. is under common control with the firm.

Business Address: LEVEL 25 GOVERNOR PHILLIP TOWER
 1 FARRER PLACE
 SYDNEY, NSW, AUSTRALIA 2000
Effective Date: 11/03/2000
Foreign Entity: Yes
Country: AUSTRALIA
Securities Activities: Yes
Investment Advisory Activities: Yes
Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES AUSTRALIA LTD. FORMERLY UBS WARBURG AUSTRALIA EQUITIES LTD.

Firm Operations



Organization Affiliates (continued)

UBS FUND SERVICES (USA) LLC is under common control with the firm.

CRD #: 41848

Business Address: 10 STATE HOUSE SQUARE
15TH FLOOR
HARTFORD, CT 06103-3604

Effective Date: 11/03/2000

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UBS AMERICAS HOLDING LLC OWNS 100% OF UBS AMERICAS INC. THAT IN TURN OWNS 100% OF ARI ACQUISITION CORP. AND 26.125% OF UBS REALTY INVESTORS LLC. ARI ACQUISITION CORP. OWNS 73.875% OF UBS REALTY INVESTORS LLC. IN TURN, UBS REALTY INVESTORS LLC OWNS 99% OF THE APPLICANT AND ARI ACQUISITION CORP. OWNS 1% OF THE APPLICANT.

CANTRADE PRIVATE BANK (CI) LTD is under common control with the firm.

Business Address: P.O. BOX 350 ST.
HELIER, JERSEY, CHANNEL ISLANDS JE4 8VJ

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: CHANNEL ISLANDS

Securities Activities: Yes

Investment Advisory Activities: No

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS CANTRADE PRIVATE BANK.

GIUBERGIA UBS SIM SPA is under common control with the firm.

Business Address: VIA SANTA MARGHERITA 16
MILAN, ITALY 20121

Effective Date: 11/03/2000

Foreign Entity: Yes

Firm Operations**Organization Affiliates (continued)**

Country:	ITALY
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	UBS AG DIRECTLY OR INDIRECTLY OWNS GIUBERGIA UBS SIM SPA FORMERLY GIUBERGIA UBS WARBURG SIM SPA.

PT UBS SECURITIES INDONESIA is under common control with the firm.

Business Address:	SUITE 1606, WISMA GKBI JI. JEN. SUIDRMAN NO. 28 JAKARTA, INDONESIA 10210
Effective Date:	11/03/2000
Foreign Entity:	Yes
Country:	INDONESIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UBS AG DIRECTLY OR INDIRECTLY OWNS PT UBS SECURITIES INDONESIA FORMERLY PT UBS WARBURG INDOSNESIA.

UBS WEALTH MANAGEMENT AG is under common control with the firm.

Business Address:	FRIEDENSSTRASSE 6-10 FRANKFURT AM MAIN, GERMANY 60311
Effective Date:	11/03/2000
Foreign Entity:	Yes
Country:	GERMANY
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	UBS AG DIRECTLY OR INDIRECTLY OWNS UBS WEALTH MANAGEMENT AG FORMERLY SCHRODER MUNCHMEYER HENGST AG.

UBS (BAHAMAS) LTD. is under common control with the firm.

Business Address:	P.O. BOX N-7757
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Firm Operations**Organization Affiliates (continued)**

UBS HOUSE EAST BAY STREET
NASSAU, BAHAMAS

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: BAHAMAS

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS (BAHAMAS) LTD.

UBS FUND SERVICES (CAYMAN) LTD is under common control with the firm.

Business Address: 227 ELGIN AVENUE
P.O. BOX 509GT
GRAND CAYMAN, CAYMAN ISLANDS

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: CAYMAND ISLANDS

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS FUND SERVICES (CAYMAN) LTD FORMERLY UBS (CAYMAN ISLANDS) LTD.

UBS (MONACO) S.A. is under common control with the firm.

Business Address: 2 AVENUE DE GRANDE-BRETAGNE
MONTE CARLO, PRINCIPAUTE DE MONACO

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: MONACO

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS (MONACO) S.A.

Firm Operations**Organization Affiliates (continued)****UBS (PANAMA) SA is under common control with the firm.**

Business Address: CALLE 53 E. MARBELLA
SWISS TOWER
PANAMA, REBUPLIC OF PANAMA

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: PANAMA

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS (PANAMA) SA

UBS BANK (CANADA) is under common control with the firm.

Business Address: 154 UNIVERSITY AVENUE
TORONTO ONTARIO, CANADA M5H 3Z4

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: CANADA

Securities Activities: No

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS BANK (CANADA)

UBS FUND SERVICES (USA) LLC is under common control with the firm.

Business Address: 242 TRUMBULL STREET
HARTFORD, CT

Effective Date: 11/03/2000

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Firm Operations



Organization Affiliates (continued)

Description: UBS AMERICAS HOLDING LLC OWNS 100% OF UBS AMERICAS INC. THAT IN TURN OWNS 100% OF ARI ACQUISITION CORP. AND 26.125% OF UBS REALTY INVESTORS LLC. ARI ACQUISITION CORP. OWNS 73.875% OF UBS REALTY INVESTORS LLC. IN TURN, UBS REALTY INVESTORS LLC OWNS 99% OF THE APPLICANT AND ARI ACQUISITION CORP. OWNS 1% OF THE APPLICANT.

UBS FUTURES & OPTIONS LIMITED is under common control with the firm.

Business Address: 1 FINSBURY AVENUE
LONDON, UNITED KINGDOM EC2M 2PP

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: ENGLAND

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS FUTURES.

UBS O'CONNOR LLC is under common control with the firm.

Business Address: 677 WASHINGTON BLVD
STAMFORD, CT

Effective Date: 11/03/2000

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS O'CONNOR

UBS REALTY INVESTORS LLC is under common control with the firm.

Business Address: 10 STATE HOUSE SQUARE
15TH FLOOR
HARTFORD, CT

Effective Date: 11/03/2000

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	UBS AG DIRECTLY OR INDIRECTLY OWNS UBS REALTY INVESTORS LLC.

UBS SECURITIES (CANADA) LTD. is under common control with the firm.

Business Address:	154 UNIVERSITY AVENUE TORONTO, CANADA M5H3Z4
Effective Date:	11/03/2000
Foreign Entity:	Yes
Country:	CANADA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES (CANADA) LTD.

UBS SECURITIES FRANCE S.A. is under common control with the firm.

Business Address:	65, RUE DE COURCELLES PARIS, FRANCE 75008
Effective Date:	11/03/2000
Foreign Entity:	Yes
Country:	FRANCE
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES FRANCE S.A. FORMERLY UBS WARBURG (FRANCE) SA

UBS SECURITIES ISREAL LIMITED is under common control with the firm.

Business Address:	21 SDEROT SHAUL HAMELECH
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Firm Operations**Organization Affiliates (continued)**

TEL AVIV, ISREAL 64367

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: ISREAL

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES ISREAL LIMITED FORMERLY UBS WARBURG (ISRAEL) LTD.

UBS SECURITIES JAPAN LTD is under common control with the firm.

Business Address: EAST TOWER OETMACHI FIRST
5-1 OTEMACHI 1-CHOME
CHIYOADA-KU TOKYO, JAPAN 100-0004

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: CAYMAN ISLAND, BRITISH WEST INDIES

Securities Activities: Yes

Investment Advisory Activities: No

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES JAPAN LTD FORMERLY UBS WARBURG (JAPAN) LIMITED.

UBS INVESTMENT BANK NEDERLAND BV is under common control with the firm.

Business Address: HERENGRAPCHT 600
AMSTERDAM, THE NETHERLANDS

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: THE NETHERLANDS

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS INVESTMENT BANK

Firm Operations**Organization Affiliates (continued)**

NEDERLAND BV FORMERLY UBS WARBURG (NEDERLAND) BV.

UBS INVESTMENT BANK AG is under common control with the firm.

Business Address: ULMENSTRABE 30
FRANKFURT AM MAIN, GERMANY

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: GERMANY

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS INVESTMENT BANK AG FORMERLY UBS WARBURG, AG.

UBS SECURITIES ASIA LIMITED is under common control with the firm.

Business Address: 1 EXCHANGE SQUARE, 25TH FLOOR ONE
28 CONNAUGHT PLACE CENTRAL
HONG KONG, CHINA

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: CHINA

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES ASIA LIMITED FORMERLY UBS WARBURG ASIA LIMITED.

UBS CORRETORA DE CAMBIA E VALORES MOBILIARIOS S.A. is under common control with the firm.

Business Address: PRACA PIO X-55, 4TH FLOOR
RIO DE JANEIRO - RJ, BRAZIL

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: BRAZIL

Securities Activities: Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities:	No
Description:	UBS AG DIRECTLY OR INDIRECTLY OWNS UBS CORRETORA DE CAMBIA E VALORES MOBILIARIOS S.A. FORMERLY UBS WARBURG CORRETORA DE CAMBIO E VALORES MOBILIARIOS S.A.

UBS DERIVATIVES HONG KONG LIMITED is under common control with the firm.

Business Address:	25TH FLOOR, ONE EXCHANGE SQUARE 8 CONNAUGHT PLACE CENTRAL HONG KONG, CHINA
Effective Date:	11/03/2000
Foreign Entity:	Yes
Country:	HONG KONG
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UBS AG DIRECTLY OR INDIRECTLY OWNS UBS DERIVATIVES HONG KONG LIMITED FORMERLY UBS WARBURG LIMITED

UBS SECURITIES HONG KONG LIMITED is under common control with the firm.

Business Address:	25TH FLOOR, ONE EXCHANGE SQUARE CONNAUGHT PLACE CENTRAL HONG KONG, CHINA
Effective Date:	11/03/2000
Foreign Entity:	Yes
Country:	CHINA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES HONG KONG LIMITED FORMERLY UBS WARBURG HONG KONG LIMITED.

UBS NEW ZEALAND LIMITED is under common control with the firm.

