

BrokerCheck Report

NPB FINANCIAL GROUP, LLC

CRD# 137743

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

Please contact FINRA with any concerns.

About BrokerCheck®

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

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

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

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

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

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

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

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

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

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

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

• **Thank you for using FINRA BrokerCheck.**



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



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



NPB FINANCIAL GROUP, LLC

CRD# 137743

SEC# 8-67113

Main Office Location

3500 W. OLIVE AVENUE
THIRD FLOOR
BURBANK, CA 91505

Mailing Address

3500 W. OLIVE AVENUE
THIRD FLOOR
BURBANK, CA 91505

Business Telephone Number

818-827-7132

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

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

Report Summary for this Firm

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

Firm Profile

This firm is classified as a limited liability company.
This firm was formed in California on 08/19/2005.
Its fiscal year ends in December.

Firm History

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

Firm Operations

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

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	2

Registration Withdrawal Information

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



Date firm ceased business: 08/12/2022

Does this brokerage firm owe any money or securities to any customer or brokerage firm? No



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in California on 08/19/2005.

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.

NPB FINANCIAL GROUP, LLC

Doing business as NPB FINANCIAL GROUP, LLC

CRD# 137743

SEC# 8-67113

Main Office Location

3500 W. OLIVE AVENUE
THIRD FLOOR
BURBANK, CA 91505

Mailing Address

3500 W. OLIVE AVENUE
THIRD FLOOR
BURBANK, CA 91505

Business Telephone Number

818-827-7132



Firm Profile

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

Direct Owners and Executive Officers

Legal Name & CRD# (if any):	NAKAGIRI REV LIVING TRUST
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	MEMBER
Position Start Date	08/2005
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	PASH, MARK STEVEN 869880
Is this a domestic or foreign entity or an individual?	Individual
Position	MEMBER - MANAGER
Position Start Date	04/2006
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):	BRAZIEL, JAMES AUDY 2321699
Is this a domestic or foreign entity or an individual?	Individual
Position	MEMBER
Position Start Date	01/2018

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership 10% but less than 25%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): BRAZIEL, JAMES HUBERT
29443

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

Position MEMBER - MANAGER

Position Start Date 04/2006

Percentage of Ownership 10% but less than 25%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): CHAN, FRANK STEWART
2549010

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

Position VICE-PRESIDENT/CHIEF MARKETING OFFICER

Position Start Date 02/2013

Percentage of Ownership 5% but less than 10%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): CHING, GARY KOON CHEONG

Firm Profile



Direct Owners and Executive Officers (continued)

	1631264
Is this a domestic or foreign entity or an individual?	Individual
Position	VICE-PRESIDENT / CFO/ACTING CCO
Position Start Date	10/2005
Percentage of Ownership	5% but less than 10%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No
<hr/>	
Legal Name & CRD# (if any):	CORIA, SHIRLEY JAMIL 1111255
Is this a domestic or foreign entity or an individual?	Individual
Position	VICE-PRESIDENT AND CHIEF OPERATING OFFICER/ACTING CCO
Position Start Date	05/2006
Percentage of Ownership	5% but less than 10%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No
<hr/>	
Legal Name & CRD# (if any):	MCFARLAND, RICHARD BENN JR 1080626
Is this a domestic or foreign entity or an individual?	Individual
Position	TRUSTEE
Position Start Date	05/2006
Percentage of Ownership	5% but less than 10%

Firm Profile



Direct Owners and Executive Officers (continued)

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

Is this a public reporting company? No

Legal Name & CRD# (if any): WRIGHT FINANCIAL, LLC

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

Position MEMBER

Position Start Date 05/2008

Percentage of Ownership 5% but less than 10%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): MCFARLAND 1980 FAMILY TRUST

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

Position MEMBER

Position Start Date 05/2006

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): NAKAGIRI, MARIA AGNES
5723640

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

Firm Profile



Direct Owners and Executive Officers (continued)

Position	TRUSTEE
Position Start Date	02/2022
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No



Firm Profile

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

Indirect Owners

Legal Name & CRD# (if any):	MCFARLAND, RICHARD BENN JR 1080626
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	MCFARLAND 1980 FAMILY TRUST
Relationship to Direct Owner	TRUSTEE
Relationship Established	05/2006
Percentage of Ownership	Other General Partners
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	NAKAGIRI, MARIA AGNES 5723640
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	NAKAGIRI REV LIV TRUST
Relationship to Direct Owner	TRUSTEE
Relationship Established	02/2022
Percentage of Ownership	Other General Partners
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Firm History

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

No information reported.



