

BrokerCheck Report

BB&T SECURITIES, LLC

CRD# 142785

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

- **How current is this information?**

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

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

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

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

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

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

brokercheck.finra.org



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

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



BB&T SECURITIES, LLC

CRD# 142785

SEC# 8-67486

Main Office Location

8006 DISCOVERY DRIVE
RICHMOND, VA 23229

Mailing Address

8006 DISCOVERY DRIVE
RICHMOND, VA 23229

Business Telephone Number

804-643-1811

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 Delaware on 08/11/2006.

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	49
Civil Event	1
Arbitration	1

The number of disclosures from non-registered control affiliates is 3



Registration Withdrawal Information

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

Date firm ceased business: 04/30/2021

Does this brokerage firm owe any money or securities to any customer or brokerage firm? Yes

Number of customers owed funds or securities: 260

Amount of money owed to customer: \$360,173.04

Amount of money owed to brokerage firm: \$1,367.61

Market value of securities owed to customer: \$53,593,726.17

Market value of securities owed to brokerage firm: \$1,983.66

Payment arrangement: A CHECK IS BEING SENT FOR THE \$1,367.61 CASH OWED TO ANOTHER BROKER/DEALER. THE \$1983.66 SECURITIES BALANCE OWED IS A RESULT OF DVP FAIL SETTLEMENT.

ON THE CUSTOMER SIDE THE FOLLOWING ARRANGEMENTS ARE BEING MADE, AS APPLICABLE: 1. ACCOUNTS ARE BEING TRANSFERRED TO OTHER BROKER DEALERS AT CUSTOMER'S ACAT REQUEST; 2. WORKING WITH CLEARING FIRM, NFS, TO HOLD REMAINING PRIVATE INVESTMENTS. FOR REMAINING ALTERNATIVE OR PRIVATE INVESTMENTS THAT NFS WILL NOT HOLD AND THAT CLIENTS DO NOT TRANSFER TO ANOTHER FIRM, WE WILL DELIVER THE SECURITIES TO THE CLIENTS; 3. LIQUIDATING ACCOUNTS AND MAILING CHECKS. A WRITTEN NOTICE HAS BEEN SENT AND AFTER A 30 DAY NOTICE PERIOD ACCOUNTS WILL BE LIQUIDATED ON OR ABOUT 5/24/2021; 4. ASSIGNING TO TRUIST INVESTMENT SERVICES, INC. ALL ACCOUNTS OF LOST BENEFICIAL OWNERS WHICH HAVE NOT YET SUFFICIENTLY AGED FOR ESCHEATMENT PROCESSING.



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 08/11/2006.

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.

BB&T SECURITIES, LLC

Doing business as BB&T SECURITIES, LLC

CRD# 142785

SEC# 8-67486

Main Office Location

8006 DISCOVERY DRIVE
RICHMOND, VA 23229

Mailing Address

8006 DISCOVERY DRIVE
RICHMOND, VA 23229

Business Telephone Number

804-643-1811

Other Names of this Firm

Name	Where is it used
BB&T CAPITAL MARKETS, A DIVISION OF BB&T SECURITIES	AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, PR, RI, SC, SD, TN, TX, UT, VA, VI, VT, WA, WI, WV, WY
BB&T INVESTMENTS	AK, AL, AR, AZ, CA,

	CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, PR, RI, SC, SD, TN, TX, UT, VA, VI, VT, WA, WI, WV, WY
BB&T SCOTT & STRINGFELLOW, A DIVISION OF BB&T SECURITIES	AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, PR, RI, SC, SD, TN, TX, UT, VA, VI, VT, WA, WI, WV, WY
STERLING ADVISORS, A DIVISION OF BB&T SECURITIES, LLC	AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, PR, RI, SC, SD, TN, TX, UT, VA, VI, VT, WA, WI, WV, WY



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):	TRUIST FINANCIAL CORPORATION
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	SOLE MEMBER
Position Start Date	08/2006
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	Yes

Legal Name & CRD# (if any):	CRAM, BRYAN SCOTT 2723431
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF EXECUTIVE OFFICER/BOARD OF MANAGERS
Position Start Date	01/2019
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	HECHTLINGER, SUSAN 2890466
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER/ BOARD OF MANAGERS
Position Start Date	09/2020



Firm Profile

Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): MCCALLUM, CHARLES FALCONER III
2697260

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

Position HEAD OF SUPERVISION/BOARD OF MANAGERS

Position Start Date 09/2020

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): RIP, OLGA
5440553

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

Position PRINCIPAL FINANCIAL OFFICER

Position Start Date 10/2018

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): SPEETJENS, FELICIA ANN

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

	3197366
Is this a domestic or foreign entity or an individual?	Individual
Position	HEAD OF PRODUCT/BOARD OF MANAGERS
Position Start Date	09/2020
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	TYSON, TONYA BELFIELD 1987448
Is this a domestic or foreign entity or an individual?	Individual
Position	PRINCIPAL OPERATIONS OFFICER
Position Start Date	10/2018
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm Profile

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



Indirect Owners

No information reported.

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 06/13/2007 to 07/09/2021.



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 15 types of businesses.

Types of Business

Exchange member engaged in exchange commission business other than floor activities
Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities dealer
U S. government securities broker
Municipal securities dealer
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Put and call broker or dealer or option writer
Private placements of securities
Broker or dealer selling interests in mortgages or other receivables
Broker or dealer involved in a networking, kiosk or similar arrangement with a: bank, savings bank or association, or credit union
Other - SELF CLEARANCE. CLEARANCE AND SETTLEMENT ACTIVITIES WILL INCLUDE EXCHANGE-TRADED AND OVER-THE-COUNTER EQUITY SECURITIES, AND CORPORATE, MUNICIPAL AND GOVERNMENT SECURITIES AS WELL AS RELATED MARGIN CREDIT ACTIVITIES.THE FIRM ACTS AS AN EXECUTING BROKER IN A PRIME BROKERAGE RELATIONSHIP. THE FIRM ALSO ACTS AS PRIME BROKER. BB&T INVESTMENTS, A DIVISION OF BB&T SECURITIES,LLC, PROVIDES ELECTRONIC BROKERAGE SERVICES.

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: INSURANCE PRODUCTS

Firm Operations



Clearing Arrangements

This firm does 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: TRUIST FINANCIAL CORPORATION
Business Address: 8201 IBM DRIVE
 CHARLOTTE, NC 28262-4327
Effective Date: 03/01/2018
Description: THIS LOCATION IS A DATA CENTER FOR SERVERS THAT HOUSE ELECTRONIC BOOKS AND RECORDS FOR THE FIRM.

Name: TRUIST FINANCIAL CORPORATION
Business Address: 49 GREEN PACE ROAD
 ZEBULON, NC 27597-7678
Effective Date: 03/01/2018
Description: THIS LOCATION IS A DATA CENTER FOR SERVERS THAT HOUSE ELECTRONIC BOOKS AND RECORDS FOR THE FIRM.

Name: ARCHIVE INFORMATION MANAGEMENT (AIM)
Business Address: 1325 IVY AVENUE
 BUILDING #2
 WINSTON-SALEM, NC 27105
Effective Date: 02/21/2018
Description: FIRM RECORDS ARE STORED AT THIS LOCATION.

Name: IRON MOUNTAIN
Business Address: 1 FEDERAL STREET
 BOSTON, MA 02110
Effective Date: 09/23/2015
Description: THE FIRM STORES RECORDS OFF-SITE WITH IRON MOUNTAIN.

Name: GLOBAL RELAY COMMUNICATIONS, INC.
Business Address: 220 CAMBIE STREET
 2ND FLOOR
 VANCOUVER, CANADA - BRITISH COLUMBIA V6B 2M9
Effective Date: 08/03/2015
Description: GLOBAL RELAY STORES THE EMAIL RECORDS FOR THE FIRM.

Firm Operations



Industry Arrangements (continued)

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

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

Name: SEI INVESTMENTS MANAGEMENT CORP
CRD #: 105146
Business Address: ONE FREEDOM VALLEY DRIVE
 OAKS, PA 19456
Effective Date: 02/21/2018
Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: JPMORGAN CHASE BANK, N.A.
Business Address: 270 PARK AVENUE
 NEW YORK, NY 10017
Effective Date: 10/27/2017
Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: BRANCH BANKING & TRUST COMPANY
Business Address: 200 WEST SECOND STREET
 WINSTON-SALEM, NC 27101
Effective Date: 08/28/2017
Description: FUNDS OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: MUFG UNION BANK, N.A.
Business Address: 350 CALIFORNIA STREET
 SUITE 2018
 SAN FRANCISCO, CA 94104
Effective Date: 10/27/2017
Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: BNY MELLON N.A.
Business Address: 225 LIBERTY STREET
 NEW YORK, NY 10286
Effective Date: 01/01/2017

Firm Operations



Industry Arrangements (continued)

Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

Business Address: 225 LIBERTY STREET
NEW YORK, NY 10286

Effective Date: 01/01/2017

Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: KEY BANK, NATIONAL ASSOCIATION

Business Address: 401 PLYMOUTH ROAD
SUITE 600
PLYMOUTH MEETING, PA 19462

Effective Date: 01/05/2017

Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: PNC BANK, NATIOAL ASSOCITION

Business Address: 249 5TH AVENUE
SUITE 30
PITTSBURGH, PA 15222

Effective Date: 03/01/2016

Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: BANK OF AMERICA

Business Address: 100 NORTH TRYON STREET
CHARLOTTE, NC 28255

Effective Date: 03/01/2016

Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: FULTON FINANCIAL ADVISORS

Business Address: ONE PENN SQUARE
LANCASTER, PA 17602

Effective Date: 03/01/2016

Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT

Firm Operations



Industry Arrangements (continued)

THIS INSTITUTION.

Name: PNC INVESTMENTS
CRD #: 129052
Business Address: 300 FIFTH AVENUE
 26TH FLOOR
 PITTSBURGH, PA 15222
Effective Date: 03/01/2016
Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: MORGAN STANLEY
CRD #: 149777
Business Address: 2000 WESTCHESTER AVENUE
 PURCHASE, NY 10577-2530
Effective Date: 03/01/2016
Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
CRD #: 7691
Business Address: ON BRYANT PARK
 NEW YORK, NY 10036
Effective Date: 03/01/2016
Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: FIDELITY INVESTMENTS INSTITUTIONAL SERVICES COMPANY, INC.
CRD #: 17507
Business Address: 500 SALEM STREET
 SMITHFIELD, RI 02917
Effective Date: 03/01/2016
Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: CHARLES SCHWAB & CO., INC.
CRD #: 5393

Firm Operations



Industry Arrangements (continued)

Business Address: 211 MAIN STREET
SAN FRANCISCO, CA 94105

Effective Date: 03/01/2016

Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: VANGUARD GROUP INC

CRD #: 105958

Business Address: 100 VANGUARD BLVD
V26
MALVERN, PA 19355

Effective Date: 03/01/2016

Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: UBS FINANCIAL SERVICES INC.

CRD #: 8174

Business Address: 1200 HARBOUR BOULEVARD
8TH FL
WEEHAWKEN, NJ 07086

Effective Date: 03/01/2016

Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: TD AMERITRADE, INC.

CRD #: 7870

Business Address: 200 SOUTH 108TH AVENUE
OMAHA, NE 68154

Effective Date: 03/01/2016

Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: PNC CAPITAL ADVISORS LLC

CRD #: 151829

Business Address: ONE EAST PRATT STREET
FIFTH FLOOR-EAST
BALTIMORE, MD 21202

Firm Operations



Industry Arrangements (continued)

Effective Date: 03/01/2016
Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: WELLS FARGO CLEARING SERVICES, LLC

CRD #: 19616

Business Address: ONE NORTH JEFFERSON AVENUE
ST. LOUIS, MO 63101

Effective Date: 10/27/2017

Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: ROBERT W. BAIRD & CO. INCORPORATED

CRD #: 8158

Business Address: 777 E. WISCONSIN AVENUE
MILWAUKEE, WI 53202

Effective Date: 03/01/2016

Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

Name: MORGAN STANLEY & CO. LLC

CRD #: 8209

Business Address: 1585 BROADWAY
NEW YORK, NY 10036-8293

Effective Date: 03/01/2016

Description: FUNDS OR SECURITIES OF SOME CLIENTS OF THE FIRM ARE HELD AT THIS INSTITUTION.

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.

TRUIST BANK is under common control with the firm.

Business Address:	200 WEST SECOND STREET WINSTON SALEM, NC 27101
Effective Date:	12/07/2019
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	TRUIST BANK IS WHOLLY OWNED BY TRUIST FINANCIAL CORPORATION, THE PARENT COMPANY OF THE APPLICANT.

GFO ADVISORY SERVICES, LLC is under common control with the firm.

Business Address:	150 SOUTH US HIGHWAY 1 SUITE 800 JUPITER, FL 33477
Effective Date:	12/06/2019
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	GFO ADVISORY SERVICES, LLC, AN SEC REGISTERED INVESTMENT ADVISOR, IS 99.9% OWNED BY GENSPRING HOLINGS INC. WHICH IS WHOLLY OWNED BY TRUIST FINANCIAL CORPORATION, THE PARENT COMPANY OF THE APPLICANT, AND .01% OWNED BY SUNTRUST NLIP, INC.,

Firm Operations**Organization Affiliates (continued)**

WHICH IS WHOLLY OWNED BY TRUIST FINANCIAL CORPORATION.

TRUIST ADVISORY SERVICES, INC. is under common control with the firm.

CRD #: 283390

Business Address: 303 PEACHTREE CENTER AVENUE
SUNTRUST GARDEN OFFICE SUITE 140
ATLANTA, GA 30303

Effective Date: 12/06/2019

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: TRUIST ADVISORY SERVICES, INC., AN SEC REGISTERED INVESTMENT ADVISOR, IS WHOLLY OWNED BY TRUIST FINANCIAL CORPORATION, THE PARENT COMPANY OF THE APPLICANT

TRUIST SECURITIES, INC. is under common control with the firm.

CRD #: 6271

Business Address: 303 PEACHTREE STREET N.W.
ATLANTA, GA 30308

Effective Date: 12/06/2019

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: TRUIST SECURITIES, INC. IS WHOLLY OWNED BY TRUIST FINANCIAL CORPORATION, THE PARENT COMPANY OF THE APPLICANT.

TRUIST INVESTMENT SERVICES, INC. is under common control with the firm.

CRD #: 17499

Business Address: 303 PEACHTREE CENTER AVE
SUITE 140

Firm Operations**Organization Affiliates (continued)**

ATLANTA, GA 30303

Effective Date: 12/06/2019

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: TRUIST INVESTMENT SERVICES, INC. IS A FINRA MEMBER BROKER-DEALER WHOLLY OWNED BY TRUIST FINANCIAL CORPORATION, THE PARENT COMPANY OF THE APPLICANT.

PRECEPT ADVISORY GROUP LLC is under common control with the firm.

CRD #: 152776

Business Address: 130 THEORY
SUITE 200
IRVINE, CA 92617

Effective Date: 02/21/2018

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: PRECEPT ADVISORY GROUP, LLC IS AN SEC REGISTERED INVESTMENT ADVISER AND A DIVISION OF MCGRUFF INSURANCE SERVICES, OWNED BY BB&T INSURANCE HOLDINGS, INC. BB&T INSURANCE HOLDINGS, INC. IS A WHOLLY OWNED SUBSIDIARY OF TRUIST BANK, A NORTH CAROLINA CHARTERED BANK, WHICH IS WHOLLY OWNED BY TRUIST FINANCIAL CORPORATION, THE PARENT COMPANY OF THE APPLICANT.

MCGRUFF INSURANCE SERVICES, INC. is under common control with the firm.

Business Address: 3605 GLENWOOD AVENUE
SUITE 201
RALEIGH, NC 27612

Effective Date: 09/09/2016

Foreign Entity: No

Firm Operations



Organization Affiliates (continued)

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: MCGRIFF INSURANCE SERVICES, INC. IS A SUBSIDIARY OF BB&T INSURANCE HOLDINGS, INC. WHICH IS A WHOLLY OWNED SUBSIDIARY OF TRUIST BANK, A NORTH CAROLINA CHARTERED BANK. TRUIST BANK IS WHOLLY OWNED BY TRUIST FINANCIAL CORPORATION, THE PARENT COMPANY OF THE APPLICANT. BB&T INSURANCE SERVICES BEGAN DOING BUSINESS AS MCGRIFF INSURANCE SERVICES ON JUNE 25, 2018.

P.J. ROBB VARIABLE CORPORATION is under common control with the firm.

CRD #: 38339

Business Address: 6075 POPLAR AVENUE
SUITE 400
MEMPHIS, TN 38119

Effective Date: 01/02/2013

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: P.J. ROBB IS A FINRA MEMBER BROKER-DEALER WHOLLY OWNED BY CRUMP LIFE INSURANCE SERVICES, INC, A WHOLLY OWNED SUBSIDIARY OF BB&T INSURANCE HOLDINGS, INC. BB&T INSURANCE HOLDINGS, INC. IS A WHOLLY OWNED SUBSIDIARY OF TRUIST BANK, A NORTH CAROLINA CHARTERED BANK, WHICH IS WHOLLY OWNED BY TRUIST FINANCIAL CORPORATION, THE PARENT COMPANY OF THE APPLICANT.

STERLING CAPITAL MANAGEMENT LLC is under common control with the firm.

CRD #: 135405

Business Address: 4350 CONGRESS STREET
CHARLOTTE, NC 28209

Effective Date: 11/02/2006

Foreign Entity: No

Firm Operations



Organization Affiliates (continued)

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: STERLING CAPITAL MANAGEMENT, LLC IS AN SEC REGISTERED INVESTMENT ADVISER, WHICH IS WHOLLY OWNED BY TRUIST FINANCIAL CORPORATION, THE PARENT COMPANY OF APPLICANT.

This firm is directly or indirectly, controlled by the following:

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

TRUIST FINANCIAL CORPORATION is a Bank Holding Company and controls the firm.

Business Address: 214 NORTH TRYON STREET
CHARLOTTE, NC 28202

Effective Date: 11/02/2006

Description: TRUIST FINANCIAL CORPORATION IS 100% OWNER OF APPLICANT.



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	49	0
Civil Event	1	0	0
Arbitration	N/A	1	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:**
 - 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 49

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 SUBMIT ACCURATE MINIMUM DENOMINATION AND MAXIMUM INTEREST RATES TO THE MSRB'S SHORT-TERM OBLIGATION RATE TRANSPARENCY (SHORT) SYSTEM. THE FINDINGS STATED THAT THE FIRM, AS A REMARKETING AGENT FOR VARIABLE RATE DEMAND OBLIGATIONS, SUBMITTED INFORMATION REGARDING THE RESULT OF AN INTEREST RATE RESET TO THE MSRB'S SHORT SYSTEM, BUT FAILED TO REPORT THE MINIMUM DENOMINATION AND THE MAXIMUM INTEREST RATE. THE REPORTING FAILURES OCCURRED BECAUSE THE FIRM'S REPORTING SYSTEM, WHICH TRANSMITS DATA TO THE MSRB'S EMMA SYSTEM FOR SHORT REPORTING, DID NOT REQUIRE THE ENTRY OF THE MINIMUM DENOMINATION AND MAXIMUM INTEREST RATE FIELDS. FIRM TRADERS MISTAKENLY LEFT THE MINIMUM DENOMINATION AND MAXIMUM INTEREST RATE FIELDS BLANK. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WSPS, TO REVIEW IF THE REQUIRED INFORMATION WAS SUBMITTED TO THE SHORT SYSTEM AND TO CONFIRM THE ACCURACY OF THE SUBMITTED INFORMATION, INCLUDING THE MINIMUM DENOMINATION AND MAXIMUM INTEREST RATE FIELDS. THE FIRM UPDATED ITS WSPS AND ADDRESSED THE DEFICIENCIES.

