

## BrokerCheck Report

### SAGEPOINT FINANCIAL, INC.

CRD# 133763

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

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

## About BrokerCheck®



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

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

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

**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](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://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)



## SAGEPOINT FINANCIAL, INC.

CRD# 133763

SEC# 8-66771

### Main Office Location

20 E THOMAS RD  
SUITE 2000  
PHOENIX, AZ 85012  
Regulated by FINRA Denver Office

### Mailing Address

20 E THOMAS RD  
SUITE 2000  
PHOENIX, AZ 85012

### Business Telephone Number

800-552-3319

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

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

## Report Summary for this Firm

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

### Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 09/10/2004.

Its fiscal year ends in December.

### Firm History

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

### Firm Operations

This firm is registered with:

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

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

This firm conducts 14 types of businesses.

This firm is affiliated with financial or investment institutions.

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

### Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	14
Arbitration	11



## Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 09/10/2004.

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.

### **SAGEPOINT FINANCIAL, INC.**

**Doing business as SAGEPOINT FINANCIAL, INC.**

**CRD#** 133763

**SEC#** 8-66771

### **Main Office Location**

20 E THOMAS RD  
SUITE 2000  
PHOENIX, AZ 85012

### **Regulated by FINRA Denver Office**

### **Mailing Address**

20 E THOMAS RD  
SUITE 2000  
PHOENIX, AZ 85012

### **Business Telephone Number**

800-552-3319



## Firm Profile

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

### Direct Owners and Executive Officers

<b>Legal Name &amp; CRD# (if any):</b>	ADVISOR GROUP, INC.
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Position</b>	SHAREHOLDER
<b>Position Start Date</b>	09/2004
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	CORNICK, GREGORY ALLEN 3132991
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	DIRECTOR
<b>Position Start Date</b>	01/2021
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	HAMEL, CYNTHIA ANN 3014361
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF OPERATIONS OFFICER
<b>Position Start Date</b>	05/2017



## Firm Profile

### Direct Owners and Executive Officers (continued)

**Percentage of Ownership** Less than 5%

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** PRICE, JAMES DALE  
1243224

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

**Position** CHAIRMAN

**Position Start Date** 11/2016

**Percentage of Ownership** Less than 5%

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** SCHLEGEL, STEVEN DAVID  
2210096

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

**Position** CHIEF COMPLIANCE OFFICER

**Position Start Date** 03/2019

**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

**Legal Name & CRD# (if any):** SCHLUETER, MATTHEW ADAM

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

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<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	EVP, DIRECTOR
<b>Position Start Date</b>	03/2019
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No
<hr/>	
<b>Legal Name &amp; CRD# (if any):</b>	SCHMIDT, DAVID MARTIN 5675524
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	TREASURER, FINANCIAL AND OPERATIONS PRINCIPAL
<b>Position Start Date</b>	03/2017
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No
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<b>Legal Name &amp; CRD# (if any):</b>	SII, DESIREE MARVEL 4269179
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CEO, PRESIDENT, DIRECTOR
<b>Position Start Date</b>	01/2021
<b>Percentage of Ownership</b>	Less than 5%

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

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** WHITE, LAURA  
5557960

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

**Position** INTERIM CHEIF COMPLIANCE OFFICER - IA

**Position Start Date** 08/2021

**Percentage of Ownership** Less than 5%

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

**Is this a public reporting company?** No





## Firm Profile

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

### Indirect Owners

<b>Legal Name &amp; CRD# (if any):</b>	ADVISOR GROUP HOLDINGS, INC.
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	ADVISOR GROUP, INC.
<b>Relationship to Direct Owner</b>	SHAREHOLDER
<b>Relationship Established</b>	05/2016
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	AG ARTEMIS HOLDINGS, L.P.
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	AG INTERMEDIATE CORPORATION
<b>Relationship to Direct Owner</b>	SHAREHOLDER
<b>Relationship Established</b>	08/2019
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	AG INTERMEDIATE CORPORATION
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity



## Firm Profile

### Indirect Owners (continued)

**Company through which indirect ownership is established** LADENBURG THALMANN FINANCIAL SERVICE, INC.

**Relationship to Direct Owner** SHAREHOLDER

**Relationship Established** 05/2020

**Percentage of Ownership** 75% or more

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** AG PARENT CORPORATION

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

**Company through which indirect ownership is established** ADVISOR GROUP HOLDINGS, INC.

**Relationship to Direct Owner** SHAREHOLDER

**Relationship Established** 08/2019

**Percentage of Ownership** 75% or more

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** LADENBURG THALMANN FINANCIAL SERVICES, INC.

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

**Company through which indirect ownership is established** AG PARENT CORPORATION

**Relationship to Direct Owner** SHAREHOLDER

**Relationship Established** 05/2020

## Firm Profile



### Indirect Owners (continued)

**Percentage of Ownership** 75% or more

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** RCP ARTEMIS CO-INVEST, L.P.

**Is this a domestic or foreign entity or an individual?** Foreign Entity

**Company through which indirect ownership is established** AG ARTEMIS HOLDINGS, L.P.

**Relationship to Direct Owner** LIMITED PARTNER

**Relationship Established** 08/2019

**Percentage of Ownership** 75% or more

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** RCP GENPAR HOLDCO LLC

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

**Company through which indirect ownership is established** RCP GENPAR LP

**Relationship to Direct Owner** LIMITED PARTNER

**Relationship Established** 08/2014

**Percentage of Ownership** 75% or more

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

**Is this a public reporting company?** No



## Firm Profile

### Indirect Owners (continued) company?

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<b>Legal Name &amp; CRD# (if any):</b>	RCP GENPAR LP
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	RCP OPP FUND II GP, LP
<b>Relationship to Direct Owner</b>	LIMITED PARTNER
<b>Relationship Established</b>	01/2018
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	RCP OPP FUND II GP, LP
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	RCP ARTEMIS CO-INVEST GP, LLC
<b>Relationship to Direct Owner</b>	LIMITED PARTNER
<b>Relationship Established</b>	01/2018
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	THE BERLINSKI FAMILY 2006 TRUST
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity



## Firm Profile

### Indirect Owners (continued)

**Company through which indirect ownership is established** MRB ICBC LLC

**Relationship to Direct Owner** MEMBER

**Relationship Established** 08/2014

**Percentage of Ownership** 75% or more

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** BERLINSKI, MILTON RALPH  
1710939

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

**Company through which indirect ownership is established** THE BERLINSKI FAMILY 2006 TRUST

**Relationship to Direct Owner** TRUSTEE

**Relationship Established** 06/2006

**Percentage of Ownership** 25% but less than 50%

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** BERLINSKI, MILTON RALPH  
1710939

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

**Company through which indirect ownership is established** RCP GENPAR HOLDCO LLC

## Firm Profile



### Indirect Owners (continued)

<b>Relationship to Direct Owner</b>	MEMBER
<b>Relationship Established</b>	08/2014
<b>Percentage of Ownership</b>	25% but less than 50%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	MRB ICBC LLC
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	RCP GENPAR HOLDCO LLC
<b>Relationship to Direct Owner</b>	MEMBER
<b>Relationship Established</b>	08/2014
<b>Percentage of Ownership</b>	25% but less than 50%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	AG ARTEMIS HOLDINGS GP, LLC
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	AG ARTEMIS HOLDINGS, L.P.
<b>Relationship to Direct Owner</b>	GENERAL PARTNER
<b>Relationship Established</b>	05/2019
<b>Percentage of Ownership</b>	Other General Partners
<b>Does this owner direct the management or policies of</b>	Yes



## Firm Profile

### Indirect Owners (continued) the firm?

Is this a public reporting company? No

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Legal Name & CRD# (if any): BERLINSKI, MILTON RALPH  
1710939

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

Company through which indirect ownership is established MRB ICBC LLC

Relationship to Direct Owner INVESTMENT MANAGER

Relationship Established 08/2014

Percentage of Ownership Other General Partners

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

Is this a public reporting company? No

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Legal Name & CRD# (if any): BERLINSKI, MILTON RALPH  
1710939

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

Company through which indirect ownership is established RCP GENPAR LP

Relationship to Direct Owner GENERAL PARTNER

Relationship Established 08/2014

Percentage of Ownership Other General Partners

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

Is this a public reporting company? No

**Firm Profile****Indirect Owners (continued)**


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<b>Legal Name &amp; CRD# (if any):</b>	RCP ARTEMIS CO-INVEST GP LLC
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	RCP ARTEMIS CO-INVEST, L.P.
<b>Relationship to Direct Owner</b>	GENERAL PARTNER
<b>Relationship Established</b>	05/2019
<b>Percentage of Ownership</b>	Other General Partners
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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## Firm History

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

No information reported.





## Firm Operations

### Registrations

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

**This firm is currently registered with the SEC, 1 SRO and 53 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	05/26/2005

### 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	05/26/2005



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	06/22/2005	North Carolina	Approved	07/20/2005
Alaska	Approved	06/21/2005	North Dakota	Approved	06/20/2005
Arizona	Approved	06/03/2005	Ohio	Approved	06/28/2005
Arkansas	Approved	06/29/2005	Oklahoma	Approved	06/06/2005
California	Approved	06/06/2005	Oregon	Approved	05/29/2005
Colorado	Approved	07/08/2005	Pennsylvania	Approved	06/27/2005
Connecticut	Approved	05/27/2005	Puerto Rico	Approved	06/20/2005
Delaware	Approved	06/24/2005	Rhode Island	Approved	07/05/2005
District of Columbia	Approved	06/30/2005	South Carolina	Approved	07/11/2005
Florida	Approved	06/09/2005	South Dakota	Approved	06/06/2005
Georgia	Approved	06/22/2005	Tennessee	Approved	10/04/2005
Hawaii	Approved	09/02/2005	Texas	Approved	06/24/2005
Idaho	Approved	05/27/2005	Utah	Approved	06/22/2005
Illinois	Approved	06/20/2005	Vermont	Approved	06/17/2005
Indiana	Approved	07/08/2005	Virgin Islands	Approved	12/27/2006
Iowa	Approved	06/09/2005	Virginia	Approved	06/08/2005
Kansas	Approved	06/24/2005	Washington	Approved	05/26/2005
Kentucky	Approved	06/03/2005	West Virginia	Approved	06/06/2005
Louisiana	Approved	06/27/2005	Wisconsin	Approved	06/06/2005
Maine	Approved	10/19/2005	Wyoming	Approved	06/02/2005
Maryland	Approved	06/21/2005			
Massachusetts	Approved	06/20/2005			
Michigan	Approved	06/14/2005			
Minnesota	Approved	06/13/2005			
Mississippi	Approved	05/26/2005			
Missouri	Approved	08/23/2005			
Montana	Approved	06/16/2005			
Nebraska	Approved	08/11/2005			
Nevada	Approved	06/02/2005			
New Hampshire	Approved	06/22/2005			
New Jersey	Approved	07/18/2005			
New Mexico	Approved	08/19/2005			
New York	Approved	08/29/2005			



## Firm Operations

### Types of Business

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

**This firm currently conducts 14 types of businesses.**

#### Types of Business

- Broker or dealer retailing corporate equity securities over-the-counter
- Mutual fund retailer
- U S. government securities broker
- 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
- Investment advisory services
- Broker or dealer selling tax shelters or limited partnerships in primary distributions
- Non-exchange member arranging for transactions in listed securities by exchange member
- Private placements of securities
- Broker or dealer involved in a networking, kiosk or similar arrangement with a: bank, savings bank or association, or credit union
- Broker or dealer involved in a networking, kiosk or similar arrangement with a: insurance company or agency



## Firm Operations

### Clearing Arrangements

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

### Introducing Arrangements

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

**Name:** PERSHING LLC  
**CRD #:** 7560  
**Business Address:** ONE PESHING PLAZA  
 JERSEY CITY, NJ 07399  
**Effective Date:** 04/26/2004  
**Description:** FULLY DISCLOSED CLEARING ARRANGEMENT WITH PERSHING, DIVISION OF DONALDSON, LUFKIN AND JENRETTE CORPORATION, ONE PERSHING PLAZA, JERSEY CITY, NJ 07399.