Firm Operations



Registrations

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

This firm is no longer registered.

The firm's registration was from 01/26/2006 to 10/12/2022.



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 10 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Mutual fund retailer
U S. government securities broker
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
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

Other Types of Business

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

Non-Securities Business Description: TRADITIONAL TERM AND FIXED TERM INSURANCE

Firm Operations



Clearing Arrangements

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

Introducing Arrangements

This firm does not refer or introduce customers to other brokers and dealers.

Firm Operations

Industry Arrangements



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

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399
Effective Date: 11/17/2005
Description: PERSHING, LLC WILL PROVIDE EXECUTION AND CLEARING SERVICES PURSUANT TO A CLEARING AGREEMENT. NPB WILL BE A FULLY DISCLOSED INTRODUCING BROKER-DEALER.

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

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY,, NJ 07399
Effective Date: 11/07/2005
Description: PERSHING, LLC WILL PROVIDE EXECUTION AND CLEARING SERVICES PURSUANT TO A CLEARING AGREEMENT. NPB WILL BE A FULLY DISCLOSED INTRODUCING BROKER-DEALER.

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

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399
Effective Date: 11/05/2005
Description: PERSHING, LLC WILL PROVIDE EXECUTION AND CLEARING SERVICES PURSUANT TO A CLEARING AGREEMENT. NPB WILL BE A FULLY DISCLOSED INTRODUCING BROKER-DEALER.

Control Persons/Financing

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

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

BRAZIEL & ASSOCIATES is under common control with the firm.

Business Address:	1074 EAST AVENUE; STE L CHICO, CA 95926
Effective Date:	04/24/2006
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	MR. BRAZIEL, CRD# 29443 IS A REGISTERED PRINCIPAL AND MEMBER/MANAGER OF NPB FINANCIAL GROUP, LLC AND ALSO IS PRESIDENT AND OWNER OF BRAZIEL & ASSOCIATES WHICH IS A RIA.

PASH & BENSON INTERNATIONAL, LTD is under common control with the firm.

Business Address:	5435 BALBOA BLVD #106 ENCINO, CA 91316
Effective Date:	04/26/2006
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	MARK PASH IS A REGISTERED PRINCIPAL AND MEMBER/MANAGER OF NPB FINANCIAL GROUP, LLC AND ALSO IS PRESIDENT AND 100% OWNER OF PASH & BENSON INTERNATIONAL, LTD WHICH IS A STATE RIA.

Firm Operations



Organization Affiliates (continued)

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

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



Disclosure Events

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

	Pending	Final	On Appeal
Regulatory Event	0	2	0



Disclosure Event Details

What you should know about reported disclosure events:

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

Regulatory - Final

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

Disclosure 1 of 2

Reporting Source: Regulator

Current Status: Final



Allegations: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AND SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AGAINST NPB FINANCIAL GROUP, LLC ("NPB" OR "RESPONDENT").

THE COMMISSION FINDS THAT THESE PROCEEDINGS ARISE OUT OF BREACHES OF FIDUCIARY DUTY BY NPB FINANCIAL GROUP, LLC, A DUALY-REGISTERED INVESTMENT ADVISER AND BROKER-DEALER, IN CONNECTION WITH ITS MUTUAL FUND SHARE CLASS SELECTION PRACTICES AND ITS RECEIPT OF FEES PURSUANT TO RULE 12B-1 UNDER THE INVESTMENT COMPANY ACT OF 1940 ("12B-1 FEES"). AT TIMES DURING THE PERIOD FROM JANUARY 2014 THROUGH MARCH 2019 (THE "RELEVANT PERIOD"), NPB PURCHASED, RECOMMENDED, OR HELD FOR ADVISORY CLIENTS MUTUAL FUND SHARE CLASSES THAT CHARGED 12B-1 FEES, INCLUDING WHEN LOWER-COST SHARE CLASSES OF THE SAME FUNDS WERE AVAILABLE TO THE CLIENTS. NPB AND ITS ASSOCIATED PERSONS RECEIVED 12B-1 FEES IN CONNECTION WITH THESE INVESTMENTS, BUT NPB DID NOT DISCLOSE THIS PRACTICE OR THE CONFLICT OF INTEREST IN ITS FORMS ADV OR OTHERWISE. NPB ALSO, BY CAUSING CERTAIN ADVISORY CLIENTS TO INVEST IN FUND SHARE CLASSES THAT CHARGED 12B-1 FEES WHEN SHARE CLASSES OF THE SAME FUNDS THAT PRESENTED A MORE FAVORABLE VALUE FOR THESE CLIENTS UNDER THE PARTICULAR CIRCUMSTANCES IN PLACE AT THE TIME OF THE TRANSACTIONS WERE AVAILABLE TO THE CLIENTS, BREACHED ITS DUTY TO SEEK BEST EXECUTION FOR THOSE TRANSACTIONS.