Initiated By: FINRA

Date Initiated: 05/07/2020

Docket/Case Number: [2018057742501](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/07/2020

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 \$47,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$47,500. FINES PAID ON JUNE 2, 2020.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THAT BETWEEN MARCH 18, 2009 AND MARCH 29, 2018, THE FIRM, AS A REMARKETING AGENT FOR VARIABLE RATE DEMAND OBLIGATIONS, FAILED TO REPORT THE MINIMUM DENOMINATION IN 2,002 SUBMISSIONS (APPROXIMATELY 2.94% ERROR RATE) AND THE MAXIMUM INTEREST RATE IN 1,708 SUBMISSIONS (APPROXIMATELY 3.35% ERROR RATE) IN VIOLATION OF MSRB RULE G-34(C)(II), AND THAT THE FIRM'S SUPERVISORY PROCEDURES WERE DEFICIENT IN VIOLATION OF MSRB RULE 27.

Initiated By: FINRA

Date Initiated: 04/22/2020

Docket/Case Number: AWC NO. 2018057742501

Principal Product Type: Debt - Municipal

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/07/2020

Sanctions Ordered: Censure
Monetary/Fine \$47,500.00

Other Sanctions Ordered:

Sanction Details: THE FINE AMOUNT OF \$47,500.00 WILL BE PAID UPON RECEIPT.

Firm Statement ON MAY 5, 2020, WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF AN ACCEPTANCE, WAIVER AND CONSENT (AWC) STATING THAT BETWEEN MARCH 18, 2009 AND MARCH 29, 2018, THE FIRM, AS A REMARKETING AGENT FOR VARIABLE RATE DEMAND



OBLIGATIONS, FAILED TO REPORT THE MINIMUM DENOMINATION IN 2,002 SUBMISSIONS (APPROXIMATELY 2.94% ERROR RATE) AND THE MAXIMUM INTEREST RATE IN 1,708 SUBMISSIONS (APPROXIMATELY 3.35% ERROR RATE) IN VIOLATION OF MSRB RULE G-34(C)(II), AND THAT THE FIRM'S SUPERVISORY PROCEDURES DURING THIS PERIOD FAILED TO CONFIRM THE ACCURACY OF THE SUBMITTED INFORMATION IN VIOLATION OF MSRB RULE 27. THE AWC NOTES THAT THE FIRM HAS ALREADY UPDATED ITS SUPERVISORY PROCEDURES AND ADDRESSED THE DEFICIENCIES IDENTIFIED IN THE AWC. AS PART OF THE AWC, THE FIRM AGREED TO A CENSURE AND TO PAY A FINE OF \$47,500.

Disclosure 2 of 49

Reporting Source:	Regulator
Current Status:	Final
Allegations:	IA RELEASE 40-5165 / MARCH 11, 2019: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE INSTITUTED AGAINST BB&T SECURITIES, LLC ("RESPONDENT"). ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT THESE PROCEEDINGS ARISE OUT OF BREACHES OF FIDUCIARY DUTY AND INADEQUATE DISCLOSURES BY THE RESPONDENT IN CONNECTION WITH ITS MUTUAL FUND SHARE CLASS SELECTION PRACTICES AND THE FEES IT RECEIVED. AT TIMES DURING THE RELEVANT PERIOD, RESPONDENT PURCHASED, RECOMMENDED, OR HELD FOR ADVISORY CLIENTS MUTUAL FUND SHARE CLASSES THAT CHARGED 12B-1 FEES INSTEAD OF LOWER-COST SHARE CLASSES OF THE SAME FUNDS FOR WHICH THE CLIENTS WERE ELIGIBLE. RESPONDENT RECEIVED 12B-1 FEES IN CONNECTION WITH THESE INVESTMENTS. RESPONDENT FAILED TO DISCLOSE IN ITS FORM ADV OR OTHERWISE THE CONFLICTS OF INTEREST RELATED TO (A) ITS RECEIPT OF 12B-1 FEES, AND/OR (B) ITS SELECTION OF MUTUAL FUND SHARE CLASSES THAT PAY SUCH FEES. DURING THE RELEVANT PERIOD, RESPONDENT RECEIVED 12B-1 FEES FOR ADVISING CLIENTS TO INVEST IN OR HOLD SUCH MUTUAL FUND SHARE CLASSES. AS A RESULT OF THE CONDUCT, RESPONDENT WILLFULLY VIOLATED SECTIONS 206(2) AND 207 OF THE ADVISERS ACT.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	03/11/2019
Docket/Case Number:	3-19068
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 03/11/2019

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

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

Other Sanctions Ordered: UNDERTAKINGS AND PREJUDGMENT INTEREST

Sanction Details: THE RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(2) AND 207 OF THE ADVISERS ACT. RESPONDENT IS CENSURED, SHALL PAY DISGORGEMENT OF \$336,875.69 AND PREJUDGMENT INTEREST OF \$39,183.54, AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT.

Regulator Statement RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN THE RESPONDENT'S OFFER. ACCORDINGLY, IT IS ORDERED THAT RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(2) AND 207 OF THE ADVISERS ACT. RESPONDENT IS CENSURED, SHALL PAY DISGORGEMENT OF \$336,875.69 AND PREJUDGMENT INTEREST OF \$39,183.54, AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT.

RESPONDENT SELF-REPORTED TO THE COMMISSION THE VIOLATIONS DISCUSSED IN THIS ORDER PURSUANT TO THE DIVISION OF ENFORCEMENT'S SHARE CLASS SELECTION DISCLOSURE INITIATIVE ("SCSD INITIATIVE"). ACCORDINGLY, THIS ORDER AND RESPONDENT'S OFFER ARE BASED ON THE INFORMATION SELF-REPORTED BY RESPONDENT.



Reporting Source: Firm

Current Status: Final

Allegations: THE COMMISSION'S ORDER STATES THAT FROM 2014 TO 2016 THE FIRM PURCHASED, RECOMMENDED, OR HELD FOR ADVISORY CLIENTS MUTUAL FUND SHARE CLASSES THAT CHARGED 12B-1 FEES INSTEAD OF LOWER-COST SHARE CLASSES OF THE SAME FUNDS FOR WHICH CLIENTS WERE ELIGIBLE.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 03/11/2019

Docket/Case Number: 3-19068

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: 03/11/2019

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

Other Sanctions Ordered:

Sanction Details: THE ORDER REQUIRES THE FIRM TO COMPLETE CERTAIN UNDERTAKINGS, THREE OF WHICH WERE COMPLETED PRIOR TO THE ORDER BEING ISSUED, CENSURES THE FIRM, REQUIRES IT TO CEASE AND DESIST FROM FUTURE VIOLATIONS AND PAY DISGORGEMENT OF \$336,875 AND OF \$39,183

Firm Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF AN ORDER BY THE SEC. THE ORDER STATES THAT FROM 2014 TO 2016 THE FIRM PURCHASED, RECOMMENDED, OR HELD FOR ADVISORY CLIENTS MUTUAL FUND SHARE CLASSES THAT CHARGED 12B-1 FEES INSTEAD OF LOWER-COST SHARE CLASSES OF THE SAME FUNDS FOR WHICH CLIENTS WERE ELIGIBLE. THE ORDER STATES THE FIRM FAILED TO DISCLOSE THE CONFLICTS OF INTEREST, RESULTING IN WILLFUL VIOLATIONS OF SECTIONS 206(2) AND 207 OF THE ADVISERS ACT. THE ORDER REQUIRES THE FIRM TO CEASE AND DESIST, PAY DISGORGEMENT AND PREJUDGMENT INTEREST.



Disclosure 3 of 49

Reporting Source: Regulator

Current Status: Final

Allegations: SEC ADMIN RELEASE 34-85249, IA RELEASE 40-5119 / MARCH 5, 2019: THE SECURITIES AND EXCHANGE COMMISSION (THE "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 (THE "EXCHANGE ACT") AND SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 (THE "ADVISERS ACT") AGAINST BB&T SECURITIES, LLC ("BB&T SECURITIES" OR "RESPONDENT").

THE COMMISSION FINDS THAT THESE PROCEEDINGS ARISE OUT OF MISLEADING STATEMENTS AND INADEQUATE DISCLOSURES BY VALLEY FORGE ASSET MANAGEMENT, LLC ("VALLEY FORGE"), A FORMERLY DUALY REGISTERED INVESTMENT ADVISER AND BROKER-DEALER, AND THE PREDECESSOR IN INTEREST TO STERLING ADVISORS, A DIVISION OF BB&T SECURITIES, RELATING TO DIRECTED BROKERAGE ARRANGEMENTS OFFERED TO VALLEY FORGE'S INVESTMENT ADVISORY CLIENTS. FROM AT LEAST 2013 TO 2016 (THE "RELEVANT PERIOD"), VALLEY FORGE MADE MISLEADING STATEMENTS IN ITS FORMS ADV PART 2A AND INVESTMENT ADVISORY CONTRACTS WITH CLIENTS REGARDING THE SERVICES AND PRICES OFFERED BY ITS IN-HOUSE BROKER THAT LED NUMEROUS CLIENTS TO CHOOSE VALLEY FORGE FOR BROKERAGE SERVICES OVER OTHER SIGNIFICANTLY LESS EXPENSIVE OPTIONS. VALLEY FORGE BENEFITTED FINANCIALLY FROM THESE ADVISORY CLIENTS SELECTING ITS IN-HOUSE BROKER AND FAILED TO DISCLOSE ADEQUATELY THE EXTENT OF ITS CONFLICT OF INTEREST IN ITS FORMS ADV PART 2A OR OTHERWISE. IN 2015, BB&T CORPORATION ("BB&T CORP.") ACQUIRED VALLEY FORGE'S PARENT ENTITY, AND BB&T SECURITIES SUBSEQUENTLY REDUCED THE PRICES OF THE IN-HOUSE BROKERAGE SERVICES OFFERED TO ADVISORY CLIENTS AND AMENDED THE DISCLOSURES RELATING TO ITS OPTIONS FOR DIRECTING BROKERAGE.

DURING THE RELEVANT PERIOD, ADVISORY CLIENTS PAID VALLEY FORGE MORE THAN \$4.7 MILLION IN EXCESS COMPENSATION.

AS A RESULT OF THIS CONDUCT, BB&T SECURITIES, AS SUCCESSOR-IN-INTEREST TO VALLEY FORGE, WILLFULLY VIOLATED SECTIONS 206(2) AND 207 OF THE ADVISERS ACT.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 03/05/2019



Docket/Case Number: 3-19020

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 03/05/2019

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

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

Other Sanctions Ordered:

Sanction Details: IT IS ORDERED THAT BB&T SECURITIES IS CENSURED AND SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(2) AND 207 OF THE ADVISERS ACT. BB&T SECURITIES SHALL PAY DISGORGEMENT OF \$4,712,366 TOGETHER WITH PREJUDGMENT INTEREST OF \$497,387 AND A CIVIL PENALTY OF \$500,000.

Regulator Statement RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER"), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. BB&T SECURITIES, AS SUCCESSOR-IN-INTEREST TO VALLEY FORGE, WILLFULLY VIOLATED SECTIONS 206(2) AND 207 OF THE ADVISERS ACT. IT IS ORDERED THAT BB&T SECURITIES IS CENSURED AND SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(2) AND 207 OF THE ADVISERS ACT. BB&T SECURITIES SHALL PAY DISGORGEMENT OF \$4,712,366 TOGETHER WITH PREJUDGMENT INTEREST OF \$497,387 AND A CIVIL PENALTY OF \$500,000.

Reporting Source: Firm



Current Status:	Final
Allegations:	THE COMMISSION'S ORDER STATES THAT FROM 2013 TO 2016 VALLEY FORGE ASSET MANAGEMENT, LLC, WHICH WAS MERGED INTO THE FIRM IN MARCH 2016, MADE MISLEADING STATEMENTS REGARDING ITS AFFILIATED BROKERAGE PROGRAM AND FAILED TO FULLY INFORM ITS CLIENTS ABOUT AVAILABLE BROKERAGE CHOICES.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	03/05/2019
Docket/Case Number:	3-19020
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	03/05/2019
Sanctions Ordered:	Censure Monetary/Fine \$500,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	CENSURE AND CEASE AND DESIST FROM VIOLATIONS OF SECTIONS 206 (2) AND 207 OF THE ADVISERS ACT. DISGORGEMENT OF \$4,712,366 WITH INTEREST OF \$497,387 AND A CIVIL PENALTY OF \$500,000.
Firm Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF AN ORDER BY THE SEC. THE ORDER STATES THAT FROM 2013 TO 2016 VALLEY FORGE ASSET MANAGEMENT, LLC, WHICH WAS MERGED INTO THE FIRM IN MARCH 2016, MADE MISLEADING STATEMENTS REGARDING ITS AFFILIATED BROKERAGE PROGRAM. THE ORDER STATES THAT VALLEY FORGE CHARGED ITS AFFILIATED BROKERAGE CLIENTS HIGHER COMMISSIONS COMPARED TO THOSE PAID BY OTHER VALLEY FORGE CLIENTS AT THE TIME. THE ORDER REQUIRES THE FIRM TO CEASE AND DESIST, PAY DISGORGEMENT AND INTEREST, AND TO PAY A FINE.



Disclosure 4 of 49

Reporting Source: Regulator

Current Status: Final

Allegations: IA RELEASE 40-5002 / SEPTEMBER 7, 2018:
 THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE THAT CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AGAINST BB&T SECURITIES, LLC ("BB&T SECURITIES" OR "RESPONDENT"), AS SUCCESSOR ENTITY TO BB&T INVESTMENT SERVICES, INC. ("BB&T INVESTMENT SERVICES"). THE COMMISSION FINDS THAT THIS MATTER INVOLVES AN INVESTMENT ADVISER'S FAILURE TO ADEQUATELY DISCLOSE TO CLIENTS FACTS GIVING RISE TO MATERIAL CONFLICTS OF INTEREST. BETWEEN APPROXIMATELY MARCH 2012 THROUGH JULY 2015 (THE "RELEVANT PERIOD"), BB&T INVESTMENT SERVICES, A THEN STATE-REGISTERED INVESTMENT ADVISER, WAS ENGAGED IN THE BUSINESS OF, AMONG OTHER THINGS, RECOMMENDING TO ITS CLIENTS THAT THEY INVEST IN WRAP FEE PROGRAMS SPONSORED BY THREE OTHER INVESTMENT ADVISERS ("SPONSORS"), ONE OF WHICH WAS AN AFFILIATE OF BB&T INVESTMENT SERVICES (THE "AFFILIATED ADVISER"). IN CONNECTION WITH THESE RECOMMENDATIONS, BB&T INVESTMENT SERVICES FAILED TO DISCLOSE SUFFICIENT FACTS TO ENABLE CLIENTS TO DETERMINE THAT THE COMPENSATION ARRANGEMENT BETWEEN BB&T INVESTMENT SERVICES AND THE AFFILIATED ADVISER CREATED AN INCENTIVE FOR BB&T INVESTMENT SERVICES AND ITS INVESTMENT ADVISORY REPRESENTATIVES ("INVESTMENT COUNSELORS") TO RECOMMEND THAT CLIENTS INVEST IN THE AFFILIATED ADVISER'S WRAP FEE PROGRAM RATHER THAN THE PROGRAMS OFFERED BY THE OTHER TWO SPONSORS. BY FAILING TO DISCLOSE FULLY ITS COMPENSATION ARRANGEMENT WITH THE AFFILIATED ADVISER, BB&T INVESTMENT SERVICES VIOLATED SECTION 206(2) OF THE ADVISERS ACT.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/07/2018

Docket/Case Number: 3-18730

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED

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

Other Sanction(s)/Relief Sought:



Resolution:	Order
Resolution Date:	09/07/2018
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Sanctions Ordered:	Monetary/Fine \$100,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	BB&T SECURITIES IS ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 206(2) OF THE ADVISERS ACT. BB&T SECURITIES SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$100,000.
Regulator Statement	RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. IT IS HEREBY ORDERED THAT BB&T SECURITIES SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 206(2) OF THE ADVISERS ACT. BB&T SECURITIES SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$100,000.

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE FIRM HAS CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO THE ISSUANCE OF AN ADMINISTRATIVE CEASE-AND-DESIST ORDER BY THE SEC (THE "ORDER") ISSUED ON SEPTEMBER 7, 2018. THE ORDER INCLUDES FINDINGS THAT, DURING THE PERIOD BETWEEN APPROXIMATELY MARCH 2012 AND JULY 2015, BB&T INVESTMENT SERVICES, INC. "BB&TIS"), WHICH MERGED INTO THE FIRM EFFECTIVE JANUARY 1, 2018, VIOLATED SECTION 206(2) OF THE INVESTMENT ADVISER'S ACT OF 1940 (THE "ADVISER'S ACT") BY FAILING TO ADEQUATELY DISCLOSE CERTAIN CONFLICTS OF INTEREST RELEVANT TO ITS RECOMMENDATION OF AN AFFILIATED ADVISER'S WRAP FEE PROGRAM. SPECIFICALLY, THE ORDER FINDS THAT BB&TIS FAILED TO DISCLOSE SUFFICIENT FACTS TO ENABLE CLIENTS TO DETERMINE THAT A COMPENSATION ARRANGEMENT BETWEEN BB&TIS AND THE AFFILIATED ADVISER CREATED AN INCENTIVE FOR BB&TIS AND ITS INVESTMENT



ADVISORY REPRESENTATIVES TO RECOMMEND THAT CLIENTS INVEST IN THE AFFILIATED ADVISER'S WRAP FEE PROGRAM RATHER THAN TWO OTHER AVAILABLE WRAP FEE PROGRAMS. THE ORDER ORDERS THE FIRM TO CEASE AND DESIST FROM ANY FURTHER VIOLATIONS OF SECTION 206(2) OF THE ADVISER'S ACT AND IMPOSES A \$100,000 PENALTY.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/07/2018

Docket/Case Number: 3-18730

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CIVIL PENALTY OF \$100,000.

Resolution: Settled

Resolution Date: 09/07/2018

Sanctions Ordered: Monetary/Fine \$100,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 206(2) OF THE ADVISERS ACT AND PAY A CIVIL PENALTY OF \$100,000. THE PENALTY WAS PAID ON 9/17/2018.

Firm Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF AN ORDER (FILE NO. 3-18730) BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") INSTITUTING CEASE-AND-DESIST PROCEEDINGS, MAKING FINDINGS AND IMPOSING A CEASE-AND-DESIST ORDER ("THE ORDER"). THE ORDER REQUIRES THE FIRM TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 206(2) OF THE ADVISERS ACT AND PAY A CIVIL PENALTY OF \$100,000 TO THE SEC. THE FIRM PAID THE PENALTY ON 9/17/2018.

Disclosure 5 of 49

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 MAINTAIN A CONTINUOUS TWO-SIDED TRADING INTEREST DURING REGULAR MARKET HOURS, AT PRICES WITHIN CERTAIN PERCENTAGES AWAY FROM THE NATIONAL BEST BID AND OFFER (NBBO). THE FINDINGS STATED THAT THE VIOLATIONS OCCURRED BECAUSE THE FIRM HAD FUNCTIONALITY ISSUES WITH THE ORDER MANAGEMENT SYSTEM UTILIZED BY THE FIRM.

THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NASDAQ QUOTING OBLIGATIONS. THE FIRM ENTIRELY RELIED UPON ITS ORDER MANAGEMENT SYSTEM TO ENSURE COMPLIANCE WITH ITS QUOTING OBLIGATIONS. SPECIFICALLY, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES DID NOT PROVIDE FOR (A) THE IDENTIFICATION OF THE PERSON(S) RESPONSIBLE FOR SUPERVISION; (B) A STATEMENT OF THE SUPERVISORY STEP(S) TO BE TAKEN BY THE IDENTIFIED PERSON(S); (C) A STATEMENT AS TO HOW OFTEN SUCH PERSON(S) SHOULD TAKE SUCH STEP(S); AND (D) A STATEMENT AS TO HOW THE COMPLETION OF THE STEP(S) INCLUDED IN THE WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 05/18/2018

Docket/Case Number: 2016051136701

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: 05/18/2018

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 \$20,000.00

Other Sanctions Ordered:

Sanction Details:

THE FIRM WAS CENSURED AND FINED \$20,000.

BECAUSE THE FIRM HAS ALREADY ENHANCED ITS WRITTEN SUPERVISORY PROCEDURES AND IMPLEMENTED NEW REVIEWS TO ENSURE COMPLIANCE WITH ITS QUOTING OBLIGATIONS, AN UNDERTAKING IS NOT BEING ORDERED FOR THIS MATTER.

Reporting Source:

Firm

Current Status:

Final

Allegations:

DURING THE PERIOD JANUARY 1, 2015 THROUGH JUNE 30, 2015, AND OCTOBER 1, 2015 THROUGH JUNE 30, 2016, THE FIRM, IN CERTAIN INSTANCES, FAILED TO MAINTAIN A CONTINUOUS TWO-SIDED TRADING INTEREST DURING REGULAR MARKET HOURS, AT PRICES WITHIN CERTAIN PERCENTAGES AWAY FROM THE NATIONAL BEST BID OFFER, IN VIOLATION OF NASDAQ RULE 4613(A). ADDITIONALLY, THE FIRM'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NASDAQ QUOTING OBLIGATIONS UNDER NASDAQ RULE 3010(A) AND 2010A.

Initiated By:

NASDAQ STOCK MARKET

Date Initiated:

05/18/2018

Docket/Case Number:

2016051136701

Principal Product Type:

Other

Other Product Type(s):

UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Censure

Other Sanction(s)/Relief Sought:

Resolution:

Acceptance, Waiver & Consent(AWC)

Resolution Date:

05/18/2018

Sanctions Ordered:

Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details:

PURSUANT TO THE LETTER OF ACCEPTANCE, WAIVER & CONSENT



("AWC"), THE FIRM CONSENTED TO A CENSURE AND A FINE OF \$20,000.

Firm Statement

THE FIRM CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), UPON WHICH A CENSURE AND A FINE OF \$20,000 WAS IMPOSED ON IT. THE AWC WAS ACCEPTED BY THE NASDAQ STOCK MARKET ON MAY 18, 2018. THE FIRM HAD ALREADY ENHANCED ITS WRITTEN SUPERVISORY PROCEDURES AND IMPLEMENTED NEW REVIEWS TO ENSURE COMPLIANCE WITH ITS QUOTING OBLIGATIONS, PRIOR TO THE ISSUANCE OF THE AWC.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	FROM AT LEAST JULY 1, 2009 THROUGH AUGUST 1, 2017 (THE "RELEVANT PERIOD"), BB&T INVESTMENT SERVICES, INC. ("BBTIS") 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 ("ELIGIBLE CUSTOMERS")
Initiated By:	FINRA
Date Initiated:	12/05/2017
Docket/Case Number:	2016051183701
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/05/2017
Sanctions Ordered:	Censure Disgorgement/Restitution
Other Sanctions Ordered:	AS PART OF THIS SETTLEMENT, BBTIS HAS PAID RESTITUTION, THE AMOUNT THE ELIGIBLE CUSTOMERS WERE OVERCHARGED, INCLUSIVE OF INTEREST AT THE RATE SET FORTH IN SECTION 6621 (A)(2) OF THE INTERNAL REVENUE CODE, 26 U.S.C 6621(A)(2)(THE "IRS RATE")



Sanction Details: PURSUANT TO THE AWC, BBTIS CONSENTED TO A CENSURE AND RESTITUTION TO ELIGIBLE CUSTOMERS IN THE AMOUNT OF \$373,134 WHICH WAS PAID BETWEEN JULY 26, 2017 THROUGH AUGUST 22, 2017.

Firm Statement BBTIS CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), UPON WHICH A CENSURE AND RESTITUTION IN THE AMOUNT OF \$373,134 WAS IMPOSED ON IT. THE AWC WAS ACCEPTED BY FINRA ON 12/05/2017. THIS DISCLOSURE WAS ADDED AS A RESULT OF THE MERGER OF BBTIS (CRD#33856) INTO BB&T SECURITIES, LLC ON 01/01/2018.

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Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THAT IN RELATION TO FINRA RULE 7450(A)-BB&T INVESTMENT SERVICES, INC. FAILED TO TRANSMIT ALL OF ITS REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) BETWEEN THE TIME PERIOD OF OCTOBER 1, 2011 THROUGH MAY 15, 2012.

Initiated By: FINRA

Date Initiated: 07/29/2013

Docket/Case Number: 2012033571401

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/29/2013

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

Other Sanctions Ordered:

Sanction Details: PURSUANT TO THE AWC, BB&T INVESTMENT SERVICES, INC. CONSENTED TO A CENSURE AND A \$7,500.00 FINE WHICH WAS PAID BY BB&T INVESTMENT SERVICES, INC. ON 08/06/2013.



Firm Statement

BB&T INVESTMENT SERVICES, INC. CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), UPON WHICH A CENSURE AND FINE IN THE AMOUNT OF \$7,500.00 WAS IMPOSED ON IT. THE AWC WAS ACCEPTED BY FINRA ON 7/29/2013. THIS DISCLOSURE WAS ADDED AS A RESULT OF THE MERGER OF BB&T INVESTMENTS SERVICES, INC. INTO BB&T SECURITIES LLC ON 01/01/2018.

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Reporting Source:

Regulator

Current Status:

Final

Allegations:

IA RELEASE 40- 4506 / AUGUST 25, 2016: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE THAT CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AGAINST BB&T SECURITIES, LLC ("RESPONDENT" OR "BB&T SECURITIES").

ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT THIS MATTER ARISES FROM MISSTATEMENTS MADE BY REGISTERED INVESTMENT ADVISER BB&T SECURITIES TO CERTAIN OF ITS ADVISORY CLIENTS, INCLUDING CLIENTS WITH SEPARATELY MANAGED ACCOUNTS INVESTED IN F-SQUARED INVESTMENTS, INC.'S ("F-SQUARED") STRATEGY. BB&T SECURITIES ADVERTISED THE STRATEGY BY NEGLIGENTLY RELYING ON F-SQUARED'S MATERIALLY INFLATED, AND HYPOTHETICAL AND BACK-TESTED, PERFORMANCE TRACK RECORD THAT F-SQUARED MISREPRESENTED. ALPHASECTOR IS A SECTOR ROTATION STRATEGY BASED ON AN ALGORITHM THAT YIELDS A SIGNAL INDICATING WHETHER TO BUY OR SELL NINE INDUSTRY EXCHANGE-TRADED FUNDS ("ETFs") THAT TOGETHER MADE UP THE INDUSTRIES IN THE S&P 500 INDEX. BETWEEN DECEMBER 2, 2011 AND DECEMBER 2014, BB&T SECURITIES OFFERED THE ALPHASECTOR STRATEGY TO ITS CLIENTS. FROM DECEMBER 2, 2011 TO OCTOBER 1, 2013, IN RELIANCE ON F-SQUARED'S FALSE STATEMENTS, BB&T SECURITIES' ALPHASECTOR ADVERTISEMENTS FALSELY STATED THAT: (A) ASSETS HAD BEEN INVESTED IN THE ALPHASECTOR STRATEGY FROM APRIL 2001 TO SEPTEMBER 2008; AND (B) THE TRACK RECORD HAD SIGNIFICANTLY OUTPERFORMED THE S&P 500 INDEX FROM APRIL 2001 TO SEPTEMBER 2008. IN FACT, NO CLIENT ASSETS HAD TRACKED THE STRATEGY FROM APRIL 2001 THROUGH SEPTEMBER 2008. IN ADDITION, F-SQUARED MISCALCULATED THE HISTORICAL PERFORMANCE OF ALPHASECTOR FROM APRIL 2001 TO SEPTEMBER 2008 BY INCORRECTLY IMPLEMENTING SIGNALS IN ADVANCE OF WHEN SUCH SIGNALS ACTUALLY COULD HAVE OCCURRED. BB&T SECURITIES TOOK INSUFFICIENT STEPS



TO CONFIRM THE ACCURACY OF F-SQUARED'S HISTORICAL DATA AND OTHER INFORMATION CONTAINED IN THE MATERIALS. IN ADDITION, BB&T SECURITIES DID NOT OBTAIN SUFFICIENT DOCUMENTATION THAT SUBSTANTIATED F-SQUARED'S ADVERTISING CLAIMS IN THE MATERIALS. AS A RESULT OF THIS INACCURATE COMPILATION OF HISTORICAL DATA BY F-SQUARED, BB&T SECURITIES ADVERTISED THE ALPHASECTOR STRATEGY BY USING HYPOTHETICAL AND BACK-TESTED HISTORICAL PERFORMANCE THAT WAS INFLATED SUBSTANTIALLY OVER WHAT PERFORMANCE WOULD HAVE BEEN IF F-SQUARED HAD APPLIED THE SIGNALS ACCURATELY. AS A RESULT, BB&T SECURITIES VIOLATED SECTION 206(4) OF THE ADVISERS ACT AND RULE 206(4)-1(A)(5) THEREUNDER BY PUBLISHING, CIRCULATING, AND DISTRIBUTING ADVERTISEMENTS THAT CONTAINED UNTRUE STATEMENTS OF MATERIAL FACT. BB&T SECURITIES LIKEWISE DID NOT MAKE AND KEEP TRUE, ACCURATE AND CURRENT RECORDS OR DOCUMENTS NECESSARY TO FORM THE BASIS FOR OR DEMONSTRATE THE CALCULATION OF THE PERFORMANCE OR RATE OF RETURNS THAT IT CIRCULATED AND DISTRIBUTED, AS REQUIRED BY SECTION 204(A) OF THE ADVISERS ACT AND RULE 204-2(A)(16) THEREUNDER. AS A RESULT OF THE CONDUCT, RESPONDENT VIOLATED SECTION 204(A) OF THE ADVISERS ACT AND RULE 204-2(A)(16) THEREUNDER.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 08/25/2016

Docket/Case Number: 3-17502

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 08/25/2016

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

Sanctions Ordered: Monetary/Fine \$200,000.00



Cease and Desist/Injunction

Other Sanctions Ordered:**Sanction Details:**

RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 204(A) AND 206(4) OF THE ADVISERS ACT AND RULES 204-2(A)(16), AND 206(4)-1(A)(5) THEREUNDER. RESPONDENT SHALL, WITHIN 10 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY OF TWO HUNDRED THOUSAND DOLLARS (\$200,000) TO THE SECURITIES AND EXCHANGE COMMISSION FOR TRANSFER TO THE GENERAL FUND OF THE UNITED STATES TREASURY.

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 RESPONDENT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER. ACCORDINGLY, IT IS HEREBY ORDERED THAT: PURSUANT TO SECTION 203(K) OF THE ADVISERS ACT, RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 204(A) AND 206(4) OF THE ADVISERS ACT AND RULES 204-2(A)(16), AND 206(4)-1(A)(5) THEREUNDER. RESPONDENT SHALL, WITHIN 10 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY OF TWO HUNDRED THOUSAND DOLLARS (\$200,000) TO THE SECURITIES AND EXCHANGE COMMISSION FOR TRANSFER TO THE GENERAL FUND OF THE UNITED STATES TREASURY.

Reporting Source:

Firm

Current Status:

Final

Allegations:

THE ORDER STATES THAT FROM DECEMBER 2, 2011 TO OCTOBER 1, 2013, IN RELIANCE ON F-SQUARED INVESTMENTS, INC.'S ("F-SQUARED") FALSE STATEMENTS, BB&T SECURITIES' ALPHASECTOR ADVERTISEMENTS FALSELY STATED THAT F-SQUARED HAD ASSETS INVESTED IN THE ALPHASECTOR STRATEGY FROM APRIL 2001 TO SEPTEMBER 2008, AND THAT THE TRACK RECORD FOR THESE INVESTMENTS HAD SIGNIFICANTLY OUTPERFORMED THE S&P 500 INDEX DURING THIS PERIOD. THE ORDER



ALSO STATES THAT THE FIRM TOOK INSUFFICIENT STEPS TO CONFIRM THE ACCURACY OF F- SQUARED'S ALPHASECTOR PERFORMANCE DATA FOR THIS PERIOD AND FAILED TO OBTAIN SUFFICIENT DOCUMENTATION TO SUBSTANTIATE F-SQUARED'S ADVERTISED PERFORMANCE, RESULTING IN THE FIRM VIOLATING SECTIONS 206(4) AND 204(A) OF THE ADVISERS ACT AND RULES 206(4)-1(A)(5) AND 204-2(A)(16) THEREUNDER.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 08/25/2016

Docket/Case Number: 3-17502

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 08/25/2016

Sanctions Ordered: Monetary/Fine \$200,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 204(A) AND 206(4) OF THE ADVISERS ACT AND RULES 204-2(A)(16), AND 206(4)-1(A)(5) THEREUNDER, AND PAY A CIVIL PENALTY OF \$200,000. THE FIRM PAID THE FINE ON AUGUST 26, 2016.

Firm Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF AN ORDER (FILE NO. 3-17502) BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") INSTITUTING CEASE-AND-DESIST PROCEEDINGS, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER (THE "ORDER"). THE ORDER REQUIRES THE FIRM TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS OF SECTIONS 204(A) AND 206(4) OF THE ADVISERS ACT AND RULES 204-2(A)(16), AND 206(4)-1(A)(5) THEREUNDER, AND TO PAY A \$200,000 PENALTY TO THE SEC. THE FIRM PAID THE FINE ON AUGUST 26, 2016.



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 ("ELIGIBLE CUSTOMERS"). THE FINDINGS STATED THAT MANY MUTUAL FUNDS WAIVE THE FRONT-END SALES CHARGES ASSOCIATED WITH CLASS A SHARES FOR CERTAIN RETIREMENT PLANS AND/OR CHARITABLE ORGANIZATIONS. SOME OF THE MUTUAL FUNDS AVAILABLE ON THE FIRM'S RETAIL PLATFORM OFFERED SUCH WAIVERS AND DISCLOSED THOSE WAIVERS IN THEIR PROSPECTUSES. NOTWITHSTANDING THE AVAILABILITY OF THE WAIVERS, THE FIRM FAILED TO APPLY THE WAIVERS TO MUTUAL FUND PURCHASES MADE BY ELIGIBLE CUSTOMERS AND INSTEAD SOLD THE 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 SUCH CUSTOMERS TO PAY HIGHER FEES THAN THEY WERE ACTUALLY REQUIRED TO PAY. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REASONABLY SUPERVISE THE APPLICATION OF SALES CHARGE WAIVERS TO ELIGIBLE MUTUAL FUND SALES. THE FIRM RELIED ON ITS FINANCIAL ADVISORS TO DETERMINE THE APPLICABILITY OF SALES CHARGE WAIVERS, BUT FAILED TO MAINTAIN ADEQUATE WSPS 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. FINALLY, THE FIRM 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. THE FINDINGS ALSO INCLUDED THAT THE FIRM BEGAN A REVIEW TO DETERMINE WHETHER IT HAD PROVIDED AVAILABLE SALES CHARGE WAIVERS TO ELIGIBLE CUSTOMERS. BASED ON THIS REVIEW, IT SELF-REPORTED TO FINRA THAT ELIGIBLE CUSTOMERS HAD NOT RECEIVED AVAILABLE SALES CHARGE WAIVERS. AS A RESULT OF THE FAILURE OF THE FIRM TO APPLY AVAILABLE SALES CHARGE WAIVERS, THE FIRM ESTIMATES THAT ELIGIBLE CUSTOMERS WERE OVERCHARGED BY APPROXIMATELY \$1,269,652.27 FOR MUTUAL FUND PURCHASES MADE. AS PART OF THIS SETTLEMENT, THE FIRM AGREES TO PAY RESTITUTION TO ELIGIBLE



CUSTOMERS, WHICH IS ESTIMATED TO TOTAL \$1,401,486.77 (I.E., THE AMOUNT ELIGIBLE CUSTOMERS WERE OVERCHARGED, INCLUSIVE OF INTEREST). THE FIRM WILL ALSO ENSURE THAT RETIREMENT AND CHARITABLE WAIVERS ARE APPROPRIATELY APPLIED TO ALL FUTURE TRANSACTIONS.

Initiated By: FINRA

Date Initiated: 04/21/2016

Docket/Case Number: [2015046355101](#)

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: 04/21/2016

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

Sanctions Ordered: Censure
Disgorgement/Restitution

Other Sanctions Ordered: THE RESTITUTION IS INCLUSIVE OF INTEREST,

Sanction Details: THE FIRM WAS CENSURED AND ORDERED TO PAY \$1,401,486.77, INCLUSIVE OF INTEREST, IN RESTITUTION TO ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE MUTUAL FUND SALES CHARGE WAIVERS.

Regulator Statement IN RESOLVING THIS MATTER, FINRA HAS RECOGNIZED THE EXTRAORDINARY COOPERATION OF THE FIRM FOR HAVING: (1) INITIATED, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, AN INVESTIGATION TO IDENTIFY WHETHER ELIGIBLE CUSTOMERS RECEIVED SALES CHARGE WAIVERS DURING THE RELEVANT PERIOD; (2) PROMPTLY ESTABLISHED A PLAN OF REMEDIATION FOR ELIGIBLE CUSTOMERS WHO DID NOT RECEIVE APPROPRIATE SALES CHARGE WAIVERS; (3) PROMPTLY SELF-REPORTED TO FINRA; (4) PROMPTLY TAKEN ACTION AND REMEDIAL STEPS TO CORRECT THE VIOLATIVE CONDUCT; AND (5) EMPLOYED



SUBSEQUENT CORRECTIVE MEASURES, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, TO REVISE ITS PROCEDURES TO AVOID RECURRENCE OF THE MISCONDUCT.

Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA ALLEGED DURING THE PERIOD JULY 1, 2009 THROUGH DECEMBER 1, 2015, THAT THE FIRM 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; AND THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ENSURE THAT ELIGIBLE CUSTOMERS WHO PURCHASED MUTUAL FUNDS RECEIVED THE BENEFIT OF APPLICABLE SALES CHARGE WAIVERS.
Initiated By:	FINRA
Date Initiated:	04/21/2016
Docket/Case Number:	2015046355101
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/21/2016
Sanctions Ordered:	Censure Disgorgement/Restitution
Other Sanctions Ordered:	THE RESTITUTION IS INCLUSIVE OF INTEREST.
Sanction Details:	THE FIRM WAS CENSURED AND ORDERED TO PAY \$1,401,486.77, INCLUSIVE OF INTEREST, IN RESTITUTION TO ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE THE APPLICABLE MUTUAL FUND SALES CHARGE WAIVERS.
Firm Statement	IN RESOLVING THIS MATTER, FINRA NOTED THAT THEY RECOGNIZED THE EXTRAORDINARY COOPERATION OF THE FIRM FOR HAVING: (1) INITIATED, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, AN



INVESTIGATION TO IDENTIFY WHETHER ELIGIBLE CUSTOMERS RECEIVED SALES CHARGE WAIVERS DURING THE RELEVANT PERIOD; (2) PROMPTLY ESTABLISHED A PLAN OF REMEDIATION FOR ELIGIBLE CUSTOMERS WHO DID NOT RECEIVE APPROPRIATE SALES CHARGE WAIVERS; (3) PROMPTLY SELF-REPORTED TO FINRA; (4) PROMPTLY TAKEN ACTION AND REMEDIAL STEPS TO CORRECT THE VIOLATIVE CONDUCT; AND (5) EMPLOYED SUBSEQUENT CORRECTIVE MEASURES, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, TO REVISE ITS PROCEDURES TO AVOID RECURRENCE OF THE MISCONDUCT. IN ORDER TO RESOLVE THE ISSUE, THE FIRM, WITHOUT ADMITTING OR DENYING THE FINDINGS, CONSENTED TO THE ISSUANCE OF A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") ON APRIL 21, 2016, WHEREBY THE FIRM WAS CENSURED AND MADE RESTITUTION OF \$1,401,486.77, INCLUSIVE OF INTEREST, TO ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE THE APPLICABLE MUTUAL FUND SALES CHARGE WAIVERS.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	VALLEY FORGE ASSET MANAGEMENT, LLC INADVERTENTLY EFFECTED SECURITIES TRANSACTIONS IN THE STATE OF HAWAII PRIOR TO APPROVAL OF BROKER DEALER REGISTRATION.
Initiated By:	STATE OF HAWAII
Date Initiated:	01/11/2007
Docket/Case Number:	SEU-2006-009
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:	Stipulation and Consent
Resolution Date:	01/12/2007
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	A FINE OF \$5,000 WAS PAID TO THE STATE ON JANUARY 12, 2007.

**Firm Statement**

THE FIRM RECEIVED A FULLY EXECUTED COPY OF THE CONSENT FROM HAWAII AND FINE HAS BEEN PAID. DISPOSITION IS COMPLETE. THIS DISCLOSURE WAS A REPORTABLE EVENT ON THE FORM BD FOR VALLEY FORGE ASSET MANAGEMENT, LLC (CRD# 7438) AND WAS ADDED AS A RESULT OF THE MERGER OF VALLEY FORGE INTO BB&T SECURITIES, LLC ON MARCH 1, 2016.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	FAILURE TO FILE POLITICAL CONTRIBUTIONS AS REQUIRED BY MSRB RULE G37, BY VALLEY FORGE ASSET MANAGEMENT, LLC.
Initiated By:	NASD
Date Initiated:	12/09/1996
Docket/Case Number:	C9A960044-AWC
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:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/09/1996
Sanctions Ordered:	Monetary/Fine \$250.00
Other Sanctions Ordered:	
Sanction Details:	FINE WAS PAID IN FULL.
Firm Statement	THIS DISCLOSURE WAS A REPORTABLE EVENT ON THE FORM BD FOR VALLEY FORGE ASSET MANAGEMENT, LLC (CRD# 7438) AND WAS ADDED AS A RESULT OF THE MERGER OF VALLEY FORGE INTO BB&T SECURITIES, LLC ON MARCH 1, 2016.

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Reporting Source:	Firm
Current Status:	Final



Allegations:	VIOLATION OF ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE, LATE FILING OF FOCUS I REPORT, BY VALLEY FORGE ASSET MANAGEMENT, LLC.
Initiated By:	NASD
Date Initiated:	06/05/1992
Docket/Case Number:	C9A920034
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:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/24/1992
Sanctions Ordered:	Censure Monetary/Fine \$500.00
Other Sanctions Ordered:	
Sanction Details:	FINE WAS PAID IN FULL.
Firm Statement	THIS DISCLOSURE WAS A REPORTABLE EVENT ON THE FORM BD FOR VALLEY FORGE ASSET MANAGEMENT, LLC (CRD# 7438)AND WAS ADDED AS A RESULT OF THE MERGER OF VALLEY FORGE INTO BB&T SECURITIES, LLC ON MARCH 1, 2016.

Disclosure 13 of 49

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC ADMIN RELEASES 33-9949; 34-76046; SEPTEMBER 30, 2015: 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 AGAINST BB&T SECURITIES, LLC, ("RESPONDENT"). RESPONDENT WILLFULLY VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT. THIS MATTER INVOLVES VIOLATIONS OF AN ANTIFRAUD PROVISION OF THE FEDERAL SECURITIES LAWS IN CONNECTION WITH RESPONDENT'S UNDERWRITING OF CERTAIN MUNICIPAL SECURITIES OFFERINGS. RESPONDENT, A REGISTERED



BROKER-DEALER, CONDUCTED INADEQUATE DUE DILIGENCE IN CERTAIN OFFERINGS AND AS A RESULT, FAILED TO FORM A REASONABLE BASIS FOR BELIEVING THE TRUTHFULNESS OF CERTAIN MATERIAL REPRESENTATIONS IN OFFICIAL STATEMENTS ISSUED IN CONNECTION WITH THOSE OFFERINGS. THIS RESULTED IN RESPONDENT OFFERING AND SELLING MUNICIPAL SECURITIES ON THE BASIS OF MATERIALLY MISLEADING DISCLOSURE DOCUMENTS.

THE VIOLATIONS WERE SELF-REPORTED BY RESPONDENT TO THE COMMISSION PURSUANT TO THE DIVISION OF ENFORCEMENT'S (THE "DIVISION") MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION (MCDC) INITIATIVE.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/30/2015

Docket/Case Number: 3-16861

Principal Product Type: Debt - Municipal

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 09/30/2015

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

Sanctions Ordered: Monetary/Fine \$200,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: THE RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$200,000.00 AND COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT.

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, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN RESPONDENT'S OFFER. ACCORDINGLY, IT IS HEREBY ORDERED THAT RESPONDENT SHALL, CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF 17(A)(2) OF THE SECURITIES ACT; WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$200,000.00 TO THE SECURITIES AND EXCHANGE COMMISSION; AND RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A REVIEW OF RESPONDENT'S POLICIES AND PROCEDURES AS THEY RELATE TO MUNICIPAL SECURITIES UNDERWRITING DUE DILIGENCE.

Reporting Source: Firm

Current Status: Final

Allegations: RESPONDENT FAILED TO FORM A REASONABLE BASIS THROUGH ADEQUATE DUE DILIGENCE FOR BELIEVING THE TRUTHFULNESS OF THE ASSERTIONS BY ISSUERS AND/OR OBLIGORS REGARDING THEIR COMPLIANCE WITH PREVIOUS CONTINUING DISCLOSURE UNDERTAKINGS PURSUANT TO RULE 15C 2-12. THIS RESULTED IN RESPONDENT OFFERING AND SELLING MUNICIPAL SECURITIES ON THE BASIS OF MATERIALLY MISLEADING DISCLOSURE DOCUMENTS IN VIOLATION OF SECTION 17(A)(2) OF THE SECURITIES ACT. THE VIOLATIONS WERE SELF-REPORTED PURSUANT TO THE ENFORCEMENT DIVISION'S MDCDC INITIATIVE.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/30/2015

Docket/Case Number: 3-16861

Principal Product Type: Debt - Municipal

Other Product Type(s):



Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CIVIL PENALTY, UNDERTAKINGS INCLUDING TO RETAIN AN INDEPENDENT CONSULTANT
Resolution:	Settled
Resolution Date:	09/30/2015
Sanctions Ordered:	Monetary/Fine \$200,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS INCLUDING TO RETAIN AN INDEPENDENT CONSULTANT
Sanction Details:	RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT, PAY A CIVIL PENALTY OF \$200,000, AND COMPLY WITH THE UNDERTAKINGS INCLUDING THE HIRING OF AN INDEPENDENT CONSULTANT.
Firm Statement	AFTER VOLUNTARILY SELF-REPORTING CERTAIN INFORMATION TO THE SEC, AND WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF AN ORDER BY THE SEC OF ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER CONCERNING THREE (3) MUNICIPAL OFFERINGS UNDERWRITTEN BY THE FIRM. THE SEC ORDER WAS ENTERED ON SEPTEMBER 30, 2015. THE FIRM HAS PAID THE \$200,000 PENALTY AND IS IN THE PROCESS OF RETAINING AN INDEPENDENT CONSULTANT AS REQUIRED BY THE ORDER'S UNDERTAKINGS.

Disclosure 14 of 49

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 PROPERLY AGGREGATE POSITIONS FOR APPROXIMATELY 1,000 ACCOUNTS THAT WERE ACTING IN CONCERT UNDER THE COMMON CONTROL OF SPECIFIC REGISTERED REPRESENTATIVES/INVESTMENT ADVISORS WITHIN THE FIRM. THE FINDINGS STATED THAT AS A RESULT, THE FIRM FAILED TO REPORT POSITIONS TO THE LARGE OPTIONS POSITION REPORTING (LOPR) SYSTEM IN APPROXIMATELY 1.4 MILLION INSTANCES. THE FIRM FAILED TO PROPERLY AGGREGATE POSITIONS FOR ACCOUNTS THAT WERE ACTING IN CONCERT UNDER THE COMMON CONTROL OF AN UNREGISTERED THIRD PARTY OUTSIDE THE FIRM. AS A



RESULT, THE FIRM FAILED TO REPORT POSITIONS TO THE LOPR IN 6,796 INSTANCES AND FAILED TO TIMELY REPORT POSITIONS TO THE LOPR IN FOUR INSTANCES. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, CONCERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR. THE FIRM ALSO DID NOT INCLUDE SUFFICIENT WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR THE REPORTING OF OPTIONS POSITIONS TO THE LOPR.

Initiated By: FINRA

Date Initiated: 12/05/2014

Docket/Case Number: [2011027537401](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/05/2014

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

Sanctions Ordered: Censure
Monetary/Fine \$1,000,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$1,000,000. IN SETTLING THIS MATTER, FINRA TOOK INTO CONSIDERATION THE REMEDIAL STEPS TAKEN BY THE FIRM IMMEDIATELY UPON NOTICE OF THIS INVESTIGATION BY FINRA, INCLUDING ENHANCEMENTS TO ITS SUPERVISORY SYSTEMS, AND THAT THE FIRM PROVIDED FINRA WITH A CALCULATION OF THE NUMBER OF IMPACTED ACCOUNTS AND POSITIONS DURING THE FIRST AND SECOND REVIEW PERIODS. FINE PAID IN FULL ON DECEMBER 18, 2014.



Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA ALLEGED DURING THE REVIEW PERIOD OCTOBER 2007 THROUGH AUGUST 2014, THAT CLEARVIEW CORRESPONDENT SERVICES, LLC (N/K/A/BB&T SECURITIES, LLC) FAILED TO PROPERLY AGGREGATE POSITIONS REPORTED TO THE LARGE OPTIONS POSITION REPORTING ("LOPR"), AND FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS AND FINRA RULES CONCERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR.
Initiated By:	FINRA
Date Initiated:	12/05/2014
Docket/Case Number:	2011027537401
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/05/2014
Sanctions Ordered:	Censure Monetary/Fine \$1,000,000.00
Other Sanctions Ordered:	
Sanction Details:	PURSUANT TO THE AWC, THE FIRM CONSENTED TO A CENSURE AND A FINE OF \$1,000,000. THE FIRM PAID THE FINE ON DECEMBER 18, 2014. FINRA TOOK INTO CONSIDERATION THE REMEDIAL STEPS TAKEN BY THE FIRM IMMEDIATELY UPON NOTICE OF THIS INVESTIGATION BY FINRA, INCLUDING ENHANCEMENTS TO ITS SUPERVISORY SYSTEMS, AND THAT THE FIRM PROVIDED FINRA WITH A CALCULATION OF THE NUMBER OF IMPACTED ACCOUNTS AND POSITIONS DURING THE FIRST AND SECOND REVIEW PERIODS.
Firm Statement	BB&T SECURITIES, WITHOUT ADMITTING OR DENYING THE FINDINGS, CONSENTED TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT

("AWC") IN WHICH A CENSURE AND A FINE IN THE AMOUNT OF \$1,000,000 WAS IMPOSED UPON IT. THE AWC WAS ACCEPTED BY FINRA ON DECEMBER 5, 2014. ON DECEMBER 18, 2014, THE FIRM PAID THE FINE.

Disclosure 15 of 49

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 CHARGED EXCESSIVE MARK-UPS ON CORPORATE BOND TRANSACTIONS, AN EXCESSIVE MARK-DOWN ON A CORPORATE BOND TRANSACTION, AND AN EXCESSIVE MARK-UP ON A MUNICIPAL BOND TRANSACTION. THE FINDINGS STATED THAT THE MARK-UPS AND MARK-DOWN WERE NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE INDIVIDUAL PREVAILING MARKET PRICES. AS A RESULT, THE FIRM ACCOUNTHOLDERS WERE ASSESSED \$7,243.62 IN EXCESSIVE CHARGES FOR THOSE TRANSACTIONS. THE FINDINGS ALSO STATED THAT THE FIRM DID NOT ADEQUATELY IMPLEMENT OR ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES, WHICH REQUIRED MARK-UPS AND MARK-DOWNS TO BE CALCULATED FROM THE PREVAILING MARKET PRICE OF THE SECURITY. NOR DID THE FIRM FOLLOW ITS STATED PROCEDURES FOR REVIEWING AND APPROVING EXCESSIVE MARK-UPS.
Initiated By:	FINRA
Date Initiated:	10/15/2014
Docket/Case Number:	2013036202701
Principal Product Type:	Debt - Corporate
Other Product Type(s):	MUNICIPAL BOND
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	10/15/2014



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$20,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED, FINED \$20,000 AND ORDERED TO PAY \$7,243.62, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS. FINE PAID IN FULL ON OCTOBER 20, 2014.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA ALLEGED THE FOLLOWING: THAT FROM FEBRUARY 2010 TO AUGUST 2011, THE FIRM CHARGED EXCESSIVE MARK-UPS ON CERTAIN CORPORATE BOND TRANSACTIONS, AN EXCESSIVE MARK-DOWN ON A CORPORATE BOND TRANSACTION, AND AN EXCESSIVE MARK-UP ON A MUNICIPAL BOND TRANSACTION; AND THAT THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES, WHICH REQUIRED MARK-UPS AND MARK-DOWNS TO BE CALCULATED FROM THE PREVAILING MARKET PRICE OF THE SECURITY.
Initiated By:	FINRA
Date Initiated:	10/15/2014
Docket/Case Number:	2013036202701
Principal Product Type:	Debt - Corporate
Other Product Type(s):	DEBT - MUNICIPAL
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	RESTITUTION
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	10/15/2014
Sanctions Ordered:	Censure



Monetary/Fine \$20,000.00
 Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details:

PURSUANT TO A LETTER OF ACCEPTANCE, WAIVER, AND CONSENT, THE FIRM CONSENTED TO A CENSURE, A FINE OF \$20,000 AND RESTITUTION TO CUSTOMERS, PLUS INTEREST. THE FIRM PAID THE FINE ON OCTOBER 20, 2014. RESTITUTION IN THE AMOUNT OF \$7,243.62, PLUS INTEREST, WAS MADE TO THE CUSTOMERS ON OCTOBER 22, 2014.

Firm Statement

THE FIRM CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), IN WHICH A CENSURE, A FINE, AND RESTITUTION WAS IMPOSED UPON IT. THE AWC WAS ACCEPTED BY FINRA ON OCTOBER 15, 2014.

Disclosure 16 of 49

Reporting Source: Firm

Current Status: Final

Allegations: REGARDING FINRA RULE 6730 AND 6760. FINRA ALLEGED THAT DURING THE REVIEW PERIOD OF 04/01/2011 THROUGH 09/30/2011, THE FIRM FAILED TO REPORT CERTAIN TRANSACTIONS IN TRACE ELIGIBLE AGENCY DEBT SECURITIES TO TRACE WITHIN FIFTEEN (15) MINUTES OF THE TIME OF EXECUTION. ALSO DURING THE REVIEW PERIOD, THE FIRM AS MANAGING UNDERWRITER FAILED TO REPORT CERTAIN NEW ISSUE OFFERINGS IN TRACE ELIGIBLE AGENCY DEBT SECURITIES TO FINRA.

Initiated By: FINRA

Date Initiated: 05/06/2014

Docket/Case Number: 20110288771-01

Principal Product Type: Debt - Government

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/06/2014

Sanctions Ordered: Censure
 Monetary/Fine \$10,000.00

**Other Sanctions Ordered:****Sanction Details:**

BB&T SECURITIES CONSENTED TO A CENSURE AND THE PAYMENT OF A FINE IN THE AMOUNT OF \$10,000. THE FIRM PAID THE FINE ON MAY 27, 2014.

Firm Statement

BB&T SECURITIES, WITHOUT ADMITTING OR DENYING THE FINDINGS, CONSENTED TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") IN WHICH A CENSURE AND A FINE IN THE AMOUNT OF \$10,000 WAS IMPOSED UPON IT. THE AWC WAS ACCEPTED BY FINRA ON MAY 6, 2014. ON MAY 27, 2014, THE FIRM PAID THE FINE.

Disclosure 17 of 49**Reporting Source:**

Firm

Current Status:

Final

Allegations:

OCC ALLEGED THAT THE FIRM FAILED TO PROVIDE OCC WITH NOTICE THAT IT SENT TO OTHER REGULATORS OF A TEMPORARY NET CAPITAL DEFICIENCY.

Initiated By:

OPTIONS CLEARING CORPORATION

Date Initiated:

12/13/2013

Docket/Case Number:

2013-15

Principal Product Type:

No Product

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

Other

Other Sanction(s)/Relief Sought:

FINE

Resolution:

Decision & Order of Offer of Settlement

Resolution Date:

12/13/2013

Sanctions Ordered:

Monetary/Fine \$7,500.00

Other Sanctions Ordered:**Sanction Details:**

THE FIRM CONSENTED TO A FINE OF \$7,500 THAT WAS PAID ON DECEMBER 5, 2013.

Firm Statement

IN ORDER TO FULLY RESOLVE THE MATTER AND WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE IMPOSITION OF A FINE OF \$7,500.