Business Address:	LEVEL 23 STOCK EXCHANGE HOUSE 119 QUEEN STREET
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Firm Operations**Organization Affiliates (continued)**

AUKLAND, NEW ZEALAND

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: NEW ZEALAND

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS NEW ZEALAND LIMITED FORMERLY UBS WARBURG NEW ZEALAND EQUITIES, LTD.

UBS SECURITIES NEW ZEALAND LIMITED is under common control with the firm.

Business Address: LEVEL 23 STOCK EXCHANGE HOUSE
119 QUEEN STREET
AUKLAND, NEW ZEALAND

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: NEW ZEALAND

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES NEW ZEALAND LIMITED FORMERLY UBS WARBURG NEW ZEALAND, LTD

UBS PRIVATE CLIENTS AUSTRALIA LTD. is under common control with the firm.

Business Address: LEVEL 27 GOVERNOR, PHILLIP TOWER
1 FARRER PLACE
SYDNEY, NSW, AUSTRALIA

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: AUSTRALIA

Securities Activities: Yes

Investment Advisory Activities: Yes

Firm Operations



Organization Affiliates (continued)

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS PRIVATE CLIENTS AUSTRALIA LTD. FORMERLY UBS WARBURG PRIVATE CLIENTS, LTD.

UBS SECURITIES SOUTH AFRICA (PROPRIETARY) LIMITED is under common control with the firm.

Business Address: 64 WIERDA VALLEY
SANDTON, SOUTH AFRICA

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: SOUTH AFRICA

Securities Activities: Yes

Investment Advisory Activities: No

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES SOUTH AFRICA (PROPRIETARY) LIMITED FORMERLY UBS WARBURG SECURITIES (SOUTH AFRICA)(PTY) LTD.

UBS SECURITIES (THAILAND) LTD is under common control with the firm.

Business Address: 93/1 DIETHELM TOWER A, 2ND FLOOR
WIRELESS ROAD PATHUMWAN
BANGKOK, THAILAND

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: THAILAND

Securities Activities: Yes

Investment Advisory Activities: No

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES (THAILAND) LTD FORMERLY UBS WARBURG SECURITIES CO., LTD.

UBS SECURITIES INDIA PRIVATE LIMITED is under common control with the firm.

Business Address: 2/F, HOECHST HOUSE
NARIMAN POINT
MUMBAI, INDIA

Effective Date: 11/03/2000

Foreign Entity: Yes

Firm Operations**Organization Affiliates (continued)**

Country:	INDIA
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES INDIA PRIVATE LIMITED FORMERLY UBS WARBURG SECURITIES INDIA PRIVATE LIMITED.

UBS SECURITIES LIMITED TAIWAN BRANCH is under common control with the firm.

Business Address:	15F, #167, TUN HWA NORTH ROAD TAIPEI, TAIWAN, ROC 105
Effective Date:	11/03/2000
Foreign Entity:	Yes
Country:	TAIWAN
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES LIMITED TAIWAN BRANCH FORMERLY UBS WARBURG SECURITIES LIMITED, TAIWAN BRANCH

UBS SECURITIES LIMITED SEOUL BRANCH is under common control with the firm.

Business Address:	10TH FLOOR, YOUR POONG SEORIN-DONG BUILDING 33 SEOUL, KOREA 110-752
Effective Date:	11/03/2000
Foreign Entity:	Yes
Country:	KOREA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES LIMITED SEOUL BRANCH FORMERLY UBS WARBURG SECURITIES, LTD.

Firm Operations**Organization Affiliates (continued)****UBS SECURITIES PHILIPPINES INC. is under common control with the firm.**

Business Address: 19/F TOWER ONE AYALA AVENUE
AYALA TRIANGLE
MAKATI, PHILIPPINES 1254

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: PHILIPPINES

Securities Activities: Yes

Investment Advisory Activities: No

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES PHILIPPINES INC. FORMERLY UBS WARBURG SECURITIES PHILIPPINES, INC.

UBS SECURITIES ESPANA SOCIEDAD DE VELORES SA is under common control with the firm.

Business Address: FORTUNY 18, SECOND FLOOR
MADRID, SPAIN

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: SPAIN

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS SECURITIES ESPANA SOCIEDAD DE VELORES SA FORMERLY UBS WARBURG SECURITIES, (ESPANA), S.V.

UBS TRADING S.A. is under common control with the firm.

Business Address: 25 DE MAYO NO 555
15TH FLOOR
BUENOS AIRES, ARGENTIA C1002ABK

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: ARGENTIA

Firm Operations



Organization Affiliates (continued)

Securities Activities: Yes

Investment Advisory Activities: No

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS UBS TRADING S.A. FORMERLY UBS WARBURG TRADING S.A.

CJSC BRUNSWICK UBS is under common control with the firm.

Business Address: 52/4 KOSMODAMIANSKAYA
NABAREZHAYAYA
MOSCOW, RUSSIA 113054

Effective Date: 11/03/2000

Foreign Entity: Yes

Country: RUSSIA

Securities Activities: Yes

Investment Advisory Activities: No

Description: UBS AG DIRECTLY OR INDIRECTLY OWNS CJSC BRUNSWICK UBS FORMERLY ZAO BRUNSWICK UBS WARBURG

UBS AMERICAS INC controls the firm.

Business Address: 677 WASHINGTON BOULEVARD
STAMFORD, CT 06901

Effective Date: 11/03/2000

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UBS AMERICAS INC. OWNS 100% OF UBS FINANCIAL SERVICES INC., WHICH IS THE PARENT OF THE APPLICANT.

UBS GLOBAL ASSET MANAGEMENT (US) INC. is under common control with the firm.

CRD #: 583

Business Address: 51 WEST 52ND STREET

Firm Operations**Organization Affiliates (continued)**

NEW YORK, NY 10019

Effective Date: 03/28/1990

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AMERICAS HOLDING LLC OWNS 100% OF UBS AMERICAS INC. THAT IN TURN OWNS 100% OF APPLICANT.

PAINWEBBER INTERNATIONAL (SINGAPORE) PTE. is under common control with the firm.

Business Address: #13-20 UOB PLAZA 2
SINGAPORE, SINGAPORE 048624

Effective Date: 12/08/1994

Foreign Entity: Yes

Country: SINGAPORE

Securities Activities: Yes

Investment Advisory Activities: No

Description: UBS AMERICAS INC DIRECTLY OR INDIRECTLY OWNS 100% OF THE STOCK OF PAINWEBBER INTERNATIONAL (SINGAPORE) PTE.

UBS LIMITED is under common control with the firm.

Business Address: 1 FINSBURY AVENUE
LONDON, ENGLAND EC2M 2PA

Effective Date: 08/31/1989

Foreign Entity: Yes

Country: ENGLAND

Securities Activities: Yes

Investment Advisory Activities: No

Description: UBS AMERICAS INC. DIRECTLY OR INDIRECTLY OWNS 100% OF THE STOCK OF UBS LIMITED FORMERLY UBS INTERNATIONAL UK LIMITED FORMERLY

Firm Operations



Organization Affiliates (continued)

UBS WARBURG LTD.

UBS FINANCIAL SERVICES INC. controls the firm.

CRD #: 8174

Business Address: 1285 AVENUE OF THE AMERICAS
NEW YORK, NY 10019

Effective Date: 04/05/1978

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UBS AMERICAS HOLDING LLC OWNS 100% OF UBS AMERICAS INC. THAT IN TURN OWNS 100% OF APPLICANT.

This firm is 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

UBS GROUP AG is a Bank Holding Company and controls the firm.

Business Address: BAHNHOFSTRASSE 45
ZURICH, SWITZERLAND CH-8001

Effective Date: 11/28/2014

Description: APPLICANT IS 100% OWNED BY UBS AMERICAS INC, A DELAWARE CORPORATION. UBS AMERICAS IS 100% OWNED BY UBS AG, A SWISS BANK. UBS AG, A SWISS BANK IS NOW MAJORITY OWNED BY UBS GROUP AG.

UBS AG is a Foreign Bank and controls the firm.

Business Address: BAHNHOFSTRASSE 45
ZURICH, SWITZERLAND

Firm Operations



Organization Affiliates (continued)

Effective Date: 11/03/2000

Description: UBS PAINWEBBER INCORPORATED OF PUERTO RICO IS A WHOLLY OWNED SUBSIDIARY OF UBS PAINWEBBER INC. UBS PAINWEBBER INC. IS OWNED 100% BY UBS AMERICAS., A DELAWARE CORPORATION. UBS AMERICAS INC. IS OWNED BY UBS AG, A SWISS 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
Arbitration	N/A	41	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 34-76013/SEPTEMBER 29, 2015: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT"), AGAINST UBS FINANCIAL SERVICES INCORPORATED OF PUERTO RICO. UBSPR FAILED REASONABLY TO SUPERVISE AN INDIVIDUAL WITH A VIEW TO PREVENTING AND DETECTING HIS VIOLATIONS OF THE FEDERAL SECURITIES LAWS FROM AT LEAST 2011 THROUGH 2013. THE INDIVIDUAL EFFECTED A SCHEME THAT RESULTED IN AN INCREASE TO HIS COMPENSATION BY SOLICITING CERTAIN CUSTOMERS TO USE PROCEEDS FROM LINES OF CREDIT TO PURCHASE ADDITIONAL SHARES IN UBSPR CLOSED-END FUNDS. UBSPR DID NOT ESTABLISH OR IMPLEMENT REASONABLE PROCEDURES AND HAD INADEQUATE SYSTEMS IN PLACE DESIGNED TO PREVENT AND DETECT THE INDIVIDUAL'S CONDUCT AND HIS MISSTATEMENTS AND OMISSIONS ADVOCATING THE USE OF LINE OF CREDIT PROCEEDS TO PURCHASE SECURITIES IN CONTRAVENTION OF UBSPR'S POLICY AND THE CUSTOMERS' AGREEMENTS WITH A BANK AFFILIATE. MOREOVER, UBSPR WAS MADE AWARE ON AT LEAST TWO OCCASIONS THAT THE INDIVIDUAL MAY HAVE BEEN VIOLATING THAT POLICY, YET UBSPR PROCEDURES FAILED TO ADDRESS REASONABLE FOLLOW-UP FOR VIOLATIONS OF THIS POLICY. THE INDIVIDUAL ENGAGED IN CONDUCT THAT VIOLATED SECTION 17(A) OF THE SECURITIES ACT OF 1933, WHICH PROHIBITS FRAUDULENT CONDUCT IN THE OFFER AND SALE OF SECURITIES, AND SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER, WHICH PROHIBIT FRAUDULENT CONDUCT IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES. UBSPR FAILED REASONABLY TO SUPERVISE THE INDIVIDUAL FOR THE PURPOSES OF SECTION 15(B)(4)(E) OF THE EXCHANGE ACT BECAUSE UBSPR FAILED TO ESTABLISH PROCEDURES REASONABLY DESIGNED TO PREVENT AND DETECT THE INDIVIDUAL'S VIOLATIONS OF THE SECURITIES LAWS AND FAILED TO HAVE A SYSTEM TO IMPLEMENT ANY SUCH PROCEDURES IN A MANNER THAT WOULD REASONABLY BE EXPECTED TO PREVENT AND DETECT THE VIOLATIONS BY THE INDIVIDUAL.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/29/2015