FURTHERMORE, NPB FAILED TO ADOPT AND IMPLEMENT WRITTEN COMPLIANCE POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT VIOLATIONS OF THE ADVISERS ACT AND THE RULES THEREUNDER IN CONNECTION WITH ITS MUTUAL FUND SHARE CLASS SELECTION PRACTICES.

NPB, ALTHOUGH ELIGIBLE TO DO SO, DID NOT SELF-REPORT TO THE COMMISSION PURSUANT TO THE DIVISION OF ENFORCEMENT'S (THE "DIVISION") SHARE CLASS SELECTION DISCLOSURE INITIATIVE ("SCSD INITIATIVE").

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated: 08/20/2020
Docket/Case Number: 3-19918



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:	08/20/2020
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 \$425,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS AND PREJUDGMENT INTEREST
Sanction Details:	RESPONDENT IS CENSURED AND CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(2) AND 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 PROMULGATED THEREUNDER. RESPONDENT SHALL PAY DISGORGEMENT OF \$532,519.96, PREJUDGMENT INTEREST OF \$92,668.15, AND A CIVIL MONEY PENALTY OF \$425,000. RESPONDENT SHALL COMPLY WITH THE CERTAIN CONDITIONS IN AN UNDERTAKING ENUMERATED IN THE ORDER.
Regulator Statement	RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT, WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. RESPONDENT WILLFULLY VIOLATED SECTIONS 206(2) AND 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER. ACCORDINGLY, IT IS HEREBY ORDERED THAT RESPONDENT CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(2) AND 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 PROMULGATED THEREUNDER AND CENSURED. RESPONDENT SHALL PAY DISGORGEMENT OF \$532,519.96, PREJUDGMENT INTEREST OF \$92,668.15, AND A CIVIL MONEY PENALTY OF \$425,000. RESPONDENT SHALL COMPLY WITH THE CERTAIN CONDITIONS IN AN UNDERTAKING ENUMERATED IN THE ORDER.



Reporting Source:	Firm
Current Status:	Final
Allegations:	ON AUGUST 20, 2020, NPB ENTERED INTO A SETTLEMENT WITH THE SEC REGARDING NPB'S DISCLOSURES CONCERNING ITS MUTUAL FUND SHARE CLASS SELECTION PRACTICES, ITS RECEIPT OF 12B-1 FEES, AND RELATED CONFLICTS OF INTEREST, DURING THE PERIOD FROM JANUARY 1, 2014 THROUGH MARCH 31, 2019 ("THE RELEVANT PERIOD"). ADMINISTRATIVE PROCEEDING FILE NO. 3-19918
Initiated By:	SECURITIES EXCHANGE COMMISSION
Date Initiated:	08/20/2020
Docket/Case Number:	3-19918
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	DISGORGEMENT CEASE AND DESIST CENSURE OTHER: PRE-JUDGMENT INTEREST
Resolution:	Order
Resolution Date:	08/20/2020
Sanctions Ordered:	Censure Monetary/Fine \$425,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	PREJUDGMENT INTEREST CIVIL PENALTY
Sanction Details:	DISGORGEMENT/RESTITUTION AMOUNT: 532519.96 AND PREJUDGMENT INTEREST THEREON IN THE AMOUNT OF \$92668.15 AND A CIVIL PENALTY OF \$425000 - JUDGEMENT INTEREST
Firm Statement	FAILURE TO DISCLOSE CONFLICTS OF INTEREST AND FACTS RELATED TO OUR MUTUAL FUND SHARE CLASS SELECTION PRACTICE, AND OUR RECEIPT OF 12B-1 FEES. BREACH OF DUTY TO SEEK BEST EXECUTION OF TRANSACTIONS INVOLVING MUTUAL FUND SHARE CLASSES THAT PAID 12B-1 FEES. FAILURE TO ADOPT AND IMPLEMENT WRITTEN COMPLIANCE POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT VIOLATIONS OF THE INVESTMENT ADVISERS ACT OF 1940 IN CONNECTION WITH OUR MUTUAL FUND SHARE CLASS SELECTION PRACTICES. NPB



ALSO AGREED TO CERTAIN UNDERTAKINGS TO TAKE CORRECTIVE ACTION.