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**Name:** NATIONAL FINANCIAL SERVICES LLC  
**CRD #:** 13041  
**Business Address:** 155 SEAPORT BLVD.  
 2W9B  
 BOSTON, MA 02210  
**Effective Date:** 06/20/2011  
**Description:** APPLICANT MAINTAINS A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES LLC.

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## Firm Operations

### Industry Arrangements



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

**Name:** ADVISORWEBSITES  
**Business Address:** 311-1930 PANDORA STREET  
 VANCOUVER, CANADA BC V5L 0C7  
**Effective Date:** 09/23/2020  
**Description:** APPROVED WEBSITE HOSTING VENDOR FOR FINANCIAL PROFESSIONALS

**Name:** TWENTY OVER TEN  
**Business Address:** 2171 SANDY DRIVE  
 SUITE # 200  
 STATE COLLEGE, PA 16803  
**Effective Date:** 09/23/2020  
**Description:** APPROVED WEBSITE HOSTING VENDOR FOR FINANCIAL PROFESSIONALS

**Name:** LOGICGATE  
**Business Address:** 320 W OHIO ST.  
 FLOOR 5E  
 CHICAGO, IL 60654  
**Effective Date:** 01/01/2018  
**Description:** REGULATORY INTERNAL TESTING RESULTS, SALES PRACTICE MANUALS, WSPS, AS WELL AS VARIOUS FIRM DISCLOSURE DOCUMENTS

**Name:** MICROSOFT OFFICE 365  
**Business Address:** ONE MICROSOFT WAY  
 REDMOND, WA 98052  
**Effective Date:** 10/22/2018  
**Description:** INTERNAL ELECTRONIC COMMUNICATIONS

**Name:** THETA LAKE  
**Business Address:** 4 FAIROAKS COURT  
 SAN MATEO, CA 93101  
**Effective Date:** 07/20/2020

## Firm Operations



### Industry Arrangements (continued)

<b>Description:</b>	ARCHIVING OF VIDEO COMMUNICATIONS
<b>Name:</b>	VERITAS (LIVEOFFICE)
<b>Business Address:</b>	2780 SKYPARK DRIVE SUITE 300 TORRANCE, CA 90505
<b>Effective Date:</b>	04/17/2007
<b>Description:</b>	E-MAIL ARCHIVING AND SUPERVISION
<b>Name:</b>	DOCUPACE
<b>Business Address:</b>	2001 S. BARRINGTON AVE SUITE 215 LOS ANGELES, CA 90025
<b>Effective Date:</b>	09/29/2009
<b>Description:</b>	ARCHIVING OF AUDIT RECORDS, CERTAIN CLIENT RECORDS
<b>Name:</b>	NATIONAL FINANCIAL SERVICES LLC
<b>CRD #:</b>	13041
<b>Business Address:</b>	155 SEAPORT BLVD 2W9B BOSTON, MA 02210
<b>Effective Date:</b>	06/20/2011
<b>Description:</b>	APPLICANT MAINTAINS A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES LLC.
<b>Name:</b>	PERSHING LLC
<b>CRD #:</b>	7560
<b>Business Address:</b>	ONE PERSHING PLAZA JERSEY CITY, NJ 07399
<b>Effective Date:</b>	04/26/2004
<b>Description:</b>	FULLY DISCLOSED CLEARING ARRANGEMENT WITH PERSHING, DIVISION OF DONALDSON, LUFKIN AND JENRETTE CORPORATION, ONE PERSHING PLAZA, JERSEY CITY, NJ 07399.
<b>This firm does have accounts, funds, or securities maintained by a third party.</b>	
<b>Name:</b>	NATIONAL FINANCIAL SERVICES LLC
<b>CRD #:</b>	13041

## Firm Operations



### Industry Arrangements (continued)

**Business Address:** 155 SEAPORT BLVD  
2W9B  
BOSTON, MA 02210

**Effective Date:** 06/20/2011

**Description:** APPLICANT MAINTAINS A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES LLC.

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**Name:** PERSHING LLC

**CRD #:** 7560

**Business Address:** ONE PERSHING PLAZA  
JERSEY CITY, NJ 07399

**Effective Date:** 04/26/2004

**Description:** FULLY DISCLOSED CLEARING ARRANGEMENT WITH PERSHING, DIVISION OF DONALDSON, LUFKIN AND JENRETTE CORPORATION, ONE PERSHING PLAZA, JERSEY CITY, NJ 07399.

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

**Name:** NATIONAL FINANCIAL SERVICES LLC

**CRD #:** 13041

**Business Address:** 155 SEAPORT BLVD  
2W9B  
BOSTON, MA 02210

**Effective Date:** 06/20/2011

**Description:** APPLICANT MAINTAINS A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES LLC.

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**Name:** PERSHING LLC

**CRD #:** 7560

**Business Address:** ONE PERSHING PLAZA  
JERSEY CITY, NJ 07399

**Effective Date:** 04/26/2004

**Description:** FULLY DISCLOSED CLEARING ARRANGEMENT WITH PERSHING, DIVISION OF DONALDSON, LUFKIN AND JENRETTE CORPORATION, ONE PERSHING PLAZA, JERSEY CITY, NJ 07399.

### Control Persons/Financing

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



## **Firm Operations**

### **Industry Arrangements (continued)**

**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.

**LADENBURG THALMANN FINANCIAL SERVICES, INC controls the firm.**

<b>Business Address:</b>	522 MADISON AVENUE 11TH FL NEW YORK, NY 10024
<b>Effective Date:</b>	05/26/2020
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	LADENBURG THALMANN FINANCIAL SERVICES, INC. INDIRECTLY CONTROLS THE APPLICANT.

**TRIAD ADVISORS LLC is under common control with the firm.**

<b>CRD #:</b>	25803
<b>Business Address:</b>	5185 PEACHTREE PARKWAY SUIET 2801 NORCROSS, GA 33092
<b>Effective Date:</b>	02/14/2020
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	APPLICANT AND TRIAD ADVISORS LLC ARE UNDER COMMON CONTROL OF ADVISOR GROUP HOLDINGS, INC.

**Firm Operations****Organization Affiliates (continued)****LADENBURG THALMANN & CO. INC. is under common control with the firm.**

**CRD #:** 505

**Business Address:** 520 MADISON AVENUE  
9TH FL  
NEW YORK, NY 10023

**Effective Date:** 02/14/2020

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** APPLICANT AND LADENBURG THALMANN & CO. ARE UNDER COMMON CONTROL OF ADVISOR GROUP HOLDINGS, INC.

**SECURITIES AMERICA, INC. is under common control with the firm.**

**CRD #:** 10205

**Business Address:** 12325 PORT GRACE BLVD  
LA VISTA, NE 68128

**Effective Date:** 02/14/2020

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** APPLICANT AND SECURITIES AMERICA, INC. ARE UNDER COMMON CONTROL OF ADVISOR GROUP HOLDINGS, INC.

**SECURITIES AMERICA ADVISORS, INC. is under common control with the firm.**

**CRD #:** 110518

**Business Address:** 12325 PORT GRACE BLVD  
LA VISTA, NE 62128

**Effective Date:** 02/14/2020

**Firm Operations****Organization Affiliates (continued)**

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** APPLICANT AND SECURITIES AMERICA ADVISORS, INC. ARE UNDER COMMON CONTROL OF ADVISOR GROUP HOLDINGS, INC.

**LADENBURG THALMANN ASSET MANAGEMENT INC is under common control with the firm.**

**CRD #:** 108604

**Business Address:** 522 MADISON AVENUE  
11TH FL  
NEW YORK, NY 10024

**Effective Date:** 02/14/2020

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** APPLICANT AND LADENBURG THALMANN ASSET MANAGEMENT, INC. ARE UNDER COMMON CONTROL OF THE ADVISOR GROUP HOLDINGS, INC.

**AG ARTEMIS HOLDINGS GP, LLC controls the firm.**

**Business Address:** 20 EAST THOMAS RD  
SUITE 2000  
PHOENIX, AZ 85012

**Effective Date:** 02/14/2020

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** RCP ARTEMIS CO-INVEST GP LLC INDIRECTLY CONTROLS THE APPLICANT.

**Firm Operations****Organization Affiliates (continued)**

**TRIAD HYBRID SOLUTIONS, LLC is under common control with the firm.**

**CRD #:** 171070

**Business Address:** 5155 PEACHTREE PARKWAY  
SUITE 3230  
NORCROSS, GA 33093

**Effective Date:** 02/14/2020

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** APPLICANT AND TRIAD HYBRID SOLUTIONS, LLC ARE UNDER COMMON CONTROL OF ADVISOR GROUP HOLDINGS, INC.

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**ARBOR POINT ADVISORS is under common control with the firm.**

**CRD #:** 165127

**Business Address:** 12325 PORT GRACE BLVD  
LA VISTA, NE 62128

**Effective Date:** 02/14/2020

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** APPLICANT AND ARBOR POINT ADVISORS, LLC ARE UNDER COMMON CONTROL OF ADVISOR GROUP HOLDINGS, INC.

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**AG PARENT CORPORATION controls the firm.**

**Business Address:** 20 EAST THOMAS ROAD  
SUITE 2000  
PHOENIX, AZ 85012

**Effective Date:** 08/01/2019

**Foreign Entity:** No

**Firm Operations****Organization Affiliates (continued)****Country:****Securities Activities:** Yes**Investment Advisory Activities:** No**Description:** AG PARENT CORPORATION INDIRECTLY CONTROLS THE APPLICANT.**AG INTERMEDIATE CORPORATION controls the firm.****Business Address:** 20 EAST THOMAS ROAD  
SUITE 2000  
PHOENIX, AZ 85012**Effective Date:** 08/01/2019**Foreign Entity:** No**Country:****Securities Activities:** Yes**Investment Advisory Activities:** No**Description:** AG INTERMEDIATE CORPORATION INDIRECTLY CONTROLS THE APPLICANT.**AG ARTEMIS HOLDINGS, L.P. controls the firm.****Business Address:** 20 EAST THOMAS ROAD  
SUITE 2000  
PHOENIX, AZ 85012**Effective Date:** 08/01/2019**Foreign Entity:** No**Country:****Securities Activities:** Yes**Investment Advisory Activities:** No**Description:** AG ARTEMIS HOLDINGS, L.P. INDIRECTLY CONTROLS THE APPLICANT.**RCP ARTEMIS CO-INVEST, L.P. controls the firm.****Business Address:** UGLAND HOUSE, SOUTH CHURCH STREET  
P O BOX 309

**Firm Operations****Organization Affiliates (continued)**

GRAND CAYMAN, CAYMAN ISLANDS KY1-1104

**Effective Date:** 07/31/2019

**Foreign Entity:** Yes

**Country:** CAYMAN ISLANDS

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** RCP ARTEMIS CO-INVEST, L.P. INDIRECTLY CONTROLS THE APPLICANT.