Docket/Case Number: 3-16846

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:



Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 09/29/2015

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 \$13,637,653.62
Disgorgement/Restitution

Other Sanctions Ordered: PREJUDGMENT INTEREST OF \$174,196.97; AGREEMENT TO COOPERATE

Sanction Details: IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, UBSPR HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, UBSPR CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN UBSPR'S OFFER. ACCORDINGLY, PURSUANT TO SECTION 15(B) OF THE EXCHANGE ACT, IT IS HEREBY ORDERED THAT: UBSPR IS CENSURED, SHALL, WITHIN 14 DAYS OF THE ENTRY OF THIS ORDER, PAY DISGORGEMENT OF \$1,188,149.41, PLUS PREJUDGMENT INTEREST OF \$174,196.97, TO THE SECURITIES AND EXCHANGE COMMISSION, AND SHALL, WITHIN 14 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$13,637,653.62 TO THE SECURITIES AND EXCHANGE COMMISSION. FURTHER, THE FIRM AGREES TO COOPERATE IN CONNECTION WITH THIS ACTION AND ANY RELATED JUDICIAL OR ADMINISTRATIVE PROCEEDING OR INVESTIGATION COMMENCED BY THE COMMISSION OR TO WHICH THE COMMISSION IS A PARTY.



Reporting Source:	Firm
Current Status:	Final
Allegations:	THE SEC ADMINISTRATIVE ORDER FOUND THAT UBSPR FAILED TO REASONABLY SUPERVISE A FORMER EMPLOYEE FOR PURPOSES OF SECTION 15(B)(4) (E) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") BECAUSE UBSPR FAILED TO ESTABLISH PROCEDURES REASONABLY DESIGNED TO PREVENT AND DETECT THE EMPLOYEE'S VIOLATIONS OF THE SECURITIES LAWS AND FAILED TO HAVE A SYSTEM TO IMPLEMENT ANY SUCH PROCEDURES IN A MANNER THAT WOULD REASONABLY BE EXPECTED TO PREVENT AND DETECT THE VIOLATIONS BY THE EMPLOYEE.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	09/29/2015
Docket/Case Number:	3-16846
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:	DISGORGEMENT
Resolution:	Order
Resolution Date:	09/29/2015
Sanctions Ordered:	Censure Monetary/Fine \$13,637,653.62 Disgorgement/Restitution
Other Sanctions Ordered:	PREJUDGMENT INTEREST OF \$174,196.97 DISGORGEMENT OF \$1,188,149.41
Sanction Details:	IN THE SEC ORDER, UBSPR WAS CENSURED AND ORDERED TO PAY DISGORGEMENT OF \$1,188,149.41, PLUS PREJUDGMENT INTEREST OF \$174,196.97, AND A CIVIL MONEY PENALTY IN THE AMOUNT OF \$13,637,653.62.
Firm Statement	ALL MONETARY PENALTIES WERE PAID IN FULL ON OCTOBER 7, 2015.

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 THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ENSURE THE SUITABILITY OF TRANSACTIONS IN NON-EXCHANGE-TRADED CLOSED-END FUNDS (CEFS) IN CERTAIN CIRCUMSTANCES. SPECIFICALLY, THE FIRM FAILED TO MONITOR THE COMBINATION OF LEVERAGE AND CONCENTRATION LEVELS IN CUSTOMER ACCOUNTS TO ENSURE THAT CERTAIN CUSTOMERS' TRANSACTIONS WERE SUITABLE IN LIGHT OF THE CUSTOMERS' RISK OBJECTIVES AND PROFILE. THE FIRM'S FAILURE TO MONITOR CUSTOMERS' USE OF THE COMBINATION OF LEVERAGE AND CONCENTRATION WAS UNREASONABLE IN LIGHT OF THE UNIQUE PUERTO RICO ECONOMY, IN WHICH RETAIL CUSTOMERS TYPICALLY MAINTAINED HIGH LEVELS OF CONCENTRATION IN PUERTO RICO ASSETS AND OFTEN USED THOSE HIGHLY CONCENTRATED ACCOUNTS AS COLLATERAL FOR CASH LOANS. DESPITE THE FIRM'S KNOWLEDGE OF THESE COMMON PRACTICES, THE FIRM FAILED TO ADEQUATELY MONITOR CONCENTRATION AND LEVERAGE LEVELS TO IDENTIFY WHETHER CERTAIN CUSTOMERS' CEF TRANSACTIONS WERE SUITABLE IN LIGHT OF THE INCREASED RISKS IN THEIR EXISTING PORTFOLIO. THE FINDINGS STATED THAT PUERTO RICO SECURITIES PROVIDE PUERTO RICO RESIDENTS WITH VARIOUS TAX ADVANTAGES, INCLUDING EXEMPTION FROM U.S. ESTATE AND GIFT TAXES. AS A RESULT OF THESE UNIQUE BENEFITS, THE FIRM'S CUSTOMER ACCOUNTS WERE TYPICALLY HIGHLY CONCENTRATED IN CEF SHARES. HIGHLY CONCENTRATED CUSTOMERS BORE INCREASED RISK THAT A SINGLE MARKET EVENT AFFECTING THE VALUE OF CEF SHARES COULD SIGNIFICANTLY DECREASE THEIR TOTAL ACCOUNT VALUE. THIS RISK WAS EXACERBATED BY THE FACT THAT THE CEFS WERE INTERNALLY LEVERAGED, WHICH COULD MAGNIFY A CEF'S LOSSES DURING A MARKET EVENT, CAUSING CEF SHARE VALUES TO DROP STEEPLY. DESPITE THESE CONCENTRATION RISKS, CERTAIN FIRM CUSTOMERS WITH MODEST NET WORTH AND CONSERVATIVE OR MODERATE INVESTMENT OBJECTIVES INVESTED 75 PERCENT OR MORE OF THEIR ACCOUNT ASSETS IN CEF SHARES. THE FIRM SOLICITED CERTAIN CUSTOMERS TO OPEN LINES OF CREDIT (LOCS) OFFERED BY AN AFFILIATE OF THE FIRM AND COLLATERALIZED BY THE CUSTOMERS' SECURITIES ACCOUNTS. CUSTOMERS WERE REQUIRED TO MAINTAIN A CERTAIN ACCOUNT EQUITY VALUE IN ORDER TO PROVIDE ADEQUATE COLLATERAL TO SUPPORT EACH LOC. IF A CUSTOMER'S ACCOUNT VALUE FELL BELOW THE REQUIRED EQUITY LEVEL, THE CUSTOMER WOULD RECEIVE A "MAINTENANCE CALL" AND WAS REQUIRED TO IMMEDIATELY DEPOSIT ADDITIONAL ASSETS. IF THE CUSTOMER DID NOT HAVE AVAILABLE ASSETS HE OR SHE MIGHT BE FORCED TO LIQUIDATE



SECURITIES TO MEET THE MAINTENANCE CALL. WHERE AN LOC IS COLLATERALIZED BY A DIVERSIFIED ACCOUNT, A CUSTOMER MAY HAVE A VARIETY OF SECURITIES THAT SHE CAN LIQUIDATE TO MEET A MAINTENANCE CALL. HOWEVER, THE RISK OF INVESTOR LOSS IS ENHANCED WHEN AN LOC IS COLLATERALIZED BY A HIGHLY CONCENTRATED ACCOUNT. IN THAT CASE, THE CUSTOMER MAY BE FORCED TO LIQUIDATE THE SECURITIES THAT HAVE RECENTLY DECLINED IN VALUE AND TRIGGERED THE MAINTENANCE CALL. CUSTOMERS COULD BE FORCED TO SELL THEIR SECURITIES AT LOW PRICES AND POTENTIALLY REALIZE LOSSES. THE FINDINGS ALSO STATED THAT THE UNIQUE ASPECTS OF THE PUERTO RICO ECONOMY AND THE TYPICAL PRACTICES OF PUERTO RICO INVESTORS WERE WELL KNOWN. THE SALES OF CEFS AND LOCS ACCOUNTED FOR \$152 MILLION IN REVENUE TO THE FIRM, NEARLY 35 PERCENT OF ITS TOTAL REVENUE. BY JULY 31, 2012, THE FIRM HAD FACILITATED \$827 MILLION IN LOCS FOR ITS CUSTOMERS. A YEAR LATER, ITS CUSTOMERS HAD BORROWED OVER \$916 MILLION IN LOCS. HOWEVER, WHILE FIRM CUSTOMERS CONTINUED TO PURCHASE CEF SHARES AND BORROW VIA THE LOC PRODUCT, THERE WERE WELL KNOWN AND LONGSTANDING CREDIT AND SOLVENCY RISKS WITHIN THE PUERTO RICO MARKET. THE FIRM WAS AWARE OF THE RISKS INHERENT IN BORROWING AGAINST CONCENTRATED PUERTO RICO SECURITIES AS COLLATERAL. (CONTINUE IN THE COMMENT SECTION)

