

BrokerCheck Report

BANC OF AMERICA INVESTMENT SERVICES, INC.

CRD# 16361

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

Please contact FINRA with any concerns.

About BrokerCheck®

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

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

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

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

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

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

- **How current is this information?**

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

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

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

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

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

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



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



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



BANC OF AMERICA INVESTMENT SERVICES, INC.

CRD# 16361

SEC# 8-33805

Main Office Location

100 FEDERAL ST
HEADQUARTERS
BOSTON, MA 02110

Mailing Address

101 S. TRYON STREET, 19TH FLOOR
NC1-002-19-44
CHARLOTTE, NC 28255

Business Telephone Number

980-387-6385

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 Florida on 06/14/1984.

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 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	53
Civil Event	1
Arbitration	68

The number of disclosures from non-registered control affiliates is 87



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:	10/23/2009
Does this brokerage firm owe any money or securities to any customer or brokerage firm?	Yes
Number of customers owed funds or securities:	2
Amount of money owed to customer:	\$0.00
Amount of money owed to brokerage firm:	\$0.00
Market value of securities owed to customer:	\$18,758.58
Market value of securities owed to brokerage firm:	\$0.00
Payment arrangement:	WILL TRANSFER SECURITIES TO CUSTOMER ACCOUNT AT NFS



Firm Profile

This firm is classified as a corporation.

This firm was formed in Florida on 06/14/1984.

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.

BANC OF AMERICA INVESTMENT SERVICES, INC.

Doing business as BANC OF AMERICA INVESTMENT SERVICES, INC.

CRD# 16361

SEC# 8-33805

Main Office Location

100 FEDERAL ST
HEADQUARTERS
BOSTON, MA 02110

Mailing Address

101 S. TRYON STREET, 19TH FLOOR
NC1-002-19-44
CHARLOTTE, NC 28255

Business Telephone Number

980-387-6385



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): MERRILL LYNCH & CO., INC.

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

Position SHAREHOLDER

Position Start Date 09/2009

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): BENSON, MARK JARRETT

1915552

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

Position PRESIDENT/CEO/DIRECTOR/CHAIRMAN

Position Start Date 03/2009

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): CALL, JOHN SCOTT

2815968

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

Position SVP/CHIEF COMPLIANCE OFFICER/DIRECTOR OF COMPLIANCE

Position Start Date 03/2009

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

Legal Name & CRD# (if any): NEWTH, RONALD JOSEPH
1454390

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

Position CHIEF OPERATING OFFICER/DIRECTOR

Position Start Date 11/2008

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): OSAKI, ISAAC
4910551

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

Position CHIEF LEGAL OFFICER

Position Start Date 02/2009

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): ROMANO, JOHN GARY

Firm Profile



Direct Owners and Executive Officers (continued)

	5078610
Is this a domestic or foreign entity or an individual?	Individual
Position	CFO/DIRECTOR
Position Start Date	03/2009
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):	BANK OF AMERICA CORPORATION
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	MERRILL LYNCH & CO., INC.
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	01/2009
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	Yes

Firm History

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

No information reported.



Firm Operations

Registrations

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

This firm is no longer registered.

The firm's registration was from 12/23/1985 to 01/04/2010.





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 20 types of businesses.

Types of Business

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
Solicitor of time deposits in a financial institution
Put and call broker or dealer or option writer
Broker or dealer selling securities of only one issuer or associate issuers (other than mutual funds)
Broker or dealer selling securities of non-profit organizations (e.g., churches, hospitals)
Investment advisory services
Non-exchange member arranging for transactions in listed securities by exchange member
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
Broker or dealer involved in a networking, kiosk or similar arrangement with a: insurance company or agency
Other - 12.Z. BANC OF AMERICA INVESTMENT SERVICES, INC. ("BAI") IS A FULL SERVICE BROKERAGE FIRM THAT ENGAGES IN OTHER SECURITIES AND NON-SECURITIES TRANSACTIONS THAT ARE NOT OTHERWISE LISTED ON ITEM 12., INCLUDING: BANKER'S ACCEPTANCES, COMMERCIAL PAPER, OTHER SHORT TERM INSTRUMENTS, EXEMPT SECURITIES, INsofar AS THESE INSTRUMENTS ARE DEEMED SECURITIES, AND PRECIOUS METALS. ADDITIONALLY, BAI OFFERS A WIDE RANGE OF FIXED ANNUITY PRODUCTS. BAI ALSO OFFERS FINANCIAL PLANNING 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: 13.B. BANC OF AMERICA INVESTMENT SERVICES, INC. ("BAI") IS A FULL SERVICE BROKERAGE FIRM THAT ENGAGES IN OTHER SECURITIES AND NON-SECURITIES TRANSACTIONS THAT ARE NOT OTHERWISE LISTED ON ITEM 12., INCLUDING: BANKER'S ACCEPTANCES, COMMERCIAL PAPER, OTHER SHORT TERM INSTRUMENTS, EXEMPT SECURITIES, INsofar AS THESE INSTRUMENTS ARE DEEMED SECURITIES, AND PRECIOUS METALS. ADDITIONALLY, BAI OFFERS A WIDE RANGE OF FIXED ANNUITY PRODUCTS. BAI ALSO OFFERS FINANCIAL PLANNING SERVICES.



Firm Operations

Clearing Arrangements

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

Introducing Arrangements

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

Name:	COLUMBIA MANAGEMENT DISTRIBUTORS, INC.
CRD #:	30683
Business Address:	ONE FINANCIAL CENTER BOSTON, MA 02111
Effective Date:	10/24/2005
Description:	BANC OF AMERICA INVESTMENT SERVICES, INC. MAY INTRODUCE OR REFER CUSTOMERS TO DIRECT OR INDIRECT SUBSIDIARIES OF BANK OF AMERICA CORPORATION, THE INDIRECT OWNER OF BANC OF AMERICA INVESTMENT SERVICES, INC., THAT ARE BROKERS OR DEALERS.

Name:	BANC OF AMERICA SECURITIES LLC
CRD #:	26091
Business Address:	9 WEST 57TH STREET NEW YORK, NY 10019
Effective Date:	01/01/1998
Description:	BANC OF AMERICA INVESTMENT SERVICES, INC. MAY INTRODUCE OR REFER CUSTOMERS TO DIRECT OR INDIRECT SUBSIDIARIES OF BANK OF AMERICA CORPORATION, THE INDIRECT OWNER OF BANC OF AMERICA INVESTMENT SERVICES, INC., THAT ARE BROKERS OR DEALERS.

Firm Operations

Industry Arrangements



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

Name: NATIONAL FINANCIAL SERVICES LLC

CRD #: 13041

Business Address: 82 DEVONSHIRE STREET, L4C
BOSTON, MA 02109

Effective Date: 01/01/1997

Description: BANC OF AMERICA INVESTMENT SERVICES, INC. ("BAI") OPERATES BOTH DISCOUNT & FULL SERVICE BROKERAGE DIVISIONS. THE DISCOUNT BROKERAGE DIVISION OPERATES AS THE INTRODUCING BROKER & CLEARS TRANSACTIONS ON A FULLY-DISCLOSED BASIS THROUGH NATIONAL FINANCIAL SERVICES, LLC ("NFS"). NFS IS RESPONSIBLE FOR CUSTOMER ACCOUNTS SO INTRODUCED & FOR MAINTAINING THOSE CUSTOMERS RECORDS & SECURITIES POSITIONS. THE FULL SERVICE BROKERAGE DIVISION ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH NFS IN 1998.

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

Name: NATIONAL FINANCIAL SERVICES LLC

CRD #: 13041

Business Address: 82 DEVONSHIRE STREET, L4C
BOSTON, MA 02109

Effective Date: 01/10/1997

Description: BANC OF AMERICA INVESTMENT SERVICES, INC. OPERATES BOTH DISCOUNT & FULL SERVICE BROKERAGE DIVISIONS. THE DISCOUNT BROKERAGE DIVISION OPERATES AS THE INTRODUCING BROKER & CLEARS TRANSACTIONS ON A FULLY-DISCLOSED BASIS THROUGH NATIONAL FINANCIAL SERVICES, LLC ("NFS"). NFS IS RESPONSIBLE FOR CUSTOMER ACCOUNTS SO INTRODUCED & FOR MAINTAINING THOSE CUSTOMERS RECORDS & SECURITIES POSITIONS. THE FULL SERVICE BROKERAGE DIVISION ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH NFS IN 1998.

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

Name: NATIONAL FINANCIAL SERVICES LLC

CRD #: 13041

Business Address: 82 DEVONSHIRE STREET, L4C

Firm Operations



Industry Arrangements (continued)

BOSTON, MA 02109

Effective Date:

01/01/1997

Description:

BANC OF AMERICA INVESTMENT SERVICES, INC. OPERATES BOTH DISCOUNT & FULL SERVICE BROKERAGE DIVISIONS. THE DISCOUNT BROKERAGE DIVISION OPERATES AS THE INTRODUCING BROKER & CLEARS TRANSACTIONS ON A FULLY-DISCLOSED BASIS THROUGH NATIONAL FINANCIAL SERVICES, LLC ("NFS"). NFS IS RESPONSIBLE FOR CUSTOMER ACCOUNTS SO INTRODUCED & FOR MAINTAINING THOSE CUSTOMERS RECORDS & SECURITIES POSITIONS. THE FULL SERVICE BROKERAGE DIVISION ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH NFS IN 1998.