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**WOODBURY FINANCIAL SERVICES, INC. is under common control with the firm.**

**CRD #:** 421

**Business Address:** 7755 3RD STREET NORTH  
OAKDALE, MN 55128

**Effective Date:** 12/01/2012

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** THE APPLICANT AND THE AFFILIATE ARE UNDER COMMON CONTROL OF RCP ARTEMIS CO-INVEST, L.P.

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**VISION2020 WEALTH MANAGEMENT CORP. is under common control with the firm.**

**CRD #:** 154149

**Business Address:** 10 EXCHANGE PLACE  
SUITE 1410  
JERSEY CITY, NJ 07302

**Effective Date:** 06/21/2010

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

## Firm Operations



### Organization Affiliates (continued)

**Investment Advisory Activities:** Yes

**Description:** THE APPLICANT AND THE AFFILIATE ARE UNDER COMMON CONTROL OF RCO ARTEMIS CO-INVEST, L.P.

**FSC SECURITIES CORPORATION is under common control with the firm.**

**CRD #:** 7461

**Business Address:** 2300 WINDY RIDGE PARKWAY  
SUITE 750N  
ATLANTA, GA 30339

**Effective Date:** 01/01/1999

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** THE APPLICANT AND THE AFFILIATE ARE UNDER COMMON CONTROL OF RCP ARTEMIS CO-INVEST, L.P.

**ROYAL ALLIANCE ASSOCIATES, INC. is under common control with the firm.**

**CRD #:** 23131

**Business Address:** 10 EXCHANGE PLACE  
SUITE 1410  
JERSEY CITY, NJ 07302

**Effective Date:** 01/01/2009

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** THE APPLICANT AND THE AFFILIATE ARE UNDER COMMON CONTROL OF RCP ARTEMIS CO-INVEST, L.P.

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



## Firm Operations



### Organization Affiliates (continued)

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



## Disclosure Events

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

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	0	14	0
Arbitration	N/A	11	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 14

**Reporting Source:** Regulator  
**Current Status:** Final



**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS THAT WERE REASONABLY DESIGNED TO SUPERVISE THE SUITABILITY OF REPRESENTATIVES' RECOMMENDATIONS TO CUSTOMERS FOR EARLY ROLLOVERS OF UNIT INVESTMENT TRUSTS (UITs). THE FINDINGS STATED THAT THE FIRM'S WSPS DID NOT DISCUSS EARLY ROLLOVERS OR SERIES-TO-SERIES EARLY ROLLOVERS OR OTHERWISE PROVIDE GUIDANCE TO ITS SUPERVISORS ABOUT HOW TO MONITOR FOR POTENTIALLY UNSUITABLE PATTERNS OF EARLY ROLLOVERS OR SERIES-TO-SERIES EARLY ROLLOVERS. FURTHER, THE FIRM DID NOT USE AUTOMATED REPORTS, ALERTS, OR SIMILAR TOOLS TO SUPERVISE FOR POTENTIALLY UNSUITABLE PATTERNS OF EARLY UIT ROLLOVERS. SIMILARLY, THE FIRM'S REVIEW OF UIT TRANSACTIONS THROUGH ITS ORDER ENTRY SYSTEM WAS NOT FOCUSED ON SUITABILITY CONCERNS RELATED TO EARLY UIT ROLLOVERS. AS A RESULT, THE FIRM DID NOT IDENTIFY THAT FIRM REPRESENTATIVES RECOMMENDED POTENTIALLY UNSUITABLE EARLY ROLLOVERS, INCLUDING SERIES-TO-SERIES EARLY ROLLOVERS, WHICH CAUSED CUSTOMERS TO INCUR \$1,315,373.01 IN SALES CHARGES THAT THEY WOULD NOT HAVE INCURRED HAD THEY HELD THE UITs UNTIL THEIR MATURITY DATES.

**Initiated By:** FINRA

**Date Initiated:** 06/10/2020

**Docket/Case Number:** [2018056858101](#)

**Principal Product Type:** Unit Investment Trust(s)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 06/10/2020

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



**Sanctions Ordered:** Censure  
Monetary/Fine \$300,000.00  
Disgorgement/Restitution

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$300,000, AND ORDERED TO PAY \$1,315,373.01, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS. FINES PAID IN FULL JUNE 26, 2020.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM ENTERED INTO A CONSENT ORDER REGARDING ALLEGATIONS THAT IT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND WSP'S REASONABLY DESIGNED TO SUPERVISE THE SUITABILITY OF REPRESENTATIVES' RECOMMENDATIONS TO CUSTOMERS FOR EARLY ROLLOVER UITs OR OTHERWISE PROVIDE GUIDANCE TO FIRM SUPERVISORS ABOUT HOW TO MONITOR FOR POTENTIALLY UNSUITABLE PATTERNS OF EARLY ROLLOVERS OR SERIES-TO-SERIES EARLY ROLLOVERS.

**Initiated By:** FINRA

**Date Initiated:** 06/10/2020

**Docket/Case Number:** [2018056858101](#)

**Principal Product Type:** Unit Investment Trust(s)

**Other Product Type(s):**

**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:** 06/10/2020

**Sanctions Ordered:** Censure  
Monetary/Fine \$300,000.00  
Disgorgement/Restitution

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$300,000, AND REQUIRED TO PAY



RESTITUTION TO CUSTOMERS IN THE TOTAL AMOUNT OF \$1,315,373.01,  
PLUS INTEREST.

## Disclosure 2 of 14

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM, AS ONE OF THE RESPONDENTS WITH OTHER MEMBER FIRMS, CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THESE FIRMS EACH FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES (WSPS) REASONABLY DESIGNED TO SUPERVISE REPRESENTATIVES' SALE OF MULTI-SHARE CLASS VARIABLE ANNUITIES (VAS). THE FINDINGS STATED THAT THE FIRMS' PROCEDURES DID NOT SPECIFICALLY ADDRESS THE SUITABILITY ISSUES RELATED TO THE DIFFERENT SURRENDER PERIODS, FEES AND COSTS OF THE DIFFERENT VA SHARE CLASSES. SIMILARLY, THE FIRM'S PROCEDURES DID NOT SPECIFICALLY ADDRESS THE SUITABILITY CONCERNS RAISED BY THE SALE OF AN L-SHARE CONTRACT WHEN COMBINED WITH A LONG-TERM INCOME RIDER OR TO A CUSTOMER WITH A LONG-TERM INVESTMENT TIME HORIZON. THE FIRMS' WSPS ALSO FAILED TO ADDRESS WHEN ADDITIONAL SCRUTINY MAY BE WARRANTED DURING THE REQUIRED PRINCIPAL REVIEW AND APPROVAL PROCESS BECAUSE OF SUITABILITY CONCERNS ABOUT THE VA SHARE CLASS THAT WAS SELECTED FOR THE TRANSACTION. HOWEVER, SAGEPOINT FINANCIAL'S PROCEDURES FOR PRINCIPALS DID EXPLAIN BASIC DIFFERENCES IN THE SURRENDER PERIOD FOR VA SHARE CLASSES. THEY ALSO NOTED THAT REVIEWING PRINCIPALS SHOULD ATTEMPT TO GET A RATIONALE ADDRESSING THE CUSTOMER'S DECISION TO PAY THE INCREASED ANNUAL FEE FOR AN L-SHARE CONTRACT. THE RESPONDENT FIRMS ALSO FAILED TO PROVIDE SUFFICIENT TRAINING TO THEIR REGISTERED REPRESENTATIVES AND REVIEWING PRINCIPALS TO ENSURE THAT THEY UNDERSTOOD THE MATERIAL FEATURES OF VAS. DESPITE THE SIGNIFICANT ROLE THAT VARIABLE ANNUITY SALES PLAYED IN THE FIRMS' OVERALL BUSINESS, THEY FAILED TO IMPLEMENT A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ENSURE SUITABILITY IN MULTI-SHARE CLASS VA SALES, INCLUDING L-SHARE CONTRACTS. AT EACH OF THE FIRMS, A SIGNIFICANT NUMBER OF THE L-SHARE CONTRACTS WERE SOLD WITH LONG-TERM RIDERS. MANY OF THE CUSTOMERS PURCHASING L-SHARES INDICATED THEY HAD A LONG-TERM INVESTMENT HORIZON.

**Initiated By:** FINRA

**Date Initiated:** 07/24/2018



<b>Docket/Case Number:</b>	<a href="#">2016047636601</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	MULTI-SHARE CLASS VARIABLE ANNUITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	07/24/2018
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$200,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	THE FIRM WAS CENSURED, FINED \$200,000 AND REQUIRED TO REVIEW AND REVISE, AS NECESSARY, ITS SYSTEMS, POLICIES AND PROCEDURES (WRITTEN AND OTHERWISE) AND TRAINING WITH RESPECT TO THE AREAS DESCRIBED WITHIN THE AWC. THE FIRM SHALL CERTIFY TO FINRA THAT THAT IT HAS ENGAGED IN THE REVIEW AND AS OF THE DATE OF THE CERTIFICATION, IT HAS ESTABLISHED AND IMPLEMENTED SYSTEMS, POLICIES, AND PROCEDURES (WRITTEN OR OTHERWISE) THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE FINRA AND NASD RULES. FINES PAID IN FULL ON AUGUST 7, 2018.
<hr/>	
<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES (WSPS) REASONABLY DESIGNED TO SUPERVISE REPRESENTATIVES' SALE OF MULTI-SHARE CLASS VARIABLE ANNUITIES (VAS). THE FIRM'S PROCEDURES FOR PRINCIPALS DID EXPLAIN BASIC



DIFFERENCES IN THE SURRENDER PERIOD FOR VA SHARE CLASSES, AND NOTED THAT REVIEWING PRINCIPALS SHOULD ATTEMPT TO GET A RATIONALE ADDRESSING THE CUSTOMER'S DECISION TO PAY THE INCREASED ANNUAL FEE FOR AN L-SHARE CONTRACT. THE FIRM ALSO FAILED TO PROVIDE SUFFICIENT TRAINING TO THEIR REGISTERED REPRESENTATIVES AND REVIEWING PRINCIPALS TO ENSURE THAT THEY UNDERSTOOD THE MATERIAL FEATURES OF VAS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO SUPERVISE VA EXCHANGES. MOREOVER, THE FIRM'S WSPS DID NOT INCLUDE ANY "SURVEILLANCE PROCEDURES" DESIGNED TO DETERMINE IF REPRESENTATIVES HAD PROBLEMATIC RATES OF VA EXCHANGES

**Initiated By:** FINRA

**Date Initiated:** 07/24/2018

**Docket/Case Number:** [2016047636601](#)

**Principal Product Type:** Annuity(ies) - Variable

**Other Product Type(s):** MULTI-SHARES CLASS VARIANLE ANNUITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/24/2018

**Sanctions Ordered:** Censure  
Monetary/Fine \$200,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$200,000.00 AND REQUIRED TO REVIEW AND REVISE, AS NECESSARY, ITS SYSTEMS, POLICIES AND PROCEDURES AND TRAINING WITH RESPECT TO THE AREAS DESCRIBED WITHIN THE AWC. THE FIRM WILL CERTIFY TO FINRA THAT THAT IT HAS ENGAGED IN THE REVIEW AND HAS ESTABLISHED AND IMPLEMENTED SYSTEMS, POLICIES, AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE FINRA AND NASD RULES.

