

BrokerCheck Report

SECURIAN FINANCIAL SERVICES, INC.

CRD# 15296

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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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Thank you for using FINRA BrokerCheck.



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



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



SECURIAN FINANCIAL SERVICES, INC.

CRD# 15296

SEC# 8-31955

Main Office Location

400 ROBERT STREET NORTH
ST. PAUL, MN 55101-2098
Regulated by FINRA Kansas City Office

Mailing Address

400 ROBERT STREET NORTH
ST. PAUL, MN 55101-2098

Business Telephone Number

651-665-3161

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

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

Report Summary for this Firm

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

Firm Profile

This firm is classified as a corporation.

This firm was formed in Minnesota on 03/27/1984.

Its fiscal year ends in December.

Firm History

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

Firm Operations

This firm is registered with:

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

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

This firm conducts 2 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm does not have referral or financial arrangements with other brokers or dealers.

Disclosure Events

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

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

The following types of disclosures have been reported:

| Type | Count |
|------------------|-------|
| Regulatory Event | 10 |
| Arbitration | 3 |
| Bond | 10 |

The number of disclosures from non-registered control affiliates is 1



Firm Profile

This firm is classified as a corporation.

This firm was formed in Minnesota on 03/27/1984.

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.

SECURIAN FINANCIAL SERVICES, INC.

Doing business as SECURIAN FINANCIAL SERVICES, INC.

CRD# 15296

SEC# 8-31955

Main Office Location

400 ROBERT STREET NORTH
ST. PAUL, MN 55101-2098

Regulated by FINRA Kansas City Office

Mailing Address

400 ROBERT STREET NORTH
ST. PAUL, MN 55101-2098

Business Telephone Number

651-665-3161



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): SECURIAN FINANCIAL GROUP, INC.

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

Position 100% SHAREHOLDER

Position Start Date 01/2002

Percentage of Ownership 75% or more

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

Is this a public reporting company? No

Legal Name & CRD# (if any): CARPENTER, KIMBERLY KAY

4266541

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

Position MEMBER OF BOARD OF DIRECTORS, CHIEF EXECUTIVE OFFICER & PRESIDENT

Position Start Date 08/2023

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): CONNOLLY, GEORGE IGNATIUS

1457599

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

Position MEMBER OF BOARD OF DIRECTORS

Position Start Date 08/2023

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): FERGUSON, KRISTIN MARY
6895121

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

Position MEMBER OF BOARD OF DIRECTORS, VICE PRESIDENT, CHIEF FINANCIAL OFFICER, TREASURER, FINOP, & PRINCIPAL OPERATIONS OFFICER

Position Start Date 08/2023

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): MONTZ, RENEE DENISE
6014640

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

Position MEMBER OF BOARD OF DIRECTORS

Position Start Date 11/2021

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Firm Profile



Direct Owners and Executive Officers (continued)

Legal Name & CRD# (if any): OBRIEN, KERI SUE
6821352

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

Position SECRETARY

Position Start Date 06/2017

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): STOPFER, LISA LYNN
2896446

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

Position VICE PRESIDENT, CHIEF COMPLIANCE OFFICER, & ANTI-MONEY LAUNDERING COMPLIANCE OFFICER

Position Start Date 08/2023

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): ZACCARO, WARREN JOHN
4948865

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

Position MEMBER OF BOARD OF DIRECTORS

Position Start Date 05/2005

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? | No |
|--|----|

| | |
|-------------------------------------|----|
| Is this a public reporting company? | No |
|-------------------------------------|----|



Firm Profile

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

Indirect Owners

| | |
|---|----------------------------------|
| Legal Name & CRD# (if any): | MINNESOTA MUTUAL COMPANIES, INC. |
| Is this a domestic or foreign entity or an individual? | Domestic Entity |
| Company through which indirect ownership is established | SECURIAN HOLDING COMPANY |
| Relationship to Direct Owner | 100% SHAREHOLDER |
| Relationship Established | 10/1998 |
| Percentage of Ownership | 75% or more |
| Does this owner direct the management or policies of the firm? | Yes |
| Is this a public reporting company? | No |

| | |
|---|--------------------------------|
| Legal Name & CRD# (if any): | SECURIAN HOLDING COMPANY |
| Is this a domestic or foreign entity or an individual? | Domestic Entity |
| Company through which indirect ownership is established | SECURIAN FINANCIAL GROUP, INC. |
| Relationship to Direct Owner | 100% SHAREHOLDER |
| Relationship Established | 10/1998 |
| Percentage of Ownership | 75% or more |
| Does this owner direct the management or policies of the firm? | Yes |
| Is this a public reporting company? | No |

Firm History

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

No information reported.





Firm Operations

Registrations

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

This firm is currently registered with the SEC, 1 SRO and 51 U.S. states and territories.

| Federal Regulator | Status | Date Effective |
|-------------------|----------|----------------|
| SEC | Approved | 07/13/1984 |

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: Yes

| Self-Regulatory Organization | Status | Date Effective |
|------------------------------|----------|----------------|
| FINRA | Approved | 02/12/1985 |



Firm Operations

Registrations (continued)

| U.S. States & Territories | Status | Date Effective |
|---------------------------|----------|----------------|
| Alabama | Approved | 03/06/1985 |
| Alaska | Approved | 02/15/1985 |
| Arizona | Approved | 01/22/1985 |
| Arkansas | Approved | 09/28/1988 |
| California | Approved | 11/08/1984 |
| Colorado | Approved | 02/15/1985 |
| Connecticut | Approved | 03/07/1985 |
| Delaware | Approved | 03/06/1985 |
| District of Columbia | Approved | 08/13/1986 |
| Florida | Approved | 03/04/1985 |
| Georgia | Approved | 03/25/1985 |
| Hawaii | Approved | 04/10/1985 |
| Idaho | Approved | 02/19/1985 |
| Illinois | Approved | 11/08/1984 |
| Indiana | Approved | 02/21/1985 |
| Iowa | Approved | 05/03/1985 |
| Kansas | Approved | 11/08/1984 |
| Kentucky | Approved | 07/07/1986 |
| Louisiana | Approved | 03/06/1985 |
| Maine | Approved | 03/04/1985 |
| Maryland | Approved | 01/09/1985 |
| Massachusetts | Approved | 01/07/1985 |
| Michigan | Approved | 01/02/1985 |
| Minnesota | Approved | 08/08/1984 |
| Mississippi | Approved | 02/14/1985 |
| Missouri | Approved | 03/21/1985 |
| Montana | Approved | 02/22/1985 |
| Nebraska | Approved | 01/28/1985 |
| Nevada | Approved | 03/15/1985 |
| New Hampshire | Approved | 01/14/1985 |
| New Jersey | Approved | 01/01/1985 |
| New Mexico | Approved | 02/28/1985 |
| New York | Approved | 02/03/1987 |