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.**

MERRILL LYNCH PRINCIPAL FINANCE LLC is under common control with the firm.

Business Address:	4 WORLD FINANCIAL CENTER 11TH FLOOR NEW YORK, NY 10080
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY-OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

250 CAPITAL LLC is under common control with the firm.

Business Address:	4 WORLD FINANCIAL CENTER 11TH FLOOR NEW YORK, NY 10080
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY-OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

Firm Operations



Organization Affiliates (continued)

WINSLOW CAPITAL MANAGEMENT INC is under common control with the firm.

CRD #:	106940
Business Address:	4720 IDS TOWER 80 S. 8TH ST. MINNEAPOLIS, MN 55402
Effective Date:	12/03/2008
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS DAY-TO-DAY ACTIVITIES.

TRADEWINDS GLOBAL INVESTORS, LLC is under common control with the firm.

CRD #:	138476
Business Address:	2049 CENTURY PARK EAST, 18TH FLOOR LOS ANGELES, CA 90067-3120
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS DAY-TO-DAY ACTIVITIES.

SYMPHONY ASSET MANAGEMENT, LLC is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: 555 CALIFORNIA STREET, SUITE 2975
SAN FRANCISCO, CA 94104

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS DAY-TO-DAY ACTIVITIES.

SANTA BARBARA ASSET MANAGEMENT, LLC is under common control with the firm.

CRD #: 138123

Business Address: 200 EAST CARRILLO STREET, SUITE 300
SANTA BARBARA, CA 93101

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS DAY-TO-DAY ACTIVITIES.

RICHARDS & TIERNEY INC is under common control with the firm.

CRD #: 105636

Business Address: 111 W. JACKSON BOULEVARD, SUITE 1411
CHICAGO, IL 60604

Effective Date: 01/01/2009

Firm Operations



Organization Affiliates (continued)

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS DAY-TO-DAY ACTIVITIES.

NWQ INVESTMENT MANAGEMENT COMPANY, LLC is under common control with the firm.

CRD #: 121876

Business Address: 2049 CENTURY PARK EAST, 4TH FLOOR
LOS ANGELES, CA 90067

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS DAY-TO-DAY ACTIVITIES.

NUVEEN INVESTMENTS INSTITUTIONAL SERVICES GROUP LLC is under common control with the firm.

CRD #: 127218

Business Address: 2049 CENTURY PARK EAST, 4TH FLOOR
LOS ANGELES, CA 90067

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Firm Operations



Organization Affiliates (continued)

Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS DAY-TO-DAY ACTIVITIES.

NUVEEN INVESTMENTS HOLDINGS, INC. is under common control with the firm.

Business Address:	333 WEST WACKER DRIVE CHICAGO, IL 60606-1286
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS DAY-TO-DAY ACTIVITIES.

NUVEEN INVESTMENTS CANADA CO. is under common control with the firm.

Business Address:	161 BAY STREET, 27TH FLOOR, P.O. BOX 508 TD CANADA TRUST TOWER, BCE PLACE TORONTO, CANADA M5J 2S1
Effective Date:	01/01/2009
Foreign Entity:	Yes
Country:	CANADA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF

Firm Operations



Organization Affiliates (continued)

APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS DAY-TO-DAY ACTIVITIES.

NUVEEN INVESTMENTS ADVISERS INC. is under common control with the firm.

CRD #: 123122

Business Address: 333 WEST WACKER DRIVE
CHICAGO, IL 60606-1286

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS DAY-TO-DAY ACTIVITIES.

NUVEEN HYDEPARK GROUP, LLC is under common control with the firm.

CRD #: 113078

Business Address: 111 WEST JACKSON BOULEVARD, SUITE 1411
CHICAGO, IL 60604

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS

Firm Operations



Organization Affiliates (continued)

DAY-TO-DAY ACTIVITIES.

NUVEEN ASSET MANAGEMENT is under common control with the firm.

CRD #:	104626
Business Address:	333 WEST WACKER DRIVE CHICAGO, IL 60606-1286
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS DAY-TO-DAY ACTIVITIES.

NUVEEN ASIA INVESTMENTS, INC. is under common control with the firm.

Business Address:	333 WACKER DRIVE CHICAGO, IL 60606
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	No
Description:	BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS DAY-TO-DAY ACTIVITIES.

OOO MERRILL LYNCH SECURITIES is under common control with the firm.

Business Address:	ZNAMENKA ST. 7 BLD. 3
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Firm Operations



Organization Affiliates (continued)

MOSCOW, RUSSIA 119019

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: RUSSIA

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY-OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH, PIERCE, FENNER & SMITH SAS is under common control with the firm.

Business Address: 112 AVENUE KLEBER
PARIS, FRANCE 75116

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: FRANCE

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY-OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH, PIERCE, FENNER & SMITH DE ARGENTINA SOCIEDAD ANONIMA, FINANCIERA, MOBILIARIA Y DE MANDATOS is under common control with the firm.

Business Address: BOUCHARD 547
1106
BUENOS AIRES, ARGENTINA

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: ARGENTINA

Securities Activities: Yes

Investment Advisory Activities: No

Firm Operations



Organization Affiliates (continued)

Description: WHOLLY/MAJORITY-OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH YATRIM BANK A.S. is under common control with the firm.

Business Address: KANYON OFFICE BLOCK, 11TH FLOOR
BUYUKDEERE ST.
LEVENT, ISTANBUL, TURKEY 34394

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: TURKEY

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH VALORES S.A. SOCIEDAD DE BOLSA is under common control with the firm.

Business Address: TORRE BOUCHARD, BOUCHARD 547
BUENOS AIRES, ARGENTINA 1106

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: ARGENTINA

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH CORRETORA DE TITUTOS E VALORES MOBILIARIOS is under common control with the firm.

Business Address: AV. BRIGADEIRO FARIA LIMA, 3400, 16TH FLOOR
SAO PAULO-SP, CEP, BRAZILE 04538-132

Effective Date: 01/01/2009

Foreign Entity: Yes

Firm Operations



Organization Affiliates (continued)

Country:	BRAZIL
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH PORTFOLIO MANAGERS LIMITED is under common control with the firm.

Business Address:	MERRILL LYNCH FINANCIAL CENTRE, 2 KING EDWARD ST. LONDON, ENGLAND, UNITED KINGDOM EC1A 1HQ`
Effective Date:	01/01/2009
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH PORTFOLIO MANAGERS (CHANNEL ISLANDS) LIMITED is under common control with the firm.

Business Address:	FORUM HOUSE, GRENVILLE STREET ST. HEILIER, JERSEY JE4 8RL
Effective Date:	01/01/2009
Foreign Entity:	Yes
Country:	JERSEY
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH MONEY MARKETS INC. is under common control with the firm.

Business Address:	4 WORLD FINANCIAL CENTER
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Firm Operations



Organization Affiliates (continued)

NEW YORK, NY 10080

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH MENKUL DEGERLER A.S. is under common control with the firm.

Business Address: KANYON OFFICE BLOCK, 11TH FLOOR
BUYUKDEERE ST.
LEVENT, ISTANBUL 34394

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: TURKEY

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH ISRAEL LTD. is under common control with the firm.

Business Address: 1 AZRIELI CENER
ROUND TOWER
TEL AVIV, ISRAEL 67021

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: ISRAEL

Securities Activities: Yes

Investment Advisory Activities: No

Firm Operations



Organization Affiliates (continued)

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH INVEST SAS is under common control with the firm.

Business Address: 112 AVENUE KLEBER
PARIS, FRANCE 75116

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: FRANCE

Securities Activities: No

Investment Advisory Activities: Yes

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH INTERNATIONAL INCORPORATED is under common control with the firm.

Business Address: C/O THE CORPORATION TRUST COMPANY
CORPORATION TRUST CENTER, 1209 ORANGE STREET
WILMINGTON, DE 19801

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH AUSTRALIA PTY LTD. is under common control with the firm.

Business Address: GOVERNOR PHILLIP TOWER, LEVEL 38
1 FARRER PLACE
SYDNEY, NSW, AUSTRALIA 2000

Effective Date: 01/01/2009

Foreign Entity: Yes

Firm Operations



Organization Affiliates (continued)

Country:	AUSTRALIA
Securities Activities:	No
Investment Advisory Activities:	No
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH & CO., INC. is under common control with the firm.

Business Address:	4 WORLD FINANCIAL CENTER NEW YORK, NY 10080
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	No
Description:	WHOLLY/MAJORITY OWNED SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

STERLING STAMOS CAPITAL MANAGEMENT, L.P. is under common control with the firm.

CRD #:	134660
Business Address:	450 PARK AVENUE, 29TH FLOOR NEW YORK, NY 10022
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS DAY-TO-DAY ACTIVITIES.

Firm Operations



Organization Affiliates (continued)

DIMAIO AHMAD CAPITAL LLC is under common control with the firm.

CRD #:	138023
Business Address:	277 PARK AVENUE, 48TH FLOOR NEW YORK, NY 10172
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER THIS ENTITY AND ITS DAY-TO-DAY ACTIVITIES.