Initiated By: FINRA

Date Initiated: 09/29/2015

Docket/Case Number: 2013039142101

Principal Product Type: Other

Other Product Type(s): NON-EXCHANGE-TRADED CLOSED-END FUNDS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/29/2015

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 \$7,500,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	PLUS INTEREST ON THE RESTITUTION
Sanction Details:	THE FIRM WAS CENSURED, FINED \$7,500,000 AND ORDERED TO PAY \$10,978,402, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS. FINE PAID IN FULL OCTOBER 7, 2015.
Regulator Statement	(CONTINUE FROM THE ALLEGATIONS SECTION): THE FIRM TOOK STEPS TO DECREASE THE FIRM'S AND CERTAIN OF ITS CUSTOMERS' EXPOSURE TO THIS RISK, WHEN IT REDUCED THE CREDIT IT WOULD EXTEND THROUGH REVERSE REPURCHASE FACILITIES COLLATERALIZED WITH PUERTO RICAN DEBT, AND MOVED THESE CUSTOMERS TO MARGIN LOANS. HOWEVER, NOT UNTIL LATER, DID THE FIRM BEGIN TO CHANGE THE WAY IT MONITORED LEVERAGE AND RELATED CUSTOMER TRANSACTIONS IN CEF SHARES OR RELATED LOCS, DESPITE THE SIMILAR RISKS POSED AND THE IMPACT THAT THESE RISKS COULD HAVE ON A CUSTOMER'S OVERALL RISK PROFILE. THE FINDINGS ALSO INCLUDED THAT THE FIRM'S PROCEDURES AND TRAINING INSTRUCTED ITS ASSOCIATES TO DISCUSS WITH CLIENTS THE RISK OF CONCENTRATING THEIR ACCOUNTS IN CEFS. THEY ALSO INSTRUCTED ITS ASSOCIATES TO ENSURE THAT CLIENTS WERE AWARE OF THE TRADITIONAL CREDIT RISKS ASSOCIATED WITH LEVERAGE. HOWEVER, THE FIRM'S PROCEDURES AND TRAINING DID NOT ADEQUATELY ADDRESS THE RISKS RESULTING FROM THE COMBINATION OF USING HIGHLY CONCENTRATED ACCOUNTS TO SUPPORT SIGNIFICANT LOC USE. ALTHOUGH THE FIRM CONSIDERED DEVELOPING A CONCENTRATION REPORT, IT FAILED TO IMPLEMENT IT AND DID NOT SYSTEMATICALLY MONITOR CONCENTRATION LEVELS THEREAFTER. ALTHOUGH THE FIRM'S COMPLIANCE GROUP CONDUCTED SOME AD HOC REVIEWS OF CONCENTRATION, IT DID NOT PROVIDE ADEQUATE INFORMATION ABOUT ITS REVIEWS TO ITS ASSOCIATES OR THEIR DIRECT SUPERVISORS. THE FIRM DID NOT PROVIDE ITS ASSOCIATES OR SUPERVISORS WITH REPORTING THAT REFLECTED THE CUSTOMER'S CONCENTRATION AND LEVERAGE. FOR EXAMPLE, THE FIRM DID NOT HAVE A SYSTEM TO IDENTIFY CUSTOMERS WITH CONSERVATIVE OR MODERATE INVESTMENT OBJECTIVES WHO WERE BOTH LEVERAGED AND HIGHLY CONCENTRATED, ALTHOUGH ADDITIONAL CEF TRANSACTIONS MIGHT BE UNSUITABLE FOR THOSE CUSTOMERS IN LIGHT OF THE PORTFOLIO'S EXISTING RISK PROFILE AND THEIR NET WORTH. FINRA FOUND THAT THE PUERTO RICO BOND MARKET SUFFERED A MASSIVE DECLINE IN MARKET VALUE, THEREAFTER, MOST CEF SHARES AND PUERTO RICAN MUNICIPAL BONDS LOST BETWEEN 20-50 PERCENT OF THEIR VALUE. THEN, A RATING AGENCY CUT PUERTO RICO GENERAL OBLIGATION DEBT RATINGS TO "JUNK" STATUS. FOR CUSTOMERS WHO WERE HIGHLY CONCENTRATED



IN CEF SHARES, OVERALL ACCOUNT VALUES DECREASED SIGNIFICANTLY. MANY CUSTOMERS WHOSE ACCOUNTS WERE ALSO LEVERAGED RECEIVED MAINTENANCE CALLS. SOME CUSTOMERS COULD MEET THESE CALLS WITH CASH BUT MANY CUSTOMERS WHO NEEDED TO LIQUIDATE SECURITIES IN ORDER TO MEET THEIR MAINTENANCE CALLS LIQUIDATED THEIR CEFS BECAUSE THEY HAD NO OTHER AVAILABLE ASSETS. THESE CUSTOMERS SOLD THEIR CEFS INTO AN ILLIQUID MARKET AT SIGNIFICANT LOSSES. IN TOTAL, 165 CUSTOMERS WITH CONSERVATIVE OR MODERATE INVESTMENT OBJECTIVES AND \$2 MILLION OR LESS IN ASSETS HAD ACCOUNTS THAT WERE MORE THAN 75 PERCENT CONCENTRATED IN HIGHLY-LEVERAGED CEF SHARES. THESE CUSTOMERS RECEIVED MAINTENANCE CALLS THAT FORCED THEM TO REALIZE LOSSES ON THEIR CEF POSITIONS.

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 THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ENSURE THE SUITABILITY OF TRANSACTIONS IN NON-EXCHANGE-TRADED CLOSED-END FUNDS (CEFS) IN CERTAIN CIRCUMSTANCES. SPECIFICALLY, THE FIRM FAILED TO MONITOR THE COMBINATION OF LEVERAGE AND CONCENTRATION LEVELS IN CUSTOMER ACCOUNTS TO ENSURE THAT CERTAIN CUSTOMERS' TRANSACTIONS WERE SUITABLE IN LIGHT OF THE CUSTOMERS' RISK OBJECTIVES AND PROFILE.
Initiated By:	FINRA
Date Initiated:	09/29/2015
Docket/Case Number:	2013039142101
Principal Product Type:	Other
Other Product Type(s):	NON-EXCHANGE-TRADED CLOSED-END FUNDS
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CENSURE, RESTITUTION
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/29/2015



Sanctions Ordered:	Censure Monetary/Fine \$7,500,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	PLUS INTEREST ON THE RESTITUTION
Firm Statement	THE FIRM WAS CENSURED, FINED \$7,500,000 AND ORDERED TO PAY \$10,978,402.00 PLUS INTEREST, IN RESTITUTION TO CUSTOMERS.

Disclosure 3 of 8

Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>THE OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS FOR THE COMMONWEALTH OF PUERTO RICO ("OCFI") EXAMINED THE OPERATIONS OF UBS FINANCIAL SERVICES INCORPORATED OF PUERTO RICO ("UBS") WHICH COVERED THE PERIOD BETWEEN JANUARY 1, 2006 THROUGH AND INCLUDING SEPTEMBER 30, 2013. THE EXAMINATION VERIFIED COMPLIANCE WITH ACT# 60 (PUERTO RICO UNIFORM SECURITIES ACT) AND REGULATION 6078 OF THE AFOREMENTIONED ACT, AS WELL AS OTHER APPLICABLE LAWS UNDER THE JURISDICTION OF OCFI WITH RESPECT TO THE OFFER, SALE, AND/OR PURCHASE OF PUERTO RICO CLOSED-END FUNDS ("PRCEF") UNDER THE ADMINISTRATION OF UBS.</p> <p>AFTER ANALYZING THE DATA COLLECTED, OCFI BECAME AWARE, BY MEANS OF INTERVIEWS OF A REPRESENTATIVE SAMPLE OF CLIENTS WITH A CONSERVATIVE RISK TOLERANCE PROFILE AND WITH A SIGNIFICANT LEVEL OF THEIR LIQUID NET ASSETS INVESTED IN PRCEF, THAT UBS MAY HAVE PERMITTED OR RECOMMENDED SUCH CLIENTS THE USE OF "NON-PURPOSE" LOANS FOR THE PURCHASE OF ADDITIONAL PRCEF, AN INELIGIBLE ACTIVITY FOR "NON-PURPOSE" LOANS. ADDITIONALLY, OCFI OBSERVED APPARENT IRREGULARITIES IN THE MANAGEMENT OF SOME OF THESE CLIENT'S ACCOUNTS AND LACK OF ADEQUATE RECORD KEEPING AND DILIGENT SUPERVISION BY UBS OF ITS AGENTS. AFTER ANALYZING THE DATA COLLECTED, OCFI BECAME AWARE, BY MEANS OF INTERVIEWS OF A REPRESENTATIVE SAMPLE OF CLIENTS WITH A CONSERVATIVE RISK TOLERANCE PROFILE AND WITH A SIGNIFICANT LEVEL OF THEIR LIQUID NET ASSETS INVESTED IN PRCEF, THAT UBS MAY HAVE PERMITTED OR RECOMMENDED SUCH CLIENTS THE USE OF "NON-PURPOSE" LOANS FOR THE PURCHASE OF ADDITIONAL PRCEF, AN INELIGIBLE ACTIVITY FOR "NON-PURPOSE" LOANS. ADDITIONALLY, OCFI OBSERVED APPARENT IRREGULARITIES IN THE MANAGEMENT OF SOME</p>



OF THESE CLIENT'S ACCOUNTS AND LACK OF ADEQUATE RECORD KEEPING AND DILIGENT SUPERVISION BY UBS OF ITS AGENTS.