| U.S. States & Territories | Status | Date Effective |
|---------------------------|----------|----------------|
| North Carolina | Approved | 10/26/1984 |
| North Dakota | Approved | 01/22/1985 |
| Ohio | Approved | 08/30/1984 |
| Oklahoma | Approved | 01/24/1985 |
| Oregon | Approved | 01/03/1985 |
| Pennsylvania | Approved | 01/14/1985 |
| Rhode Island | Approved | 03/01/1985 |
| South Carolina | Approved | 03/12/1985 |
| South Dakota | Approved | 07/10/1986 |
| Tennessee | Approved | 03/01/1985 |
| Texas | Approved | 10/25/1984 |
| Utah | Approved | 03/11/1985 |
| Vermont | Approved | 02/21/1985 |
| Virginia | Approved | 01/11/1985 |
| Washington | Approved | 01/28/1985 |
| West Virginia | Approved | 02/19/1986 |
| Wisconsin | Approved | 04/01/1985 |
| Wyoming | Approved | 03/11/1988 |



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 2 types of businesses.

Types of Business

Broker or dealer selling variable life insurance or annuities

Other - MUTUAL FUND AND VARIABLE CONTRACT UNDERWRITER OR SPONSOR.

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.

This firm does not engage in other non-securities business.

Non-Securities Business Description:

Firm Operations



Clearing Arrangements

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

Introducing Arrangements

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

Firm Operations

Industry Arrangements



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

| | |
|--------------------------|--|
| Name: | MINNESOTA LIFE INSURANCE COMPANY |
| Business Address: | 400 ROBERT STREET NORTH ST. PAUL, MN 55101 |
| Effective Date: | 11/19/1998 |
| Description: | APPLICANT IS THE PRINCIPAL UNDERWRITER FOR CERTAIN OF MINNESOTA LIFE'S SEPARATE ACCOUNTS WHICH ARE REGISTERED INVESTMENT COMPANIES. PURSUANT TO AN AGREEMENT BETWEEN APPLICANT AND MINNESOTA LIFE, MINNESOTA LIFE MAINTAINS AND PRESERVES IN ACCORDANCE WITH SEC RULES 17A-3 & 17A-4 ALL BOOKS AND RECORDS REQUIRED TO BE MAINTAINED BY APPLICANT IN CONTRACTS ISSUED BY MINNESOTA LIFE AND SAID SEPARATE ACCOUNTS. MINNESOTA LIFE ALSO DOES ALL CORPORATE FINANCIAL ACCOUNTING FOR APPLICANT. |

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

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

Control Persons/Financing

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

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



Firm Operations

Organization Affiliates

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

This firm is, directly or indirectly:

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

AAM is under common control with the firm.

| | |
|--|--|
| CRD #: | 109875 |
| Business Address: | 30 WEST MONROE STREET THIRD FLOOR CHICAGO, IL 60603-2405 |
| Effective Date: | 12/31/2014 |
| Foreign Entity: | No |
| Country: | |
| Securities Activities: | No |
| Investment Advisory Activities: | Yes |
| Description: | THE APPLICANT'S PARENT, SECURIAN FINANCIAL GROUP, INC. IS THE SOLE SHAREHOLDER OF MN LIFE INS CO. MN LIFE IN TURNS OWNS ALL MEMBERSHIP INTERESTS IN SECURIAN AAM HOLDINGS, LLC. SECURIAN AAM HOLDINGS OWNS 68% OF THE MEMBERSHIP INTERESTS OF ASSET ALLOCATION & MANAGEMENT COMPANY, LLC, AN INVESTMENT ADVISOR REGISTERED WITH THE SEC. |

SECURIAN ASSET MANAGEMENT, INC. is under common control with the firm.

| | |
|-------------------------------|---|
| CRD #: | 109905 |
| Business Address: | 400 ROBERT STREET NORTH ST. PAUL, MN 55101 |
| Effective Date: | 01/01/2002 |
| Foreign Entity: | No |
| Country: | |
| Securities Activities: | No |

Firm Operations



Organization Affiliates (continued)

| | |
|---------------------------------|--|
| Investment Advisory Activities: | Yes |
| Description: | THE APPLICANTS PARENT, SECURIAN FINANCIAL GROUP, INC., IS THE SOLE SHAREHOLDER OF SECURIAN ASSET MANAGEMENT, INC. AN INVESTMENT ADVISOR REGISTERED WITH THE SEC. |

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

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



Disclosure Events

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

| | Pending | Final | On Appeal |
|------------------|---------|-------|-----------|
| Regulatory Event | 0 | 10 | 0 |
| Arbitration | N/A | 3 | N/A |
| Bond | N/A | 10 | 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 10

Reporting Source: Regulator

Current Status: Final



Allegations: SECURIAN VIOLATED AS 45.55.030(H) AND AS 45.56.340(D) BY ASSOCIATING WITH FOUR REPRESENTATIVES AS INVESTMENT ADVISER REPRESENTATIVES WITHOUT THEM BEING REGISTERED IN ALASKA.

Initiated By: ALASKA

Date Initiated: 08/21/2019

Docket/Case Number: 2019-231-S

URL for Regulatory Action: [HTTPS://WWW.COMMERCE.ALASKA.GOV/WEB/PORTALS/3/PUB/CONSENT%20ORDER%2019-231-S.PDF](https://www.commerce.alaska.gov/web/portals/3/pub/consent%20order%2019-231-s.pdf)

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 04/07/2020

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: Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: \$10,000 CIVIL PENALTY PAID 4/7/2020.