Disclosure 18 of 49

Reporting Source: Regulator

Current Status: Final

Allegations: RULE 17A-3 OF THE SECURITIES EXCHANGE ACT OF 1934; FINRA RULE 2010, 3310(A), AND 4511; NASD RULE 2110, 2711(H), 3010, AND 3110; MSRB RULE G-8:
 THE FIRM EFFECTED SALES OF UNREGISTERED SECURITIES IN CONTRAVENTION OF SECTION 5 OF THE SECURITIES ACT OF 1933 (SECURITIES ACT).
 THE FIRM PARTICIPATED IN THE SALE OF APPROXIMATELY 242 MILLION SHARES OF UNREGISTERED STOCK OF LOW-PRICED SECURITIES ON BEHALF OF FOUR ISSUERS, WHICH GENERATED PROCEEDS OF APPROXIMATELY \$537,000. THE SECURITIES WERE NOT SUBJECT TO A REGISTRATION STATEMENT. MOREOVER, THE FIRM USED THE MEANS AND INSTRUMENTALITIES OF INTERSTATE COMMERCE AND/OR THE MAILS TO SELL THE SECURITIES.
 IN ADDITION, DESPITE CERTAIN QUESTIONABLE CIRCUMSTANCES SURROUNDING THE SALES, SUCH AS THE SUBSTANTIAL DEPOSITS OF THE SAME LOW-PRICED SECURITIES IN RELATED ACCOUNTS AT THE FIRM FOLLOWED SHORTLY BY LIQUIDATION OF THE SHARES, THE FIRM FAILED TO CONDUCT A SEARCHING INQUIRY TO ENSURE THAT THE SALES DID NOT VIOLATE SECTION 5 OF THE SECURITIES ACT.
 THE FIRM FAILED TO ADEQUATELY ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES (WSPS) REGARDING THE SALES OF UNREGISTERED SECURITIES. THE FIRM HAD NO DOCUMENTATION TO SHOW THAT IT PERFORMED ANY REVIEWS OR ASKED THE QUESTIONS THE FIRM'S WSPS MANDATED CONCERNING THE SUBJECT SECURITIES BEFORE THEY WERE SOLD. IN FACT, THE FIRM DID NOT CONDUCT, AS REQUIRED BY ITS WSPS, SUFFICIENT INQUIRIES ON ANY OF THE PHYSICAL STOCK CERTIFICATES THAT IT RECEIVED IN THE CUSTOMER ACCOUNTS EVEN THOUGH THERE WERE SEVERAL RED FLAGS, SOME OF WHICH WERE IDENTIFIED IN THE WSPS. THESE RED FLAGS INCLUDED CUSTOMERS OPENING NEW ACCOUNTS AND DELIVERING PHYSICAL CERTIFICATES REPRESENTING A LARGE BLOCK OF THINLY TRADED OR LOW-PRICED SECURITIES, AND THE CUSTOMERS HAVING A PATTERN OF DEPOSITING PHYSICAL CERTIFICATES, IMMEDIATELY SELLING THE SHARES AND THEN WIRING THE PROCEEDS OF THE RESALE. THE FIRM'S BROKERS WHO SERVICED THE ACCOUNTS IN QUESTION DID NOT CONDUCT ANY SEARCHING INQUIRIES AND INSTEAD ASSUMED THAT THE FIRM'S CLEARING FIRM WAS SUPPOSED TO ENSURE THAT ALL SECURITIES DEPOSITED WERE AVAILABLE TO SELL.
 THE FIRM FAILED TO IMPLEMENT AN ADEQUATE ANTI-MONEY



LAUNDERING (AML) PROGRAM DESIGNED TO DETECT AND CAUSE THE REPORTING OF SUSPICIOUS ACTIVITY. SPECIFICALLY, THE FIRM'S AML PROGRAM FAILED TO ADEQUATELY ADDRESS POTENTIALLY SUSPICIOUS ACTIVITY RELATED TO THE DEPOSITS AND LIQUIDATIONS OF UNREGISTERED LOW-PRICED SECURITIES BEFORE OR AT THE TIME THE LIQUIDATIONS COMMENCED.

THE FIRM FAILED TO ADEQUATELY RESPOND TO RED FLAGS THAT WERE APPARENT AT THE TIME SALES BEGAN, DID NOT CONDUCT APPROPRIATE DUE DILIGENCE ON THE UNDERLYING CLIENTS AND THE ISSUERS BEFORE PROCEEDING WITH FURTHER TRANSACTIONS, AND FAILED TO REVIEW WHETHER THE TRADES REPRESENTED POTENTIALLY MANIPULATIVE ACTIVITY ON THE MARKET.

THE FIRM'S AML PROGRAM EVENTUALLY DETECTED AND STOPPED THE QUESTIONABLE TRADING ACTIVITY. NEVERTHELESS, THE ACTIVITY WAS ALLOWED TO CONTINUE FOR APPROXIMATELY FOUR MONTHS BEFORE BEING STOPPED BY THE FIRM.

THE FIRM FAILED TO CONSISTENTLY SEND LETTERS TO CUSTOMERS NOTIFYING THEM OF A CHANGE IN ADDRESS MADE TO THEIR ACCOUNT RECORDS, DUE TO A PROBLEM WITH THE AUTOMATED SYSTEMS UTILIZED BY THE FIRM.

THE FIRM FAILED TO MAINTAIN SUFFICIENT RECORDS OF PUBLIC APPEARANCES MADE BY ITS RESEARCH ANALYSTS TO ENSURE THAT THEY MADE DISCLOSURES REQUIRED BY NASD RULE 2711(H). AS A RESULT, THE FIRM'S RECORDS DID NOT SHOW WHAT DISCLOSURES WERE MADE WITH THESE PUBLIC APPEARANCES AND, MOST IMPORTANTLY, WHETHER ANY DISCLOSURES COMPLIED WITH NASD RULE 2711(H).

Initiated By: FINRA

Date Initiated: 12/13/2013

Docket/Case Number: 2012033723601

Principal Product Type: Penny Stock(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/13/2013



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

No

Sanctions Ordered:

Censure
Monetary/Fine \$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 IT IS CENSURED AND FINED \$300,000.

Reporting Source:

Firm

Current Status:

Final

Allegations:

FINRA ALLEGED THAT THE FIRM EFFECTED SALES OF UNREGISTERED SECURITIES, THAT THE FIRM'S AML PROGRAM FAILED TO ADEQUATELY ADDRESS POTENTIAL SUSPICIOUS ACTIVITY RELATED TO THE UNREGISTERED SECURITIES, THAT THE FIRM FAILED TO MAINTAIN SUFFICIENT RECORDS OF RESEARCH ANALYSTS PUBLIC APPEARANCES, AND THAT THE FIRM FAILED TO CONSISTENTLY SEND CHANGE OF ADDRESS NOTICES TO CLIENTS.

Initiated By:

FINRA

Date Initiated:

12/13/2013

Docket/Case Number:

[2012033723601](#)

Principal Product Type:

Penny Stock(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Censure

Other Sanction(s)/Relief Sought:

FINE

Resolution:

Acceptance, Waiver & Consent(AWC)

Resolution Date:

12/13/2013

Sanctions Ordered:

Censure
Monetary/Fine \$300,000.00

**Other Sanctions Ordered:****Sanction Details:**

THE FIRM CONSENTED TO PAY A FINE OF \$300,000 THAT WAS PAID ON DECEMBER 27, 2013.

Firm Statement

WITHOUT ADMITTING OR DENYING THE FINDING, AND IN ORDER TO FULLY RESOLVE THIS MATTER, THE FIRM CONSENTED TO THE ISSUANCE OF AN AWC, A CENSURE, AND TO PAY A FINE OF \$300,000.

Disclosure 19 of 49**Reporting Source:**

Firm

Current Status:

Final

Allegations:

FINRA ALLEGED DURING THE REVIEW PERIOD OF JANUARY 2011: THE FIRM MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT INCLUDED INCOMPLETE AND INCORRECT INFORMATION, CONCERNING SEC RULE 605. THE FIRM, FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN POLICIES AND PROCEDURES THAT WERE REASONABLY DESIGNED TO PREVENT TRADE-THROUGHs OF PROTECTED QUOTATIONS IN NMS STOCKS THAT DO NOT FALL WITHIN ANY APPLICABLE EXCEPTION, CONCERNING SEC RULE 611(A)(1) OF REGULATION NMS AND FINRA RULE 2010 AND NASD RULE 3010. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES. THE FIRM'S WSPS FAILED TO PROVIDE ADEQUATE INFORMATION REGARDING : ORDER HANDLING: DISCLOSURE OF ORDER ROUTING INFORMATION; DISCLOSURE OF ORDER EXECUTION INFORMATION; SEC RULE 611(A) REGULATION NMS; BEST EXECUTION: FAIR ALLOCATION; SALE TRANSACTIONS: NAKED SHORT SELLING ANTIFRAUD RULE; AND ORDER AUDIT TRAIL SYSTEM ("OATS"): OATS DATA REPORTED ACCURATELY AND TIMELY. THE FIRM FAILED TO PROVIDE DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WSPS CONCERNING: BEST EXECUTION: FAIR ALLOCATION; OTHER TRADING RULES: BACKING AWAY; OATS: ACCURATE OATS SUBMISSIONS; AND OTHER RULES: ACCURATE BOOKS AND RECORDS. THE FIRM, IN THE FIRST CALENDAR QUARTER OF 2011, MADE PUBLICLY AVAILABLE A REPORT ON ITS ROUTING OF NON-DIRECTED ORDERS IN COVERED SECURITIES THAT INCLUDED INCORRECT INFORMATION AS TO THE ROUTING OF NYSE SECURITIES, CONCERNING SEC RULE 606.

Initiated By:

FINRA

Date Initiated:

11/25/2013



Docket/Case Number:	20110261574-01
Principal Product Type:	Equity - OTC
Other Product Type(s):	EQUITY LISTED
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CENSURE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/25/2013
Sanctions Ordered:	Censure Monetary/Fine \$37,500.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	BB&T SECURITIES CONSENTED TO A CENSURE AND THE PAYMENT OF A FINE IN THE AMOUNT OF \$37,500. THE FIRM PAID THE FINE ON DECEMBER 5, 2013.
Firm Statement	BB&T SECURITIES, WITHOUT ADMITTING OR DENYING THE FINDINGS, CONSENTED TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") IN WHICH A CENSURE, A FINE IN THE AMOUNT OF \$37,500, AND AN UNDERTAKING WERE IMPOSED UPON IT. THE AWC WAS ACCEPTED BY FINRA ON NOVEMBER 25, 2013. ON NOVEMBER 11, 2013, THE FIRM SENT A LETTER TO THE MARKET REGULATION DEPARTMENT, NOTING THAT ON NOVEMBER 1, 2013, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WERE UPDATED TO ADDRESS THE DEFICIENCIES. THE FIRM PAID THE FINE ON DECEMBER 5, 2013.

Disclosure 20 of 49

Reporting Source:	Regulator
Current Status:	Final
Allegations:	FINRA RULES 2010, 6760(C), NASD RULE 3010: THE FIRM AS MANAGING UNDERWRITER FAILED TO REPORT NEW ISSUE OFFERINGS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) ELIGIBLE CORPORATE DEBT SECURITIES TO FINRA ACCORDING TO THE TIME FRAMES SET FORTH IN FINRA RULE 6760(C). THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD, CONCERNING FINRA RULE 6760. SPECIFICALLY, THE



FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES (WSPS) PROVIDING FOR: THE IDENTIFICATION OF THE PERSON(S) RESPONSIBLE FOR SUPERVISION WITH RESPECT TO THE APPLICABLE RULES; A STATEMENT OF THE SUPERVISORY STEP(S) TO BE TAKEN BY THE IDENTIFIED PERSON(S); A STATEMENT AS TO HOW OFTEN SUCH PERSON(S) SHOULD TAKE SUCH STEP(S); AND A STATEMENT AS TO HOW THE COMPLETION OF THE STEP(S) INCLUDED IN THE WSPS SHOULD BE DOCUMENTED.

Initiated By: FINRA

Date Initiated: 10/10/2013

Docket/Case Number: [2013036697401](#)

Principal Product Type: Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/10/2013

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

Sanctions Ordered: Censure
Monetary/Fine \$17,500.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED, FINED \$17,500 AND UNDERTAKES TO REVISE ITS WSPS WITH RESPECT TO THE AREAS DESCRIBED ABOVE. WITHIN 30 BUSINESS DAYS OF THE ACCEPTANCE OF THE AWC BY THE NATIONAL ADJUDICATORY COUNCIL (NAC), A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT TO FINRA A SIGNED, DATED LETTER, OR AN EMAIL FROM A WORK RELATED ACCOUNT OF THE REGISTERED PRINCIPAL, PROVIDING THE FOLLOWING INFORMATION: A REFERENCE TO THIS MATTER; A REPRESENTATION THAT THE FIRM HAS REVISED ITS



WSPS TO ADDRESS THE DEFICIENCIES; AND THE DATE THE REVISED PROCEDURES WERE IMPLEMENTED. FINE PAID IN FULL 10/21/13.

Reporting Source: Firm

Current Status: Final

Allegations: REGARDING FINRA RULES 2010, 6760(C), NASD RULE 3010. FINRA ALLEGED THE FIRM AS MANAGING UNDERWRITER FAILED TO REPORT NEW ISSUE OFFERINGS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) ELIGIBLE CORPORATE DEBT SECURITIES TO FINRA ACCORDING TO THE TIME FRAMES SET FORTH IN FINRA RULE 6760(C). THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD, CONCERNING FINRA RULE 6760. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES (WSPS) PROVIDING FOR: THE IDENTIFICATION OF THE PERSON(S) RESPONSIBLE FOR SUPERVISION WITH RESPECT TO THE APPLICABLE RULES; A STATEMENT OF THE SUPERVISORY STEP(S) TO BE TAKEN BY THE IDENTIFIED PERSON(S); A STATEMENT AS TO HOW OFTEN SUCH PERSON(S) SHOULD TAKE SUCH STEP(S); AND A STATEMENT AS TO HOW THE COMPLETION OF THE STEP(S) INCLUDED IN THE WSPS SHOULD BE DOCUMENTED.

Initiated By: FINRA

Date Initiated: 10/10/2013

Docket/Case Number: 2013036697401

Principal Product Type: Debt - Corporate

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/10/2013

Sanctions Ordered: Censure
Monetary/Fine \$17,500.00

Other Sanctions Ordered: UNDERTAKING



Sanction Details:	BB&T SECURITIES CONSENTED TO A CENSURE AND THE PAYMENT OF A FINE IN THE AMOUNT OF \$17,500. THE FIRM PAID THE FINE ON 10/21/2013.
Firm Statement	BB&T SECURITIES, WITHOUT ADMITTING OR DENYING THE FINDINGS, CONSENTED TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") IN WHICH A CENSURE, A FINE IN THE AMOUNT OF \$17,500.00, AND AN UNDERATKING WERE IMPOSED UPON IT. THE AWC WAS ACCEPTED BY FINRA ON OCTOBER 10, 2013. ON OCTOBER 14, 2013, THE FIRM SENT AN EMAIL TO MARKETREGULATIONCOMP@FINRA.ORG, NOTING THAT ON AUGUST 5, 2013, THE FIRM'S PROCEDURES WERE REVISED TO ADDRESS THE DEFICIENCIES. THE FIRM PAID THE FINE ON 10/21/2013.

Disclosure 21 of 49

Reporting Source:	Firm
Current Status:	Final
Allegations:	REGARDING NASD RULES 2110, 2111(A), 2320, AND 3010, FINRA ALLEGED THE FOLLOWING: THAT SCOTT & STRINGFELLOW ("S&S") IN TRANSACTIONS FOR OR WITH A CUSTOMER, FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS. S&S'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS, AND FINRA RULES CONCERNING BEST EXECUTION FOR CORPORATE FIXED INCOME TRANSACTIONS. THE FIRM FAILED TO EXECUTE ORDERS FULLY AND PROMPTLY.
Initiated By:	FINRA
Date Initiated:	09/20/2012
Docket/Case Number:	2008012355701
Principal Product Type:	Debt - Corporate
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:	09/20/2012



Sanctions Ordered:	Censure Monetary/Fine \$35,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	PURSUANT TO THE AWC, S&S CONSENTED TO A CENSURE, A FINE OF \$35,000, RESTITUTION TO CUSTOMERS, PLUS INTEREST, AND REVISION OF S&S'S WRITTEN SUPERVISORY PROCEDURES REGARDING BEST EXECUTION FOR CORPORATE FIXED INCOME TRANSACTIONS. S&S PAID THE \$35,000 FINE ON OCTOBER 2, 2012. RESTITUTION IN THE AMOUNT OF \$918.97 WAS MADE TO THE CUSTOMERS ON DECEMBER 27, 2012 AND JANUARY 11, 2013.
Firm Statement	S&S CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), IN WHICH A CENSURE, A FINE, RESTITUTION, AND AN UNDERTAKING WAS IMPOSED UPON IT. THE AWC WAS ACCEPTED BY FINRA ON SEPTEMBER 20, 2012.

Disclosure 22 of 49

Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA ALLEGED DURING THE PERIOD FROM JANUARY 2008 THROUGH JUNE 2009 (THE "RELEVANT PERIOD"), SCOTT & STRINGFELLOW FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE NASD AND/OR FINRA RULES IN CONNECTION WITH THE SALE OF LEVERAGED, INVERSE, AND INVERSE-LEVERAGED EXCHANGE-TRADED FUNDS ("NON-TRADITIONAL ETFs"). NON-TRADITIONAL ETFs HAVE CERTAIN RISKS THAT ARE NOT FOUND IN TRADITIONAL ETFs, SUCH AS THE RISKS ASSOCIATED WITH A DAILY RESET, LEVERAGE AND COMPOUNDING. THE PERFORMANCE OF NON-TRADITIONAL ETFs OVER LONGER PERIODS OF TIME CAN DIFFER SIGNIFICANTLY FROM THE PERFORMANCE OF THEIR UNDERLYING INDEX OR BENCHMARK, ESPECIALLY IN VOLATILE MARKETS. NONETHELESS, SCOTT & STRINGFELLOW SUPERVISED NON-TRADITIONAL ETFs THE SAME WAY IT SUPERVISED TRADITIONAL ETFs. THUS, SCOTT & STRINGFELLOW FAILED TO ESTABLISH A REASONABLE SUPERVISORY SYSTEM AND WRITTEN PROCEDURES TO MONITOR THE SALE OF NON-TRADITIONAL ETFs. SCOTT & STRINGFELLOW ALSO FAILED TO ESTABLISH ADEQUATE FORMAL TRAINING REGARDING NON-TRADITIONAL ETFs DURING THE RELEVANT PERIOD. IN ADDITION, CERTAIN SCOTT & STRINGFELLOW REGISTERED REPRESENTATIVES DID NOT HAVE AN ADEQUATE UNDERSTANDING OF NON-TRADITIONAL ETFs BEFORE



RECOMMENDING THESE PRODUCTS TO RETAIL BROKERAGE CUSTOMERS. CERTAIN SCOTT & STRINGFELLOW ("S&S") REGISTERED REPRESENTATIVES ALSO MADE UNSUITABLE RECOMMENDATIONS OF NON-TRADITIONAL ETFS TO CERTAIN CUSTOMERS WITH THE PRIMARY INVESTMENT OBJECTIVES OF INCOME OR CAPITAL PRESERVATION.

Initiated By: FINRA

Date Initiated: 06/19/2012

Docket/Case Number: 2009019536501

Principal Product Type: Unit Investment Trust(s)

Other Product Type(s): UNIT INVESTMENT TRUSTS (UITs) NON-TRADITIONAL ETFS AND TRADITIONAL ETFS

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/19/2012

Sanctions Ordered: Censure
Monetary/Fine \$350,000.00

Other Sanctions Ordered:

Sanction Details: PURSUANT TO THE AWC, S&S CONSENTED TO A CENSURE AND A FINE OF \$350,000.00. S&S PAID THE FINE ON JUNE 27,2012.

Firm Statement S&S CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), IN WHICH A CENSURE AND A FINE IN THE AMOUNT OF \$350,000.00 WAS IMPOSED UPON IT. THE AWC WAS ACCEPTED BY FINRA ON JUNE 19, 2012. THE FIRM HAS ALREADY PROVIDED RESTITUTION TO CERTAIN CUSTOMERS WITH PRIMARY INVESTMENT OBJECTIVES OF INCOME OR CAPITAL PRESERVATION.