#### Disclosure 3 of 14

**Reporting Source:** Regulator

**Current Status:** Final





**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION CUSTOMERS THAT WERE ELIGIBLE TO PURCHASE CLASS A SHARES IN CERTAIN MUTUAL FUNDS WITHOUT A FRONT-END SALES CHARGE. THE FINDINGS STATED THAT NOTWITHSTANDING THE AVAILABILITY OF THE WAIVERS, THE FIRM FAILED TO APPLY THE WAIVERS TO MUTUAL FUND PURCHASES MADE BY ELIGIBLE CUSTOMERS AND INSTEAD SOLD THESE ELIGIBLE CUSTOMERS CLASS A SHARES WITH A FRONT-END SALES CHARGE OR CLASS B OR C SHARES WITH BACK-END SALES CHARGES AND HIGHER ONGOING FEES AND EXPENSES. THESE SALES DISADVANTAGED ELIGIBLE CUSTOMERS BY CAUSING THE CUSTOMERS TO PAY HIGHER FEES THAN THEY WERE ACTUALLY REQUIRED TO PAY. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO SUPERVISE REASONABLY THE APPLICATION OF SALES-CHARGE WAIVERS TO ELIGIBLE MUTUAL FUND SALES. THE FIRM RELIED ON ITS FINANCIAL ADVISORS TO DETERMINE THE APPLICABILITY OF SALES-CHARGE WAIVERS BUT FAILED TO MAINTAIN ADEQUATE WRITTEN POLICIES OR PROCEDURES TO ASSIST FINANCIAL ADVISORS IN MAKING THIS DETERMINATION. FOR INSTANCE, THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN PROCEDURES TO IDENTIFY APPLICABLE SALES CHARGE WAIVERS IN FUND PROSPECTUSES FOR ELIGIBLE CUSTOMERS. IN ADDITION, THE FIRM FAILED TO ADEQUATELY NOTIFY AND TRAIN ITS FINANCIAL ADVISORS REGARDING THE AVAILABILITY OF MUTUAL FUND SALES-CHARGE WAIVERS FOR ELIGIBLE CUSTOMERS. THE FIRM ALSO FAILED TO ADOPT ADEQUATE CONTROLS TO DETECT INSTANCES IN WHICH THEY DID NOT PROVIDE SALES-CHARGE WAIVERS TO ELIGIBLE CUSTOMERS IN CONNECTION WITH THEIR MUTUAL FUND PURCHASES. BECAUSE OF THE FIRM'S FAILURE TO APPLY AVAILABLE SALES-CHARGE WAIVERS, THE FIRM ESTIMATES THAT IT OVERCHARGED ELIGIBLE CUSTOMERS BY APPROXIMATELY \$170,361 FOR MUTUAL FUND PURCHASES MADE SINCE JANUARY 1, 2011.

**Initiated By:** FINRA

**Date Initiated:** 12/20/2017

**Docket/Case Number:** [2017054229301](#)

**Principal Product Type:** Mutual Fund(s)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**



**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/20/2017

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

**Sanctions Ordered:** Censure  
Monetary/Fine \$75,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$75,000, AND REQUIRED TO PROVIDE A REMEDIATION PLAN TO FINRA TO REMEDIATE ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, AN APPLICABLE MUTUAL FUND SALES-CHARGE WAIVER. AS PART OF THIS SETTLEMENT, THE FIRM AGREED TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS, ESTIMATED TO TOTAL \$196,372 (THE AMOUNT IT OVERCHARGED ELIGIBLE CUSTOMERS, INCLUSIVE OF INTEREST). FINES PAID IN FULL ON JANUARY 8, 2018.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION CUSTOMERS THAT WERE ELIGIBLE TO PURCHASE CLASS A SHARES IN CERTAIN MUTUAL FUNDS WITHOUT A FRONT-END SALES CHARGE. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO SUPERVISE REASONABLY THE APPLICATION OF SALES-CHARGE WAIVERS TO ELIGIBLE MUTUAL FUND SALES. THE FIRM RELIED ON ITS FINANCIAL ADVISORS TO DETERMINE THE APPLICABILITY OF SALES- CHARGE WAIVERS BUT DID NOT MAINTAIN ADEQUATE WRITTEN POLICIES OR PROCEDURES TO ASSIST FINANCIAL ADVISORS IN MAKING THIS DETERMINATION. IN ADDITION, THE FIRM FAILED TO ADEQUATELY NOTIFY AND TRAIN ITS FINANCIAL ADVISORS REGARDING THE AVAILABILITY OF MUTUAL FUND SALES-CHARGE WAIVERS FOR ELIGIBLE CUSTOMERS. THE FIRM ALSO FAILED TO ADOPT ADEQUATE CONTROLS TO DETECT INSTANCES IN WHICH THEY DID NOT PROVIDE SALES-CHARGE WAIVERS TO ELIGIBLE CUSTOMERS IN CONNECTION WITH THEIR MUTUAL FUND PURCHASES.

**Initiated By:** FINRA



<b>Date Initiated:</b>	12/20/2017
<b>Docket/Case Number:</b>	<a href="#">2017054229301</a>
<b>Principal Product Type:</b>	Mutual Fund(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE RESTITUTION UNDERTAKING
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/20/2017
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$75,000.00 Disgorgement/Restitution
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	PARAGRAPH "13' THE FIRM AGREED TO A CENSURE AND A FINE OF \$75,000.00. IT FURTHER AGREED TO PROVIDE A REMEDIATION PLAN TO FINRA TO REMEDIATE ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, AN APPLICABLE MUTUAL FUND SALES-CHARGE WAIVER. AS PART OF THIS SETTLEMENT, THE FIRM AGREED TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS ESTIMATED TO TOTAL \$196,372.
<b>Firm Statement</b>	PARAGRAPH "13' THE FIRM AGREED TO A CENSURE AND A FINE OF \$75,000.00. IT FURTHER AGREED TO PROVIDE A REMEDIATION PLAN TO FINRA TO REMEDIATE ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, AN APPLICABLE MUTUAL FUND SALES-CHARGE WAIVER. AS PART OF THIS SETTLEMENT, THE FIRM AGREED TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS ESTIMATED TO TOTAL \$196,372.

#### Disclosure 4 of 14

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE FIRM SELP-REPORTED TO THE DIVISION THAT ONE OF ITS REPRESENTATIVES WAS FOUND TO HAVE CONVERTED CUSTOMER'S FUNDS AND USED THEM FOR HIS OWN BENEFIT. PURSUANT TO S.C. CODE ANN.SECTIONS 35-1-412(A)THROUGH(C), THE DIVISION ALLEGED THAT THE



FIRM FAILED TO REASONABLY SUPERVISE THE REGISTERED REPRESENTATIVE.

**Initiated By:** SOUTH CAROLINA SECURITIES DIVISION

**Date Initiated:** 07/20/2017

**Docket/Case Number:** 16049

**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:** COSTS

**Resolution:** Consent

**Resolution Date:** 08/04/2017

**Sanctions Ordered:** Monetary/Fine \$25,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS ASSESSED A FINE OF \$25,000 AND ORDERED TO PAY INVESTIGATIVE COSTS OF \$15,000.

**Firm Statement**

WITHOUT ADMITTING OR DENYING THE FINDINGS OF FACT AND CONCLUSIONS OF LAW, THE FIRM AGREED TO MAKE CERTAIN POLICY AND PROCEDURES ENHANCEMENTS AND PAY A \$25,000 FINE RELATING TO THE DIVISION'S ALLEGATIONS THAT THE FIRM FAILED TO REASONABLY SUPERVISE A REPRESENTATIVE WHO HAD ADMITTED TO CONVERTING CUSTOMER FUNDS BETWEEN JANUARY 2014 AND FEBRUARY 2016. THE DIVISION ACKNOWLEDGED THE FIRM COOPERATED FULLY WITH THE DIVISION'S INVESTIGATION. THE FRIM SUBMITTED THE REQUIRED PAYMENT TO THE DIVISION ON AUGUST 9, 2017.

#### Disclosure 5 of 14

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT APPLIED AN INACCURATE ACCOUNTING AND NET CAPITAL TREATMENT OF INVESTMENT ADVISORY FEES. THE FINDINGS STATED THAT THE FIRM FAILED TO COMPUTE ITS NET CAPITAL AND EXCESS NET CAPITAL ACCURATELY AND, AS A RESULT, CONDUCTED A GENERAL SECURITIES



BUSINESS WITHOUT HAVING THE REQUIRED NET CAPITAL. SUBSEQUENT ADJUSTMENTS TO CORRECT THE NET CAPITAL COMPUTATIONS RESULTED IN HINDSIGHT NET CAPITAL DEFICIENCIES FOR THE FIRM, AND BOOKS AND RECORDS VIOLATIONS AND FINANCIAL REPORTING INACCURACIES ACROSS THE FIRM. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO PREPARE AND MAINTAIN ACCURATE FINANCIAL RECORDS, INCLUDING GENERAL LEDGERS, BALANCE SHEETS AND TRIAL BALANCES, AND NET CAPITAL COMPUTATIONS. THE FIRM ALSO FILED INACCURATE MONTHLY FOCUS REPORTS CORRESPONDING TO THESE MONTHLY REPORTING PERIODS.

**Initiated By:** FINRA

**Date Initiated:** 05/03/2017

**Docket/Case Number:** [2016049751001](#)

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/03/2017

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

**Sanctions Ordered:** Censure  
Monetary/Fine \$75,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM IS CENSURED AND FINED \$75,000. FINES PAID IN FULL ON MAY 16, 2017.