Reporting Source: Firm

Current Status: Final

Allegations: SECURIAN VIOLATED AS 45.55.030(H) AND AS 45.56.340(D) BY ASSOCIATING WITH FOUR REPRESENTATIVES AS INVESTMENT ADVISER REPRESENTATIVES WITHOUT THEM BEING REGISTERED IN ALASKA.

Initiated By: ALASKA

Date Initiated: 08/21/2019

Docket/Case Number: 2019-231-S



| | |
|---|---|
| Principal Product Type: | No Product |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Civil and Administrative Penalt(ies) /Fine(s) |
| Other Sanction(s)/Relief Sought: | |
| Resolution: | Consent |
| Resolution Date: | 04/07/2020 |
| Sanctions Ordered: | Monetary/Fine \$10,000.00 |
| Other Sanctions Ordered: | |
| Sanction Details: | \$10,000 CIVIL PENALTY PAID 4/7/2020. |
| Firm Statement | THE FOUR REPRESENTATIVES WERE, AND CONTINUE TO BE, REGISTERED INVESTMENT ADVISOR REPRESENTATIVES IN THE STATE WHERE THEY HAVE THEIR PRIMARY PLACE OF BUSINESS. AT THE TIME OF THIS FILING, THEY NO LONGER HAVE A PLACE OF BUSINESS IN ALASKA. |

Disclosure 2 of 10

| | |
|-----------------------------------|--|
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | THE DIVISION ALLEGED THAT SECURIAN FINANCIAL SERVICES, INC. FAILED TO SUPERVISE SUSAN KAY COON (CRD# 2139624)WHO MADE AN UNSUITABLE RECOMMENDATION IN AN ELDERLY CUSTOMER'S ACCOUNT BY PLACING A LARGE AMOUNT OF THE CUSTOMER'S NET WORTH INTO AN ILLIQUID VARIABLE ANNUITY THAT THE CUSTOMER DID NOT UNDERSTAND. THE DIVISION ALLEGED THAT THIS TRANSACTION WAS NOT IN THE BEST INTEREST OF THE CUSTOMER AND THAT CONSTITUTED GROUNDS TO DISCIPLINE THE REGISTRATION OF SECURIAN. |
| Initiated By: | MISSOURI |
| Date Initiated: | 02/17/2009 |
| Docket/Case Number: | AP-09-02 |
| URL for Regulatory Action: | |
| Principal Product Type: | Annuity(ies) - Variable |
| Other Product Type(s): | |



| | |
|---|--|
| Principal Sanction(s)/Relief Sought: | Other |
| Other Sanction(s)/Relief Sought: | CONSENT |
| Resolution: | Consent |
| Resolution Date: | 02/17/2009 |
| 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 \$79,445.00 |
| Other Sanctions Ordered: | SECURIAN'S REGISTRATION IS CENSURED, SECURIAN PAID THE MISSOURI SECRETARY OF STATE'S INVESTOR EDUCATION AND PROTECTION FUND \$75,000, SECURIAN ALSO PAID \$4445.00 FOR INVESTIGATION COSTS AND WAS RESPONSIBLE FOR THEIR OWN COSTS AND ATTORNEY FEES WITH RESPECT TO THIS MATTER. |
| Sanction Details: | SEE ABOVE |
| <hr/> | |
| Reporting Source: | Firm |
| Current Status: | Final |
| Allegations: | THE DIVISION ALLEGED THAT SECURIAN FINANCIAL SERVICES, INC. FAILED TO SUPERVISE ONE REGISTERED REPRESENTATIVE WHO MADE ONE UNSUITABLE RECOMMENDATION IN ONE ELDERLY CUSTOMER'S ACCOUNT BY PLACING A LARGE AMOUNT OF THE CUSTOMER'S NET WORTH INTO AN ILLIQUID VARIABLE ANNUITY THAT THE CUSTOMER DID NOT UNDERSTAND. THE DIVISION ALLEGED THAT THIS TRANSACTION WAS NOT IN THE BEST INTEREST OF THE CUSTOMER AND THAT THIS CONSTITUTED GROUNDS TO DISCIPLINE THE REGISTRATION OF SECURIAN. |
| Initiated By: | MISSOURI |
| Date Initiated: | 02/17/2009 |
| Docket/Case Number: | AP-09-02 |
| Principal Product Type: | Annuity(ies) - Variable |



| | |
|---|--|
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Other |
| Other Sanction(s)/Relief Sought: | CONSENT |
| Resolution: | Consent |
| Resolution Date: | 02/17/2009 |
| Sanctions Ordered: | Censure Monetary/Fine \$79,445.00 |
| Other Sanctions Ordered: | SECURIAN IS CENSURED AND PAID THE MISSOURI SECRETARY OF STATE'S INVESTOR EDUCATION AND PROTECTION FUND \$75,000 AND PAID \$4,445.00 FOR INVESTIGATION COSTS. |
| Sanction Details: | SECURIAN PAID A MONETARY FINE BY MAILING TWO CHECKS TOTALLING \$79,445.00 ON 1/22/2009. NO PORTION OF THIS PENALTY WAS WAIVED. |

Disclosure 3 of 10

| | |
|---|--|
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | SECURIAN FINANCIAL SERVICES FAILED TO ESTABLISH WRITTEN SUPERVISORY SERVICES PROCEDURES DESIGNED TO SUPERVISE THE ACTIVITIES OF ITS AGENTS WITH RESPECT TO THE DISTRIBUTION FORMS AND THE USE OF A FAX MACHINE IN AN AGENT'S OFFICE. |
| Initiated By: | TEXAS |
| Date Initiated: | 02/13/2009 |
| Docket/Case Number: | IC09-CAF-02 |
| URL for Regulatory Action: | |
| Principal Product Type: | Other |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Reprimand |
| Other Sanction(s)/Relief Sought: | ADMINISTRATIVE FINE |
| Resolution: | Order |
| Resolution Date: | 02/13/2009 |



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 \$50,000.00

Other Sanctions Ordered: REPRIMAND

Sanction Details: NO OTHER SANCTIONS FOLLOW.