Initiated By: OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS OF PUERTO RICO

Date Initiated: 10/09/2014

Docket/Case Number:

URL for Regulatory Action:

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: Settled

Resolution Date: 10/09/2014

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 \$5,181,742.00
Disgorgement/Restitution

Other Sanctions Ordered: THE AGREEMENT CALLS FOR AN ENHANCED SUPERVISION FOR SIX UBS AGENTS WHO MAY HAVE INCURRED IN OBJECTIONABLE PRACTICES FOR A PERIOD OF SIX MONTHS, AUTOMATICALLY EXTENDABLE FOR AN ADDITIONAL SIX MONTHS, UNLESS OTHERWISE APPROVED BY THE OCFI. WITHIN SIX MONTHS FROM THE EXECUTION OF THE AGREEMENT, UBS WILL CONDUCT A GOOD FAITH, CONFIDENTIAL REVIEW OF CUSTOMER ACCOUNTS WHERE SENIOR, LOW NET WORTH INVESTORS WITH A CONSERVATIVE RISK PROFILE HAD A POTENTIALLY SIGNIFICANT LEVEL OF THEIR LIQUID NET ASSETS INVESTED IN PRCEF TO DETERMINE WHETHER ADDITIONAL ACTION AND RESTITUTION, IF ANY, IS REQUIRED. FURTHER, UBS WILL REVIEW AND UPDATE ITS POLICIES AND PROCEDURES TO ENSURE COMPLIANCE WITH APPLICABLE REGULATORY RULES, IN PARTICULAR, WITH RESPECT TO THE USE OF "NON-PURPOSE" LOANS.

Sanction Details: WITHOUT AN ADMISSION OF LIABILITY OR WRONGDOING ON THE PART OF UBS, OCFI AND UBS AGREED TO REACH A COMPLETE AND FINAL



SETTLEMENT AGREEMENT ("AGREEMENT") WHEREBY 34 CLIENTS, MOSTLY SENIOR, LOW NET WORTH INVESTORS WITH CONSERVATIVE INVESTMENT PROFILES WHOSE INVESTMENTS IN PRCEF REPRESENTED A SUBSTANTIAL PORTION OF THEIR LIQUID NET ASSETS, WILL BE OFFERED BY UBS, WITHIN 45 DAYS OF THE EXECUTION OF THE AGREEMENT, AND IN COORDINATION WITH OCFI, AN AGGREGATE RESTITUTION OF \$1,681,742.00 FOR THEIR LOSSES. ADDITIONALLY, UBS WILL PAY A CONTRIBUTION IMPOSED BY THE OCFI OF \$3,500,000 THAT WILL BE DESTINED TO THE SECURITIES TRADING, INVESTOR EDUCATION, AND INVESTIGATION FUND.

Reporting Source: Firm

Current Status: Final

Allegations: IN CONNECTION WITH A ROUTINE EXAMINATION BY THE COMMISSIONER OF FINANCIAL INSTITUTIONS OF THE COMMONWEALTH OF PUERTO RICO ("OCFI"), UBS FINANCIAL SERVICES OF PUERTO RICO ("UBSPR") ENTERED INTO A SETTLEMENT AGREEMENT THAT, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS AND THERE BEING NO FINDING OF A VIOLATION BY THE OCFI, RESOLVED ALLEGATIONS THAT CERTAIN UBS PR BROKERS MAY HAVE ENGAGED IN CONDUCT IN VIOLATION OF INVESTMENT-RELATED REGULATIONS OR STATUTES.

Initiated By: OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS OF PUERTO RICO

Date Initiated: 10/09/2014

Docket/Case Number:

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: Settled

Resolution Date: 10/09/2014

Sanctions Ordered: Monetary/Fine \$5,181,742.00
Disgorgement/Restitution

Other Sanctions Ordered:

**Sanction Details:**

IN CONNECTION WITH A ROUTINE EXAMINATION BY THE COMMISSIONER OF FINANCIAL INSTITUTIONS OF THE COMMONWEALTH OF PUERTO RICO ("OCFI"), UBS FINANCIAL SERVICES OF PUERTO RICO ("UBSPR") ENTERED INTO A SETTLEMENT AGREEMENT THAT, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS AND THERE BEING NO FINDING OF A VIOLATION BY THE OCFI, RESOLVED ALLEGATIONS THAT CERTAIN UBS PR BROKERS MAY HAVE ENGAGED IN CONDUCT IN VIOLATION OF INVESTMENT-RELATED REGULATIONS OR STATUTES.

Disclosure 4 of 8

Reporting Source:	Regulator
Current Status:	Final
Allegations:	MSRB RULE G-14(B)(II): THE FIRM FAILED TO REPORT THE CORRECT PERSPECTIVE OF THE TRADE TO THE REAL-TIME TRANSACTION REPORTING SYSTEM IN 130,000 REPORTS OF TRANSACTIONS IN MUNICIPAL SECURITIES.
Initiated By:	FINRA
Date Initiated:	08/07/2013
Docket/Case Number:	2011027565701
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/07/2013
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$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 IT IS CENSURED AND FINED \$7,500. FINE PAID IN FULL ON AUGUST 29, 2013.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THAT THE FIRM FAILED TO REPORT THE CORRECT PERSPECTIVE OF 130,000 REPO-RELATED TRADES REPORTED TO THE MSRB'S REAL TIME TRANSACTION REPORTING SYSTEM IN VIOLATION OF MSRB RULE G-14(B)(II).

Initiated By: FINRA

Date Initiated: 08/07/2013

Docket/Case Number: 2011027565701

Principal Product Type: Debt - Municipal

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/07/2013

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 IT IS CENSURED AND FINED \$7,500. THE FINDINGS RELATE TO AN ADMINISTRATIVE ERROR AND NO MARKET TRANSPARENCY WAS EFFECTED.

Disclosure 5 of 8

Reporting Source: Regulator

Current Status: Final

**Allegations:**

SEC ADMIN RELEASE 33-9318, 34-66893/MAY 1, 2012: THE SECURITIES AND EXCHANGE COMMISSION (COMMISSION) DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 (SECURITIES ACT) AND SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT), AGAINST UBS FINANCIAL SERVICES INC. OF PUERTO RICO (UBS PR OR RESPONDENT). DURING 2008 AND 2009, UBS PR, ITS FORMER CEO (CEO) AND ITS HEAD OF CAPITAL MARKETS (HCM) MADE MISREPRESENTATIONS AND OMISSIONS OF MATERIAL FACTS TO NUMEROUS RETAIL CUSTOMERS IN PUERTO RICO REGARDING THE SECONDARY MARKET LIQUIDITY AND PRICING OF UBS PR-AFFILIATED, NON-EXCHANGE-TRADED CLOSED-END FUNDS (CEFS OR FUNDS). FOR EXAMPLE, UBS PR CLAIMED CEF PRICES WERE BASED ON MARKET FORCES SUCH AS SUPPLY AND DEMAND. HOWEVER, UBS PR DID NOT DISCLOSE THAT CEF PRICES WERE SET SOLELY AT THE DISCRETION OF THE TRADING DESK. MOREOVER, ALTHOUGH UBS HAD CERTAIN DISCLOSURES ABOUT LIQUIDITY IN PROSPECTUSES (NOT SUPPLIED TO SECONDARY MARKET CUSTOMERS) AND ON ITS WEBSITE, IT DID NOT ADEQUATELY DISCLOSE, AMONG OTHER THINGS, THAT AS THE DOMINANT CEF BROKER-DEALER, UBS PR CONTROLLED THE SECONDARY MARKET. IN REALITY, ANY SECONDARY MARKET SALES INVESTORS WANTED TO MAKE DEPENDED LARGELY ON UBS PR'S ABILITY TO SOLICIT ADDITIONAL CUSTOMERS OR WILLINGNESS TO PURCHASE SHARES INTO ITS INVENTORY. AS UBS PR, THE CEO AND THE HCM PROMOTED CEF SALES THROUGHOUT 2008, THEY KNEW INVESTOR DEMAND WAS SIGNIFICANTLY DECLINING RELATIVE TO SUPPLY. FOR MUCH OF 2008, UBS PR PURCHASED MILLIONS OF DOLLARS OF CEF SHARES INTO ITS OWN INVENTORY WHILE PROMOTING THE APPEARANCE OF A LIQUID MARKET WITH STABLE PRICES, WITHOUT DISCLOSING UBS PR'S ACTIONS WERE PROPPING UP PRICES AND LIQUIDITY. BUT IN THE SPRING OF 2009, UBS PR'S PARENT FIRM DETERMINED UBS PR'S GROWING CEF INVENTORY REPRESENTED A FINANCIAL RISK TO THE FIRM. THE PARENT COMPANY DIRECTED UBS PR TO SUBSTANTIALLY REDUCE ITS INVENTORY OF CEF SHARES. TO ACCOMPLISH THE REDUCTION, UBS PR AND THE HCM EXECUTED A PLAN, DUBBED "OBJECTIVE: SOFT LANDING" IN ONE DOCUMENT, IN WHICH UBS PR ROUTINELY OFFERED AND SOLD ITS CEF SHARES AT PRICES THAT UNDERCUT PENDING CUSTOMER SELL ORDERS. DURING THIS PERIOD, NUMEROUS UBS PR CUSTOMERS WERE ALSO ATTEMPTING TO SELL THEIR HOLDINGS BUT UBS PR'S ACTIONS EFFECTIVELY PREVENTED CERTAIN CUSTOMERS FROM SELLING THEIR CEF SHARES. BETWEEN MARCH AND SEPTEMBER 2009, UBS PR SOLD ABOUT \$35 MILLION, OR 75%, OF ITS INVENTORY TO INVESTORS. AT THE SAME TIME, UBS PR INCREASED ITS EFFORTS TO SOLICIT SALES OF CEFS WHILE CONTINUING TO MISREPRESENT HOW IT WAS SETTING



SECONDARY MARKET PRICES AND THE LIQUIDITY OF THE MARKET. UBS PR ALSO DID NOT DISCLOSE ITS WITHDRAWAL OF MARKET SUPPORT. BY SEPTEMBER 2009, WHEN UBS PR COMPLETED ITS CEF INVENTORY REDUCTION, THE MARKET PRICE OF CERTAIN FUNDS HAD DECLINED BY 10-15%. AS A RESULT OF THE CONDUCT DESCRIBED ABOVE, UBS PR WILLFULLY VIOLATED SECTION 17(A) OF THE SECURITIES ACT AND SECTIONS 10(B) AND 15(C) OF THE EXCHANGE ACT AND EXCHANGE ACT RULE 10B-5.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 05/01/2012