**Regulator Statement** IN DETERMINING THE APPROPRIATE SANCTIONS IN THIS MATTER, FINRA CONSIDERED THE FIRM'S SELF-REPORTING OF THE CONDUCT, THE FIRM'S RETENTION OF A NEW FINANCIAL AND OPERATIONS PRINCIPAL (FINOP), AND CERTAIN SUBSEQUENT REMEDIAL MEASURES, INCLUDING THAT THE FIRM FILED A SATISFACTORY SUBORDINATED LOAN AGREEMENT WITH FINRA THE DAY AFTER FINRA NOTIFIED THE FIRM THAT



THEIR PRIOR ACCOUNTING TREATMENT WAS INCORRECT.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT APPLIED AN INACCURATE ACCOUNTING AND NET CAPITAL TREATMENT OF INVESTMENT ADVISORY FEES. THE FINDINGS STATED THAT THE FIRM FAILED TO COMPUTE ITS NET CAPITAL AND EXCESS NET CAPITAL ACCURATELY AND, AS A RESULT, CONDUCTED A GENERAL SECURITIES BUSINESS WITHOUT HAVING THE REQUIRED NET CAPITAL. SUBSEQUENT ADJUSTMENTS TO CORRECT THE NET CAPITAL COMPUTATIONS RESULTED IN HINDSIGHT NET CAPITAL DEFICIENCIES FOR THE FIRM, AND BOOKS AND RECORDS VIOLATIONS AND FINANCIAL REPORTING INACCURACIES ACROSS THE FIRM. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO PREPARE AND MAINTAIN ACCURATE FINANCIAL RECORDS, INCLUDING GENERAL LEDGERS, BALANCE SHEETS AND TRIAL BALANCES, AND NET CAPITAL COMPUTATIONS. THE FIRM ALSO FILED INACCURATE MONTHLY FOCUS REPORTS CORRESPONDING TO THESE MONTHLY REPORTING PERIODS.

**Initiated By:** FINRA

**Date Initiated:** 05/03/2017

**Docket/Case Number:** [2016049751001](#)

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/03/2017

**Sanctions Ordered:** Censure  
Monetary/Fine \$75,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED.



## Firm Statement

IN DETERMINING THE APPROPRIATE SANCTIONS IN THIS MATTER, FINRA CONSIDERED THE FIRM'S PROMPT SELF-REPORTING OF THE CONDUCT, THE FIRM'S RETENTION OF A NEW FINANCIAL AND OPERATIONS PRICIPAL (FINOP) AND CERTAIN SUBSEQUENT REMEDIAL MEASURES, INCLUDING THAT THE FIRM FILED A SATISFACTORY SUBORDINATED LOAN AGREEMENT WITH FINRA THE DAY AFTER FINRA NOTIFIED THE FIRM THAT THEIR PRIOR ACCOUNTING TREATMENT WAS INCORRECT.

## Disclosure 6 of 14

### Reporting Source:

Regulator

### Current Status:

Final

### Allegations:

SEC ADMIN RELEASE 34-77362, IA RELEASE 40-4351 / MARCH 14, 2016: THE SECURITIES AND EXCHANGE 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 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 AGAINST THE FIRM (RESPONDENT). ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT THIS PROCEEDING ARISES FROM BREACH OF FIDUCIARY DUTY AND MULTIPLE COMPLIANCE FAILURES BY RESPONDENT. FROM AT LEAST 2012 TO 2014, RESPONDENT INVESTED ADVISORY CLIENTS IN MUTUAL FUND SHARE CLASSES WITH 12B-1 FEES INSTEAD OF LOWER-FEE SHARE CLASSES OF THE SAME FUNDS THAT WERE AVAILABLE WITHOUT 12B-1 FEES. THE AFFECTED CLIENTS WERE ADVISORY CLIENTS WHOM ADVISOR GROUP FIRMS INVESTED IN A FEE-BASED ADVISORY SERVICE CALLED THE ADVISOR MANAGED PORTFOLIO ("AMP") IN ACCOUNTS THAT ARE NOT QUALIFIED RETIREMENT OR ERISA ACCOUNTS, WHERE 12B-1 FEES ARE REBATED. IN ITS CAPACITY AS BROKER-DEALERS, RESPONDENT RECEIVED 12B-1 FEES PAID BY THE FUNDS IN WHICH AMP ADVISORY CLIENTS INVESTED. BY INVESTING THESE NON-QUALIFIED ADVISORY CLIENTS IN THE HIGHER-FEE SHARE CLASSES, RESPONDENT AND TWO OTHER FIRMS RECEIVED APPROXIMATELY \$2 MILLION IN 12B-1 FEES THAT THEY WOULD NOT HAVE COLLECTED FROM THE LOWER-FEE SHARE CLASSES. RESPONDENT FAILED TO DISCLOSE IN ITS FORMS ADV OR OTHERWISE THAT IT HAD A CONFLICT OF INTEREST DUE TO A FINANCIAL INCENTIVE TO PLACE NON-QUALIFIED ADVISORY CLIENTS IN HIGHER-FEE MUTUAL FUND SHARE CLASSES. AS A RESULT, RESPONDENT BREACHED ITS FIDUCIARY DUTIES AS AN INVESTMENT ADVISER TO CERTAIN OF ITS AMP ADVISORY CLIENTS BY INVESTING THEM IN HIGHER-FEE MUTUAL FUND SHARE CLASSES. IN ADDITION, RESPONDENT FAILED TO ADOPT ANY COMPLIANCE POLICY GOVERNING MUTUAL FUND SHARE CLASS SELECTION. DURING 2013, RESPONDENT ALSO FAILED TO MONITOR ADVISORY ACCOUNTS



QUARTERLY FOR INACTIVITY OR "REVERSE CHURNING" AS REQUIRED UNDER ITS COMPLIANCE POLICIES AND PROCEDURES TO ENSURE THAT FEE-BASED ADVISORY OR "WRAP" ACCOUNTS THAT CHARGED AN INCLUSIVE FEE FOR BOTH ADVISORY SERVICES AND TRADING COSTS REMAINED IN THE BEST INTEREST OF CLIENTS THAT TRADED INFREQUENTLY. EVEN THOUGH COMMISSION EXAMINATION STAFF PREVIOUSLY HAD CITED THE FIRM FOR FAILING TO CONDUCT SUCH MONITORING SEVERAL YEARS EARLIER, RESPONDENT DID NOT CONDUCT ITS INACTIVE ACCOUNT REVIEW ON A TIMELY BASIS FOR THE FOURTH QUARTER OF 2012 AND THE FIRST AND SECOND QUARTERS OF 2013. BY VIRTUE OF THIS CONDUCT, RESPONDENT WILLFULLY VIOLATED SECTIONS 206(2), 206(4) AND 207 OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 03/14/2016

**Docket/Case Number:** 3-17169

**Principal Product Type:** Mutual Fund(s)

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order

**Resolution Date:** 03/14/2016

**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 \$7,500,000.00  
Disgorgement/Restitution  
Cease and Desist/Injunction

**Other Sanctions Ordered:** PREJUDGMENT INTEREST AND UNDERTAKINGS

**Sanction Details:** THE RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(2), 206(4) AND 207 OF THE ADVISERS ACT AND RULE 206(4)-7





THEREUNDER; IS CENSURED; JOINTLY AND SEVERALLY, SHALL PAY A TOTAL OF \$2,049,859 CONSISTING OF DISGORGEMENT OF \$1,956,460 AND PREJUDGMENT INTEREST OF \$93,399; JOINTLY AND SEVERALLY, SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$7.5 MILLION; AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER.

### Regulator Statement

IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT 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 THE RESPONDENT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENT TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. ACCORDINGLY, PURSUANT TO SECTION 15(B) OF THE EXCHANGE ACT AND SECTIONS 203(E) AND 203(K) OF THE ADVISERS ACT, IT IS HEREBY ORDERED THAT: RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(2), 206(4) AND 207 OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER; RESPONDENT IS CENSURED; WITHIN TEN (10) DAYS OF ENTRY OF THIS ORDER, RESPONDENT, JOINTLY AND SEVERALLY, SHALL PAY A TOTAL OF \$2,049,859 CONSISTING OF DISGORGEMENT OF \$1,956,460 AND PREJUDGMENT INTEREST OF \$93,399; WITHIN TEN (10) DAYS OF ENTRY OF THIS ORDER, RESPONDENT, JOINTLY AND SEVERALLY, SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$7.5 MILLION; AND RESPONDENT SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER.

### Reporting Source:

Firm

### Current Status:

Final

### Allegations:

IN ITS CAPACITY AS AN INVESTMENT ADVISOR, SAGEPOINT FINANCIAL, INC., TOGETHER WITH TWO AFFILIATES (COLLECTIVELY, THE "ADVISOR GROUP FIRMS"), WITHOUT ADMITTING OR DENYING THE U.S. SECURITIES AND EXCHANGE COMMISSION'S (THE "SEC") FINDINGS CONSENTED TO THE ENTRY OF AN ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS ("ORDER") BY THE SEC. THE ORDER FOCUSES ON TWO ISSUES RELATED TO OUR FEE-BASED



ADVISORY BUSINESS CONDUCTED BETWEEN 2012 AND 2014. THE SEC FOUND THAT THE ADVISOR GROUP FIRMS PLACED CERTAIN ADVISORY CLIENTS INVESTED IN THE ADVISOR MANAGED PORTFOLIOS PROGRAM IN MUTUAL FUND SHARE CLASSES WITH HIGHER EXPENSE COSTS WHEN LOWER EXPENSE COST SHARE CLASSES OF THOSE FUNDS WERE AVAILABLE. THE SEC FOUND THAT THIS FINANCIAL INCENTIVE, TO PLACE NON-QUALIFIED ADVISORY CLIENTS IN HIGHER FEE SHARE CLASSES, PRESENTED A CONFLICT OF INTEREST THAT SHOULD HAVE BEEN DISCLOSED TO CLIENTS. THE SEC ALSO CONCLUDED THAT THE ADVISOR GROUP FIRMS FAILED TO ADOPT WRITTEN COMPLIANCE POLICIES OR PROCEDURES GOVERNING MUTUAL FUND SHARE CLASS SELECTION. IN ADDITION, THE SEC FOUND THE ADVISOR GROUP FIRMS FAILED TO TIMELY MONITOR CERTAIN WRAP ADVISORY ACCOUNTS FOR INACTIVITY PURSUANT TO THE FIRM'S WRITTEN COMPLIANCE POLICIES AND PROCEDURES.

**Initiated By:** US SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 03/14/2016

**Docket/Case Number:** 3-17169

**Principal Product Type:** Mutual Fund(s)

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order

**Resolution Date:** 03/14/2016

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,500,000.00  
Disgorgement/Restitution  
Cease and Desist/Injunction

**Other Sanctions Ordered:** PREJUDGMENT INTEREST AND UNDERTAKING.

**Sanction Details:** SAGEPOINT FINANCIAL, INC. AGREED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(2), 206(4) AND 207 OF THE INVESTMENT ADVISERS ACT AND RULE 206(4)-7 THEREUNDER. THE FIRM AND TWO OF ITS AFFILIATES AGREED TO JOINTLY PAY DISGORGEMENT OF \$1,956,460 AND PREJUDGMENT INTEREST OF \$93,399, A CIVIL PENALTY OF \$7,500,000, AND TO RETAIN A QUALIFIED INDEPENDENT COMPLIANCE CONSULTANT. THE



FIRM SUBMITTED PAYMENT TO THE SEC ON MARCH 18, 2016.