Reporting Source: Firm

Current Status: Final

Allegations: SECURIAN FINANCIAL SERVICES FAILED TO ESTABLISH WRITTEN SUPERVISORY PROCEDURES DESIGNED TO SUPERVISE THE ACTIVITIES OF ITS REGISTERED REPRESENTATIVE WITH RESPECT TO ACCOUNT DISTRIBUTION FORMS AND THE USE OF A FAX MACHINE IN REGISTERED REPRESENTATIVES OFFICE.

Initiated By: TEXAS

Date Initiated: 02/13/2009

Docket/Case Number: IC09-CAF-02

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: ADMINISTRATIVE FINE

Resolution: Order

Resolution Date: 02/13/2009

Sanctions Ordered: Monetary/Fine \$50,000.00

Other Sanctions Ordered: REPRIMAND

Sanction Details: NO OTHER SANCTIONS.

Disclosure 4 of 10



Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 2830(K) - RESPONDENT MEMBER ACCEPTED \$550,423 IN DIRECTED BROKERAGE COMMISSIONS FROM MUTUAL FUND FAMILIES AS PARTIAL PAYMENT FOR PARTICIPATION IN THE FIRM'S STRATEGIC PARTNERSHIP PROGRAM. THESE STRATEGIC PARTNERS RECIEVED A NUMBER OF BENEFITS IN RETURN FOR THESE PAYMENTS, INCLUDING PREFERENTIAL MARKETING AND DISTRIBUTION ACCESS.

Initiated By: NASD

Date Initiated: 09/29/2005

Docket/Case Number: E042004010401

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: 09/29/2005

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 \$165,127.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, SECURIAN FINANCIAL SERVICES, INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$165,127.00.

Reporting Source: Firm

Current Status: Final



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|---|---|
| Allegations: | BETWEEN JANUARY 1, 2001 AND DECEMBER 31, 2003, SECURIAN RECEIVED DIRECTED BROKERAGE COMMISSIONS FROM FOUR MUTUAL FUND FAMILIES PURSUANT TO A MUTUAL FUND STRATEGIC PARTNERSHIP PROGRAM UNDER WHICH PARTICIPATING FUNDS RECEIVED VARIOUS BENEFITS, INCLUDING PREFERENTIAL MARKETING AND DISTRIBUTION ACCESS, IN VIOLATION OF NASD CONDUCT RULES 2830(K) AND 2110. |
| Initiated By: | NASD |
| Date Initiated: | 08/17/2005 |
| Docket/Case Number: | E0420040104-01 |
| Principal Product Type: | Mutual Fund(s) |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Other |
| Other Sanction(s)/Relief Sought: | CENSURE AND FINE |
| Resolution: | Acceptance, Waiver & Consent(AWC) |
| Resolution Date: | 09/29/2005 |
| Sanctions Ordered: | Censure Monetary/Fine \$165,127.00 |
| Other Sanctions Ordered: | |
| Sanction Details: | THE TOTAL FINE OF \$165127 WAS LEVIED AGAINST APPLICANT AND APPLICANT SUBMITTED PAYMENT ON OCTOBER 7, 2005. |
| Firm Statement | SECURIAN ACCEPTED AND CONSENTED TO THE ENTRY OF FINDINGS THAT, BETWEEN JANUARY 1, 2001 AND DECEMBER 31, 2003, IT MAINTAINED A STRATEGIC PARTNERSHIP PROGRAM WITH SIX MUTUAL FUND FAMILIES AND ACCEPTED REVENUE SHARING FEES FROM FIVE OF THEM, INCLUDING FOUR THAT DIRECTED FUND BROKERAGE COMMISSIONS TO SECURIAN AS PARTIAL PAYMENT OF THEIR FEES. SECURIAN PROVIDED THE FUND FAMILIES WITH VARIOUS BENEFITS, INCLUDING PREFERENTIAL MARKETING AND DISTRIBUTION ACCESS IN VIOLATION OF NASD CONDUCT RULES 2830(K) AND 2110. |

Disclosure 5 of 10

| | |
|--------------------------|-----------|
| Reporting Source: | Regulator |
| Current Status: | Final |



Allegations: NASD CONDUCT RULES 2110 AND 2310- RESPONDENT FIRM FAILED TO ADEQUATELY AND PROPERLY SUPERVISE A REGISTERED REPRESENTATIVE, WITH RESPECT TO THE REPRESENTATIVES RECOMMENDATIONS TO PUBIC CUSTOMER'S TO BORROW %80 OF THEIR HOME EQUITY BY EXECUTING A MORTGAGE AND USING THE FUNDS TO PURCHASE MUTUAL FUNDS. THE FIRM APPROVED MUTUAL FUNDS PURCHASES WITHOUT ENSURING THAT THE CLIENT HAD RECEIVED THE DISCLOSURE STATEMENT REQUIRED BY THE FIRM'S PROCEDURES.

Initiated By: NASD

Date Initiated: 06/30/2005

Docket/Case Number: C8A050068

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: 06/30/2005

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 \$10,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$10,000.

Reporting Source: Firm

Current Status: Final

Allegations: FAILED TO ADEQUATELY AND PROPERLY SUPERVISE A REGISTERED REPRESENTATIVE, WITH RESPECT TO THE REPRESENTATIVES



RECOMMENDATIONS TO A CUSTOMER TO BORROW HOME EQUITY AND USE THE FUNDS TO PURCHASE MUTUAL FUNDS. CLIENT HAD NOT RECEIVED THE DISCLOSURE STATEMENT REQUIRED BY THE FIRM'S PROCEDURES.

Initiated By: NASD

Date Initiated: 06/30/2005

Docket/Case Number: C8A050068

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: 06/30/2005

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, APPLICANT CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS.