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED is under common control with the firm.

CRD #:	7691
Business Address:	ONE BRYANT PARK NEW YORK, NY 10036
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH (AUSTRALIA) FUTURES LIMITED is under common control with the firm.

Business Address:	LEVEL 38, GOVERNOR PHILLIP TOWER, 1 FARRER PLACE SYDNEY, AUSTRALIA 2000
Effective Date:	01/01/2009

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	Yes
Country:	AUSTRALIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH EQUITIES (AUSTRALIA) LIMITED is under common control with the firm.

Business Address:	LEVEL 38, GOVERNOR PHILLIP TOWER, 1 FARRER PLACE SYDNEY, AUSTRALIA 2000
Effective Date:	01/01/2009
Foreign Entity:	Yes
Country:	AUSTRALIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH FUTURES ASIA LIMITED is under common control with the firm.

Business Address:	17F, NO. 207, TUN HWA SOUTH RD., SECTION 2 TAIPEI 106, TAIWAN, REPUBLIC OF CHINA
Effective Date:	01/01/2009
Foreign Entity:	Yes
Country:	REPUBLIC OF CHINA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH (SINGAPORE) PTE LTD. is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: TEMASEK AVE., #28-01 MILLENIA TOWER
SINGAPORE, SINGAPORE 039192

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: SINGAPORE

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

DSP MERRILL LYNCH SECURITIES TRADING LIMITED is under common control with the firm.

Business Address: MAFATLAL CENTRE, 10TH FLOOR, NARIMAN POINT
MUMBAI, INDIA 400021

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: INDIA

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH FUTURES (HONG KONG) LIMITED is under common control with the firm.

Business Address: CITIBANK TOWER, 15TH FLOOR, 3 GARDEN RD.
CENTRAL HONG KONG, HONG KONG

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA

Firm Operations



Organization Affiliates (continued)

CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH SECURITIES (TAIWAN) LTD. is under common control with the firm.

Business Address: 9F, 17F, 18F, 23F, 207, TUN HWA SOUTH ROAD
SECTION 2
TAIPEI, TAIWAN, R.O.C.

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: TAIWAN

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH CORREDORES DE BOLSA S.A. is under common control with the firm.

Business Address: AV. APOCQUINDO 3500
PISO 9
SANTIAGO, CHILE

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: CHILE

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

NUVEEN INVESTMENTS, LLC is under common control with the firm.

CRD #: 469

Business Address: 800 SCUDDERS MILL ROAD
PLAINSBORO, NJ 08536

Effective Date: 01/01/2009

Foreign Entity: No

Firm Operations



Organization Affiliates (continued)

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: THE ULTIMATE PARENT COMPANY OF THE REGISTRANT, BANK OF AMERICA CORPORATION, HAS AN UNCONSOLIDATED INVESTMENT IN WINDY CITY INVESTMENTS HOLDINGS, LLC ("WINDY CITY"), THE INDIRECT OWNER OF NUVEEN INVESTMENTS, LLC, WHICH ENTITLES MERRILL TO AN APPROXIMATELY 32% SHARE IN THE PROFITS & LOSSES OF WINDY CITY & 20% OF THE VOTING POWER IN THE ELECTION OF THE MANAGERS OF WINDY CITY.

FIRST REPUBLIC WEALTH ADVISORS, LLC is under common control with the firm.

CRD #: 132035

Business Address: 111 PINE STREET
SAN FRANCISCO, CA 94111

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: WHOLLY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

FIRST REPUBLIC INVESTMENT MANAGEMENT, INC. is under common control with the firm.

CRD #: 108559

Business Address: 111 PINE STREET
SAN FRANCISCO, CA 94111

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: No

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: Yes

Description: WHOLLY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

FIRST REPUBLIC SECURITIES COMPANY, LLC is under common control with the firm.

CRD #: 105108

Business Address: 111 PINE STREET
7TH FLOOR
SAN FRANCISCO, CA 94111

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MANAGED ACCOUNT ADVISORS LLC is under common control with the firm.

CRD #: 142558

Business Address: 101 HUDSON STREET, 7TH FL
JERSEY CITY, NJ 07302

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

ROSZEL ADVISORS, LLC is under common control with the firm.

CRD #: 120680

Firm Operations



Organization Affiliates (continued)

Business Address: 1700 MERRILL LYNCH DRIVE
PENNINGTON, NJ 08534

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

IQ INVESTMENT ADVISORS LLC is under common control with the firm.

CRD #: 131526

Business Address: 4 WORLD FINANCIAL CENTER
5TH FLOOR
NEW YORK, NY 10080

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH FINANCIAL MARKETS, INC. is under common control with the firm.

CRD #: 131322

Business Address: 4 WORLD FINANCIAL CENTER
NEW YORK, NY 10080

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities:	No
Description:	THE ULTIMATE PARENT COMPANY OF THIS AFFILIATE, BANK OF AMERICA CORPORATION, IS THE ULTIMATE PARENT COMPANY OF THE REGISTRANT.

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

CRD #:	14007
Business Address:	715 PEACHTREE STREET NE, 10TH FLOOR ATLANTA, GA 30308
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	THE ULTIMATE PARENT COMPANY OF THIS AFFILIATE, BANK OF AMERICA CORPORATION, IS THE ULTIMATE PARENT COMPANY OF THE REGISTRANT.

DSP MERRILL LYNCH LIMITED is under common control with the firm.

Business Address:	MAFATLAL CENTRE, 10TH FLOOR NARIMAN POINT MUMBAI, INDIA 400021
Effective Date:	01/01/2009
Foreign Entity:	Yes
Country:	INDIA
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY OWNED DIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH CHILE S.A. is under common control with the firm.

Business Address:	SANCHEZ FONTECILLA 310 10TH FLOOR LOS CONDES SANTIAGO, CHILE
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Firm Operations



Organization Affiliates (continued)

Effective Date: 01/01/2009
Foreign Entity: Yes
Country: CHILE
Securities Activities: Yes
Investment Advisory Activities: No
Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

THEMUNICENTER.COM is under common control with the firm.

CRD #: 104507
Business Address: 540 MADISON AVENUE, 4TH FLOOR
NEW YORK, NY 10022
Effective Date: 01/01/2009
Foreign Entity: No
Country:
Securities Activities: Yes
Investment Advisory Activities: No
Description: MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (AN AFFILIATE OF APPLICANT) IS A MEMBER OF THE MUNICENTER AND HAS AGREED WITH OTHER UNAFFILIATED MEMBERS TO "JOINTLY OWN AND OPERATE THE MUNICENTER?IN ACCORDANCE WITH THE TERMS OF THE (MUNICENTER) AGREEMENT."

MERRILL LYNCH GLOBAL PRIVATE EQUITY, INC. is under common control with the firm.

Business Address: 2 WORLD FINANCIAL CENTER, 38 FL.
NEW YORK, NY 10281-6138
Effective Date: 01/01/2009
Foreign Entity: No
Country:
Securities Activities: No

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: Yes

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH FAR EAST LIMITED is under common control with the firm.

Business Address: 3 GARDEN ROAD
HONG KONG, HONG KONG

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH CAPITAL MARKETS ESPANA S.A., S.V. is under common control with the firm.

Business Address: TORRE PICASSO 39-40
PLAZA PABLO RUIZ PICASSO S/N
MADRID, SPAIN 28020

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: SPAIN

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

PT MERRILL LYNCH INDONESIA is under common control with the firm.

Business Address: JAKARTA STOCK EXCHANGE BUILDING; J1
JENDRAL SUDIRMAN KAV 52-53
JAKARTA, INDONESIA 12190

Effective Date: 01/01/2009

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	Yes
Country:	INDONESIA
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH SOUTH AFRICA (PROPRIETARY) LIMITED is under common control with the firm.

Business Address:	27 DIAGONAL ST. JOHANNESBURG, SOUTH AFRICA
Effective Date:	01/01/2009
Foreign Entity:	Yes
Country:	SOUTH AFRICA
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH (LUXEMBOURG) S.A.R.L. is under common control with the firm.

Business Address:	68/70 BLVD DE LA PETRUSSE GRAND DUCHY, LUXEMBOURG L2320
Effective Date:	01/01/2009
Foreign Entity:	Yes
Country:	LUXEMBOURG
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH MEXICO, S.A. DE C.V., CASA DE BOLSA is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: PASEO DE LA REFORMA 115, PISO 19
LOMAS DE CHAPULTEPEC
MEXICO, D.F., MEXICO 11000

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: MEXICO

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH INTERNATIONAL & CO. C.V. is under common control with the firm.

Business Address: KAYA WFG (JOMBI)
MENSING 36
CURACAO, NETHERLANDS ANTILLES

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: NETHERLANDS ANTILLES

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH INTERNATIONAL BANK LIMITED is under common control with the firm.

Business Address: TREASURY BLDG.
LOWER GRAND CANAL ST.
DUBLIN 2, IRELAND

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: IRELAND

Securities Activities: Yes

Investment Advisory No

Firm Operations



Organization Affiliates (continued)

Activities:

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH CAPITAL MARKETS AG is under common control with the firm.

Business Address: STAUFFACHERSTRASSE 5
ZURICH, SWITZERLAND CH-8004

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: SWITZERLAND

Securities Activities: Yes

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH (ASIA PACIFIC) LIMITED is under common control with the firm.