Disclosure 23 of 49

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THAT IN RELATION TO SEC RULE 604 OF REGULATION NMS, SCOTT & STRINGFELLOW ("S&S") FAILED TO DISPLAY IMMEDIATELY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC



QUOTATION, WHEN EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED S&S'S BID OR OFFER IN EACH SECURITY; OR WHEN THE ORDER WAS PRICED EQUAL TO S&S'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH S&S'S BID OR OFFER IN EACH SUCH SECURITY. THE REVIEW PERIOD WAS JULY 1, 2008 THROUGH SEPTEMBER 30, 2008.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 03/16/2012

Docket/Case Number: 2009016648801

Principal Product Type: Other

Other Product Type(s): NASDAQ SECURITIES

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

Other Sanction(s)/Relief Sought: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/16/2012

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

Other Sanctions Ordered:

Sanction Details: PURSUANT TO THE AWC, S&S CONSENTED TO A CENSURE AND A \$7,500.00.

Firm Statement S&S CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), IN WHICH A CENSURE AND A FINE IN THE AMOUNT OF \$7,500.00 WAS IMPOSED UPON IT. THE AWC WAS ACCEPTED BY FINRA ON MARCH 16, 2012.

Disclosure 24 of 49

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THAT IN RELATION TO MSRB RULE G-14, SCOTT & STRINGELLOW THE FIRM IMPROPERLY REPORTED INFORMATION TO THE REAL-TIME TRANSACTION REPORTING SYSTEM ("RTRS") THAT SHOULD NOT HAVE BEEN REPORTED. SPECIFICALLY, DURING THE PERIOD OF



OCTOBER 1, 2010 THOROUGH DECEMBER 31, 2010, SCOTT & STRINGFELLOW ("S&S") IMPROPERLY REPORTED PURCHASE AND SALE TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES TO THE RTRS, WHEN THE INTER-DEALER DELIVERIES WERE "STEP-OUTS" AND THUS, WERE NOT INTER-DEALER TRANSACTIONS REPORTABLE TO THE RTRS.

Initiated By: FINRA

Date Initiated: 12/14/2011

Docket/Case Number: 2011026447901

Principal Product Type: Debt - Municipal

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/14/2011

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

Other Sanctions Ordered:

Sanction Details: PURSUANT TO THE AWC, S&S CONSENTED TO A CENSURE AND A \$7,500.00 FINE THAT WAS PAID BY THE FIRM ON DECEMBER 22, 2011.

Firm Statement S&S CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), IN WHICH A CENSURE AND A FINE IN THE AMOUNT OF \$7,500.00 WAS IMPOSED UPON IT. THE AWC WAS ACCEPTED BY FINRA ON DECEMBER 14, 2011.

Disclosure 25 of 49

Reporting Source: Firm

Current Status: Final

Allegations: THE VIRGINIA STATE CORPORATION COMMISSION ALLEGED THAT SCOTT & STRINGFELLOW ("S&S") VIOLATED SECURITIES RULE 21 VAC-5-20-260 B FOR INADEQUATE SUPERVISION IN CONNECTION WITH A FORMER REGISTERED REPRESENTATIVE'S RECOMMENDATION AND SALE OF ALLEGEDLY UNSUITABLE SECURITIES TO A CUSTOMER. THE REGISTERED REPRESENTATIVE WHO WAS THE SUBJECT OF THE INVESTIGATION IS NO LONGER EMPLOYED BY S&S.



Initiated By: COMMONWEALTH OF VIRGINIA STATE CORPORATION COMMISSION

Date Initiated: 01/06/2011

Docket/Case Number: SEC-2010-00091

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CONTRIBUTION TO COST OF INVESTIGATION; REQUIRED TO MAKE RESCISSION OFFER TO CUSTOMER; UNDERTAKING, CEASE AND DESIST.

Resolution: Settled

Resolution Date: 05/05/2011

Sanctions Ordered: Monetary/Fine \$20,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: CONTRIBUTION TO COST OF INVESTIGATION; REQUIRED TO MAKE RESCISSION OFFER TO CUSTOMER; UNDERTAKING, CEASE AND DESIST FROM FUTURE VIOLATIONS.

Sanction Details: \$20,000 MONETARY PENALTY AND \$5,000 TOWARD COST OF INVESTIGATION WERE PAID ON DECEMBER 31, 2010 AND NO PORTION OF EITHER WAS WAIVED; \$10,000 RESCISSION OFFER TO CUSTOMER WAS MADE ON JANUARY 10, 2011 AND PAID ON OR ABOUT MARCH 8, 2011.

Firm Statement WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, AND TO AVOID THE COST AND UNCERTAINTY OF CONTINUED INVESTIGATION BY THE VIRGINIA STATE CORPORATION COMMISSION, S&S AGREED TO THE ENTRY OF A SETTLEMENT ORDER, FULLY AND FINALLY RESOLVING THE MATTER WITH THE VIRGINIA STATE CORPORATION COMMISSION. THE VIRGINIA STATE CORPORATION COMMISSION ENTERED A FINAL ORDER ON MAY 5,2011, ACKNOWLEDGING THAT S&S HAD COMPLIED WITH ALL OF THE TERMS OF THE SETTLEMENT AGREEMENT.

Disclosure 26 of 49

Reporting Source: Firm

Current Status: Final

Allegations: IN THE ORIGINAL ACTION THE VIRGINIA STATE CORPORATION COMMISSION'S DIVISION OF SECURITIES AND RETAIL FRANCHISING ALLEGED THAT SCOTT & STRINGFELLOW ("S&S") VIOLATED COMMISSION RULES 21 VAC 5-20-260A AND B, AND 21 VAC 5-20-580A3 AND A18 IN



CONNECTION WITH THE FIRM'S MARKETING AND SALE OF AUCTION RATE SECURITIES TO VIRGINIA RESIDENTS. IN ITS AUGUST 2013 FOLLOW-UP, THE DIVISION REQUESTED ADDITIONAL REPORTING REGARDING CERTAIN MATTERS COVERED IN THE JANUARY 6, 2010 SETTLEMENT.

Initiated By: COMMONWEALTH OF VIRGINIA, STATE CORPORATION COMMISSION

Date Initiated: 01/06/2010

Docket/Case Number: SEC-2009-00112

Principal Product Type: Debt - Asset Backed

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Undertaking

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 01/06/2010

Sanctions Ordered:

Other Sanctions Ordered: REPURCHASE OF AUCTION RATE SECURITIES FROM CERTAIN ELIGIBLE CUSTOMERS. THERE WERE NO ADDITIONAL SANCTIONS IMPOSED BY THE AUGUST 1, 2013 FOLLOW-UP.

Sanction Details: PRIOR TO ENTERING INTO THIS SETTLEMENT WITH THE VIRGINIA STATE CORPORATE COMMISSION, S&S OFFERED TO PURCHASE, AT PAR, AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE CUSTOMERS ("OFFER"). AS PART OF THE SETTLEMENT, S&S UNDERTOOK TO: ABIDE BY THE TERMS AND CONDITIONS OF ITS OFFER; MAKE UP THE DIFFERENCE PAID TO ANY ELIGIBLE CUSTOMERS WHO SOLD ARS BELOW PAR; REIMBURSE ELIGIBLE CUSTOMERS FOR EXPENSES ON ARS SECURED LOANS; AND PARTICIPATE IN FINRA'S ARS ARBITRATION PROGRAM.

Firm Statement ALTHOUGH S&S BELIEVED THAT IT HAD MERITORIOUS DEFENSES TO THE ALLEGATIONS, TO AVOID THE UNCERTAINTY AND EXPENSE OF LITIGATION, AND WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, S&S SETTLED THE MATTER. THE ORDER WAS ENTERED BY THE VIRGINIA STATE CORPORATION COMMISSION ON JANUARY 6, 2010. ON AUGUST 1, 2013, THE FIRM RECEIVED A FOLLOW-UP LETTER FROM THE DIVISION REQUESTING ADDITIONAL REPORTING REGARDING MATTERS THAT WERE COVERED IN THE JANUARY 6, 2010 SETTLEMENT. ON AUGUST 23, 2013, THE FIRM AGREED TO THE DIVISION'S REQUEST FOR ADDITIONAL REPORTING.



Disclosure 27 of 49

Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA CONDUCTED A SERIES OF TMMS, TRACE, AND SHORT SALE REPORTING EXAMINATIONS COVERING THE NOVEMBER 1, 2005 THROUGH 2007 PERIOD. AS A RESULT OF THESE 4 EXAMS, FINRA ALLEGED THAT SCOTT & STRINGFELLOW ("S&S") HAD SOME VIOLATIONS REGARDING INDIVIDUAL REGISTRATIONS, RULE 10B-10, RULE 606, RULE 605, TRACE REPORTING, SHORT SALE REPORTING, AND WRITTEN SUPERVISORY PROCEDURES.
Initiated By:	FINRA
Date Initiated:	09/17/2009
Docket/Case Number:	20060041607-01
Principal Product Type:	Other
Other Product Type(s):	COVERED SECURITIES, NATIONAL MARKET SYSTEM SECURITIES, TRACE-ELIGIBLE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CENSURE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/17/2009
Sanctions Ordered:	Censure Monetary/Fine \$72,500.00
Other Sanctions Ordered:	REVISE CERTAIN WRITTEN SUPERVISORY PROCEDURES
Sanction Details:	AS A RESULT OF 4 EXAMINATIONS OF S&S, FINRA ALLEGED THAT S&S VIOLATED THE PROVISIONS REFERENCED ABOVE. WITHOUT ADMITTING OR DENYING THE FINDINGS S&S ENTERED INTO THE AWC, TO RESOLVE THE MATTERS RELATED TO THE 4 EXAMINATIONS. THE AWC WAS ACCEPTED BY FINRA ON SEPTEMBER 17, 2009. S&S'S FINE WAS PAID ON SEPTEMBER 23, 2009.
Firm Statement	AS A RESULT OF 4 EXAMINATIONS OF S&S, FINRA ALLEGED THAT S&S VIOLATED THE PROVISIONS REFERENCED ABOVE. WITHOUT ADMITTING OR DENYING THE FINDINGS S&S ENTERED INTO THE AWC, TO RESOLVE THE MATTERS RELATED TO THE 4 EXAMINATIONS. THE AWC WAS



ACCEPTED BY FINRA ON SEPTEMBER 17, 2009.

Disclosure 28 of 49

Reporting Source:	Firm
Current Status:	Final
Allegations:	IT WAS ALLEGED THAT BETWEEN JUNE 27, 2006 AND JUNE 6, 2008, SCOTT & STRINGFELLOW FAILED TO REPORT ON A FORM G-37 EIGHT (8) INSTANCES IN WHICH IT HAD PARTICIPATED IN NEGOTIATED MUNICIPAL SECURITIES UNDERWRITING ACTIVITIES
Initiated By:	FINRA
Date Initiated:	08/06/2009
Docket/Case Number:	2008011754301
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/06/2009
Sanctions Ordered:	Censure Monetary/Fine \$10,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, SCOTT & STRINGFELLOW CONSENTED TO THE PAYMENT OF A \$10,000 FINE PURSUANT TO THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC")
Firm Statement	SCOTT & STRINGFELLOW CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO THE ISSUANCE OF THE AWC. THE AWC WAS ACCEPTED BY FINRA ON AUGUST 6, 2009.

Disclosure 29 of 49

Reporting Source:	Firm
Current Status:	Final



Allegations:	IT WAS ALLEGED THAT BETWEEN DECEMBER 17, 2004 AND MARCH 31, 2006, SCOTT & STRINGFELLOW, INC. FAILED TO TIMELY REPORT 16 TRANSACTIONS TO THE MSRB AND THAT IT FAILED TO FILE ONE FORM G-36 (05) AND FINAL OFFICIAL STATEMENT TO THE MSRB IN VIOLATION OF RULE G-36.
Initiated By:	FINRA
Date Initiated:	07/30/2007
Docket/Case Number:	2006003791101
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	07/30/2007
Sanctions Ordered:	Censure Monetary/Fine \$7,500.00
Other Sanctions Ordered:	
Sanction Details:	SCOTT & STRINGFELLOW, INC. CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO THE PAYMENT OF A FINE IN THE AMOUNT OF \$7,500 PURSUANT TO THE LETTER OF ACCEPTANCE WAIVER AND CONSENT ("AWC").
Firm Statement	SCOTT & STRINGFELLOW, INC. CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO THE ISSUANCE OF THE AWC. THE AWC WAS ACCEPTED BY FINRA ON JULY 30, 2007.

Disclosure 30 of 49

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE DIVISION ALLEGED THAT ONE OF THE FIRM'S REGISTERED REPRESENTATIVES MADE AN UNSUITABLE RECOMMENDATION TO SELL PART OF A VARIABLE ANNUITY AND PURCHASE MUTUAL FUNDS TO ONE CLIENT, AND THUS, THAT SCOTT & STRINGFELLOW ("S&S") FAILED TO PROPERLY SUPERVISE THE REGISTERED REPRESENTATIVE.



Initiated By:	VIRGINIA STATE CORPORATION COMMISSION/DIVISION OF SECURITIES ("DIVISION")
Date Initiated:	08/16/2006
Docket/Case Number:	2006-00032
Principal Product Type:	Annuity(ies) - Variable
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	RESTITUTION. REIMBURSEMENT OF INVESTIGATIVE COSTS. HEIGHTENED SUPERVISION OVER ONE REGISTERED REPRESENTATIVE FOR SOLICITED MUTUAL FUND SALES OR EXCHANGES (ONLY) FOR 12 MONTHS.
Resolution:	Order
Resolution Date:	09/01/2006
Sanctions Ordered:	Monetary/Fine \$6,000.00
Other Sanctions Ordered:	S&S REQUIRED TO REIMBURSE INVESTIGATIVE COSTS. HEIGHTENED SUPERVISION OVER ONE REGISTERED REPRESENTATIVE FOR SOLICITED MUTUAL FUND SALES OR EXCHANGES (ONLY) FOR 12 MONTHS.
Sanction Details:	TOTAL AMOUNT OF FINE WAS \$6,000. PORTION LEVIED AGAINST FIRM WAS \$4,000. FIRM ALSO REQUIRED TO PAY \$2,000 REIMBURSEMENT OF INVESTIGATIVE COSTS. FINE AND COST PAID ON AUGUST 28, 2006. BROKER REQUIRED TO PAY FINE OF \$2,000, WHICH WAS PAID ON AUGUST 28, 2006.
Firm Statement	CUSTOMER COMPLAINED TO THE DIVISION THAT HER SALE OF A PORTION OF HER VARIABLE ANNUITY AND SUBSEQUENT MUTUAL FUND PURCHASE WAS UNSUITABLE DUE TO TAX CONSEQUENCES. WHILE S&S AND THE BROKER BELIEVE THEY HAD MERITORIOUS DEFENSES TO THE ALLEGATIONS, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS AND IN ORDER TO AVOID THE EXPENSE OF LITIGATION, S&S AND ITS BROKER AGREED TO THE CONSENT ORDER, FULLY RESOLVING THIS MATTER.

Disclosure 31 of 49

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE NYSE DIVISION OF ENFORCEMENT ALLEGED THAT ON 2 OCCASIONS BETWEEN JANUARY 2003 AND MARCH 2003 SCOTT & STRINGFELLOW, INC.'S ("S&S") BRANCH OFFICE MANAGER APPROVED ERRONEOUS



TRADES, AFTER THE CORRECTIONS WERE MADE, IN VIOLATION OF RULE 410, THAT ON 6 OCCASIONS, AS A RESULT OF CUMULATIVE PURCHASES, CUSTOMERS PURCHASES OF CLASS B MUTUAL FUNDS EXCEEDED RECOMMENDED PURCHASE AMOUNTS IN THE FUND PROSPECTUS, AND THAT THE FIRM DID NOT HAVE ADEQUATE PROCEDURES CONCERNING PRE-DISSEMINATION REVIEW OF INTERNAL E-MAIL BY A RESEARCH ANALYST.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 06/26/2006

Docket/Case Number: HPD #06-98

Principal Product Type: Mutual Fund(s)

Other Product Type(s): OPTIONS

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE

Resolution: Stipulation and Consent

Resolution Date: 06/26/2006

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

Other Sanctions Ordered:

Sanction Details: S&S CONSENTED TO A CENSURE AND THE PAYMENT OF A FINE IN THE AMOUNT OF \$75,000.

Firm Statement S&S CONSENTED WITHOUT ADMITTING OR DENYING GUILT, TO THE ENTRY OF STIPULATION AND CONSENT, THAT WAS ACCEPTED BY AN NYSE HEARINGS OFFICER ON JUNE 26, 2006. IN THE CONSENT, WITHOUT ADMITTING OR DENYING GUILT, S&S AGREED TO A CENSURE AND TO THE PAYMENT OF A FINE OF \$75,000.

Disclosure 32 of 49

Reporting Source: Firm

Current Status: Final

Allegations: IT WAS ALLEGED THAT BETWEEN JULY 1, 2004 AND SEPTEMBER 30, 2004 SCOTT & STRINGFELLOW, INC. ("S&S") FAILED TO TIMELY REPORT 6 TRANSACTIONS TO THE MSRB IN VIOLATION OF RULE G-14 AND THAT BETWEEN JUNE 2002 AND FEBRUARY 2004 S&S FAILED TO TIMELY FILE



STATEMENTS TO THE MSRB FOR 17 TRANSACTIONS IN VIOLATION OF
RULE G-36.

Initiated By: NASD

Date Initiated: 06/29/2006

Docket/Case Number: E9A200400901

Principal Product Type: Debt - Municipal

Other Product Type(s): OPTIONS

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/29/2006

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: S&S CONSENTED TO THE PAYMENT OF A FINE IN THE AMOUNT OF \$5,000 PURSUANT TO THE LETTER OF ACCEPTANCE WAIVER AND CONSENT ("AWC").

Firm Statement S&S CONSENTED WITHOUT ADMITTING OR DENYING THE ALLEGATIONS TO THE ISSUANCE OF THE AWC. THE AWC WAS ACCEPTED BY THE NASD ON JUNE 26, 2005. IN THE AWC S&S CONSENTED TO THE PAYMENT OF A FINE OF \$5,000.

Disclosure 33 of 49

Reporting Source: Firm

Current Status: Final

Allegations: DISCLOSURE BEING ADDED AS A RESULT OF MERGER OF BERGEN CAPITAL, INC. BD# 46348 ("BERGEN") INTO SCOTT & STRINGFELLOW, INC. ON JANUARY 4, 2006. NASD CONTENDED THAT BERGEN VIOLATED IT'S MARK UP POLICY. BERGEN SIGNED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT WITH A STATEMENT OF MITIGATING CIRCUMSTANCES.

Initiated By: NASD

Date Initiated: 11/10/1999

Docket/Case Number: C9B010009



Principal Product Type: Debt - Municipal

Other Product Type(s): GOVERNMENT DEBT, CORPORATE DEBT, MUTUAL FUNDS

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

Other Sanction(s)/Relief Sought: RESTITUTION

Resolution: Settled

Resolution Date: 02/05/2001

Sanctions Ordered: Monetary/Fine \$2,500.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: NASD FINE OF \$2500 WAS PAID FEBRUARY 7, 2001. RESTITUTION TO CUSTOMERS IN THE AMOUNT OF \$2,684.75 WAS PAID FEBRUARY 21, 2001.