Disclosure 6 of 10

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110 AND 3010(A) WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, MAINTAIN AND ENFORCE ADEQUATE WRITTEN SUPERVISORY PROCEDURES.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 01/29/2002

Docket/Case Number: C05020004

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:** 01/29/2002**Sanctions Ordered:** Censure
Monetary/Fine \$25,000.00**Other Sanctions Ordered:****Sanction Details:** CENSURED AND FINED \$25,000**Reporting Source:** Firm**Current Status:** Final**Allegations:** PERMITTED A REG. REP. TO BE SUPERVISED BY A REG. PRINCIPAL OVER WHOM THE REG. REP. HAD HIRING, FIRING & SALES ACTIVITY RESPONSIBILITIES - A DEFICIENCY IN SUPERVISORY PROCEDURES. THIS RESULTED BECAUSE THE REG. REP'S POSITION AS A GENERAL AGENT WITH AN AFFILIATED INSURANCE COMPANY WAS SENIOR TO THE REG. PRINCIPAL'S POSITION WITH THE SAME INSURANCE COMPANY.**Initiated By:** NASD REGULATION, INC.**Date Initiated:** 09/20/2001**Docket/Case Number:** C05020004**Principal Product Type:** Other**Other Product Type(s):** FICTICIOUS POOLED ASSET TRUST**Principal Sanction(s)/Relief Sought:** Other**Other Sanction(s)/Relief Sought:** CENSURE AND FINE**Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 01/29/2002**Sanctions Ordered:** Censure
Monetary/Fine \$25,000.00

**Other Sanctions Ordered:**

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|--------------------------|---|
| Sanction Details: | ON 02/13/2002, APPLICANT PAID A MONETARY FINE OF \$25,000. |
| Firm Statement | AN AWC REGARDING THE ALLEGATIONS HAS BEEN ACCEPTED AND APPROVED BY THE NASDR. |

Disclosure 7 of 10

| | |
|---|---|
| Reporting Source: | Firm |
| Current Status: | Final |
| Allegations: | ALLEGED VIOLATION OF MISSISSIPPI SECURITIES ACT RULES AND NASD CONDUCT RULE IN FAILING TO REASONABLY SUPERVISE A FORMER AGENT, C. DOUGLAS GULLEY, JR. |
| Initiated By: | MISSISSIPPI SECRETARY OF STATE,BUSINESS REGULATION & ENFORCEMENT |
| Date Initiated: | 05/16/2001 |
| Docket/Case Number: | 99-068 |
| Principal Product Type: | No Product |
| Other Product Type(s): | FICTICIOUS POOLED TRUST |
| Principal Sanction(s)/Relief Sought: | Civil and Administrative Penalt(ies) /Fine(s) |
| Other Sanction(s)/Relief Sought: | AGREED TO PROVIDE SECRETARY OF STATE, WITHIN 30 DAYS, A LETTER DETAILING THE CHANGES SINCE MARCH 1998 IN THE FIRM'S AND CONTROL AFFILIATE, MINNESOTA LIFE'S, COMPLIANCE PRACTICES DESIGNED TO DETECT AND PREVENT REPRESENTATIVE AND/OR AGENT FRAUD. |
| Resolution: | Stipulation and Consent |
| Resolution Date: | 05/16/2001 |
| Sanctions Ordered: | Monetary/Fine \$50,000.00 |
| Other Sanctions Ordered: | |
| Sanction Details: | SECURIAN PAID \$25,000 OF AN ADMINISTRATIVE PENALTY OF \$50,000 WITH THE BALANCE PAID BY A CONTROL AFFILIATE, MINNESOTA LIFE INSURANCE COMPANY (SEE SEPARATE DRP FOR MINNESOTA LIFE). |
| Firm Statement | THIS ACTION RESULTED FROM ACTIONS OF A FORMER AGENT, GULLEY, WHO FRAUDULENTLY MISAPPROPRIATED APPROXIMATELY \$2.9 MILLION (WITH INTEREST, \$3.5 MILLION WAS VOLUNTARILY REIMBURSED TO |



CLIENTS BY THE FIRM). GULLEY WAS FOUND GUILTY BY THE MISSISSIPPI COURTS OF 7 COUNTS OF EMBEZZLEMENT AND IS CURRENTLY SERVING A 20 YEAR PRISON SENTENCE WITH 10 YEARS SUSPENDED.

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| Disclosure 8 of 10 | |
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | NASD RULES 2110 AND 3110 - RESPONDENT MEMBER ALLOWED A REGISTERED REPRESENTATIVE/GENERAL AGENT TO SIGN A VARIABLE ANNUITY APPLICATION AS REGISTERED REPRESENTATIVE OF RECORD, FALSELY INDICATING THAT HE HAD SOLD THE INVESTMENT, WHEN, IN FACT, THE VARIABLE ANNUITY HAD BEEN SOLD BY ANOTHER REGISTERED REPRESENTATIVE. ASCEND FINANCIAL FURTHER ACCEPTED THE VARIABLE ANNUITY APPLICATION KNOWING THAT THE REGISTERED REPRESENTATIVE IN QUESTION HAD NEVER MET WITH AND/OR DISCUSSED THE VARIABLE ANNUITY INVESTMENT WITH THE CLIENT). |
| Initiated By: | NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. |
| Date Initiated: | 12/21/1998 |
| Docket/Case Number: | C9B980003 |
| Principal Product Type: | Annuity(ies) - Variable |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | |
| Other Sanction(s)/Relief Sought: | |
| Resolution: | Acceptance, Waiver & Consent(AWC) |
| Resolution Date: | 12/21/1998 |
| Sanctions Ordered: | Censure Monetary/Fine \$20,000.00 |
| Other Sanctions Ordered: | |
| Sanction Details: | ON DECEMBER 21, 1998, DISTRICT NO. 9 NOTIFIED RESPONDENT ASCEND FINANCIAL SERVICES, INC. THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C9B980003 WAS ACCEPTED; |



THEREFORE, THE FIRM IS CENSURED AND FINED \$20,000.