### Firm Statement

THE FIRM IMPLEMENTED NEW POLICIES AND PROCEDURES RELATING TO MUTUAL FUND SHARE CLASS SELECTION INCLUDING REBATING 12B-1 FEES TO ALL ADVISORY CLIENTS. THE FIRM ALSO ENHANCED ITS FORM ADV DISCLOSURES. IN ADDITION, THE FIRM ENHANCED ITS POLICIES AND PROCEDURES FOR THE REVIEW AND ON-GOING USE OF WRAP ACCOUNTS MANAGED BY THE FIRM'S INVESTMENT ADVISORY REPRESENTATIVES AND PROVIDED RESTITUTION TO AFFECTED CUSTOMERS. THE FIRM WIRED THE REQUIRED PAYMENTS TO THE SEC ON MARCH 18, 2016.

### Disclosure 7 of 14

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SAGEPOINT FAILED TO REASONABLY SUPERVISE GUY F. WEBER ("WEBER"), A MISSOURI-REGISTERED AGENT WHO ENGAGED IN DISHONEST OR UNETHICAL PRACTICES IN VIOLATION OF MISSOURI LAW.
<b>Initiated By:</b>	MISSOURI
<b>Date Initiated:</b>	12/04/2013
<b>Docket/Case Number:</b>	AP-13-22
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	12/04/2013
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure



Disgorgement/Restitution

**Other Sanctions Ordered:**

**Sanction Details:** DISGORGEMENT/RESTITUTION: \$700,000.00

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** SAGEPOINT FAILED TO REASONABLY SUPERVISE GUY F WEBER("WEBER"), A MISSOURI REGISTERED AGENT WHO ENGAGED IN DISHONEST OR UNETHICAL PRATICES IN VIOLATION OF MISSOURI LAW.

**Initiated By:** MISSOURI

**Date Initiated:** 12/04/2013

**Docket/Case Number:** AP-13-22

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 12/04/2013

**Sanctions Ordered:** Censure  
Disgorgement/Restitution

**Other Sanctions Ordered:**

**Sanction Details:** DISGORGEMENT/RESTITUTION:\$700,000.00

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**Disclosure 8 of 14**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SEC SECTION 17(A) OF THE EXCHANGE ACT, RULE 17A-3, 17A-4, FINRA RULE 2010, NASD RULES 2110, 3010(A) AND (B), 3010(D)(2), 3110, 3110(A): EMPLOYEES OF A CALIFORNIA COUNTY OFFICE OF EDUCATION (CCOE) WERE ENROLLED IN THE CCOE'S DEFERRED COMPENSATION PROGRAM'S



(DCP), A 403(B)/457(B) PLAN, WITH THE FIRM. THE REGISTERED REPRESENTATIVES SERVICING THE PLAN PROVIDED DETAILED ASSET ALLOCATION ADVICE AS PART OF THE PROCESS FOR ENROLLING NEW PARTICIPANTS INTO THE PLAN INCLUDING RECOMMENDING SPECIFIC FINANCIAL PRODUCTS BUT THE REGISTERED REPRESENTATIVES DID NOT COMPLETE A CLIENT ACCOUNT APPLICATION OR ANY OTHER DOCUMENT WHICH RECORDED INFORMATION ABOUT THE PARTICIPANT'S FINANCIAL SITUATION AND NEEDS, AS REQUIRED BY FINRA AND SEC RULES AND AS CONTAINED IN THE CLIENT ACCOUNT APPLICATION USUALLY USED BY THE FIRM. THE INFORMATION WAS ALSO NOT RECORDED OR MAINTAINED BY THE FIRM IN ANY OTHER DOCUMENTS THAT CAUSED THE FIRM NOT TO MAKE AND KEEP CURRENT CUSTOMER ACCOUNT INFORMATION. THE FIRM FAILED TO IMPLEMENT ADEQUATE WRITTEN SUPERVISORY PROCEDURES (WSPS) TAILORED TO ITS BUSINESS. ITS WSPS DID NOT REQUIRE THAT REGISTERED REPRESENTATIVES RECORD CUSTOMERS' INVESTOR PROFILE INFORMATION OR INFORMATION ABOUT A CUSTOMER'S FINANCIAL SITUATION AND NEEDS ON ANY FIRM DOCUMENT OR RECORD WHEN ENROLLING PARTICIPANTS INTO THE PLAN. NO SUCH RECORDS WERE MAINTAINED BY THE FIRM. BECAUSE THE REGISTERED REPRESENTATIVES SERVICING THE PLAN PROVIDED SPECIFIC INVESTMENT RECOMMENDATIONS TO THE PARTICIPANTS WHEN THEY WERE ENROLLED, THE REGISTERED REPRESENTATIVES WERE MAKING INVESTMENT RECOMMENDATIONS TO WHICH THE SUITABILITY REQUIREMENTS OF NASD RULE 2310 APPLIED. BECAUSE THE FIRM DID NOT MAINTAIN INVESTOR PROFILE INFORMATION OR INFORMATION REGARDING THE PARTICIPANTS' FINANCIAL SITUATION AND NEEDS, SUPERVISORS AND OTHERS AT THE FIRM WERE UNABLE TO REVIEW THE REGISTERED REPRESENTATIVES' RECOMMENDATIONS TO DETERMINE WHETHER THEY COMPLIED WITH THE SUITABILITY REQUIREMENTS. ACCORDINGLY, THE FIRM'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO ENSURE THAT THE RECOMMENDATIONS OF THE REGISTERED REPRESENTATIVES AS TO THE DCP PLAN WERE MADE IN ACCORDANCE WITH THE SUITABILITY REQUIREMENTS. THE FIRM'S PROCEDURES DID NOT REQUIRE THAT IT ESTABLISH AND MAINTAIN CUSTOMER INVESTMENT AND OTHER INFORMATION, WHEN RECOMMENDING INVESTMENTS IN THE PLAN. THE FIRM FAILED TO ASSESS OR INQUIRE INTO WHETHER A REGISTERED REPRESENTATIVE'S OUTSIDE BUSINESS ACTIVITY AS MANAGER OF THE CCOE'S DCP CONFLICTED WITH THE FIRM'S SECURITIES BUSINESS. THE FIRM APPROVED THE REPRESENTATIVE'S OUTSIDE BUSINESS ACTIVITY WITHOUT ASSESSING WHETHER IT CONFLICTED WITH THE FIRM'S SECURITIES BUSINESS, DESPITE THE FACT THAT THE OUTSIDE BUSINESS ACTIVITY QUESTIONNAIRE (OBAQ), FILLED OUT BY HIM AND SUBMITTED TO THE FIRM, EXPLICITLY STATED THAT HIS OUTSIDE BUSINESS ACTIVITY AS MANAGER OF THE DCP REQUIRED HIM TO WORK FULL-TIME. INSTEAD



OF ASSESSING WHETHER THE REPRESENTATIVE'S OUTSIDE BUSINESS ACTIVITY CONFLICTED WITH THE FIRM'S SECURITIES BUSINESS, HIS SUPERVISOR ADVISED HIM TO RECORD INACCURATE ENTRIES ON HIS OBAQ SO THAT THE REPRESENTATIVE'S DUAL STATUS AS A FULL-TIME EMPLOYEE AND MANAGER OF THE AGENCY'S DCP AND REGISTERED REPRESENTATIVE AT THE FIRM WOULD PASS ANY REVIEW AND NOT JEOPARDIZE HIS ABILITY TO CONDUCT HIS OUTSIDE BUSINESS ACTIVITY AS MANAGER OF THE AGENCY'S DCP. THE FIRM'S OUTSIDE BUSINESS ACTIVITY APPROVAL FORM WAS INCONSISTENT WITH AND CONTRADICTED THE ENTRIES ENTERED BY THE REPRESENTATIVE IN THE OBAQ THAT HE HAD SUBMITTED TO THE FIRM. DESPITE THE REPRESENTATIVE'S FULL-TIME JOB AS AN EMPLOYEE OF THE AGENCY AND MANAGER OF THE DCP, THE FIRM PLACED ADDITIONAL SUPERVISORY RESPONSIBILITIES UPON HIM AGAIN WITHOUT FULLY ASSESSING WHETHER HIS FULL-TIME JOB AS MANAGER OF THE DCP MIGHT IMPEDE HIS ABILITY TO PROPERLY MANAGE THE SECURITIES ACCOUNTS OF HIS CLIENTS OR EFFECTIVELY UNDERTAKE THE ADDITIONAL SUPERVISORY RESPONSIBILITIES ASSIGNED TO HIM. (CONT. IN COMMENT SECTION)

**Initiated By:** FINRA

**Date Initiated:** 12/20/2011

**Docket/Case Number:** [2007010991902](#)

**Principal Product Type:** Mutual Fund(s)

**Other Product Type(s):** DEFERRED COMPENSATION PLAN

**Principal Sanction(s)/Relief Sought:** Other

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

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/20/2011

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

**Sanctions Ordered:** Censure  
Monetary/Fine \$300,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$300,000. FINE PAID IN FULL JANUARY 5, 2012.

**Regulator Statement**

THE FIRM IGNORED RED FLAGS, INCLUDING COMPLAINTS FROM THE REPRESENTATIVE THAT HIS FULL-TIME JOB AT THE AGENCY INTERFERED WITH HIS ABILITY TO EFFECTIVELY SUPERVISE THE FIRM'S REGISTERED REPRESENTATIVES. THE REPRESENTATIVE'S OBAQ WAS FLAGGED FOR REVIEW FOR A POSSIBLE CONFLICT OF INTEREST, BUT THE FIRM CONTINUED TO APPROVE HIS OUTSIDE BUSINESS, WITHOUT ADDITIONAL REVIEW. THE FIRM'S ANNUAL BRANCH AUDITS CONTAINED MULTIPLE SUPERVISORY DEFICIENCIES EVINCING THAT THE REPRESENTATIVE WAS NOT SPENDING SUFFICIENT TIME SUPERVISING THE REGISTERED REPRESENTATIVES WITHIN HIS SUPERVISORY JURISDICTION. THE REPRESENTATIVE EXPRESSED CONCERNS IN 2006 TO THE FIRM STATING THAT HE WAS UNABLE TO EFFECTIVELY HANDLE HIS DUAL ROLES AS SUPERVISOR AND FULL-TIME MANAGER OF THE DCP. DESPITE THESE COMPLAINTS FROM THE REPRESENTATIVE, THE FIRM FAILED TO RELIEVE HIM OF HIS SUPERVISORY RESPONSIBILITIES UNTIL 2007. THE FIRM FAILED TO CONDUCT ANY TYPE OF MEANINGFUL REVIEW TO ANALYZE THE REPRESENTATIVE'S POSITION AT THE DCP TO DETERMINE WHETHER IT WAS A CONFLICT OF INTEREST FOR HIM TO ACCEPT COMPENSATION FOR ENROLLING PARTICIPANTS INTO THE PLAN AND WHAT TYPES OF DISCLOSURES, IF ANY, SHOULD BE MADE TO PARTICIPANTS REGARDING HIS DUAL ROLES. THE STATE EDUCATION CODE PROHIBITED PERSONNEL ACTING ON BEHALF OF A COUNTY OFFICE OF EDUCATION FROM RECEIVING CONSIDERATION FROM A VENDOR IN EXCHANGE FOR THE PROMOTION OF A PARTICULAR VENDOR OR VENDOR'S PRODUCTS. DESPITE THIS LAW, THE FIRM MADE THE REGISTERED REPRESENTATIVE THE REPRESENTATIVE OF RECORD FOR THE PLAN'S SECURITIES ACCOUNTS AND, IN THAT ROLE, THE FIRM PAID HIM A COMMISSION'S CHECK REPRESENTING ALL OF THE COMMISSIONS EARNED BY BROKERS FOR ENROLLING PARTICIPANTS INTO THE PLAN, INCLUDING THOSE ENROLLED BY HIM. THE FIRM NEVER INSTRUCTED THE REPRESENTATIVE THAT HE COULD NOT ACCEPT COMMISSION EMANATING FROM THE DCP'S PLAN AND NEVER IMPLEMENTED ANY SUPERVISORY PROCEDURES TO ENSURE THAT HE WAS NOT RECEIVING COMPENSATION AS A RESULT OF THE FIRM'S 403(B)/457(B) PLAN BUSINESS. THE FIRM FAILED TO IMPLEMENT AN ADEQUATE SUPERVISORY SYSTEM REASONABLY DESIGNED TO ADDRESS, ANALYZE OR REVIEW ANY CONFLICTS OF INTEREST POSED BY THE REPRESENTATIVE'S DUAL ROLES AS MANAGER OF THE DCP AND REGISTERED REPRESENTATIVE AND SUPERVISOR AT THE FIRM. THE FIRM'S WSPS MANDATED PRINCIPAL REVIEW OF ALL INCOMING AND OUTGOING SECURITIES-RELATED EMAIL COMMUNICATIONS OF REGISTERED REPRESENTATIVES. THE FIRM