Business Address: ST. GEORGE'S BUILDING
2 ICE HOUSE ST.
CENTRAL HONG KONG, CHINA

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH ARGENTINA S.A. is under common control with the firm.

Business Address: BOUCHARD 547 PISO 23
(1106) CAPITAL FEDERAL
BUENOS AIRES, ARGENTINA 11106

Effective Date: 01/01/2009

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	Yes
Country:	ARGENTINA
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH ALTERNATIVE INVESTMENTS LLC is under common control with the firm.

CRD #:	105067
Business Address:	4 WORLD FINANCIAL CENTER 250 VESEY STREET, 6TH FLOOR NEW YORK, NY 10080
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

KECALP INC. is under common control with the firm.

CRD #:	109787
Business Address:	225 LIBERTY STREET NEW YORK, NY 10281
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA

Firm Operations



Organization Affiliates (continued)

CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH, PIERCE, FENNER & SMITH (MIDDLE EAST) S.A.L. is under common control with the firm.

Business Address: STARCO BLDG, NORTH BLOC (2ND FL) P O BO 5316
BEIRUT, LEBANON 11-5316

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: LEBANON

Securities Activities: No

Investment Advisory Activities: Yes

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH, PIERCE, FENNER & SMITH LIMITED is under common control with the firm.

Business Address: 25 ROPEMAKER STREET
LONDON, ENGLAND EC2Y 9LY

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: ENGLAND

Securities Activities: No

Investment Advisory Activities: Yes

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH S.A.M. is under common control with the firm.

Business Address: LEPRINCE DEGALLES, 3/5 AVE
DES CITRONNIERS PB 163
MONTE CARLO, MONACO

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: MONACO

Securities Activities: Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH PROFESSIONAL CLEARING CORP. is controlled by the firm.

CRD #:	16139
Business Address:	101 HUDSON STREET, 7TH FLOOR JERSEY CITY, NJ 07302
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH JAPAN SECURITIES CO, LTD. is under common control with the firm.

Business Address:	OTEMACHI FIRST SQ., 1-5-1 OTEMACHI CHIYODA-KU, TOKYO 100-0004
Effective Date:	01/01/2009
Foreign Entity:	Yes
Country:	JAPAN
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH INTERNATIONAL (AUSTRALIA) LTD is under common control with the firm.

Business Address:	LEVEL 49 MLC CENTRE, 19-29 MARTIN PLACE SYDNEY, NEW SOUTH WALES 2000
Effective Date:	01/01/2009

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	Yes
Country:	AUSTRALIA
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH INTERNATIONAL is under common control with the firm.

Business Address:	25 ROPEMAKER STREET LONDON, ENGLAND EC2Y 9LY
Effective Date:	01/01/2009
Foreign Entity:	Yes
Country:	ENGLAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH GOVERNMENT SECURITIES INC. is under common control with the firm.

CRD #:	19693
Business Address:	ONE BRYANT PARK NEW YORK, NY 10036
Effective Date:	01/01/2009
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

Firm Operations



Organization Affiliates (continued)

MERRILL LYNCH ESPANOLA AGENCIA DA VALORES S.A. is under common control with the firm.

Business Address:	PASEO DE LA CASTELLANO 31-7-8 7 PLANTA MADRID, SPAIN 28046
Effective Date:	01/01/2009
Foreign Entity:	Yes
Country:	SPAIN
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH EQUITIES LIMITED is under common control with the firm.

Business Address:	25 ROPEMAKER PLACE LONDON, ENGLAND EC2Y9LY
Effective Date:	01/01/2009
Foreign Entity:	Yes
Country:	ENGLAND
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH CAPITAL MARKETS (FRANCE) SAS is under common control with the firm.

Business Address:	112, AVENUE KLEBER PARIS CEDEX, FRANCE 75761
Effective Date:	01/01/2009
Foreign Entity:	Yes
Country:	FRANCE
Securities Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: No

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH CANADA INC. is under common control with the firm.

Business Address: 181 BAY STREET, SUITE 400, BCE PLACE
TORONTO, ONTARIO M5J2V8

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: CANADA

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

MERRILL LYNCH BANK (SUISSE) S.A. is under common control with the firm.

Business Address: 7 RUE MUNIER ROMILLY
GENEVA, SWITZERLAND CH-1211

Effective Date: 01/01/2009

Foreign Entity: Yes

Country: SWITZERLAND

Securities Activities: No

Investment Advisory Activities: Yes

Description: WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

BERNDALE SECURITIES LIMITED is under common control with the firm.

Business Address: 42/120 COLLINS ST.
MELBOURNE, AUSTRALIA 3000

Effective Date: 01/01/2009

Foreign Entity: Yes

Firm Operations



Organization Affiliates (continued)

Country:	AUSTRALIA
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

BANCO MERRILL LYNCH DE INVESTIMNETOS S.A. is under common control with the firm.

Business Address:	AVENIDA PAULISTA 37 SAO PAULO, BRAZIL 01311-902
Effective Date:	01/01/2009
Foreign Entity:	Yes
Country:	BRAZIL
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	WHOLLY/MAJORITY OWNED INDIRECT SUBSIDIARY OF BANK OF AMERICA CORPORATION, APPLICANT'S PARENT COMPANY.

LFS CUSTODIAL SERVICES (IRELAND) LIMITED, LLC is under common control with the firm.

Business Address:	TWO PARK PLACE HATCH STREET DUBLIN 2, IRELAND
Effective Date:	01/01/2008
Foreign Entity:	Yes
Country:	IRELAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	LFS CUSTODIAL SERVICES (IRELAND) LIMITED IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT COMPANY.

CTC CONSULTING, LLC is under common control with the firm.

CRD #:	147053
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Firm Operations



Organization Affiliates (continued)

Business Address: 4380 SW MACADAM AVE.
SUITE 490
PORTLAND, OR 97239-6407

Effective Date: 04/01/2008

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: BANK OF AMERICA CORPORATION ("BAC"), ULTIMATE PARENT OF APPLICANT, HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY BUT DOES NOT HAVE VOTING RIGHTS OR CONTRACTUAL RIGHTS THAT BAC BELIEVES CONSTITUTE ACTUAL CONTROL OVER CTC AND ITS DAY-TO-DAY ACTIVITIES.

COLUMBIA MANAGEMENT PTE. LTD. is under common control with the firm.

Business Address: REPUBLIC PLAZA TOWER 1, SUITE #16-00
9 RAFFLES PLACE
SINGAPORE, SINGAPORE 048619

Effective Date: 05/28/2008

Foreign Entity: Yes

Country: SINGAPORE

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: COLUMBIA MANAGEMENT PTE. LTD. IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

U.S. TRUST HEDGE FUND MANAGEMENT, INC. is under common control with the firm.

CRD #: 109794

Business Address: 225 HIGH RIDGE ROAD
WEST BUILDING
STAMFORD, CT 06905

Effective Date: 07/01/2007

Foreign Entity: No

Firm Operations



Organization Affiliates (continued)

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: U.S. TRUST HEDGE FUND MANAGEMENT, INC. IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

BOSTON SECURITIES S.A. SOCIEDAD DE BOLSA is under common control with the firm.

Business Address: FLORIDA 681, 9TH FLOOR
OFFICE "72"
CITY OF BUENOS AIRES, ARGENTINA 00000

Effective Date: 04/01/2004

Foreign Entity: Yes

Country: ARGENTINA

Securities Activities: Yes

Investment Advisory Activities: No

Description: BOSTON SECURITIES S.A. SOCIEDAD DE BOLAS IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

BANC OF AMERICA SPECIALIST, INC. is under common control with the firm.

CRD #: 103971

Business Address: 14 WALL STREET, 21ST FLOOR
NEW YORK, NY 10005

Effective Date: 04/01/2004

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: BANC OF AMERICA SPECIALIST, INC. IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

Firm Operations



Organization Affiliates (continued)

COLUMBIA MANAGEMENT DISTRIBUTORS, INC. is under common control with the firm.

CRD #:	30683
Business Address:	ONE FINANCIAL CENTER BOSTON, MA 02111-2621
Effective Date:	08/22/2005
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	COLUMBIA MANAGEMENT DISTRIBUTORS, INC. (FORMERLY COLUMBIA FUNDS DISTRIBUTOR, INC.) IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF THE APPLICANT

COLUMBIA WANGER ASSET MANAGEMENT, L.P. is under common control with the firm.

CRD #:	111168
Business Address:	227 WEST MONROE STREET, SUITE 3590 CHICAGO, IL 60606
Effective Date:	04/01/2004
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	COLUMBIA WANGER ASSET MANAGEMENT LP IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF THE APPLICANT.

BANC OF AMERICA INVESTMENT ADVISORS, INC is under common control with the firm.

CRD #:	104713
Business Address:	ONE FINANCIAL CENTER BOSTON, MA 02111
Effective Date:	04/21/2005
Foreign Entity:	No

Firm Operations



Organization Affiliates (continued)

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: BANC OF AMERICA INVESTMENT ADVISORS, INC. (FORMERLY LIBERTY ASSET MANAGEMENT COMPANY) IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF THE APPLICANT.