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|---|--|
| Reporting Source: | Firm |
| Current Status: | Final |
| Allegations: | APPLICANT ALLOWED A REGISTERED REPRESENTATIVE TO SIGN A VARIABLE ANNUITY APPLICATION KNOWING THAT REPRESENTATIVE HAD NOT MET CLIENT TO DISCUSS INVESTMENT. |
| Initiated By: | NASD REGULATION, INC. |
| Date Initiated: | 10/16/1998 |
| Docket/Case Number: | C9B80003 |
| Principal Product Type: | Annuity(ies) - Variable |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Censure |
| Other Sanction(s)/Relief Sought: | |
| Resolution: | Acceptance, Waiver & Consent(AWC) |
| Resolution Date: | 12/21/1998 |
| Sanctions Ordered: | Censure Monetary/Fine \$20,000.00 |
| Other Sanctions Ordered: | |
| Sanction Details: | LETTER OF ACCEPTANCE, WAIVER & CONSENT SIGNED, AGREEING TO CENSURE AND \$20,000 FINE. |

Disclosure 9 of 10

| | |
|--------------------------|---|
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | (NASD RULE 2110 AND MEMBERSHIP AND REGISTRATION RULE 1120 - RESPONDENT MEMBER PERMITTED ONE REGISTERED REPRESENTATIVE TO CONDUCT A SECURITIES BUSINESS AND TO ACT IN A REGISTERED CAPACITY WHILE INACTIVE DUE TO FAILURE TO SATISFY THE REGULATORY ELEMENT OF THE CONTINUING EDUCATION REQUIREMENTS). |



Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 01/19/1999

Docket/Case Number: C04980076

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: 01/19/1999

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 \$2,500.00

Other Sanctions Ordered:

Sanction Details: ON JANUARY 19, 1999, DISTRICT NO. 4 NOTIFIED RESPONDENT ASCEND FINANCIAL SERVICES, INC. THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C04980076 WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED \$2,500 -

Reporting Source: Firm

Current Status: Final

Allegations: PERMITTED A REGISTERED REPRESENTATIVE TO ACT IN A REGISTERED CAPACITY WHILE INACTIVE DUE TO FAILURE TO SATISFY THE REGULATORY ELEMENT OF THE NASD CONTINUING EDUCATION REQUIREMENT.

Initiated By: NASD REGULATION, INC.

Date Initiated: 12/09/1998

Docket/Case Number: C04980076



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: 01/18/1999

Sanctions Ordered: Censure
Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details: LETTER OF ACCEPTANCE, WAIVER AND CONSENT SIGNED, AGREEING TO CENSURE AND \$2,500 FINE.

Disclosure 10 of 10

Reporting Source: Regulator

Current Status: Final

Allegations: VIOLATIONS OF SECTIONS 305(a)(vii) AND (ix) AND 304(a) OF THE PENNSYLVANIA SECURITIES ACT OF 1972.

Initiated By: PENNSYLVANIA SECURITIES COMMISSION

Date Initiated: 01/29/1994

Docket/Case Number: 9401-01LC

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 10/05/1994

Sanctions Ordered: Monetary/Fine \$50,000.00

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

ORDER TO SHOW CAUSE ISSUED TO RESPONDENT.

Regulator Statement

THE ORDER TO SHOW CAUSE, ISSUED TO MIMLIC SALES CORPORATION, BARDEA HUPPERT, TOM CLARK, KAREN GUTHRIE AND THOMAS IMLER, ALLEGES THAT MIMLIC FAILED TO DESIGNATE A PENNSYLVANIA LOCATION AS A BRANCH OFFICE AND OSJ; RESPONDENTS FAILED TO SUPERVISE THEIR AGENTS; THOMAS IMLER WAS NOT QUALIFIED TO SUPERVISE A BRANCH OFFICE AND FAILED TO SUPERVISE; RESPONDENTS FAILED TO CONDUCT PERIODIC INSPECTIONS OF A BRANCH OFFICE; AND FAILED TO MAINTAIN CERTAIN BOOKS AND RECORDS.

Reporting Source:

Firm

Current Status:

Final

Allegations:

FAILURE TO SUPERVISE ADEQUATELY AND MAINTAIN REQUIRED RECORDS IN CONNECTION WITH FULLY-DISCLOSED GENERAL SECURITIES BUSINESS. NO ACTUAL OR ALLEGED DAMAGES OR CLAIMS.

Initiated By:

PENNSYLVANIA SECURITIES COMMISSION, COMMONWEALTH OF PENNSYLVANIA

Date Initiated:

01/29/1994

Docket/Case Number:

9401-01LC

Principal Product Type:

No Product

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

Other

Other Sanction(s)/Relief Sought:

ADMINISTRATIVE PROCEEDING - ORDER TO SHOW CAUSE

Resolution:

Decision & Order of Offer of Settlement

Resolution Date:

10/05/1994

Sanctions Ordered:

Monetary/Fine \$56,542.58

Other Sanctions Ordered:**Sanction Details:**

COMMISSION ACCEPTED OFFER OF SETTLEMENT, IN WHICH ALLEGATIONS ARE NEITHER ADMITTED NOR DENIED, AND ORDERED APPLICANT TO PAY ADMINISTRATIVE ASSESSMENT (\$50,000) AND COSTS (\$6,542.58) AND RETAIN CONSULTANT TO REVIEW SUPERVISORY OPERATIONS.



Firm Statement

ROUTINE FIELD EXAMINATION BY COMMISSION UNCOVERED SPECIFIC VIOLATIONS OF APPLICANT'S OWN RULES BY REGISTERED REPRESENTATIVE AND RAISED ISSUES REGARDING APPLICANT'S ORGANIZATIONAL STRUCTURE, WHICH ARE NEITHER ADMITTED NOR DENIED IN THE SETTLEMENT, ARE TO BE ADDRESSED BY A CONSULTANT AND RECOMMENDATIONS FOR IMPROVEMENT IMPLEMENTED.



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 3

| | |
|-------------------------------------|---|
| Reporting Source: | Regulator |
| Type of Event: | ARBITRATION |
| Allegations: | ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE |
| Arbitration Forum: | NASD |
| Case Initiated: | 04/04/2003 |
| Case Number: | 03-01854 |
| Disputed Product Type: | COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE |
| Sum of All Relief Requested: | \$140,000.00 |
| Disposition: | AWARD AGAINST PARTY |
| Disposition Date: | 05/20/2004 |
| Sum of All Relief Awarded: | \$15,522.20 |

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

Disclosure 2 of 3

| | |
|---------------------------|---|
| Reporting Source: | Regulator |
| Type of Event: | ARBITRATION |
| Allegations: | ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-OTHER |
| Arbitration Forum: | FINRA |
| Case Initiated: | 08/19/2010 |
| Case Number: | 10-03642 |



Disputed Product Type: OTHER TYPES OF SECURITIES
Sum of All Relief Requested: \$4,200,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/17/2011
Sum of All Relief Awarded: \$2,375,000.00

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

Disclosure 3 of 3

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 04/10/2014
Case Number: 14-01072
Disputed Product Type: OTHER TYPES OF SECURITIES
Sum of All Relief Requested: \$50,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/12/2015
Sum of All Relief Awarded: \$18,600.00

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



Civil Bond

This type of disclosure event involves a civil bond for the brokerage firm that has been denied, paid, or revoked by a bonding company.