Docket/Case Number: 3-14863

Principal Product Type: Other

Other Product Type(s): NON-EXCHANGE-TRADED CLOSED-END FUNDS

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Order

Resolution Date: 05/01/2012

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: Censure
Monetary/Fine \$14,000,000.00
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: UNDERTAKINGS; PREJUDGMENT INTEREST

Sanction Details: IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, UBS PR HAS SUBMITTED AN OFFER OF SETTLEMENT (THE OFFER) WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, UBS



PR CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER (ORDER). IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN UBS PR'S OFFER. ACCORDINGLY, PURSUANT TO SECTION 8A OF THE SECURITIES ACT, AND SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT, IT IS HEREBY ORDERED THAT: UBS PR CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 17(A) OF THE SECURITIES ACT, SECTIONS 10(B) AND 15(C) OF THE EXCHANGE ACT, AND RULE 10B-5 OF THE EXCHANGE ACT. UBS PR IS CENSURED. UBS PR SHALL PAY DISGORGEMENT OF \$11,500,000.00, PREJUDGMENT INTEREST OF \$1,109,739.94, AND A CIVIL MONEY PENALTY OF \$14,000,000.00 TO THE SECURITIES AND EXCHANGE COMMISSION. RESPONDENT SHALL COMPLY WITH THE FOLLOWING UNDERTAKINGS: UBS PR AGREES TO RETAIN, AT UBS PR'S EXPENSE AND WITHIN SIXTY DAYS OF THE ISSUANCE OF THIS ORDER, AN INDEPENDENT THIRD-PARTY CONSULTANT, NOT UNACCEPTABLE TO THE STAFF, TO REVIEW UBS PR'S CLOSED-END FUND DISCLOSURES AND TRADING AND PRICING POLICIES, PROCEDURES, AND PRACTICES FOR ADEQUACY. [CONTINUED IN COMMENT]

Regulator Statement

[CONTINUED FROM SANCTION DETAIL]: WITHIN FOURTEEN DAYS OF UBS PR'S ADOPTION OF ALL OF THE RECOMMENDATIONS THAT THE CONSULTANT DEEMS APPROPRIATE, UBS PR AGREES TO CERTIFY IN WRITING TO THE CONSULTANT AND COMMISSION STAFF THAT UBS PR HAS ADOPTED AND IMPLEMENTED ALL OF THE CONSULTANT'S RECOMMENDATIONS. THEREAFTER, UBS PR AGREES TO REQUIRE THE INDEPENDENT THIRD-PARTY CONSULTANT TO CONDUCT AN ANNUAL REVIEW FOR EACH OF THE FOLLOWING THREE YEARS FROM THE DATE OF THE ISSUANCE OF THE CONSULTANT'S INITIAL REPORT, TO ASSESS WHETHER UBS PR IS COMPLYING WITH THE CONSULTANT'S RECOMMENDED POLICIES, PROCEDURES, AND/OR PRACTICES THAT UBS PR ADOPTED AND WHETHER THE ADOPTED POLICIES, PROCEDURES, AND/OR PRACTICES ARE EFFECTIVE IN ACHIEVING THEIR STATED PURPOSES.

Reporting Source: Firm

Current Status: Final

Allegations: THE SEC ALLEGES THAT DURING 2008 AND 2009, UBS FINANCIAL SERVICES OF PUERTO RICO MADE MISREPRESENTATIONS AND



OMISSIONS OF MATERIAL FACTS TO NUMEROUS RETAIL CUSTOMERS IN PUERTO RICO REGARDING THE SECONDARY MARKET LIQUIDITY AND PRICING OF UBS PR-AFFILIATED, NON-EXCHANGE-TRADED CLOSED-END FUNDS (CEFS OR FUNDS). AS A RESULT OF THIS CONDUCT, THE SEC FINDS THAT UBS PR WILLFULLY VIOLATED SECTION 17(A) OF THE SECURITIES ACT AND SECTIONS 10 (B) AND 15(C) OF THE EXCHANGE ACT AND EXCHANGE ACT RULE 10B-5. PURSUANT TO SECTION 8A OF THE SECURITIES ACT, THE FIRM HAS BEEN ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 05/01/2012

Docket/Case Number: NO., 3-14863

Principal Product Type: Other

Other Product Type(s): NON EXCHANGE TRADED CLOSED END FUNDS

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

Other Sanction(s)/Relief Sought: CENSURE, DISGORGEMENT OF \$11,500,000.00, PREJUDGMENT INTEREST PAYMENT OF \$1,109,739.94, CIVIL PENALTY OF \$14,000,000.00

Resolution: Order

Resolution Date: 05/01/2012

Sanctions Ordered: Censure
Monetary/Fine \$14,000,000.00
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: UNDERTAKINGS, PREJUDGMENT INTEREST

Sanction Details: CEASE AND DESIST ORDER, CENSURE, DISGORGEMENT OF \$11,500,000.00, PREJUDGMENT INTEREST PAYMENT OF \$1,109,739.94, CIVIL PENALTY OF \$14,000,000.00

Firm Statement WITHOUT ADMITTING OR DENYING THE FINDINGS AND CONCLUSIONS UBS FINANCIAL SERVICES OF PR HAS AGREED TO PAY DISGORGEMENT AND A FINE OF \$26.6 MILLION, HAS CONSENTED TO AN ORDER REQUIRING IT TO CEASE AND DESIST FROM FUTURE VIOLATIONS OF FEDERAL SECURITIES LAWS, AND HAS AGREED TO RETAIN AN INDEPENDENT CONSULTANT TO REVIEW ITS DISCLOSURES, POLICIES AND PROCEDURES RELATED TO THE FUNDS.



Disclosure 6 of 8

Reporting Source: Regulator

Current Status: Final

Allegations: MSRB RULE G-14 - RESPONDENT MEMBER FAILED TO REPORT INFORMATION ABOUT TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) IN THE MANNER PRESCRIBED BY MSRB RULE G-14, RTRS PROCEDURES AND THE RTRS USERS MANUAL.

Initiated By: NASD

Date Initiated: 07/10/2007

Docket/Case Number: 20060058683-01

Principal Product Type: Other

Other Product Type(s): MUNICIPAL SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/10/2007

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

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, UBS FINANCIAL SERVICES INCORPORATED OF PUERTO RICO CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$7,500.

Reporting Source: Firm

Current Status: Final



Allegations: UBS FINANCIAL SERVICES INCORPORATED OF PUERTO RICO SIGNED AN ACCEPTANCE WAIVER AND CONSENT (AWC) PURSUANT TO REVIEWS BY THE MARKET REGULATION DEPARTMENT AND NASD DISTRICT 10 WHEREBY NASD FOUND 1) FOR THE PERIOD OF APRIL 1, 2006 THROUGH JUNE 30, 2006 THE FIRM FAILED TO REPORT INFORMATION ABOUT 39 OF 791 MUNICIPAL SECURITIES TRANSACTIONS TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) IN THE MANNER PRESCRIBED BY MSRB RULE RTRS PROCEDURES AND THE RTRS USERS MANUAL, SPECIFICALLY WITH REGARD TO THE SPECIAL CONDITION INDICATOR; 2) FOR THE PERIOD OF APRIL 1, 2006 THROUGH JULY 2006, THE FIRM FAILED TO REPORT INFORMATION ABOUT 45 OF 984 MUNICIPAL SECURITIES TRANSACTIONS TO THE RTRS IN THE MANNER PRESCRIBED BY RULE G 14 PROCEDURES AND THE RTRS USERS MANUAL, SPECIFICALLY WITH REGARD TO REPORTING SUCH TRANSACTIONS WITHIN 15 MINUTES OF TIME OF TRADE TO A RTRS PORTAL.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 07/10/2007

Docket/Case Number: AWC # 20060058683-01

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINES

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/24/2007

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

Other Sanctions Ordered:

Sanction Details: THE FINE WAS PAID ON JULY 24, 2007.

Firm Statement THE FIRM SIGNED AN ACCEPTANCE WAIVER AND CONSENT (AWC) PURSUANT TO REVIEWS BY THE MARKET REGULATION DEPARTMENT AND NASD DISTRICT 10 WHEREBY NASD FOUND THE FIRM FAILED TO REPORT INFORMATION ABOUT MUNICIPAL SECURITIES TRANSACTIONS TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) IN THE MANNER PRESCRIBED BY MSRB RULE RTRS PROCEDURES AND THE RTRS USERS MANUAL.
A FINE OF \$7,500 WAS PAID ON JULY 24, 2007.



Disclosure 7 of 8

Reporting Source:	Firm
Current Status:	Final
Allegations:	FAILURE TO REASONABLY SUPERVISE THREE INVESTMENT EXECUTIVES FORMERLY EMPLOYED BY THE FIRM.
Initiated By:	OFFICE OF COMMISSIONER OF FINANCIAL INSTITUTIONS OF PUERTO RICO
Date Initiated:	03/16/1996
Docket/Case Number:	96-DL-V-02
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	03/15/1996
Sanctions Ordered:	Monetary/Fine \$99,000.00
Other Sanctions Ordered:	
Sanction Details:	CONSENT AGREEMENT AND UNDERTAKING; WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM AGREED TO PREPARE REPORTS CONCERNING CUSTOMER COMPLAINTS, TO REIMBURSE THE CFI FOR THE COSTS OF INVESTIGATION AND TO CONTRIBUTE \$99,000 TO PUBLIC TRAINING AND EDUCATION FUNDS.

Disclosure 8 of 8

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	01/23/1991



Docket/Case Number: C07910035

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 09/18/1991

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

CASE ID. C07910035 (ATL-1284) FILED JANUARY 23, 1991 BY DISTRICT NO. 7 AGAINST RESPONDENTS PAINWEBBER INCORPORATED OF PUERTO RICO AND MIGUEL A. FERRER ALLEGING VIOLATIONS OF ARTICLE III, SECTIONS 1, 27(b), 27(b)(3) OF THE RULES OF FAIR PRACTICE AND MSRB RULE G-27 IN THAT RESPONDENT MEMBER, ACTING THROUGH RESPONDENT FERRER, FAILED TO ESTABLISH, MAINTAIN AND ENFORCE ADEQUATE WRITTEN SUPERVISORY PROCEDURES AND THE FIRM'S PROCEDURES FAILED TO ADDRESS CERTAIN AREAS AS REQUIRED BY MSRB RULE G-27; FAILED TO REGISTER THREE PERSONS AS REGISTERED REPRESENTATIVES; FAILED TO SUBMIT TO THE NASD FOR PROCESSING THE FINGERPRINT RECORDS OF THREE EMPLOYEES; AND FAILED TO AMEND ITS WRITTEN SUPERVISORY PROCEDURES WITHIN A REASONABLE TIME TO REFLECT AMENDMENTS TO SECTION 27 OF THE NASD'S RULES OF FAIR PRACTICE.