Disclosure 34 of 49

Reporting Source: Firm

Current Status: Final

Allegations: DISCLOSURE BEING ADDED AS A RESULT OF MERGER OF BERGEN CAPITAL, INC. BD# 46348 ("BERGEN") INTO SCOTT & STRINGFELLOW, INC. IT WAS ALLEGED THAT, BETWEEN FEBRUARY 1, 2004 AND MAY 31, 2004, BERGEN FAILED TO RECORD THE TIME OF RECEIPT ON CERTAIN MUNICIPAL ORDER TICKETS IN VIOLATION OF MUNICIPAL SECURITIES RULEMAKING BOARD RULE G(8)(A)(VII), SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 17A-3 THEREUNDER AND NASD CONDUCT RULES 3110 AND 2110.

Initiated By: NASD

Date Initiated: 08/29/2005

Docket/Case Number: E9B2004001503

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: CENSURE



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/29/2005

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

Other Sanctions Ordered:

Sanction Details: BERGEN CONSENTED TO CENSURE AND PAYMENT OF A FINE IN THE AMOUNT OF \$7,500 PURSUANT TO THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WITH RESPECT TO SUCH MATTER ("AWC"). THE FINE WAS PAID BY BERGEN ON SEPTEMBER 16, 2005.

Firm Statement BERGEN CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO THE ISSUANCE OF THE AWC. THE AWC WAS ACCEPTED BY THE NASD ON AUGUST 29, 2005. IN THE AWC, BERGEN CONSENTED TO CENSURE AND PAYMENT OF A FINE OF \$7,500.

Disclosure 35 of 49

Reporting Source: Firm

Current Status: Final

Allegations: DISCLOSURE BEING ADDED AS A RESULT OF MERGER OF BERGEN CAPITAL, INC. BD#46348("BERGEN") INTO SCOTT & STRINGFELLOW, INC ON 1/4/06. IT WAS ALLEGED THAT BETWEEN JULY 15, 2003 AND DECEMBER 31, 2004, BERGEN DISSEMINATED TO THE INVESTING PUBLIC 17 PIECES OF ADVERTISING AND SALES LITERATURE RELATING TO MUNICIPAL, CORPORATE, AND GOVERNMENT BONDS THAT ALLEGEDLY VIOLATED NASD CONDUCT RULES 2210 AND 2110. 13 OF THESE PIECES WERE RADIO ADVERTISEMENTS BROADCAST ON THREE NEW YORK METROPOLITAN AREA RADIO STATIONS THAT ALLEGEDLY MINIMIZED THE RISKS ASSOCIATED WITH BOND INVESTING AND CONTAINED ALLEGEDLY MISLEADING AND PROMISSORY LANGUAGE. BERGEN ALSO USED TWO WEBSITES AND TWO NEWSLETTERS THAT WERE ALLEGEDLY MISLEADING AND OMITTED ALLEGEDLY NECESSARY DISCLOSURES IN VIOLATION OF NASD CONDUCT RULES 2210 AND 2110. 10 PIECES OF ADVERTISING OR SALES LITERATURE ALLEGEDLY OMITTED MATERIAL INFORMATION AND 10 COMMUNICATIONS INCLUDED ALLEGEDLY MISLEADING, UNWARRANTED OR EXAGGERATED STATEMENTS OR CLAIMS. IN ADDITION, SEVEN OF BERGEN'S RADIO ADVERTISEMENTS AND ONE OF ITS WEBSITES ALLEGEDLY VIOLATED SIPC RULES APPLICABLE TO COMMUNICATIONS WITH THE PUBLIC.

Initiated By: NASD

Date Initiated: 11/22/2005



Docket/Case Number:	EAF0401260002
Principal Product Type:	Debt - Municipal
Other Product Type(s):	CORPORATE AND GOVERNMENT BONDS
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CENSURE AND UNDERTAKING
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/22/2005
Sanctions Ordered:	Censure Monetary/Fine \$115,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	BERGEN CONSENTED TO CENSURE, PAYMENT OF A FINE IN THE AMOUNT OF \$115,000 AND AN UNDERTAKING TO FILE WITH THE NASD'S ADVERTISING REGULATION DEPARTMENT ("ARD") ALL SALES LITERATURE AND ADVERTISEMENTS AT LEAST 15 DAYS PRIOR TO THEIR FIRST USE UNTIL THE EARLIER OF SIX MONTHS FROM THE ACCEPTANCE BY THE NASD'S NATIONAL ADJUDICATORY COUNCIL ("NAC") OF THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WITH RESPECT TO THIS MATTER ("AWC") OR SUCH TIME AS THE FORM BDW OF BERGEN BECOMES EFFECTIVE. THE FINE WAS PAID BY BERGEN ON DECEMBER 13, 2005.
Firm Statement	BERGEN CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO THE ISSUANCE OF THE AWC. THE AWC WAS ACCEPTED BY NASD ON NOVEMBER 23, 2005. IN THE AWC, BERGEN CONSENTED TO CENSURE, PAYMENT OF A FINE OF \$115,000 AND AN UNDERTAKING TO FILE WITH THE ARD ALL SALES LITERATURE AND ADVERTISEMENTS AT LEAST 15 DAYS PRIOR TO THEIR FIRST USE UNTIL THE EARLIER OF SIX MONTHS FROM THE ACCEPTANCE BY THE NAC OF THE AWC OR SUCH TIME AS THE FORM BDW OF BERGEN BECOMES EFFECTIVE.

Disclosure 36 of 49

Reporting Source:	Firm
Current Status:	Final
Allegations:	NASD ALLEGED THAT: (I) ON 39 OCCASIONS DURING THE PERIOD OF SEPTEMBER 4, 2002 THROUGH DECEMBER 31, 2002, SCOTT & STRINGFELLOW ("S&S") FAILED TO DISPLAY IMMEDIATELY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION, WHEN



EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED ITS BID OR OFFER IN EACH SUCH SECURITY OR WHEN THE ORDER WAS PRICED EQUAL TO THE FIRM'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY, IN VIOLATION OF SEC RULE 11AC1-4; (II) DURING THE SAME PERIOD, THE FIRM TRANSMITTED TO OATS 15 REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA IN THAT THE REPORTS OMITTED A SPECIAL HANDLING CODE OF NOT HELD AND SIX REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA IN THAT THE REPORTS OMITTED ALL SUBSEQUENT ORDER EVENTS, IN VIOLATION OF NASD RULES 6955(A) AND 2110; (III) THE FIRM'S SUPERVISORY SYSTEM WAS INADEQUATE WITH RESPECT TO LIMIT ORDER DISPLAY IN THAT THE FIRM'S EXCEPTION REPORTS FOR MONITORING COMPLIANCE WITH THE LIMIT ORDER DISPLAY RULE FAILED TO IDENTIFY THE VIOLATIONS DESCRIBED ABOVE AND SUCH SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR A STATEMENT OF THE SUPERVISORY STEPS TO BE TAKEN BY THE PERSON(S) RESPONSIBLE FOR SUPERVISION WITH RESPECT TO THE APPLICABLE RULES, IN VIOLATION OF NASD RULES 2110 AND 3010 AND (IV) THE FIRM INCORRECTLY DISTRIBUTED OR PUBLISHED, OR CAUSED TO BE DISTRIBUTED OR PUBLISHED, 139 REPORTS OF A PURCHASE OR SALE OF MUNICIPAL BONDS THAT WERE NOT REQUIRED TO BE DISTRIBUTED OR PUBLISHED, IN VIOLATION OF MSRB RULE G-14.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 11/04/2005

Docket/Case Number: #20042000064-01

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: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/14/2005

Sanctions Ordered: Censure
Monetary/Fine \$37,500.00



Other Sanctions Ordered: UNDERTAKING TO REVISE S&S'S WRITTEN SUPERVISORY PROCEDURES.

Sanction Details: PURSUANT TO THE AWC, S&S CONSENTED TO A CENSURE, A \$37,500 FINE AND AN UNDERTAKING TO REVISE S&S'S WRITTEN SUPERVISORY PROCEDURES TO ADDRESS THE ALLEGED INADEQUACIES DESCRIBED ABOVE.

Firm Statement EFFECTIVE NOVEMBER 14, 2005, SCOTT & STRINGFELLOW, INC., WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (THE "AWC") WITH THE NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD") TO SETTLE CERTAIN NASD, MSRB AND SEC RULE VIOLATIONS, DURING THE PERIOD OF SEPTEMBER 4, 2002 THROUGH DECEMBER 31, 2002, ALLEGED AS FOLLOWS: SEC RULE 11AC1-4; NASD RULES 6955(A) AND 2110; NASD RULES 2110 AND 3010; MSRB RULE G-14.

Disclosure 37 of 49

Reporting Source: Firm

Current Status: Final

Allegations: NASD ALLEGED THAT SCOTT & STRINGFELLOW, INC. ("S&S") FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET FOR SELECTED TRANSACTIONS DURING THE PERIOD JANUARY 1 TO MARCH 31, 2003.

Initiated By: NASD

Date Initiated: 09/13/2004

Docket/Case Number: CMS 040159

Principal Product Type: Equity - OTC

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE AND RESTITUTION

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/14/2004

Sanctions Ordered: Censure
Monetary/Fine \$35,000.00
Disgorgement/Restitution



Other Sanctions Ordered:	UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES
Sanction Details:	SCOTT & STRINGFELLOW, INC. WAS FINED \$35,000.00 AND REQUIRED TO PAY RESTITUTION OF \$595.20, PLUS INTEREST.
Firm Statement	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, SCOTT AND STRINGFELLOW, INC. ("S&S") ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") RELATING TO CERTAIN ACCOUNT TRANSACTIONS DURING THE PERIOD JANAUARY 1 TO MARCH 31, 2003, RELATING TO S&S'S DILIGENCE IN ASCERTAINING THE BET INTER-DEALER MARKET FOR SELECTED CUSTOMER ORDERS. ON OCTOBER 14, 2004, THE NASD AGREED TO ACCEPT S&S'S AWC WHEREIN S&S AGREED TO A CENSURE, TO PAY A FINE OF \$35,000.00, TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES, AND TO MAKE RESTITUTION TO CUSTOMERS OF \$595.20, PLUS INTEREST.

Disclosure 38 of 49

Reporting Source:	Firm
Current Status:	Final
Allegations:	NASDR ALLEGED THAT SCOTT & STRINGFELLOW, INC, ("S&S") FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET FOR SELECTED TRANSACTIONS DURING THE PERIOD APRIL 1 THROUGH JUNE 30,2002.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.
Date Initiated:	03/08/2004
Docket/Case Number:	CMS040022 AWC
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:	CENSURE AND RESTITUTION
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/08/2004
Sanctions Ordered:	Censure Monetary/Fine \$25,000.00 Disgorgement/Restitution

**Other Sanctions Ordered:****Sanction Details:**

SCOTT & STRINGFELLOW, INC. WAS FINED \$25,000.00 AND REQUIRED TO PAY RESTITUTION OF \$615.43, PLUS INTEREST.

Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, SCOTT AND STRINGFELLOW, INC. ("S&S") ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") RELATING TO CERTAIN ACCOUNT TRANSACTIONS DURING THE PERIOD APRIL 1, THROUGH JUNE 30, 2002, RELATING TO S&S'S DILIGENCE IN ASCERTAINING THE BEST INTER-DEALER MARKET FOR SELECTED CUSTOMER ORDERS. ON JANUARY 22, 2004, S&S AGREED TO A CENSURE, TO PAY A FINE OF \$25,000.00, AND TO MAKE RESTITUTION TO CUSTOMERS OF \$615.43, PLUS INTEREST.

Disclosure 39 of 49**Reporting Source:**

Firm

Current Status:

Final

Allegations:

TRANSACTIONED OPTIONS FROM BRANCH WHERE SUPERVISOR NOT PROPERLY QUALIFIED. FAILED TO PROPERLY COMPUTE ITS CUSTOMER RESERVE REQUIREMENT IN VIOLATION OF 15C3-3(E)(1) AND DEPOSITING SPECIAL RESERVE FUNDS INTO A MONEY MARKET DEPOSIT ACCOUNT THAT EXCEEDED THE AMOUNT PERMITTED BY RULE 15C3-3(E)(1)/01.

Initiated By:

NEW YORK STOCK EXCHANGE

Date Initiated:

10/16/2003

Docket/Case Number:

03-207

Principal Product Type:

Options

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

Censure

Other Sanction(s)/Relief Sought:

FINE \$50,000.00

Resolution:

Stipulation and Consent

Resolution Date:

12/19/2003

Sanctions Ordered:

Censure
Monetary/Fine \$50,000.00

Other Sanctions Ordered:**Sanction Details:**

SCOTT & STRINGFELLOW INC. WAS FINED \$50000.00



Firm Statement

IN MAY 2000, TWO OF SCOTT & STRINGFELLOW'S (S&S) FORMER BROKERS EXECUTED OPTIONS CONTRACTS IN THEIR PERSONAL ACCOUNTS IN A MANNER DESIGNED TO EVADE S&S'S COMPLIANCE PROCEDURES. DURING THE FIRM'S INVESTIGATION INTO THE TRADING THE FIRM DETERMINED THAT THE BRANCH OFFICE WHERE THESE INDIVIDUALS WORKED DID NOT HAVE A ROP. THE FIRM HAS SUBSEQUENTLY REVISED ITS PROCEDURES AND THE BRANCH MANAGER IS NOW REGISTERED AS A ROP. IN AN UNRELATED MATTER, S&S DETERMINED THAT ONE OF ITS EMPLOYEES MADE AN ERROR IN A SPREADSHEET CALCULATION THAT CAUSED A HINDSIGHT DEFICIENCY IN THE FIRM'S RESERVE DEPOSIT FOR THE WEEK OF NOVEMBER 22, 2002. THE FIRM CORRECTED THE ERROR AND NOTIFIED THE SEC AND MFR IMMEDIATELY. IN CONJUNCTION WITH THIS ERROR, THE FIRM EXCEEDED THE AMOUNT OF ALLOWABLE DEPOSITS INTO A MONEY MARKET DEPOSIT ACCOUNT. UPON DISCOVERY, THE FIRM TOOK CORRECTIVE ACTION, AND HAS SUBSEQUENTLY REVISED ITS PROCEDURES SO THAT AN AUTOMATED SYSTEM PERFORMS THESE CALCULATIONS. THUS, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A CENSURE AND A \$50000.00 FINE TO RESOLVE THESE MATTERS.

Disclosure 40 of 49

Reporting Source:	Firm
Current Status:	Final
Allegations:	NASDR ALLEGED THAT SCOTT & STRINGFELLOW, INC. ("S&S") FAILED TO INQUIRE INTO THE BENEFICIAL OWNERSHIP OF EIGHT INVESTMENT PARTNERSHIPS THAT PURCHASED AT LEAST ONE "HOT" ISSUE AND FAILED TO OBTAIN RECORDS THEREOF AS REQUIRED BY THE FREE-RIDING AND WITHHOLDING INTERPRETATION.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.
Date Initiated:	06/13/2003
Docket/Case Number:	C07030045 AWC
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:	Acceptance, Waiver & Consent(AWC)



Resolution Date: 07/01/2003

Sanctions Ordered: Monetary/Fine \$2,000.00

Other Sanctions Ordered:

Sanction Details: SCOTT & STRINGFELLOW, INC. WAS FINED \$2,000.00

Firm Statement WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, SCOTT & STRINGFELLOW, INC. ("S&S") ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") RELATING TO S&S' DILIGENCE IN ASCERTAINING THE BENEFICIAL OWNERSHIP OF EIGHT INVESTMENT PARTNERSHIPS THAT PURCHASED AT LEAST ONE "HOT" ISSUE. ON JUNE 13, 2003, S&S AGREED TO PAY A FINE OF \$2,000.00

Disclosure 41 of 49

Reporting Source: Firm

Current Status: Final

Allegations: NASDR ALLEGED THAT SCOTT & STRINGFELLOW, INC. ("S&S") FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET FOR SELECTED TRANSACTIONS DURING THE PERIOD JULY 1, 1999 THROUGH SEPTEMBER 30, 1999.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.

Date Initiated: 04/15/2000

Docket/Case Number: CMS020106 AWC

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: CENSURE AND RESTITUTION

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/27/2002

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

Other Sanctions Ordered:

Sanction Details: SCOTT & STRINGFELLOW, INC. WAS FINED \$15,000.00 AND REQUIRED TO



PAY RESTITUTION OF \$4,861.13 PLUS INTEREST.

Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, SCOTT AND STRINGFELLOW, INC. ("S&S") ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") RELATING TO CERTAIN ACCOUNT TRANSACTIONS DURING THE PERIOD JULY 1, 1999 THROUGH SEPTEMBER 30, 1999, RELATING TO S&S'S DILIGENCE IN ASCERTAINING THE BEST INTER-DEALER MARKET FOR SELECTED CUSTOMER ORDERS. ON JUNE 27, 2002, S&S AGREED TO A CENSURE, TO PAY A FINE OF \$15,000.00, AND TO MAKE RESTITUTION TO CUSTOMERS OF \$4,861.13, PLUS INTEREST.

Disclosure 42 of 49

Reporting Source:	Firm
Current Status:	Final
Allegations:	DISCLOSURE BEING ADDED AS A RESULT OF MERGER OF EDGAR NORRIS, INC., BD#2928 INTO SCOTT & STRINGFELLOW, INC. ON 3/6/01. ALLEGATIONS OF VIOLATIONS OF NASD RULES OF FAIR PRACTICE; SECTIONS 1, 12 AND 21.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	12/01/1976
Docket/Case Number:	AWC-45
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:	CENSURE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/01/1976
Sanctions Ordered:	Censure Monetary/Fine \$250.00
Other Sanctions Ordered:	
Sanction Details:	FINES PAID 12/17/1976
Firm Statement	CASE CLOSED



Disclosure 43 of 49

Reporting Source:	Firm
Current Status:	Final
Allegations:	DISCLOSURE BEING ADDED AS A RESULT OF MERGER OF EDGAR NORRIS, INC. BD#2928 INTO SCOTT & STRINGFELLOW, INC. CRD 6255 ON 3/6/01. IMPROPER HYPOTHECATION OF CUSTOMER SECURITIES, RESULTING IN VIOLATIONS OF NASD RULES OF FAIR PRACTICE, ARTICLES III, SECTIONS 1 AND 19(D).
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	06/19/1990
Docket/Case Number:	ATL-1191-AWC
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:	CENSURE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/19/1990
Sanctions Ordered:	Censure Monetary/Fine \$1,000.00
Other Sanctions Ordered:	
Sanction Details:	FINE PAID 06/19/1990
Firm Statement	CASE CLOSED

Disclosure 44 of 49

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC. ALLEGED THAT SCOTT & STRINGFELLOW ("S&S")EITHER FAILED TO TRANSMIT, OR FAILED TO ACCURATELY TRANSMIT ORDER INFORMATION TO THE ORDER AUDIT TRAIL SYSTEM ("OATS")
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.



Date Initiated: 09/08/2000

Docket/Case Number: CMS010074 AWC

Principal Product Type: Equity - OTC

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/29/2001

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: S&S WAS FINED \$5,000 WHICH WAS PAID ON OR ABOUT JUNE 12,2001.