Disclosure 1 of 10

| | |
|------------------------------|--|
| Reporting Source: | Firm |
| Policy Holder: | SECURIAN FINANCIAL SERVICES, INC. |
| Bonding Company Name: | FEDERAL INSURANCE COMPANY |
| Disposition: | Payout |
| Disposition Date: | 09/25/2008 |
| Payout Details: | ON JUNE 17, 2008 AND OCTOBER 15, 2008, RECOVERED A TOTAL OF \$413,257.85 FROM BONDING COMPANY. |
| Firm Statement | FORMER REGISTERED REPRESENTATIVE, FRED L. MAY MISAPPROPRIATED FUNDS FROM A TRUST ACCOUNT FOR WHICH HE ACTED AS INVESTMENT ADVISOR REPRESENTATIVE. MAY TRANSFERRED APPROXIMATELY \$473,000 IN FUNDS TO A BANK ACCOUNT UNDER HIS CONTROL BY FORGING THE CUSTOMER'S SIGNATURE ON TRANSFER REQUESTS WITHOUT THE CUSTOMER PROVIDING MAY AUTHORITY TO SIGN THEIR NAME OR EFFECT THE TRANSFERS. |

Disclosure 2 of 10

| | |
|------------------------------|--|
| Reporting Source: | Firm |
| Policy Holder: | SECURIAN FINANCIAL SERVICES, INC. |
| Bonding Company Name: | CONTINENTAL CASUALTY COMPANY |
| Disposition: | Payout |
| Disposition Date: | 12/15/2003 |
| Payout Details: | ON DECEMBER 15, 2003, RECEIVED PAYOUT OF \$1,472,944.98 |
| Firm Statement | CONVERSION OF CUSTOMER FUNDS INVOLVING NON-REGISTERED INVESTMENTS BY A FORMER REGISTERED REPRESENTATIVE. |

Disclosure 3 of 10

| | |
|------------------------------|---------------------------------|
| Reporting Source: | Firm |
| Policy Holder: | ASCEND FINANCIAL SERVICES, INC. |
| Bonding Company Name: | WAUSAU INSURANCE COMPANY |



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|--------------------------|---|
| Disposition: | Denied |
| Disposition Date: | 08/01/2000 |
| Firm Statement | FORMER REPRESENTATIVE, BLAINE TARNECKI, MISAPPROPRIATED CLIENT FUNDS THROUGH THE USE OF UNAPPROVED INVESTMENT VEHICLES. THE AMOUNT OF THE MISUSE WAS APPROXIMATELY \$242,000. THE CLAIM WAS DENIED AS IT DID NOT EXCEED THE DEDUCTIBLE LIMIT ON ONE OF OUR BONDS AND THE AGGREGATE PAYOUT ON THE OTHER BOND HAD ALREADY BEEN SATISFIED. (LOSS WAS DISCOVERED IN 1998) |

Disclosure 4 of 10

| | |
|------------------------------|--|
| Reporting Source: | Firm |
| Policy Holder: | ASCEND FINANCIAL SERVICES, INC. |
| Bonding Company Name: | WAUSAU INSURANCE COMPANY |
| Disposition: | Denied |
| Disposition Date: | 08/01/2000 |
| Firm Statement | FORMER REPRESENTATIVE, GREG BELOAT, MISAPPROPRIATED CLIENT FUNDS THROUGH POLICY LOAN AND ADDRESS MANIPULATION. THE AMOUNT OF THE MISUSE WAS APPROXIMATELY \$100,000. THE CLAIM WAS DENIED AS IT DID NOT EXCEED THE DEDUCTIBLE LIMIT ON ONE OF OUR BONDS AND THE AGGREGATE PAYOUT ON THE OTHER BOND HAD ALREADY BEEN SATISFIED. (LOSS WAS DISCOVERED IN 1998) |

Disclosure 5 of 10

| | |
|------------------------------|---|
| Reporting Source: | Firm |
| Policy Holder: | ASCEND FINANCIAL SERVICES, INC. |
| Bonding Company Name: | WAUSAU INSURANCE COMPANY |
| Disposition: | Payout |
| Disposition Date: | 08/09/2000 |
| Payout Details: | RECOVERED \$1,260,000 UNDER TWO BONDS; \$260,000 AND \$1,000,000, RESPECTFULLY ON 08/09/2000. |
| Firm Statement | FORMER REPRESENTATIVE, C. DOUGLAS GULLEY, MANIPULATED CLIENT ACCOUNTS AND MISAPPROPRIATED CLIENT FUNDS THROUGH UNAUTHORIZED BANK ACCOUNTS AND UNAPPROVED INVESTMENT VEHICLES. THE AMOUNT OF THE MISUSE WAS APPROXIMATELY \$2,168,000, PLUS THE FIRM PAID APPROXIMATELY \$1,5000,000 IN LOST |



EARNINGS TO REIMBURSE THE CLIENTS. (LOSS WAS DISCOVERED IN MARCH OF 1998.