PERMITTED, BUT DID NOT REQUIRE, SUPERVISORS TO CONDUCT SPOT-CHECKS OF THE REGISTERED REPRESENTATIVES' COMPUTERS AS A MEANS TO MONITOR IF EMAILS WERE BEING FORWARDED AS REQUIRED. BECAUSE OF THE DEFICIENCIES THE FIRM'S EMAIL-REVIEW SYSTEM DID NOT PROVIDE AN EFFECTIVE MEANS TO IDENTIFY EMAILS THAT MAY HAVE CONTAINED EVIDENCE OF CUSTOMER COMPLAINTS, MISCONDUCT BY REGISTERED REPRESENTATIVES, OR OTHER ISSUES OF SUPERVISORY IMPORTANCE. THE FIRM FAILED TO IMPLEMENT AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, WHICH WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE CORRESPONDENCE-REVIEW REQUIREMENTS. THE FIRM WAS NOT MAINTAINING OR RETAINING EMAILS SENT AND RECEIVED BY A REPRESENTATIVE AT AN UNAPPROVED OUTSIDE EMAIL ADDRESS. THE FIRM WAS AWARE OF THE REPRESENTATIVE'S USE OF HIS OUTSIDE BUSINESS ADDRESS TO CONDUCT SECURITIES RELATED BUSINESS. THE FIRM FAILED TO PREVENT THE REPRESENTATIVE FROM USING AN OUTSIDE EMAIL ADDRESS TO CONDUCT SECURITIES RELATED BUSINESS, THEREFORE, THE FIRM FAILED TO MAINTAIN OR RETAIN RECORDS OF ELECTRONIC COMMUNICATIONS.

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ALLEGED VIOLATION OF SEC SECTION 17(A) OF THE EXCHANGE ACT, FINRA RULE 2010,NASD RULES 2110,3010(A) AND (B),3010(D) (2),3110, 3110(A); ALLEGED FAILURE TO MAINTAIN PROPER DOCUMENTATION FOR PARTICIPANTS IN SPECIFIC 403(B) PLAN. ALLEGED FAILURE TO SUPERVISE.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	12/20/2011
<b>Docket/Case Number:</b>	<a href="#">2007010991902</a>
<b>Principal Product Type:</b>	Mutual Fund(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/20/2011





<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$300,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS,THE FIRM CONSENTED TO THE AWC AND A FINE OF \$300,000.00
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS,THE FIRM CONSENTED TO THE AWC AND A FINE OF \$300,000.00

#### Disclosure 9 of 14

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	IT WAS ALLEGED THAT AMERICAN GENERAL SECURITIES INC. ("AGSI") VIOLATED CERTAIN STATE SECURITIES REGULATIONS AND AND FAILED TO REASONABLY SUPERVISE ACTIONS OF AGENT. THE ASSETS OF AGSI WERE SUBSEQUENTLY ACQUIRED BY APPLICANT.
<b>Initiated By:</b>	JOINT ACTION OF ALABAMA SECURITIES COMMISSION AND MISSISSIPPI SECRETARY OF STATE CHARITIES AND SECURITIES DIVISION
<b>Date Initiated:</b>	03/08/2010
<b>Docket/Case Number:</b>	MISS: S-05-0354 - ALA: CO-2010-0015
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST; RESTITUTION/REIMBURSEMENT
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	03/08/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$215,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	RESTITUTION/REIMBURSEMENT TO CERTAIN AFFECTED CUSTOMERS.
<b>Sanction Details:</b>	AGSI WAS TO PROVIDE PARTIAL REIMBURSEMENT OF UP TO APPROXIMATELY \$203,639.58 FOR CERTAIN AFFECTED CUSTOMERS.
<b>Firm Statement</b>	APPLICANT HAS REPORTED THIS AGSI DISCLOSURE EVENT BECAUSE APPLICANT ACQUIRED THE ASSETS OF AGSI AND BECAUSE APPLICANT



ENTERED INTO THE CONSENT ORDER ON BEHALF OF AGSI. ALL REQUIRED PAYMENTS WERE MADE AND REIMBURSEMENT AMOUNTS HAVE BEEN FUNDED.

#### Disclosure 10 of 14

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	AIG FINANCIAL ADVISORS D/B/A SAGEPOINT FINANCIAL, INC. FAILED TO REASONABLY SUPERVISE ITS AGENT IN VIOLATION OF THE PA SECURITIES ACT OF 1972.
<b>Initiated By:</b>	PENNSYLVANIA CONTACT: COUNSEL JACK CHIAPPETTA (412)-565-5083
<b>Date Initiated:</b>	08/10/2011
<b>Docket/Case Number:</b>	2009-06-13
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	AIG FINANCIAL ADVISORS D/B/A SAGEPOINT FINANCIAL, INC. (RESPONDENT) PAID A \$600,000.00 ADMINISTRATIVE ASSESSMENT.
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	08/10/2011
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Monetary/Fine \$600,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	RESPONDENT PAID A \$600,000.00 ADMINISTRATIVE ASSESSMENT. RESPONDENT PAID \$200,000.00 IN INVESTIGATIVE AND LEGAL COSTS. RESPONDENT IS ALSO ORDERED TO PAY \$700,000.00 RESTITUTION TO PA CUSTOMERS.
<b>Regulator Statement</b>	FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ISSUED TO AIG



FINANCIAL ADVISORS D/B/A SAGEPOINT FINANCIAL, INC.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** IN JUNE 2009, THE PENNSYLVANIA SECURITIES COMMISSION INSTITUTED A FORMAL INVESTIGATION OF SAGEPOINT FINANCIAL, INC. CONCERNING ALLEGATIONS THAT SAGEPOINT FAILED TO REASONABLY SUPERVISE A FORMER REPRESENTATIVE LOCATED IN JOHNSTOWN PENNSYLVANIA. THE INVESTIGATION RESULTED IN THE FILING OF AN ORDER TO SHOW CAUSE ON MARCH 2, 2010 AGAINST SAGEPOINT AND CERTAIN PREDECESSORS AND AFFILIATES. THE ORDER TO SHOW CAUSE ALLEGED VIOLATIONS OF SECTION 305(A) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, 70 PA. STAT. ANN. SEC. 1-305(A).

**Initiated By:** PENNSYLVANIA [CONTACT:COUNSEL JACK CHIAPPETTA 412-565-5083]

**Date Initiated:** 08/10/2011

**Docket/Case Number:** 2009-06-13

**Principal Product Type:** No Product

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 08/10/2011

**Sanctions Ordered:** Monetary/Fine \$600,000.00

**Other Sanctions Ordered:** RESPONDENT PAID A \$600,000.00 ADMINSTRATIVE ASSESSMENT. RESPONDENT PAID \$200,000.00 IN INVESTIGATIVE AND LEGAL COST. RESPONDENT IS ALSO ORDERED TO PAY \$700,000.00 RESTITUTION TO PA CUSTOMERS.

**Sanction Details:** THE FINE AND REIMBURSEMENT WERE PAID ON AUGUST 22, 2011. NO PORTION OF THE PENALTY WAS WAIVED.

**Firm Statement** RESPONDENTS FILED AN ANSWER TO THE ORDER TO SHOW CAUSE ON APRIL 14, 2010, IN WHICH THE RESPONDENTS DENIED THE ALLEGATIONS AND RAISED VARIOUS FACTUAL AND LEGAL DEFENSES. ON OR ABOUT AUGUST 1, 2011, RESPONDENTS, WITHOUT ADMITTING OR DENYING LIABILITY, OFFERED TO SETTLE THE INVESTIGATION. UNDER THE TERMS

OF THE OFFER SAGEPOINT CONSENTED TO PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW, WHICH INCLUDED A FINDING THAT SAGEPOINT FAILED TO REASONABLY SUPERVISE A REGISTERED REPRESENTATIVE IN VIOLATION OF SECTION 305(A)(VII) OF THE 1972 ACT, 70 PA. STAT. ANN. SEC. 1-305(A)(VII). THE OFFER OF SETTLEMENT ACKNOWLEDGED THAT SAGEPOINT WOULD PAY \$600,000 TO THE COMMISSION IN AN ADMINISTRATIVE ASSESSMENT, \$200,000 IN REIMBURSEMENT FOR THE COMMISSION'S INVESTIGATIVE EXPENSES, AND \$700,000 IN REIMBURSEMENT TO CERTAIN CUSTOMERS WHO WERE ALLEGED TO HAVE LOST MONEY DUE TO THE REGISTERED REPRESENTATIVE'S CONDUCT. THE PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW WERE APPROVED BY THE COMMISSIONERS OF THE PENNSYLVANIA SECURITIES COMMISSION ON AUGUST 11, 2011.