BANC OF AMERICA CAPITAL MANAGEMENT (IRELAND), LIMITED is under common control with the firm.

Business Address: WILLIAM FRY, SOLICITORS OF FITZWILTON HOUSE
WILTON PLACE
DUBLIN 2, IRELAND 00000

Effective Date: 03/07/2000

Foreign Entity: Yes

Country: IRELAND

Securities Activities: No

Investment Advisory Activities: Yes

Description: BANC OF AMERICA CAPITAL MANAGEMENT (IRELAND), LIMITED IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

BA SECURITIES AUSTRALIA LIMITED is under common control with the firm.

Business Address: 19-29 MARTIN PLACE, 63RD FLOOR
SYDNEY NEW SOUTH WALES, 2000, AUSTRALIA 00000

Effective Date: 01/21/1995

Foreign Entity: Yes

Country: AUSTRALIA

Securities Activities: Yes

Investment Advisory Activities: No

Description: BA SECURITIES AUSTRALIA LIMITED IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

Firm Operations



Organization Affiliates (continued)

BANC OF AMERICA SECURITIES (INDIA) PRIVATE LIMITED is under common control with the firm.

Business Address:	EXPRESS TOWERS, NARIMAN POINT MUMBAI 400 021, INDIA 00000
Effective Date:	06/22/2001
Foreign Entity:	Yes
Country:	INDIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	BANC OF AMERICA SECURITIES (INDIA) PRIVATE LIMITED IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

BANC OF AMERICA SECURITIES, CASA DE BOLSA, S.A. DE C.V., GRUPO FINANCIERO BANK OF AMERICA is under common control with the firm.

Business Address:	PASEO DE LA REFORMA #265, PISO #22, COL. CUAUHTEMO MEXICO CITY, MEXICO 06500
Effective Date:	09/25/2002
Foreign Entity:	Yes
Country:	MEXICO
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	BANC OF AMERICA SECURITIES, CASA DE BOLSA, S.A. DE C.V., GRUPO FINANCIERO BANK OF AMERICA IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

BANK OF AMERICA CAPITAL ADVISORS LLC is under common control with the firm.

CRD #:	112613
Business Address:	100 FEDERAL STREET 18TH FLOOR BOSTON, MA 02110
Effective Date:	07/29/1998
Foreign Entity:	No

Firm Operations



Organization Affiliates (continued)

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: BANK OF AMERICA CAPITAL ADVISORS LLC IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

COLUMBIA MANAGEMENT ADVISORS, LLC is under common control with the firm.

CRD #: 107900

Business Address: 100 FEDERAL STREET
BOSTON, MA 02110

Effective Date: 03/20/2001

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: COLUMBIA MANAGEMENT ADVISORS, LLC (FORMERLY BANC OF AMERICA CAPITAL MANAGEMENT, LLC) IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

BACAP ALTERNATIVE ADVISORS, INC. is under common control with the firm.

Business Address: ONE BRYANT PARK
28TH FLOOR
NEW YORK, NY 10036

Effective Date: 01/07/1997

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: No

Description: BACAP ALTERNATIVE ADVISORS, INC. IS A COMMODITY POOL OPERATOR AND IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

Firm Operations



Organization Affiliates (continued)

VENCO, B.V. is under common control with the firm.

Business Address:	P.O. BOX 309, UGLAND HOUSE, 113 S. CHURCH STREET GEORGETOWN, GRAND CAYMAN, CAYMAN ISLANDS 00000
Effective Date:	09/30/1998
Foreign Entity:	Yes
Country:	CAYMAN ISLANDS
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	VENCO, B.V. IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

BA AUSTRALIA LIMITED is under common control with the firm.

Business Address:	19-29 MARTIN PLACE, 63RD FLOOR SYDNEY NEW SOUTH WALES 2000, AUSTRALIA 00000
Effective Date:	09/30/1998
Foreign Entity:	Yes
Country:	AUSTRALIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	BA AUSTRALIA LIMITED IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

BANC OF AMERICA SECURITIES ASIA LIMITED is under common control with the firm.

Business Address:	48F, TAIPAI 101 TOWER, NO. 7 WIN YI ROAD, SEC. 5 TAIPAI, TAIWAN 11049
Effective Date:	09/30/1998
Foreign Entity:	Yes
Country:	TAIWAN
Securities Activities:	Yes
Investment Advisory	No

Firm Operations



Organization Affiliates (continued)

Activities:

Description: BANC OF AMERICA SECURITIES ASIA LIMITED IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

BANK OF AMERICA SINGAPORE LIMITED is under common control with the firm.

Business Address: REPUBLIC PLAZA, TOWER 1, #18-00, 9 RAFFLES PLACE
SINGAPORE, 048619, SINGAPORE 00000

Effective Date: 09/30/1998

Foreign Entity: Yes

Country: SINGAPORE

Securities Activities: Yes

Investment Advisory Activities: No

Description: BANK OF AMERICA SINGAPORE LIMITED IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

BANC OF AMERICA SECURITIES LIMITED is under common control with the firm.

Business Address: 5 CANADA SQUARE
LONDON, ENGLAND E14 5AQ, UNITED KINGDOM 00000

Effective Date: 09/30/1998

Foreign Entity: Yes

Country: UNITED KINGDOM

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: BANC OF AMERICA SECURITIES LIMITED IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

BANC OF AMERICA SECURITIES LLC is under common control with the firm.

CRD #: 26091

Business Address: ONE BRYANT PARK
NEW YORK, NY 10036

Effective Date: 06/23/2008

Foreign Entity: No

Firm Operations



Organization Affiliates (continued)

Country:
Securities Activities: Yes

Investment Advisory Activities: Yes

Description: BANC OF AMERICA SECURITIES, LLC IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT OF APPLICANT.

BANK OF AMERICA MEXICO, S.A., INSTITUCION DE BANCA MULTIPLE, GRUPO FINANCIERO BANK OF AMERICA is under common control with the firm.
Business Address: PASEO DE LA REFORMA #265, PISO #22, COL. CUAUHTEMO
MEXICO CITY 06500, MEXICO 00000

Effective Date: 04/03/1995

Foreign Entity: Yes

Country: MEXICO

Securities Activities: Yes

Investment Advisory Activities: No

Description: BANK OF AMERICA MEXICO, S.A., INSTITUCION DE BANCA MULTIPLE, GRUPO FINANCIERO BANK OF AMERICA IS A SUBSIDIARY OF BANK OF AMERICA CORPORATION, ULTIMATE PARENT 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

BANK OF AMERICA CORPORATION is a Bank Holding Company and controls the firm.
Business Address: 100 NORTH TRYON STREET
CHARLOTTE, NC 28255

Effective Date: 07/31/1998

Description: BANK OF AMERICA CORPORATION (56-0906609) IS A MULTI-BANK HOLDING

Firm Operations



Organization Affiliates (continued)

COMPANY REGISTERED UNDER THE BANK HOLDING COMPANY ACT OF 1956 WITH ITS PRINCIPAL ASSETS BEING THE STOCK OF THE SUBSIDIARIES. ONE OF ITS WHOLLY OWNED SUBSIDIARIES IS NB HOLDINGS CORPORATION.

NB HOLDINGS CORPORATION is a Bank Holding Company and controls the firm.

Business Address: 100 NORTH TRYON STREET
CHARLOTTE, NC 28255

Effective Date: 11/30/1993

Description: NB HOLDINGS CORPORATION (56-1857749) IS THE PARENT COMPANY AND SOLE SHAREHOLDER OF BANK OF AMERICA, N.A.

BANK OF AMERICA, NATIONAL ASSOCIATION is a National Bank and controls the firm.

Business Address: 101 SOUTH TRYON STREET
CHARLOTTE, NC 28255

Effective Date: 06/14/1984

Description: BANK OF AMERICA, NATIONAL ASSOCIATION IS THE PARENT COMPANY AND SOLE SHAREHOLDER OF BANC OF AMERICA INVESTMENT SERVICES, INC.