Disclosure 6 of 10

| | |
|------------------------------|---|
| Reporting Source: | Firm |
| Policy Holder: | ASCEND FINANCIAL SERVICES, INC. |
| Bonding Company Name: | WAUSAU INSURANCE COMPANY |
| Disposition: | Denied |
| Disposition Date: | 06/28/2000 |
| Firm Statement | FORMER REPRESENTATIVE, DOUGLAS FOSTER, INVOLVED IN A SELLING AWAY SCAM THAT RESULTED IN A LOSS OF APPROXIMATELY \$850,000. (LOSS WAS DISCOVERED IN FEBRUARY 1998) |

Disclosure 7 of 10

| | |
|------------------------------|--|
| Reporting Source: | Firm |
| Policy Holder: | ASCEND FINANCIAL SERVICES, INC. |
| Bonding Company Name: | NATIONAL UNION AND WAUSAU |
| Disposition: | Payout |
| Disposition Date: | 09/22/1999 |
| Payout Details: | RECOVERED \$862,931 UNDER BONDS HELD JOINTLY WITH PARENT COMPANY (MINNESOTA LIFE) FROM TWO BONDING COMPANIES. |
| Firm Statement | MR. EISENBERG HAS BEEN ACCUSED OF MANIPULATING CLIENT ACCOUNTS AND MISAPPROPRIATING CLIENT FUNDS THROUGH UNAUTHORIZED BANK ACCOUNTS. |

Disclosure 8 of 10

| | |
|------------------------------|---|
| Reporting Source: | Firm |
| Policy Holder: | ASCEND FINANCIAL SERVICES, INC. |
| Bonding Company Name: | CHUBB |
| Disposition: | Payout |
| Disposition Date: | 03/13/1997 |
| Payout Details: | ON THE DATE LISTED ABOVE, WE SUBMITTED A CLAIM FOR OUR PORTION - \$56,000; RECEIVED \$31,500 AFTER \$25,000 DEDUCTIBLE. |



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| Firm Statement | CONVERSION OF CUSTOMER FUNDS INVOLVING NON-REGISTERED INVESTMENTS BY REGISTERED REPRESENTATIVE JOSEPH B. JOHNSON IN THE AMOUNT OF \$112,000 |
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Disclosure 9 of 10

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|------------------------------|---|
| Reporting Source: | Firm |
| Policy Holder: | ASCEND FINANCIAL SERVICES, INC. |
| Bonding Company Name: | WAUSAU AND CHUBB |
| Disposition: | Denied |
| Disposition Date: | 09/09/1997 |
| Firm Statement | CONVERSION OF FUNDS INVOLVING FIXED AND VARIABLE LIFE INSURANCE POLICES BY A REGISTERED REPRESENTATIVE, RICHARD BERLIN, IN THE AMOUNT OF APPROXIMATELY \$159,000. |

Disclosure 10 of 10

| | |
|------------------------------|--|
| Reporting Source: | Firm |
| Policy Holder: | ASCEND FINANCIAL SERVICES, INC. |
| Bonding Company Name: | SEABURY & SMITH, WAUSAU |
| Disposition: | Payout |
| Disposition Date: | 05/02/1997 |
| Payout Details: | RECOVERED \$195,283.65 ON 05/02/1997 FROM TWO BONDING COMPANIES. |
| Firm Statement | CONVERSION OF CUSTOMER FUNDS INVOLVING MUTUAL FUND ACCOUNTS BY A REGISTERED REPRESENTATIVE, TIMOTHY R. STRONG, IN THE AMOUNT OF \$214,000. |

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 | 1 | 0 |



Disclosure Event Details

Regulatory - Final

Disclosure 1 of 1

| | |
|---|---|
| Reporting Source: | Firm |
| Affiliate: | MINNESOTA LIFE INSURANCE COMPANY |
| Current Status: | Final |
| Allegations: | ALLEGED VIOLATION OF MISSISSIPPI SECURITIES ACT RULES AND NASD CONDUCT RULE IN FAILING TO REASONABLY SUPERVISE A FORMER AGENT, C. DOUGLAS GULLEY, JR. |
| Initiated By: | MISSISSIPPI SECRETARY OF STATE,BUSINESS REGULATION & ENFORCEMENT |
| Date Initiated: | 05/16/2001 |
| Docket/Case Number: | 99-068 |
| Principal Product Type: | No Product |
| Other Product Type(s): | FICTICIOUS POOLED ASSET TRUST |
| Principal Sanction(s)/Relief Sought: | Civil and Administrative Penalt(ies) /Fine(s) |
| Other Sanction(s)/Relief Sought: | AGREED TO PROVIDE SECRETARY OF STATE, WITHIN 30 DAYS, A LETTER DETAILING THE CHANGES SINCE MARCH 1998 IN MINNESOTA LIFE'S AND AFFILIATE, SECURIAN FINANCIAL SERVICES, COMPLIANCE PRACTICES DESIGNED TO DETECT AND PREVENT AGENT AND/OR REPRESENTATIVE FRAUD. |
| Resolution: | Stipulation and Consent |
| Resolution Date: | 05/16/2001 |
| Sanctions Ordered: | Monetary/Fine \$550,000.00 |
| Other Sanctions Ordered: | |
| Sanction Details: | MINNESOTA LIFE INSURANCE COMPANY PAID \$525,000 OF THIS FINE AS FOLLOWS: - \$25,000 OF A \$50,000 ADMINISTRATIVE PENALTY (BALANCE PAID BY CONTROL AFFILIATE, SECURIAN FINANCIAL SERVICES); - A CONTRIBUTION INTO THE SECURITIES ENFORCEMENT ACT & REGULATION OF CHARITABLE SOLICITATIONS ACT FUND OF \$350,000; - REIMBURSEMENT OF SECRETARY OF STATES' COSTS & EXPENSES IN AMOUNT OF \$100,000; |



- A REIMBURSEMENT OF LEGAL EXPENSES INCURRED BY THE SECRETARY OF STATE IN AMOUNT OF \$50,000. (SEE SEPARATE DRP FOR SECURIAN FINANCIAL SERVICES)

Firm Statement

THIS ACTION RESULTED FROM THE ACTIONS OF A FORMER AGENT, GULLEY, WHO FRAUDULENTLY MISAPPROPRIATED APPROXIMATELY \$2.9 MILLION (WITH INTEREST, \$3.5 MILLION WAS VOLUNTARILY REIMBURSED TO CLIENTS BY THE CONTROL AFFILIATES' SUBSIDIARY, SECURIAN FINANCIAL SERVICES). GULLEY WAS FOUND GUILTY BY THE MISSISSIPPI COURTS OF 7 COUNTS OF EMBEZZLEMENT AND IS CURRENTLY SERVING A 20 YEAR PRISON SENTENCE WITH 10 YEARS SUSPENDED.

End of Report



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