Disclosure 2 of 2

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 ADEQUATE WSPS FOR THE REVIEW OF EMAIL. THE FINDINGS STATED THAT THE FIRM'S WSPS WERE DEFICIENT BECAUSE THEY DID NOT SPECIFY THE AMOUNT OF EMAIL REQUIRED TO BE REVIEWED; HOW THE FIRM WOULD SUPERVISE THE REVIEW OF EMAIL; THE TIMING AND FREQUENCY OF SUCH SUPERVISION; AND HOW SUCH SUPERVISION WAS TO BE DOCUMENTED. ADDITIONALLY, THE WSPS FAILED TO IDENTIFY A PROCESS BY WHICH THE EMAIL OF THE FIRM'S PRESIDENT, CEO, AND CCO WAS TO BE REVIEWED, AND AS A RESULT, THE FIRM DID NOT REVIEW THIS INDIVIDUAL'S EMAIL. THE FIRM'S WSPS ALSO PROHIBITED REGISTERED REPRESENTATIVES FROM USING NON-FIRM EMAIL ADDRESSES FOR FIRM BUSINESS-RELATED COMMUNICATIONS. THE FIRM DID NOT ENFORCE THIS PROHIBITION. AS A RESULT, AT LEAST THREE OF THE FIRM'S REPRESENTATIVES USED NON-FIRM EMAIL ADDRESSES FOR FIRM BUSINESS PURPOSES. BY FAILING TO ENFORCE THIS POLICY, THE FIRM FAILED TO ADEQUATELY SUPERVISE ITS REGISTERED REPRESENTATIVES' WRITTEN COMMUNICATIONS. THE FINDINGS ALSO STATED THAT THE FIRM'S WRITTEN SUPERVISORY CONTROL PROCEDURES FOR THE SUPERVISION OF PRODUCING MANAGERS WERE DEFICIENT BECAUSE THEY DID NOT ADDRESS HOW THE FIRM WOULD SUPERVISE THE SECURITIES BUSINESS OF ITS PRODUCING MANAGERS; THE TIMING AND FREQUENCY OF SUCH SUPERVISION; AND HOW SUCH SUPERVISION WAS TO BE DOCUMENTED. AS A RESULT, THE FIRM IMPROPERLY PERMITTED SOME OF ITS PRODUCING MANAGERS TO APPROVE THEIR OWN TRANSACTIONS AND TO APPROVE NEW ACCOUNT FORMS OF THEIR OWN CUSTOMERS. THE FIRM ALSO PREPARED AND SUBMITTED REPORTS AND CERTIFICATIONS THAT WERE INADEQUATE BECAUSE IT HAD FAILED TO CONDUCT SUFFICIENT TESTING OR VERIFICATION OF ITS SUPERVISORY PROCEDURES.

Initiated By: FINRA

Date Initiated: 11/17/2017

Docket/Case Number: [2014038994601](#)

Principal Product Type: No Product

**Other Product Type(s):**

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/17/2017

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 \$35,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$35,000. FINES PAID IN FULL ON DECEMBER 20, 2017.

Reporting Source: Firm

Current Status: Final

Allegations: NPB FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE ADEQUATE WRITTEN SUPERVISORY CONTROL POLICIES AND PROCEDURES AND WRITTEN SUPERVISORY PROCEDURES RELATED TO E-MAIL.

Initiated By: FINRA

Date Initiated: 11/17/2017

Docket/Case Number: [2014038994601](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date:	11/17/2017
Sanctions Ordered:	Censure Monetary/Fine \$35,000.00
Other Sanctions Ordered:	
Sanction Details:	NPB CONSENTED TO THE IMPOSITION OF THE FOLLOWING SANCTION. CENSURE AND \$35000 FINE.
Firm Statement	NPB FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE ADEQUATE WRITTEN SUPERVISORY CONTROL POLICIES AND PROCEDURES AND WRITTEN SUPERVISORY PROCEDURES RELATED TO E-MAIL.

End of Report



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