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	53	0
Civil Event	0	1	0
Arbitration	N/A	68	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 53

Reporting Source: Regulator

Current Status: Final

**Allegations:**

FINRA RULE 2010, NASD RULES 2110, 2310, 3010: FIRM REGISTERED REPRESENTATIVES MADE RECOMMENDATIONS THAT CUSTOMERS PURCHASE FLOATING RATE LOAN FUNDS THAT WERE UNSUITABLE FOR THOSE CUSTOMERS IN LIGHT OF THEIR FINANCIAL SITUATIONS AND NEEDS. IN PARTICULAR, THE FIRM MADE NUMEROUS RECOMMENDATIONS TO PURCHASE FLOATING RATE LOAN FUNDS TO CUSTOMERS WHOSE RISK TOLERANCES, OTHER ASSETS, AND INVESTMENT OBJECTIVES WERE INCONSISTENT WITH THE RISKS AND FEATURES OF FLOATING RATE LOAN FUNDS. THE FLOATING RATE LOAN FUNDS SOLD BY THE FIRM WERE SUBJECT TO SIGNIFICANT CREDIT AND LIQUIDITY RISKS. CONSEQUENTLY, THESE FUNDS WERE NOT TYPICALLY SUITABLE FOR INVESTORS WITH CONSERVATIVE RISK TOLERANCES OR THOSE CUSTOMERS WHO WERE SEEKING TO PRESERVE PRINCIPAL, PARTICULARLY WHEN THOSE CUSTOMERS' PURCHASES CONSTITUTED A LARGE PERCENTAGE OF THEIR INVESTABLE ASSETS OR LIQUID NET WORTH. MOREOVER, FLOATING RATE LOAN FUNDS, PARTICULARLY THOSE WITH RESTRICTIVE REDEMPTION POLICIES, WERE NOT TYPICALLY SUITABLE FOR INVESTORS WITH SHORT TIME HORIZONS. IN SPITE OF THESE FEATURES OF FLOATING RATE FUNDS, FIRM REPRESENTATIVES RECOMMENDED FLOATING RATE FUND INVESTMENTS TO NUMEROUS CUSTOMERS FOR WHOM THE INVESTMENTS WERE UNSUITABLE IN LIGHT OF THE CUSTOMERS' FINANCIAL SITUATIONS, RISK TOLERANCES, AND INVESTMENT OBJECTIVES. BETWEEN LATE 2007 AND EARLY 2009, THE NET ASSET VALUE OF THE TYPICAL FLOATING RATE LOAN FUNDS DECLINED SUBSTANTIALLY. SINCE THAT TIME, THE NET ASSET VALUE OF THE TYPICAL FLOATING RATE LOAN FUND HAS PARTIALLY RECOVERED. HOWEVER, MANY FIRM CUSTOMERS FOR WHOM THE FLOATING RATE LOAN FUND INVESTMENT WAS UNSUITABLE SOLD THEIR HOLDINGS IN FLOATING RATE LOAN FUNDS AND INCURRED LOSSES. AS A RESULT, FIRM CUSTOMERS SUFFERED LOSSES IN THE TOTAL AMOUNT OF \$1,095,680.83 CAUSED BY THE UNSUITABLE TRANSACTIONS IN FLOATING RATE LOAN FUNDS RECOMMENDED BY THE FIRM. THE FIRM DID NOT ESTABLISH AND MAINTAIN A SYSTEM FOR SUPERVISING ITS SALES OF FLOATING RATE LOAN FUNDS THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE SUITABILITY REQUIREMENTS OF NASD AND FINRA RULES. THE FIRM FAILED TO IMPLEMENT PROCEDURES REASONABLY DESIGNED TO ENSURE THAT ITS SALES OF FLOATING RATE LOAN FUNDS WERE SUITABLE FOR ITS CUSTOMERS, EVEN AS THE MARKET FOR FLOATING RATE LOAN FUNDS CHANGED SIGNIFICANTLY. IN ADDITION, THE FIRM FAILED TO ENSURE THAT IT IMPLEMENTED APPROPRIATE SYSTEMS TO FLAG POTENTIALLY UNSUITABLE TRANSACTIONS IN FLOATING RATE LOAN FUNDS. THE FIRM ALSO FAILED TO PROVIDE SUFFICIENT GUIDANCE ABOUT FLOATING RATE LOAN FUNDS TO REGISTERED REPRESENTATIVES AND THEIR SUPERVISORS. THE FIRM FAILED TO ADEQUATELY TRAIN ITS REGISTERED PERSONS ABOUT THE CREDIT AND LIQUIDITY RISKS



ASSOCIATED WITH FLOATING RATE FUNDS, OR THE CUSTOMERS FOR WHOM SUCH FUNDS WOULD BE SUITABLE.

Initiated By: FINRA

Date Initiated: 06/04/2013

Docket/Case Number: 2008014763601

Principal Product Type: Other

Other Product Type(s): FLOATING RATE LOAN FUNDS

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/04/2013

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 \$900,000.00
Disgorgement/Restitution

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, FINED \$900,000 AND MUST PAY RESTITUTION TO CUSTOMERS IN THE AMOUNT OF \$1,095,680.83. THE FINE AND RESTITUTION WILL BE PAID BY MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (CRD #7691) AS SUCCESSOR IN LIABILITY FOR BANC OF AMERICA INVESTMENT SERVICES, INC. A REGISTERED PRINCIPAL ON BEHALF OF MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THE AWC. IF FOR ANY REASON MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED CANNOT LOCATE ANY OF THE CUSTOMERS RECEIVING RESTITUTION AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN 120 DAYS FROM THE DATE THE AWC IS



ACCEPTED, OR SUCH ADDITIONAL PERIOD AGREED TO FINRA, MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER IS LAST KNOWN TO HAVE RESIDED. MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED SHALL PROVIDE SATISFACTORY PROOF OF SUCH ACTION TO FINRA WITHIN 14 DAYS OF FORWARDING THE UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE STATE AUTHORITY.

Disclosure 2 of 53

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SECURITIES EXCHANGE ACT RULE 10B-10(A), NASD RULES 2110, 2230 - BANC OF AMERICA INVESTMENT SERVICES, INC. IMPROPERLY ALLOWED ITS FUND STRATEGIES-ADVISED CUSTOMERS TO FOREGO THE RECEIPT OF IMMEDIATE TRADE CONFIRMATIONS AND INSTEAD, RECEIVE TRADE CONFIRMATIONS ON A QUARTERLY BASIS. FOR THOSE ACCOUNTS WHERE THE CUSTOMERS OPTED ON THE ACCOUNT APPLICATION TO RECEIVE PERIODIC ACCOUNT STATEMENT DELIVERY, THE FIRM SENT THE CUSTOMERS INDIVIDUAL TRADE CONFIRMATIONS ON A QUARTERLY BASIS, INSTEAD OF SENDING IMMEDIATE TRADE CONFIRMATIONS PURSUANT TO SEC RULE 10B-10(A). FUND STRATEGIES-ADVISED ACCOUNTS ELECTED TO RECEIVE TRADE CONFIRMATIONS ON A QUARTERLY BASIS IN LIEU OF IMMEDIATE TRADE CONFIRMATIONS SO THAT THE FIRM DID NOT DELIVER IMMEDIATE TRADE CONFIRMATIONS FOR APPROXIMATELY 23,450 TRANSACTIONS VALUED AT \$323,475,815.
Initiated By:	FINRA
Date Initiated:	06/21/2012
Docket/Case Number:	2008014187702
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:	06/21/2012



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 \$50,000.00
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 \$50,000. FINE PAID IN FULL ON JULY 6, 2012.

Disclosure 3 of 53

Reporting Source:	Regulator
Current Status:	Final
Allegations:	THE COMMISSIONER ALLEGED THAT APPLICANT INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE COMMISSIONER ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	DISTRICT OF COLUMBIA
Date Initiated:	12/13/2010
Docket/Case Number:	SB-C0-06-10
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST UNDERTAKING
Resolution:	Settled
Resolution Date:	12/13/2010



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 \$885,483.62 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS: SEE BELOW
Sanction Details:	THE FIRMS HAVE PAID A CIVIL MONETARY PENALTY OF \$885,483.62 TO THE DISTRICT OF COLUMBIA REPRESENTING A PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Regulator Statement	<p>WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."</p>

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Reporting Source: Regulator

Current Status: Final



Allegations:	THE ACTS AND CONDUCT OF BANC OF AMERICA INVESTMENT SERVICES, INC. AND ANOTHER NAMED RESPONDENT, IN PARTICULAR AS THEY RELATE TO THE SALES OF AUCTION RATE SECURITIES (ARS) IN PA, WOULD CONSTITUTE DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS FOR THE TIME PERIOD AUGUST 1, 2007 THROUGH FEBRUARY 11, 2008 AND WOULD CONSTITUTE A FAILURE TO REASONABLY SUPERVISE AGENTS WITH RESPECT TO THE MARKETING AND SALE OF ARS FROM OCTOBER 1, 2007 TO FEBRUARY 11, 2008. BANC OF AMERICA INVESTMENT SERVICES, INC. AND ANOTHER NAMED RESPONDENT WERE ORDERED TO BUY BACK AUCTION RATE SECURITIES FROM ELIGIBLE PA INVESTORS.
Initiated By:	PENNSYLVANIA CONTACT: CAROLYN MENDELSON (412)-565-5083
Date Initiated:	03/15/2011
Docket/Case Number:	2009-07-15
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	BANC OF AMERICA INVESTMENT SERVICES, INC. AND ANOTHER NAMED RESPONDENT ARE ORDERED TO PAY WITHIN TEN DAYS AFTER ENTRY OF THIS ORDER \$163,674.80 TO THE COMMONWEALTH OF PA, WHICH AMOUNT REPRESENTS AN ADMINISTRATIVE ASSESSMENT IN THIS MATTER, AND A PRO RATA SHARE OF THE TOTAL \$50,000,000 CIVIL PENALTY ALLOCATED TO STATES PARTICIPATING IN THE NASAA SETTLEMENT.
Resolution:	Settled
Resolution Date:	03/15/2011
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 \$163,674.80
Other Sanctions Ordered:	BANC OF AMERICA INVESTMENT SERVICES, INC. AND ANOTHER NAMED RESPONDENT ARE ORDERED TO PAY WITHIN TEN DAYS AFTER ENTRY OF THIS ORDER \$163,674.80 TO THE COMMONWEALTH OF PA, WHICH AMOUNT REPRESENTS AN ADMINISTRATIVE ASSESSMENT IN THIS MATTER, AND A



PRO RATA SHARE OF THE TOTAL \$50,000,000 CIVIL PENALTY ALLOCATED TO STATES PARTICIPATING IN THE NASAA SETTLEMENT.