Firm Statement WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, S&S ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") RELATING TO THE ALLEGED OATS VIOLATIONS. THE FIRM ALSO NOTES THAT A CURRENTLY PROPOSED NASDR RULE CHANGE WOULD CLASSIFY ALL OATS VIOLATIONS AS A "MINOR RULE VIOLATION". RELEASE NO. 34-43330, 65 FED. REG. 58585. THUS, THIS ITEM WOULD NOT CONSTITUTE A REPORTABLE EVENT.

Disclosure 45 of 49

Reporting Source: Firm

Current Status: Final

Allegations: NASDR ALLEGED THAT SCOTT & STRINGFELLOW ("S&S") FAILED TO COMPLY WITH BEST EXECUTION OBLIGATIONS IN SEVERAL ACCOUNTS DURING THE PERIOD NOVEMBER 4, 1997 THROUGH JANUARY 27, 1998. ADDITIONALLY, NASDR ALLEGED THAT S&S' SUPERVISORY PROCEDURES RELATED TO BEST EXECUTION WERE NOT ADEQUATE

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.

Date Initiated: 08/02/2000

Docket/Case Number: CMS 000 180

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:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/02/2000
Sanctions Ordered:	Censure Monetary/Fine \$11,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	REVIEW AND REVISION OF THE FIRM'S WRITTEN SUPERVISORY PROCEDURES RELATING TO BEST EXECUTION.
Sanction Details:	S&S AGREED TO RESTITUTION TO CUSTOMERS IN THE TOTAL AMOUNT OF \$2,910.63. APPLICANT AGREED TO THE PAYMENT OF A MONETARY FINE OF \$11,000 THAT WAS PAID ON 09/29/2000. APPLICANT REVISED ITS WRITTEN SUPERVISORY PROCEDURES RELATING TO BEST EXECUTION AND SUBMITTED THEM TO THE NASDR STAFF FOR REVIEW.
Firm Statement	SCOTT & STRINGFELLOW ("S&S") CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO THE ISSUANCE OF A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), RELATING TO CERTAIN ACCOUNT TRANSACTIONS DURING THE PERIOD NOVEMBER 4, 1997 THROUGH JANUARY 27, 1998, RELATING TO S&S' WRITTEN SUPERVISORY PROCEDURES AND ITS COMPLIANCE WITH BEST EXECUTION OBLIGATIONS. S&S AGREED TO PAY AN ADMINISTRATIVE FINE OF \$11,000, RESTITUTION TO CUSTOMERS OF \$2,910.63 IN TOTAL AND TO REVISE AND SUBMIT ITS WRITTEN SUPERVISORY PROCEDURES TO NASDR FOR REVIEW. ALL OF WHICH WAS COMPLETED ON OR ABOUT SEPTEMBER 29, 2000.

Disclosure 46 of 49

Reporting Source:	Firm
Current Status:	Final
Allegations:	NASDR ALLEGED THAT SCOTT & STRINGFELLOW ("S&S") FAILED, WITHIN 90 SECONDS OF EXECUTION TO TRANSMIT THROUGH THE AUTOMATED CONFIRMATION TRANSACTION SERVICE ("ACT") A NUMBER OF LAST SALE REPORTS AS LATE. ADDITIONALLY, THE NASDR ALLEGED THAT S&S INCORRECTLY DESIGNATED AS ".T" THROUGH ACT A NUMBER OF TRANSACTIONS EXECUTED DURING NORMAL MARKET HOURS.



Initiated By: NATIONAL ASSOCIATION OF SECURITIES REGULATION, INC.

Date Initiated: 06/30/2000

Docket/Case Number: CMS 000 130

Principal Product Type: Equity - OTC

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/30/2000

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: S&S AGREED TO PAY A \$5,000 MONETARY FINE, THAT WAS PAID ON OR ABOUT 07/30/2000.

Firm Statement SCOTT & STRINGFELLOW CONSENTED, WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS, TO THE ISSUANCE OF A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") IN FULL SETTLEMENT OF THE MATTER. S&S NOTES THAT AMENDMENTS TO JM-9216 PROPOSED ON SEPTEMBER 29, 2000 WOULD DESIGNATE THE MAJORITY OF THE ALLEGED VIOLATIONS AS "MINOR RULE VIOLATIONS." SEE 65 FR 58585.

Disclosure 47 of 49

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT SCOTT & STRINGFELLOW ("S&S")VIOLATED THE VIRGINIA SECURITIES ACT SECTION 13.1-507 IN THAT THE FIRM OFFERED AND SOLD SHARES OF AN UNREGISTERED SECURITY, GOLDREA RESOURCES, INC. TO VIRGINIA RESIDENTS IN 66 SEPARATE TRANSACTIONS.

Initiated By: VIRGINIA STATE CORPORATION COMMISSION DIVISION OF SECURITIES

Date Initiated: 01/15/1992

Docket/Case Number: SEC 920036

Principal Product Type: Other



Other Product Type(s):	UNREGISTERED SECURITY
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	05/05/1992
Sanctions Ordered:	Monetary/Fine \$15,000.00
Other Sanctions Ordered:	COST OF INVESTIGATION \$1,000
Sanction Details:	WITHOUT ADMITTING OR DENYING ALLEGATIONS, S&S AGREED TO PAY A FINE OF \$15,000 AND COSTS OF THE INVESTIGATION \$1,000.

Disclosure 48 of 49

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC RULES 204T(A), 204T(C), 204(A), 204(C) OF REGULATION SHO, FINRA RULE 2010, NASD RULES 2110, 3010(A) AND (B) - CLEARVIEW CORRESPONDENT SERVICES,LLC FAILED TO CLOSE OUT FAIL TO DELIVER POSITIONS IN ACCORDANCE WITH THE SEC REQUIREMENT TO IMMEDIATELY PURCHASE OR BORROW SECURITIES OF LIKE KIND OR QUANTITY BY NO LATER THAN THE BEGINNING OF REGULAR TRADING HOURS ON THE SETTLEMENT DATE (T+4), SUBJECT TO CERTAIN EXCEPTIONS OR ON THE THIRD SETTLEMENT DAY AFTER SETTLEMENT DATE (T+6)IF THE POSITION RESULTED FROM A LONG SALE OR CERTAIN BONA FIDE MARKET MAKING ACTIVITY. BECAUSE THE FIRM WAS NOT MONITORING ITS FAIL TO DELIVER POSITIONS, THE FIRM ALSO FAILED TO PROVIDE NOTIFICATION TO BROKERS AND DEALERS FROM WHOM IT ACCEPTED TRADES FOR CLEARANCE AND SETTLEMENT THAT IT HAD FAILED TO CLOSE OUT FAIL TO DELIVER POSITIONS IN EQUITY SECURITIES. THE FIRM FAILED TO IMPLEMENT SUPERVISORY PROCEDURES AND SYSTEMS REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH RULE 204T AND RULE 204 OF REGULATION SHO. WHILE THE FIRM ADOPTED POLICIES AND PROCEDURES THAT COMPORTED WITH THE ENHANCED CLOSE-OUT REQUIREMENTS OF RULE 204T AND RULE 204(A), IT DID NOT FOLLOW THESE PROCEDURES. THE FIRM FAILED TO SUPERVISE FIRM STAFF RESPONSIBLE FOR MONITORING ITS FAIL TO DELIVER OBLIGATIONS TO ENSURE THEY ADEQUATELY UNDERSTOOD THE IMPACT OF THE CHANGES UNDER THE RULES. AS A RESULT, FIRM STAFF DID NOT CLOSE OUT FAIL TO DELIVER POSITIONS IN ACCORDANCE WITH



THESE RULES. FIRM EMPLOYEES CONTINUED TO FOLLOW THE REQUIREMENTS IN PLACE PRIOR TO THE ENHANCED DELIVERY AND CLOSE-OUT REQUIREMENTS UNTIL A LATER DATE. THE FIRM FAILED TO HAVE ANY WRITTEN SUPERVISORY PROCEDURES IN PLACE THAT ADDRESSED THE NOTIFICATION REQUIREMENTS OF RULE 204T(C) AND RULE 204(C) UNTIL A LATER DATE SO THAT IT FAILED TO PROVIDE THE REQUIRED NOTIFICATIONS TO BROKERS OR DEALERS FROM WHOM IT ACCEPTED TRADES FOR CLEARANCE AND SETTLEMENT THAT IT HAD FAILED TO CLOSE OUT FAIL TO DELIVER POSITIONS IN EQUITY SECURITIES.

Initiated By: FINRA

Date Initiated: 06/20/2012

Docket/Case Number: 2010023517501

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/20/2012

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

Sanctions Ordered: Censure
Monetary/Fine \$100,000.00

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 \$100,000. FINE PAID IN FULL ON JULY 3, 2012.

Reporting Source: Firm



Current Status: Final

Allegations: FINRA ALLEGED THAT BETWEEN OCTOBER 17, 2008 AND APPROXIMATELY SEPTEMBER 30, 2009 (THE "RELEVANT PERIOD"), CLEARVIEW CORRESPONDENT SERVICES LLC ("CCS") VIOLATED RULE 204T(A) AND RULE 204(A) OF REGULATION SHO BY FAILING TO CLOSE OUT FAIL TO DELIVER POSITIONS IN: (1) SHORT SALES BY THE BEGINNING OF REGULAR TRADING HOURS ON THE SETTLEMENT DAY FOLLOWING THE SETTLEMENT DATE, AND (2) LONG SALES BY THE BEGINNING OF REGULAR TRADING HOURS ON THE THIRD SETTLEMENT DAY FOLLOWING THE SETTLEMENT DATE. CCS ALSO VIOLATED RULE 204T(C) AND RULE 204(C) OF REGULATION SHO BY FAILING TO NOTIFY BROKERS OR DEALERS FROM WHICH IT RECEIVED TRADES FOR CLEARANCE AND SETTLEMENT THAT FAIL TO DELIVERY POSITIONS IN EQUITY SECURITIES HAD NOT BEEN CLOSED OUT IN ACCORDANCE WITH RULE 204T(A) AND RULE 204(A). IN ADDITION, CCS VIOLATED NASD RULE 3010, NASD CONDUCT RULE 2110, AND FINRA CONDUCT RULE 2010 WHEN IT FAILED TO ESTABLISH AND MAINTAIN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH RULE 204T AND RULE 204.

Initiated By: FINRA

Date Initiated: 06/20/2012

Docket/Case Number: 2010023517501

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/20/2012

Sanctions Ordered: Censure
Monetary/Fine \$100,000.00

Other Sanctions Ordered:

Sanction Details: PURSUANT TO THE AWC, CCS CONSENTED TO A CENSURE AND A \$100,000.00 FINE. CCS PAID THE FINE ON JULY 3, 2012.

Firm Statement CCS CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), IN WHICH A CENSURE AND A FINE IN THE AMOUNT OF \$100,000.00 WAS IMPOSED



UPON IT. THE AWC WAS ACCEPTED BY FINRA ON JUNE 20, 2012.

Disclosure 49 of 49

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULE 6955(A) - CLEARVIEW CORRESPONDENT SERVICES, LLC TRANSMITTED ROUTE REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA; IN MOST OF THE REPORTS, THE FIRM REPORTED A DESTINATION CODE OF NON-MEMBER FOR ORDERS ROUTED TO A FINRA MEMBER FIRM. THE FIRM TRANSMITTED NUMEROUS NEW ORDER EVENTS TO OATS THAT IT WAS NOT REQUIRED TO REPORT.
Initiated By:	FINRA
Date Initiated:	01/04/2012
Docket/Case Number:	2009017536001
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:	01/04/2012
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$7,500.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$7,500. FINE PAID IN FULL JANUARY 13, 2012.



Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA ALLEGED THAT IN RELATION TO NASD RULE 6955(A), CLEARVIEW CORRESPONDENT SERVICES LLC ("CCS") TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS), DURING THE PERIOD BETWEEN JANUARY 1 THROUGH JUNE 30, 2008, ROUTE REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA, IN ADDITION TO REPORTING NEW ORDER EVENTS THAT IT WAS NOT REQUIRED TO REPORT. CCS REPORTED A DESTINATION CODE OF NON-MEMBER FOR ORDERS ROUTED TO A FINRA MEMBER FIRM.
Initiated By:	FINRA
Date Initiated:	01/04/2012
Docket/Case Number:	2009017536001
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:	CENSURE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/04/2012
Sanctions Ordered:	Censure Monetary/Fine \$7,500.00
Other Sanctions Ordered:	
Sanction Details:	PURSUANT TO THE AWC, CCS CONSENTED TO A CENSURE AND A \$7,500.00 FINE THAT WAS PAID BY CCS ON JANUARY 13, 2012.
Firm Statement	CCS CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), IN WHICH A CENSURE AND A FINE IN THE AMOUNT OF \$7,500.00 WAS IMPOSED UPON IT. THE AWC WAS ACCEPTED BY FINRA ON JANUARY 4, 2012.



Civil - Pending

This type of disclosure event involves a pending civil court action that with seek an injunction to cease certain investment-related activity or alleges a violation of any investment-related statute or regulation.

Disclosure 1 of 1

Reporting Source:	Firm
Current Status:	Pending
Allegations:	CLIENT ALLEGES SHE WAS NOT AWARE THAT SHE WAS OPENING INVESTMENT ACCOUNTS IN DECEMBER 2019, AFTER SIGNING THE REQUIRED ACCOUNT DOCUMENTATION AND DISCLOSURES FOR ALL FOUR (TWO CUSTODIAL AND TWO 529) INVESTMENT ACCOUNTS.
Initiated By:	LEAH BUTTERWORTH
Court Details:	191ST CIVIL DISTRICT COURT, DALLAS COUNTY DALLAS, TX, DC-20-05553
Date Court Action Filed:	04/13/2020
Date Notice/Process Served:	04/13/2020
Principal Product Type:	Mutual Fund(s)
Other Product Types:	529 PLANS AND CUSTODIAL ACCOUNTS
Relief Sought:	Money Damages (Private/Civil Complaint)
Other Relief Sought:	
Firm Statement	CLIENT ALLEGES SHE WAS NOT AWARE THAT SHE WAS OPENING INVESTMENT ACCOUNTS IN DECEMBER 2019, AFTER SIGNING THE REQUIRED ACCOUNT DOCUMENTATION AND DISCLOSURES FOR ALL FOUR (TWO CUSTODIAL AND TWO 529) INVESTMENT ACCOUNTS.

Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at www.finra.org/awardsonline.

Disclosure 1 of 1

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	04/14/2014
Case Number:	14-01064
Disputed Product Type:	AUCTION RATE SECURITIES; MUNICIPAL BONDS
Sum of All Relief Requested:	\$500,000.01
Disposition:	AWARD AGAINST PARTY
Disposition Date:	07/02/2015
Sum of All Relief Awarded:	\$226,977.61

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



Disclosure Events for Non-Registered Control Affiliates

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	3	0



Disclosure Event Details

Regulatory - Final

Disclosure 1 of 3

Reporting Source:	Firm
Affiliate:	SUNTRUST BANK
Current Status:	Final
Allegations:	ENGAGING IN SECURITIES BUSINESS IN THE STATE WITHOUT BEING REGISTERED AS A SECURITIES BROKER-DEALER.
Initiated By:	STATE OF TEXAS
Date Initiated:	10/16/1987
Docket/Case Number:	87-108
Principal Product Type:	Other
Other Product Type(s):	BROKER-DEALER SERVICES.
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	10/16/1987
Sanctions Ordered:	Suspension
Other Sanctions Ordered:	THE STATE OF TEXAS SIMULTANEOUSLY REGISTERED AND SUSPENDED TRUST COMPANY BANK AS A SECURITIES DEALER IN TEXAS. THE SUSPENSION WAS FOR 14 DAYS.
Sanction Details:	THE STATE OF TEXAS SIMULTANEOUSLY REGISTERED AND SUSPENDED TRUST COMPANY BANK AS A SECURITIES DEALER IN TEXAS. THE SUSPENSION WAS FOR 14 DAYS.

Disclosure 2 of 3

Reporting Source:	Firm
Affiliate:	SUNTRUST BANK
Current Status:	Final



Allegations:	INACCURATE RECORD KEEPING IN VIOLATION OF 17 CFR PART 404 PROMULGATED PURSUANT TO SECTION 15 OF THE EXCHANGE ACT INCLUDING 12 CFR 208
Initiated By:	BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
Date Initiated:	01/16/1992
Docket/Case Number:	92-004-73-SM5
Principal Product Type:	Debt - Government
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	FINE OF \$25,000
Resolution:	Consent
Resolution Date:	01/16/1992
Sanctions Ordered:	Monetary/Fine \$25,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	AFFILIATE WAS ENJOINED FROM FURTHER VIOLATIONS OF 17 CFR. FINE PAID ON 1/16/1992
Firm Statement	MATTER WAS SETTLED WITHOUT ADMITTING OR DENYING THE VIOLATIONS ON 1/16/92.

Disclosure 3 of 3

Reporting Source:	Firm
Affiliate:	BB&T CORPORATION
Current Status:	Final
Allegations:	ON JANUARY 25, 2017, BB&T CORPORATION ("BB&T") NOW TRUIST FINANCIAL CORPORATION, A CONTROL AFFILIATE OF THE FIRM AGREED WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (THE "FEDERAL RESERVE") AND THE NORTH CAROLINA OFFICE OF THE COMMISSIONER OF BANKS (THE "NCCOB") TO THE ENTRY OF A CONSENT CEASE AND DESIST ORDER (THE "C&D") RELATING TO BB&T'S COMPLIANCE WITH ANTI-MONEY LAUNDERING AND BANK SECRECY ACT REQUIREMENTS ("BSA/AML REQUIREMENTS"). ON JUNE 28, 2018, THE



NCCOB ANNOUNCED THE TERMINATION OF ITS PARTICIPATION IN THE C&D BASED UPON ITS DETERMINATION THAT BB&T HAD SATISFIED THE REQUIREMENTS OF THE C&D. ON APRIL 18, 2019, THE FEDERAL RESERVE BOARD ANNOUNCED THE TERMINATION OF ITS PARTICIPATION IN THE C&D ENFORCEMENT ACTION AS OF APRIL 17, 2019.

Initiated By: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Date Initiated: 01/25/2017

Docket/Case Number: NO. 17-004-B-HC

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 01/25/2017

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: NO SANCTIONS OTHER THAN CEASE AND DESIST ORDER

Firm Statement ON JANUARY 25, 2017, BB&T CORPORATION ("BB&T") NOW TRUIST FINANCIAL CORPORATION, A CONTROL AFFILIATE OF THE FIRM AGREED WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (THE "FEDERAL RESERVE") AND THE NORTH CAROLINA OFFICE OF THE COMMISSIONER OF BANKS (THE "NCCOB") TO THE ENTRY OF A CONSENT CEASE AND DESIST ORDER (THE "C&D") RELATING TO BB&T'S COMPLIANCE WITH ANTI-MONEY LAUNDERING AND BANK SECRECY ACT REQUIREMENTS ("BSA/AML REQUIREMENTS"). ON JUNE 28, 2018, THE NCCOB ANNOUNCED THE TERMINATION OF ITS PARTICIPATION IN THE C&D BASED UPON ITS DETERMINATION THAT BB&T HAD SATISFIED THE REQUIREMENTS OF THE C&D. ON APRIL 18, 2019, THE FEDERAL RESERVE BOARD ANNOUNCED THE TERMINATION OF ITS PARTICIPATION IN THE C&D ENFORCEMENT ACTION AS OF APRIL 17, 2019.

End of Report



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