#### Disclosure 11 of 14

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	RESPONDENT FAILED TO PROPERLY SUPERVISE THEIR REPRESENTATIVE WHEN HE CONDUCTED BUSINESS IN OR FROM THE STATE OF NEVADA AND SOLD UNREGISTERED SECURITIES
<b>Initiated By:</b>	NEVADA
<b>Date Initiated:</b>	02/04/2010
<b>Docket/Case Number:</b>	I08-077
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Restitution
<b>Other Sanction(s)/Relief Sought:</b>	INVESTIGATIVE COSTS
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	02/04/2010



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

**Sanctions Ordered:** Disgorgement/Restitution

**Other Sanctions Ordered:** COSTS OF INVESTIGATION OF \$85,000

**Sanction Details:** RESTITUTION IN THE AMOUNT OF \$290,041.08 TO 5 VICTIMS; RESPONDENT PAID IN TOTAL BOTH RESITITUION PAYMENTS AND COSTS OF INVESTIGATION ON 2/4/2010

**Regulator Statement** WITHOUT NEITHER ADMITTING NOR DENYING THE ALLEGATIONS OF THE DIVISION, RESPONDENT ENTERED INTO THE ADMINISTARTIVE CONSENT ORDER.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** APPLICANT FAILED TO PROPERLY SUPERVISE REPRESENTATIVE WHEN REPRESENTATIVE SOLD UNREGISTERED SECURITIES WHILE CONDUCTING BUSINESS IN OR FROM THE STATE OF NEVADA.

**Initiated By:** NEVADA

**Date Initiated:** 02/04/2010

**Docket/Case Number:** I08-077

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Restitution

**Other Sanction(s)/Relief Sought:** INVESTIGATIVE COSTS

**Resolution:** Consent

**Resolution Date:** 02/04/2010

**Sanctions Ordered:** Disgorgement/Restitution

**Other Sanctions Ordered:** COSTS OF INVESTIGATION OF \$85,000.

**Sanction Details:** RESTITUTION IN THE AMOUNT OF \$290,041.08 TO 5 PERSONS WHO



PURCHASED SECURITIES FROM THE REPRESENTATIVE; APPLICANT PAID BOTH RESTITUTION PAYMENTS AND COSTS OF INVESTIGATION ON 2/4/2010.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OF THE STATE OF NEVADA SECURITIES DIVISION, APPLICANT ENTERED INTO THE ADMINISTRATIVE CONSENT ORDER.

#### Disclosure 12 of 14

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULE 2110: THE BREAKPOINT SELF-ASSESSMENT FOLLOW-UP REVIEW CONDUCTED FOR THE FIRM FOUND THAT SUNAMERICA SECURITIES, INC., FAILED TO ACCURATELY COMPLETE THE SELF-ASSESSMENT OF BREAKPOINT COMPLIANCE AND THE FIRM'S SELF-ASSESSMENT UNDERREPORTED THE NUMBER OF TRANSACTIONS WITH MISSED BREAKPOINTS. HAD THE FIRM ACCURATELY COMPLETED ITS SELF-ASSESSMENT, FINRA WOULD HAVE DIRECTED THE FIRM TO UNDERTAKE ADDITIONAL REMEDIAL STEPS.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	03/23/2009
<b>Docket/Case Number:</b>	<a href="#">2005000977001</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	03/23/2009
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure



Monetary/Fine \$300,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, SUNAMERICA SECURITIES, INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS: THEREFORE, THE FIRM IS CENSURED AND FINED \$300,000.

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**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

NASD RULE 2110: THE BREAKPOINT SELF-ASSESSMENT FOLLOW-UP REVIEW CONDUCTED FOR THE FIRM FOUND THAT SUNAMERICA SECURITIES, INC. ("SAS") FAILED TO ACCURATELY COMPLETE THE SELF-ASSESSMENT OF BREAKPOINT COMPLIANCE AND SAS'S SELF-ASSESSMENT UNDERREPORTED THE NUMBER OF TRANSACTIONS WITH MISSED BREAKPOINTS. HAD SAS ACCURATELY COMPLETED ITS SELF-ASSESSMENT, FINRA WOULD HAVE DIRECTED SAS TO UNDERTAKE ADDITIONAL REMEDIAL STEPS.

**Initiated By:**

FINRA

**Date Initiated:**

03/23/2009

**Docket/Case Number:**

[2005000977001](#)

**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:**

03/23/2009

**Sanctions Ordered:**

Censure  
Monetary/Fine \$300,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, SUMAMERICA SECURITIES, INC. ("SAS") CONSENTED TO THE DESCRIBED SANCTIONS AND TO ENTRY OF FINDINGS: THEREFORE, SAS WAS CENSURED AND FINED \$300,000.

**Firm Statement**

THE FIRM IS REPORTING THIS SAS DISCLOSURE EVENT AT THE REQUEST OF FINRA, SINCE THE FIRM PREVIOUSLY ACQUIRED THE ASSETS OF SAS.

**Disclosure 13 of 14**

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULE 2110: THE BREAKPOINT SELF-ASSESSMENT FOLLOW-UP REVIEW CONDUCTED FOR SPELMAN & CO., FOUND THAT THE FIRM FAILED TO ACCURATELY COMPLETE THE REQUIRED TRADE-BY-TRADE REVIEW AS PART OF THE REMEDIATION PROCESS FOLLOWING THE SELF-ASSESSMENT.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	03/23/2009
<b>Docket/Case Number:</b>	<a href="#">2005001296901</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	03/23/2009
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, SPELMAN & CO., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS: THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000.





<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULE 2110: THE BREAKPOINT SELF-ASSESSMENT FOLLOW-UP REVIEW CONDUCTED FOR SPELMAN & CO., FOUND THAT THE FIRM FAILED TO ACCURATELY COMPLETE THE REQUIRED TRADE-BY-TRADE REVIEW AS PART OF THE REMEDIATION PROCESS FOLLOWING THE SELF-ASSESSMENT.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	03/23/2009
<b>Docket/Case Number:</b>	<a href="#">2005001296901</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	03/23/2009
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, SPELMAN & CO., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS: THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000.
<b>Firm Statement</b>	THE FIRM IS REPORTING THIS SPELMAN & CO. DISCLOSURE EVENT AT THE REQUEST OF FINRA, SINCE THE FIRM PREVIOUSLY ACQUIRED THE ASSETS OF SPELMAN & CO.

#### Disclosure 14 of 14

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	ARTICLE III, SECTION 3(A) OF THE NASD BY-LAWS, NASD RULE 2110 - AIG FINANCIAL ADVISORS, INC. PERMITTED AN INDIVIDUAL SUBJECT TO A STATUTORY DISQUALIFICATION TO BE ASSOCIATED WITH THE FIRM.



**Initiated By:** NASD  
**Date Initiated:** 07/13/2007  
**Docket/Case Number:** [2006003910901](#)  
**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:** 07/13/2007  
**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 \$15,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$15,000.

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**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** ARTICLE III OF SECTION 3(A) OF THE NASD BY-LAWS RULE 2110 -THE FIRM PERMITTED AN INDIVIDUAL SUBJECT TO A STATUTORY DISQUALIFICATION TO BE ASSOCIATED WITH THE FIRM.  
**Initiated By:** NASD  
**Date Initiated:** 07/13/2007  
**Docket/Case Number:** [2006003910901](#)  
**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:** 07/13/2007

**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, AND THE FIRM WAS CENSURED AND FINED \$15,000.

## 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](http://www.finra.org/awardsonline).

### Disclosure 1 of 11

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	03/16/2007
<b>Case Number:</b>	<a href="#">07-00384</a>
<b>Disputed Product Type:</b>	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; OTHER TYPES OF SECURITIES
<b>Sum of All Relief Requested:</b>	\$1,178,248.47
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	06/16/2008
<b>Sum of All Relief Awarded:</b>	\$125,484.01

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 11

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	DO NOT USE-NO OTHER CONTROVERSY INVOLVED; UNKNOWN TYPE OF CONTROVERSIES
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	12/12/2007
<b>Case Number:</b>	<a href="#">07-02794</a>



**Disputed Product Type:** DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

**Sum of All Relief Requested:** \$975,000.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 10/21/2008

**Sum of All Relief Awarded:** \$161,200.00

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 11

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

**Arbitration Forum:** FINRA

**Case Initiated:** 01/11/2008

**Case Number:** [07-03412](#)

**Disputed Product Type:** CERTIFICATE OF DEPOSIT; COMMON STOCK; OTHER TYPES OF SECURITIES; UNKNOWN TYPE OF SECURITIES

**Sum of All Relief Requested:** \$2,099,723.26

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 03/05/2009

**Sum of All Relief Awarded:** \$490,350.06

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 11

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE



**Arbitration Forum:** FINRA  
**Case Initiated:** 05/05/2009  
**Case Number:** [09-01333](#)  
**Disputed Product Type:** COMMON STOCK  
**Sum of All Relief Requested:** \$50,000.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 09/20/2010  
**Sum of All Relief Awarded:** \$39,000.01

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

#### Disclosure 5 of 11

**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-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE  
**Arbitration Forum:** FINRA  
**Case Initiated:** 06/15/2010  
**Case Number:** [10-02683](#)  
**Disputed Product Type:** MUTUAL FUNDS; VARIABLE ANNUITIES  
**Sum of All Relief Requested:** \$1,024,234.99  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 05/08/2012  
**Sum of All Relief Awarded:** \$123,214.39

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 11

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION



<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE; DO NOT USE-EMPLOYMENT-DISCRM DISABILITY
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	06/01/2011
<b>Case Number:</b>	<a href="#">11-02035</a>
<b>Disputed Product Type:</b>	ANNUITIES
<b>Sum of All Relief Requested:</b>	\$500,000.00
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	11/28/2012
<b>Sum of All Relief Awarded:</b>	\$284,162.25

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 11

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	01/31/2013
<b>Case Number:</b>	<a href="#">13-00103</a>
<b>Disputed Product Type:</b>	
<b>Sum of All Relief Requested:</b>	\$13,250.00
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	04/25/2014
<b>Sum of All Relief Awarded:</b>	\$13,250.00

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 11

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	04/18/2013
<b>Case Number:</b>	<a href="#">13-01039</a>
<b>Disputed Product Type:</b>	OTHER TYPES OF SECURITIES
<b>Sum of All Relief Requested:</b>	\$4,592,832.00
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	08/28/2014
<b>Sum of All Relief Awarded:</b>	\$1,462,000.00

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

### Disclosure 9 of 11

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; DO NOT USE-EXECUTIONS-FAILURE TO EXECUTE
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	10/21/2013
<b>Case Number:</b>	<a href="#">13-02750</a>
<b>Disputed Product Type:</b>	CERTIFICATE OF DEPOSIT; COMMON STOCK; CORPORATE BONDS; MUNICIPAL BONDS; PREFERRED STOCK; VARIABLE ANNUITIES
<b>Sum of All Relief Requested:</b>	Unspecified Damages





**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 04/09/2015

**Sum of All Relief Awarded:** \$5,978.50

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 11

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE

**Arbitration Forum:** FINRA

**Case Initiated:** 01/27/2014

**Case Number:** [13-03539](#)

**Disputed Product Type:** REAL ESTATE INVESTMENT TRUST

**Sum of All Relief Requested:** \$46,624.68

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 10/20/2014

**Sum of All Relief Awarded:** \$6,121.12

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 11

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT ACTIVITY-VIOLATE OF BLUE SKY LWS; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

**Arbitration Forum:** FINRA

**Case Initiated:** 03/11/2015



**Case Number:** [15-00473](#)  
**Disputed Product Type:** COMMON STOCK; OPTIONS  
**Sum of All Relief Requested:** \$895,950.16  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 03/04/2016  
**Sum of All Relief Awarded:** \$57,925.01

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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