Sanction Details:

BANC OF AMERICA INVESTMENT SERVICES, INC. AND ANOTHER NAMED RESPONDENT WERE ORDERED TO BUY BACK AUCTION RATE SECURITIES FROM ELIGIBLE PA INVESTORS.

Regulator Statement

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ISSUED TO BANC OF AMERICA INVESTMENT SERVICES, INC. AND ANOTHER NAMED RESPONDENT.

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Reporting Source:

Regulator

Current Status:

Final

Allegations:

ON JULY 9, 2010, THE CONNECTICUT BANKING COMMISSIONER ENTERED A CONSENT ORDER (DOCKET NO. CO-10-7787-S) WITH RESPECT TO BANC OF AMERICA SECURITIES, LLC AND BANC OF AMERICA INVESTMENT SERVICES, INC. BANC OF AMERICA INVESTMENT SERVICES, INC. HAD BEEN REGISTERED AS A BROKER-DEALER IN CONNECTICUT PRIOR TO ITS MERGER WITH MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED. THE CONSENT ORDER FOLLOWED AN INVESTIGATION BY A MULTISTATE TASK FORCE INTO THE MARKETING AND SALE OF AUCTION RATE SECURITIES (ARS) BY THE FIRMS FROM APPROXIMATELY AUGUST 1, 2007 THROUGH FEBRUARY 11, 2008. THE CONSENT ORDER ALLEGED THAT 1) IN CONJUNCTION WITH THE MARKETING OF ARS FROM OCTOBER 1, 2007 TO FEBRUARY 11, 2008, THE FIRMS FAILED TO SUPERVISE THEIR AGENTS, AND 2) FROM AUGUST 1, 2007 THROUGH FEBRUARY 11, 2008, THE FIRMS ENGAGED IN A DISHONEST OR UNETHICAL PRACTICE BY INAPPROPRIATELY MARKETING AND SELLING ARS WITHOUT ADEQUATELY INFORMING THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH THE PRODUCT.

Initiated By:

CONNECTICUT

Date Initiated:

07/09/2010

Docket/Case Number:

CO-10-7787-S

URL for Regulatory Action:

Principal Product Type:

Other

Other Product Type(s):

AUCTION RATE SECURITIES

Principal Sanction(s)/Relief Sought:

Civil and Administrative Penalt(ies) /Fine(s)


Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 07/09/2010

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 \$865,290.80
Cease and Desist/Injunction

Other Sanctions Ordered: THE CONSENT ORDER FINED BANC OF AMERICA SECURITIES LLC AND BANC OF AMERICA INVESTMENT SERVICES, INC. \$865,290.80, AND DIRECTED THEM TO CEASE AND DESIST FROM REGULATORY VIOLATIONS.

Sanction Details: SEE RESPONSE TO ITEM 13.B.

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Reporting Source: Regulator

Current Status: Final

Allegations: TWO EMPLOYEES OF BANC OF AMERICA INVESTMENT SERVICES ("BAI") SOLD FANNIE MAE AND FREDDIE MAC FEDERAL AGENCY STEP-UP BONDS TO AN INVESTOR. THE BAI EMPLOYEES MISREPRESENTED THE PRODUCT AND WERE LAUDED BY BAI MANAGEMENT FOR RETAINING \$2,000,000 WORTH OF ASSETS WITHIN BANK OF AMERICA AND ITS SUBSIDIARY, BAI. DESPITE THE INVESTOR'S STATED AVERSION TO RISKING MONEY IN THE MARKET, THE EMPLOYEES MISREPRESENTED THAT THE BONDS WERE GUARANTEED BY THE U.S. GOVERNMENT. BAI'S FAILURE TO SUPERVISE ALLOWED ITS EMPLOYEES TO MAKE MISREPRESENTATIONS REGARDING THE PRODUCT.

Initiated By: MASSACHUSETTS SECURITIES DIVISION

Date Initiated: 06/16/2010

Docket/Case Number: E-2009-0090

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): BONDS



Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	ENFORCEMENT SECTION SEEKS AN ORDER: 1) REQUIRING RESPONDENT TO PERMANENTLY CEASE AND DESIST FROM FURTHER CONDUCT IN VIOLATION OF THE ACT AND REGULATIONS IN THE COMMONWEALTH; 2) REQUIRING RESPONDENT TO PAY AN ADMINISTRATIVE FINE IN AN AMOUNT AND UPON SUCH TERMS AND CONDITIONS AS THE DIRECTOR OR HEARING OFFICER MAY DETERMINE; AND 3) TAKING ANY AND ALL OTHER ACTION WHICH MAY BE IN THE PUBLIC INTEREST AND APPROPRIATE FOR THE PROTECTION OF INVESTORS.
Resolution:	Order
Resolution Date:	11/17/2010
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Monetary/Fine \$100,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	INDEPENDENT COMPLIANCE CONSULTANT
Sanction Details:	FINE HAS BEEN PAID AND COMPLIANCE CONSULTANT RETAINED

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	THE DIVISION ALLEGED THAT: (1) RESPONDENTS ENGAGED IN DISHONEST AND UNETHICAL BUSINESS PRACTICES WARRANTING SANCTIONS UNDER SECTION 61-1-6(2)(A)(II)(G) OF THE UTAH UNIFORM SECURITIES ACT ("ACT"); AND (2) RESPONDENTS FAILED TO SUPERVISE THEIR AGENTS WARRANTING SANCTIONS UNDER SECTION 61-1-6(2)(A)(II)(J) OF THE ACT.
Initiated By:	UTAH DIVISION OF SECURITIES
Date Initiated:	02/25/2010
Docket/Case Number:	SD-10-0008
URL for Regulatory Action:	
Principal Product Type:	Other



Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	ADMINISTRATIVE FINE
Resolution:	Stipulation and Consent
Resolution Date:	02/25/2010
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 \$172,449.72 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	TOTAL AMOUNT OF THE ADMINISTRATIVE FINE WAS \$172,449.72 AND WAS PAID WITHIN TEN (10) DAYS OF THE ORDER.
Regulator Statement	THE STIPULATION AND CONSENT ORDER CAN BE VIEWED ONLINE AT: HTTP://WWW.SECURITIES.UTAH.GOV/DOCKETS/10000801.PDF

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE COMMISSIONER ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE COMMISSIONER ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	COMMISSIONER OF SECURITIES OF THE STATE OF HAWAII ("COMMISSIONER")
Date Initiated:	10/20/2009
Docket/Case Number:	SEU-2008-70



Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	10/20/2009
Sanctions Ordered:	Monetary/Fine \$129,300.07 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID AN ADMINISTRATIVE PENALTY OF \$129,300.07 TO THE STATE OF HAWAII REPRESENTING HAWAII'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS.



FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC ADMINISTRATIVE RELEASE 34-60870, OCTOBER 22, 2009: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AGAINST BANC OF AMERICA INVESTMENT SERVICES, INC. THESE PROCEEDINGS ARISE OUT OF BANC'S FAILURE REASONABLY TO SUPERVISE A FORMER REGISTERED REPRESENTATIVE IN THE TYLER, TEXAS BRANCH OFFICE. BETWEEN MAY 2005 AND APRIL 2007, WHILE ON HEIGHTENED SUPERVISION, THE REPRESENTATIVE MISAPPROPRIATED OVER \$1.3 MILLION FROM BANC CUSTOMERS' ACCOUNTS PRIMARILY BY LIQUIDATING THEIR VARIABLE ANNUITIES. BANC FAILED TO DEVELOP A REASONABLE SYSTEM TO IMPLEMENT ITS POLICIES AND PROCEDURES FOR REVIEWING CUSTOMER ACCOUNTS AND SECURITIES TRANSACTIONS AND FAILED REASONABLY TO IMPLEMENT ITS PROCEDURES FOR BRANCH OFFICE COMPLIANCE INSPECTIONS BY FAILING TO PROVIDE FOR FOLLOW-UP ON DEFICIENCIES IDENTIFIED IN THESE INSPECTIONS.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	10/22/2009
Docket/Case Number:	3-13664
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Order