DECISION RENDERED SEPTEMBER 18, 1991, WHEREIN THE OFFER OF SETTLEMENT SUBMITTED BY THE RESPONDENTS WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED \$5,000; AND, THE DECISION IS TO SERVE AS A LETTER OF CAUTION WITH RESPECT TO RESPONDENT FERRER.

\$5,000.00 PAID ON 10/23/91 INVOICE #91-07-1095



Reporting Source: Firm

Current Status: Final

Allegations: THIS MATTER AROSE AS THE RESULT OF ROUTINE EXAMINATIONS CONDUCTED BY THE NASD DISTRICT NO. 7 OF PWIPR. THE EXAMINATIONS REVEALED THE FOLLOWING: (A) THAT PWIPR'S WRITTEN SUPERVISORY PROCEDURES FAILED TO ADDRESS CERTAIN REQUIRED AREAS IN APPARENT VIOLATION OF ARTICLE III, SECTIONS 2 AND 27 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE ("RULES") AND MSARB RULE G-27; (B) THAT, AT LEAST AS OF MAY 2, 1990, PWIPR HAD FAILED, AND FERRER HAD PERMITTED IT TO FAIL, TO REGISTER THREE INDIVIDUALS AS REPRESENTATIVES OF PWIPR WHO WERE REQUIRED TO BE SO REGISTERED IN APPARENT VIOLATION OF ARTICLE III, SECTION 1 OF THE RULES; (C) THAT PWIPR HAD FAILED, AND FERRER HAD PERMITTED IT TO FAIL, TO SUBMIT TO THE NASD FOR PROCESSING THE FINGERPRINT RECORDS OF THREE EMPLOYEES IN APPARENT VIOLATION OF ARTICLE III, SECTION 1 OF THE RULES; AND FINALLY, (D) THAT PWIPR ACTING THROUGH FERRER, FAILED TO AMEND ITS WRITTEN SUPERVISORY PROCEDURES WITHIN A REASONABLE TIME TO REFLECT THE AMENDMENTS TO ARTICLE III, SECTION 27 THAT BECAME EFFECTIVE IN APRIL, 1989, IN APPARENT VIOLATION OF ARTICLE III, SECTION 27(B)(3) OF THE RULES

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 09/01/1991

Docket/Case Number: ATL-1284-AWC

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: 09/01/1991

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: IN SEPTEMBER, 1991 PAINWEBBER INCORPORATED OF PUERTO



RICO("PWIPR") AND ONE OF ITS EMPLOYEES, MIGUEL A. FERRER ("FERRER") ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER, AND CONSENT ("AWC") WITH THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC., DISTRICT BUSINESS CONDUCT COMMITTEE FOR DISTRICT NO. 7 ("DBCC") (ATL-1284-AWC), WHEREBY PWIPR, WITHOUT ADMITTING OR DENYING VARIOUS ALLEGED VIOLATIONS, CONSENTED TO PAY A FINE OF \$5,000.00 AND BE CENSURED; FERRER AGREED THAT THE DECISION RENDERED BY THE DBCC WOULD SERVE AS A LETTER OF CAUTION - FERRER WAS NOT FINED OR CENSURED.

Firm Statement

THIS MATTER AROSE AS THE RESULT OF ROUTINE EXAMINATIONS CONDUCTED BY THE NASD DISTRICT NO. 7 OF PWIPR. THE EXAMINATIONS REVEALED THE FOLLOWING: (A) THAT PWIPR'S WRITTEN SUPERVISORY PROCEDURES FAILED TO ADDRESS CERTAIN REQUIRED AREAS IN APPARENT VIOLATION OF ARTICLE III, SECTIONS 2 AND 27 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE ("RULES") AND MSARB RULE G-27; (B) THAT, AT LEAST AS OF MAY 2, 1990, PWIPR HAD FAILED, AND FERRER HAD PERMITTED IT TO FAIL, TO REGISTER THREE INDIVIDUALS AS REPRESENTATIVES OF PWIPR WHO WERE REQUIRED TO BE SO REGISTERED IN APPARENT VIOLATION OF ARTICLE III, SECTION 1 OF THE RULES; (C) THAT PWIPR HAD FAILED, AND FERRER HAD PERMITTED IT TO FAIL, TO SUBMIT TO THE NASD FOR PROCESSING THE FINGERPRINT RECORDS OF THREE EMPLOYEES IN APPARENT VIOLATION OF ARTICLE III, SECTION 1 OF THE RULES; AND FINALLY, (D) THAT PWIPR ACTING THROUGH FERRER, FAILED TO AMEND ITS WRITTEN SUPERVISORY PROCEDURES WITHIN A REASONABLE TIME TO REFLECT THE AMENDMENTS TO ARTICLE III, SECTION 27 THAT BECAME EFFECTIVE IN APRIL, 1989, IN APPARENT VIOLATION OF ARTICLE III, SECTION 27(B)(3) OF THE RULES

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 41

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum:	FINRA
Case Initiated:	06/01/2010
Case Number:	10-02468
Disputed Product Type:	MUTUAL FUNDS
Sum of All Relief Requested:	\$864,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	04/07/2011
Sum of All Relief Awarded:	\$17,875.00

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 41

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	06/03/2011



Case Number: 11-02072
Disputed Product Type: PREFERRED STOCK
Sum of All Relief Requested: \$1,026,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/05/2012
Sum of All Relief Awarded: \$522,961.04

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

Disclosure 3 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 11/06/2013
Case Number: 13-02866
Disputed Product Type: MUNICIPAL BOND FUNDS
Sum of All Relief Requested: \$27,872,627.17
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/11/2017
Sum of All Relief Awarded: \$18,214,915.80

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

Disclosure 4 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION



Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 10/25/2013

Case Number: 13-03048

Disputed Product Type: MUNICIPAL BOND FUNDS

Sum of All Relief Requested: \$625,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 05/13/2015

Sum of All Relief Awarded: \$200,000.00

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

Disclosure 5 of 41

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 10/29/2013

Case Number: 13-03062

Disputed Product Type: MUNICIPAL BOND FUNDS

Sum of All Relief Requested: \$3,123,160.02

Disposition: AWARD AGAINST PARTY

Disposition Date: 07/28/2015



Sum of All Relief Awarded: \$250,600.00

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

Disclosure 6 of 41

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 11/26/2013

Case Number: 13-03403

Disputed Product Type: MUNICIPAL BOND FUNDS

Sum of All Relief Requested: \$3,781,575.41

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/08/2015

Sum of All Relief Awarded: \$85,625.98

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

Disclosure 7 of 41

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 12/03/2013



Case Number: 13-03470
Disputed Product Type: OTHER TYPES OF SECURITIES
Sum of All Relief Requested: \$4,729,731.20
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/01/2016
Sum of All Relief Awarded: \$500,000.00

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

Disclosure 8 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 12/10/2013
Case Number: 13-03520
Disputed Product Type: MUNICIPAL BOND FUNDS
Sum of All Relief Requested: \$10,000,000.01
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/17/2017
Sum of All Relief Awarded: \$9,000,000.02

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

Disclosure 9 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-



MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS;
ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT
RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO
SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA
Case Initiated: 12/30/2013
Case Number: 13-03717
Disputed Product Type: MUNICIPAL BOND FUNDS
Sum of All Relief Requested: \$600,000.01
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/14/2017
Sum of All Relief Awarded: \$363,875.02

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

Disclosure 10 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-
MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS;
ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT
RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO
SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-
OTHER
Arbitration Forum: FINRA
Case Initiated: 01/07/2014
Case Number: 13-03784
Disputed Product Type: MUNICIPAL BONDS; MUTUAL FUNDS
Sum of All Relief Requested: Unspecified Damages
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/31/2015
Sum of All Relief Awarded: \$2,930,082.42

There may be a non-monetary award associated with this arbitration.



Please select the Case Number above to view more detailed information.

Disclosure 11 of 41

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-MARGIN CALLS; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	01/25/2014
Case Number:	14-00170
Disputed Product Type:	MUTUAL FUNDS
Sum of All Relief Requested:	\$2,033,596.10
Disposition:	AWARD AGAINST PARTY
Disposition Date:	05/19/2015
Sum of All Relief Awarded:	\$1,000,000.01

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

Disclosure 12 of 41

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	02/10/2014
Case Number:	14-00304
Disputed Product Type:	MUNICIPAL BOND FUNDS
Sum of All Relief Requested:	\$1,000,000.01



Disposition: AWARD AGAINST PARTY

Disposition Date: 08/11/2015

Sum of All Relief Awarded: \$2,545,600.02

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

Disclosure 13 of 41

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 02/22/2014

Case Number: 14-00442

Disputed Product Type: MUNICIPAL BOND FUNDS; MUNICIPAL BONDS

Sum of All Relief Requested: \$8,774,788.30

Disposition: AWARD AGAINST PARTY

Disposition Date: 03/21/2016

Sum of All Relief Awarded: \$1,200,299.00

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

Disclosure 14 of 41

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 03/10/2014



Case Number: 14-00657
Disputed Product Type: MUTUAL FUNDS
Sum of All Relief Requested: Unspecified Damages
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/11/2015
Sum of All Relief Awarded: \$600,250.01

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

Disclosure 15 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-MARGIN CALLS; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 05/27/2014
Case Number: 14-01541
Disputed Product Type: MUNICIPAL BOND FUNDS; MUNICIPAL BONDS
Sum of All Relief Requested: Unspecified Damages
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/18/2016
Sum of All Relief Awarded: \$1,449,665.01

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

Disclosure 16 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-BREACH OF



CONTRACT

Arbitration Forum: FINRA
Case Initiated: 06/09/2014
Case Number: 14-01649
Disputed Product Type:
Sum of All Relief Requested: \$1,000,000.01
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/18/2015
Sum of All Relief Awarded: \$1,373,933.02

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

Disclosure 17 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 08/07/2014
Case Number: 14-02464
Disputed Product Type: MUNICIPAL BOND FUNDS; MUNICIPAL BONDS
Sum of All Relief Requested: \$20,200,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/05/2016
Sum of All Relief Awarded: \$18,577,413.50

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

Disclosure 18 of 41

Reporting Source: Regulator



Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER; DO NOT USE-EXECUTIONS-FAILURE TO EXECUTE; DO NOT USE-EXECUTIONS-OTHER

Arbitration Forum: FINRA

Case Initiated: 09/03/2014

Case Number: 14-02683

Disputed Product Type: EXCHANGE-TRADED FUNDS; MUNICIPAL BOND FUNDS; MUNICIPAL BONDS

Sum of All Relief Requested: \$3,900,000.01

Disposition: AWARD AGAINST PARTY

Disposition Date: 12/24/2015

Sum of All Relief Awarded: \$795,770.01

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

Disclosure 19 of 41

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER

Arbitration Forum: FINRA

Case Initiated: 10/06/2014

Case Number: 14-02995

Disputed Product Type: MUNICIPAL BOND FUNDS; MUNICIPAL BONDS; MUTUAL FUNDS; OTHER TYPES OF SECURITIES

Sum of All Relief Requested: \$185,970.00



Disposition: AWARD AGAINST PARTY

Disposition Date: 06/29/2016

Sum of All Relief Awarded: \$363,551.93

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

Disclosure 20 of 41

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER

Arbitration Forum: FINRA

Case Initiated: 10/13/2014

Case Number: 14-03016

Disputed Product Type: MUNICIPAL BOND FUNDS; MUNICIPAL BONDS; MUTUAL FUNDS

Sum of All Relief Requested: \$499,350.03

Disposition: AWARD AGAINST PARTY

Disposition Date: 03/24/2016

Sum of All Relief Awarded: \$470,803.67

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

Disclosure 21 of 41

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE;



ACCOUNT RELATED-OTHER

Arbitration Forum: FINRA
Case Initiated: 01/13/2015
Case Number: 14-03811
Disputed Product Type: MUNICIPAL BOND FUNDS; MUNICIPAL BONDS
Sum of All Relief Requested: \$3,992,811.94
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/18/2016
Sum of All Relief Awarded: \$611,251.52

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

Disclosure 22 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD;
 ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY;
 ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 02/25/2015
Case Number: 15-00295
Disputed Product Type: MUNICIPAL BONDS; MUTUAL FUNDS
Sum of All Relief Requested: \$20,536,547.72
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/09/2016
Sum of All Relief Awarded: \$750,000.00

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

Disclosure 23 of 41

Reporting Source: Regulator



Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-MARGIN CALLS; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 03/30/2015

Case Number: 15-00709

Disputed Product Type: MUNICIPAL BOND FUNDS; MUNICIPAL BONDS; MUTUAL FUNDS

Sum of All Relief Requested: \$5,565,020.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 03/29/2017

Sum of All Relief Awarded: \$4,423,176.00

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

Disclosure 24 of 41

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 07/27/2015

Case Number: 15-01774

Disputed Product Type: MUNICIPAL BOND FUNDS; MUTUAL FUNDS

Sum of All Relief Requested: \$2,000,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 11/04/2016

Sum of All Relief Awarded: \$957,796.60

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

Disclosure 25 of 41

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER

Arbitration Forum: FINRA

Case Initiated: 09/03/2015

Case Number: 15-01833

Disputed Product Type: COMMON STOCK; CORPORATE BONDS; GOVERNMENT SECURITIES; MUNICIPAL BOND FUNDS; MUNICIPAL BONDS; MUTUAL FUNDS; OTHER TYPES OF SECURITIES; PREFERRED STOCK

Sum of All Relief Requested: \$21,851,000.01

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/19/2018

Sum of All Relief Awarded: \$19,003,670.95

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

Disclosure 26 of 41

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-



OTHER

Arbitration Forum: FINRA
Case Initiated: 08/21/2015
Case Number: 15-02121
Disputed Product Type: MUNICIPAL BOND FUNDS
Sum of All Relief Requested: \$6,600,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/09/2016
Sum of All Relief Awarded: \$391,476.01

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

Disclosure 27 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD;
 ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-
 NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 09/04/2015
Case Number: 15-02205
Disputed Product Type: MUNICIPAL BOND FUNDS; MUNICIPAL BONDS; MUTUAL FUNDS
Sum of All Relief Requested: \$3,265,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/25/2018
Sum of All Relief Awarded: \$609,500.00

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

Disclosure 28 of 41

Reporting Source: Regulator



Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 09/11/2015

Case Number: 15-02316

Disputed Product Type: MUNICIPAL BOND FUNDS; MUTUAL FUNDS

Sum of All Relief Requested: \$1,000,000.01

Disposition: AWARD AGAINST PARTY

Disposition Date: 08/29/2018

Sum of All Relief Awarded: \$300,000.00

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

Disclosure 29 of 41

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 10/05/2015

Case Number: 15-02536

Disputed Product Type: MUNICIPAL BOND FUNDS; MUNICIPAL BONDS

Sum of All Relief Requested: \$840,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 02/23/2018

Sum of All Relief Awarded: \$521,075.00



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

Disclosure 30 of 41

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum:	FINRA
Case Initiated:	10/15/2015
Case Number:	15-02661
Disputed Product Type:	MUNICIPAL BOND FUNDS; MUNICIPAL BONDS
Sum of All Relief Requested:	\$5,000,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	06/26/2017
Sum of All Relief Awarded:	\$793,677.67

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

Disclosure 31 of 41

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	12/08/2015
Case Number:	15-03264
Disputed Product Type:	MUNICIPAL BOND FUNDS; MUTUAL FUNDS
Sum of All Relief Requested:	\$1,128,936.49
Disposition:	AWARD AGAINST PARTY

Disposition Date: 10/29/2018

Sum of All Relief Awarded: \$453,623.34

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

Disclosure 32 of 41

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-OTHER

Arbitration Forum: FINRA

Case Initiated: 12/28/2015

Case Number: 15-03421

Disputed Product Type: MUNICIPAL BOND FUNDS; MUNICIPAL BONDS; OTHER TYPES OF SECURITIES

Sum of All Relief Requested: \$5,000,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 03/20/2018

Sum of All Relief Awarded: \$270,639.02

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

Disclosure 33 of 41

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY

Arbitration Forum: FINRA

Case Initiated: 02/08/2016

Case Number: 16-00290

Disputed Product Type: MUNICIPAL BOND FUNDS; MUNICIPAL BONDS



Sum of All Relief Requested: \$5,000,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/09/2017
Sum of All Relief Awarded: \$505,000.02

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

Disclosure 34 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD;
ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION
OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY;
ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-
NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 03/15/2016
Case Number: 16-00715
Disputed Product Type: MUNICIPAL BOND FUNDS; MUTUAL FUNDS
Sum of All Relief Requested: \$5,000,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/22/2018
Sum of All Relief Awarded: \$4,286,447.02

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

Disclosure 35 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD;
ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-
MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS;
ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT



RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER

Arbitration Forum: FINRA
Case Initiated: 08/30/2016
Case Number: 16-02528
Disputed Product Type: MUNICIPAL BONDS; MUTUAL FUNDS
Sum of All Relief Requested: \$5,000,000.01
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/20/2019
Sum of All Relief Awarded: \$7,839,129.84

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

Disclosure 36 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER
Arbitration Forum: FINRA
Case Initiated: 11/11/2016
Case Number: 16-03270
Disputed Product Type: MUNICIPAL BOND FUNDS; MUNICIPAL BONDS; MUTUAL FUNDS
Sum of All Relief Requested: \$23,000,000.01
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/08/2018
Sum of All Relief Awarded: \$253,256.06

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

Disclosure 37 of 41

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER
Arbitration Forum:	FINRA
Case Initiated:	11/11/2016
Case Number:	16-03287
Disputed Product Type:	MUNICIPAL BONDS; MUTUAL FUNDS
Sum of All Relief Requested:	\$9,500,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	07/06/2018
Sum of All Relief Awarded:	\$250,000.00

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

Disclosure 38 of 41

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER
Arbitration Forum:	FINRA
Case Initiated:	03/10/2017
Case Number:	17-00592



Disputed Product Type: MUNICIPAL BOND FUNDS; MUTUAL FUNDS
Sum of All Relief Requested: \$5,000,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/29/2018
Sum of All Relief Awarded: \$1,880,000.00

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

Disclosure 39 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD;
ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION
OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY;
ACCOUNT ACTIVITY-VIOLATE OF BLUE SKY LWS; ACCOUNT RELATED-
BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE;
ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER
Arbitration Forum: FINRA
Case Initiated: 09/06/2017
Case Number: 17-02354
Disputed Product Type: GOVERNMENT SECURITIES; MUNICIPAL BOND FUNDS; MUNICIPAL BONDS;
MUTUAL FUNDS; PREFERRED STOCK
Sum of All Relief Requested: Unspecified Damages
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/19/2019
Sum of All Relief Awarded: \$4,420,375.01

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD;



ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-DIVIDENDS; ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA
Case Initiated: 11/15/2017
Case Number: 17-02676
Disputed Product Type: MUNICIPAL BOND FUNDS; MUNICIPAL BONDS
Sum of All Relief Requested: \$6,000,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 07/12/2019
Sum of All Relief Awarded: \$4,881,880.40

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

Disclosure 41 of 41

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum: NASD
Case Initiated: 01/01/1988
Case Number: 88-01493
Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested: \$579,052.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 10/17/1989
Sum of All Relief Awarded: \$27,000.00

There may be a non-monetary award associated with this arbitration.



Please select the Case Number above to view more detailed information.

End of Report



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