Resolution Date:	10/22/2009
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 \$150,000.00
Other Sanctions Ordered:	COMPLY WITH UNDERTAKINGS
Sanction Details:	<p>RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS WHICH ARE ADMITTED, RESPONDENTS CONSENT TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS. THE COMMISSION FINDS BANC FAILED REASONABLY TO SUPERVISE ITS REPRESENTATIVE WITHIN THE MEANING OF SECTIONS 15(B)(4)(E) AND 15(B)(4)(6)(A), RESPECTIVELY, WITH A VIEW TO PREVENTING AND DETECTING ITS REPRESENTATIVE'S VIOLATIONS OF SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER. ACCORDINGLY, PURSUANT TO SECTION 15(B) OF THE EXCHANGE ACT, IT IS HEREBY ORDERED THAT RESPONDENT BANC IS CENSURED. RESPONDENT BANC SHALL WITHIN, TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$150,000 TO THE UNITED STATES TREASURY. IF TIMELY PAYMENT IS NOT MADE, ADDITIONAL INTEREST SHALL ACCRUE PURSUANT TO 31 U.S.C. 3717. RESPONDENT BANC SHALL COMPLY WITH ITS ENUMERATED UNDERTAKING.</p>
Regulator Statement	<p>RESPONDENT BANC UNDERTAKES TO RETAIN WITHIN 30 DAYS OF THE ENTRY OF THE ORDER, AT ITS OWN EXPENSE, THE SERVICES OF AN INDEPENDENT CONSULTANT NOT UNACCEPTABLE TO THE COMMISSION'S DIVISION OF ENFORCEMENT, TO REVIEW AND EVALUATE THE EFFECTIVENESS OF BANC'S SUPERVISORY AND COMPLIANCE SYSTEMS, POLICIES AND PROCEDURES DESIGNED TO DETECT AND PREVENT VIOLATIONS OF THE FEDERAL SECURITIES LAWS CONCERNING THE FOLLOWING: (1) REVIEW OF CUSTOMER ACCOUNTS AND SECURITIES TRANSACTIONS; AND (2) PERIODIC COMPLIANCE INSPECTIONS. TO REQUIRE THE INDEPENDENT CONSULTANT, AT THE CONCLUSION OF THE REVIEW, WHICH IN NO EVENT SHALL BE MORE THAN 120 DAYS AFTER THE</p>



ENTRY OF THE ORDER, TO SUBMIT A WRITTEN INITIAL REPORT TO BANC AND THE COMMISSION'S STAFF. THE INITIAL REPORT SHALL DESCRIBE THE REVIEW PERFORMED, THE CONCLUSIONS REACHED AND THE INDEPENDENT CONSULTANT'S RECOMMENDATIONS DEEMED NECESSARY TO MAKE THE POLICIES, PROCEDURES AND SYSTEM OF SUPERVISION AND COMPLIANCE ADEQUATE. TO ADOPT, IMPLEMENT AND MAINTAIN ALL POLICIES, PROCEDURES AND PRACTICES RECOMMENDED IN THE INITIAL REPORT OF THE INDEPENDENT CONSULTANT. AS TO ANY OF THE INDEPENDENT CONSULTANT'S RECOMMENDATIONS ABOUT WHICH BANC AND THE INDEPENDENT CONSULTANT DO NOT AGREE, THE PARTIES SHALL ATTEMPT IN GOOD FAITH TO REACH AGREEMENT WITHIN 180 DAYS OF THE DATE OF THE ENTRY OF THE ORDER. IN THE EVENT THAT BANC AND THE INDEPENDENT CONSULTANT ARE UNABLE TO AGREE ON AN ALTERNATIVE PROPOSAL, BANC WILL ABIDE BY THE DETERMINATIONS OF THE INDEPENDENT CONSULTANT AND ADOPT THOSE RECOMMENDATIONS DEEMED APPROPRIATE BY THE INDEPENDENT CONSULTANT. TO COOPERATE FULLY WITH THE INDEPENDENT CONSULTANT IN ITS REVIEW, INCLUDING MAKING SUCH INFORMATION AND DOCUMENTS AVAILABLE AS THE INDEPENDENT CONSULTANT MAY REASONABLY REQUEST, AND BY PERMITTING AND REQUIRING BANC EMPLOYEES AND AGENT TO SUPPLY SUCH INFORMATION AND DOCUMENTS AS THE INDEPENDENT CONSULTANT MAY REASONABLY REQUEST. THAT, IN ORDER TO ENSURE THE INDEPENDENCE OF THE INDEPENDENT CONSULTANT, BANC (1) SHALL NOT HAVE THE AUTHORITY TO TERMINATE THE INDEPENDENT CONSULTANT WITHOUT THE PRIOR WRITTEN APPROVAL OF THE DIVISION; (2) SHALL COMPENSATE THE INDEPENDENT CONSULTANT, AND PERSONS ENGAGED TO ASSIST THE INDEPENDENT CONSULTANT, FOR SERVICES RENDERED PURSUANT TO THE ORDER AT THEIR REASONABLE AND CUSTOMARY RATES. TO REQUIRE THE INDEPENDENT CONSULTANT TO ENTER INTO AN AGREEMENT THAT, FOR THE PERIOD OF ENGAGEMENT AND FOR A PERIOD OF TWO YEARS FROM COMPLETION OF THE ENGAGEMENT, THE INDEPENDENT CONSULTANT SHALL NOT ENTER INTO ANY EMPLOYMENT, CONSULTANT, ATTORNEY-CLIENT, AUDITING OR OTHER PROFESSIONAL RELATIONSHIP WITH BANC OR ANY OF ITS PRESENT OR FORMER AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS ACTING IN THEIR CAPACITY. THE AGREEMENT WILL ALSO PROVIDE THAT THE INDEPENDENT CONSULTANT WILL REQUIRE THAT ANY FIRM WITH WHICH IT IS AFFILIATED OR OF WHICH IT IS A MEMBER, AND ANY PERSON ENGAGED TO ASSIST THE INDEPENDENT CONSULTANT IN PERFORMANCE OF ITS DUTIES UNDER THIS ORDER SHALL NOT, WITHOUT PRIOR WRITTEN CONSENT OF THE DIVISION OF ENFORCEMENT IN FORT WORTH TEXAS, ENTER INTO ANY EMPLOYMENT, CONSULTANT, ATTORNEY-CLIENT, AUDITING OR OTHER PROFESSIONAL RELATIONSHIP WITH BANC, OR ANY OF ITS PRESENT OR FORMER AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS ACTING IN THEIR CAPACITY AS SUCH FOR THE



PERIOD OF THE ENGAGEMENT AND FOR A PERIOD OF TWO YEARS AFTER THE ENGAGEMENT.

SEC ADMINISTRATIVE RELEASE 33-9075, OCTOBER 22, 2009: BANC HAS SUBMITTED A LETTER, DATED SEPTEMBER 14, 2009, REQUESTING A WAIVER OF THE RULE 602(C)(3) DISQUALIFICATION FROM THE EXEMPTION FROM REGISTRATION UNDER REGULATION E ARISING FROM BANC'S SETTLEMENT OF AN ADMINISTRATIVE PROCEEDING COMMENCED BY THE COMMISSION. ACCORDINGLY, THE COMMISSION ORDERED, PURSUANT TO RULE 602(E) UNDER THE SECURITIES ACT, THAT A WAIVER FROM THE APPLICATION OF THE DISQUALIFICATION PROVISION OF RULE 602(C)(3) UNDER THE SECURITIES ACT RESULTING FROM THE ENTRY OF THE ORDER IS HEREBY GRANTED.

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE SEC ALLEGED THAT BANC OF AMERICA INVESTMENT SERVICES, INC. ("BAI") FAILED REASONABLY TO SUPERVISE A FORMER REGISTERED REPRESENTATIVE WHO CONVERTED CERTAIN CUSTOMER FUNDS, WITH A VIEW TO PREVENTING AND DETECTING VIOLATIONS OF FEDERAL SECURITIES LAWS, AS REQUIRED UNDER SECTION 15(B)(4)(E) OF THE SECURITIES EXCHANGE ACT OF 1934.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	10/22/2009
Docket/Case Number:	3-13664
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; UNDERTAKING
Resolution:	Order
Resolution Date:	10/22/2009
Sanctions Ordered:	Censure Monetary/Fine \$150,000.00
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW).



Sanction Details:	BAI HAS PAID A CIVIL MONEY PENALTY IN THE AMOUNT OF \$150,000.
Firm Statement	<p>WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, BAI AGREED TO ENTER INTO A SETTLEMENT WITH THE SEC AND TO COMPLY WITH CERTAIN UNDERTAKINGS. SUCH UNDERTAKINGS INCLUDE RETAINING AN INDEPENDENT CONSULTANT TO REVIEW AND EVALUATE THE EFFECTIVENESS OF BAI'S SUPERVISORY AND COMPLIANCE SYSTEMS, POLICIES, AND PROCEDURES CONCERNING THE FOLLOWING: (1) REVIEW OF CUSTOMER ACCOUNTS AND SECURITIES TRANSACTIONS; AND (2) PERIODIC COMPLIANCE INSPECTIONS. BAI HAS UNDERTAKEN TO ADOPT, IMPLEMENT, AND MAINTAIN ALL POLICIES, PROCEDURES, AND PRACTICES RECOMMENDED BY THE INDEPENDENT CONSULTANT.</p> <p>NOTWITHSTANDING THE SETTLEMENT WITH THE SEC, BAI HAS IDENTIFIED THE CUSTOMERS WHOSE FUNDS WERE CONVERTED BY THE FORMER BAI REGISTERED REPRESENTATIVE, AND HAS REIMBURSED THEM IN FULL.</p>

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE DEPARTMENT ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE DEPARTMENT ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS
Date Initiated:	09/08/2009
Docket/Case Number:	2009-AH-052
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled



Resolution Date:	09/08/2009
Sanctions Ordered:	Monetary/Fine \$237,076.01 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY AND MADE A CONTRIBUTION TO THE INVESTOR PROTECTION TRUST OF KENTUCKY. THE PENALTY AND DONATION TOTALED \$237,076.01, REPRESENTING KENTUCKY'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."



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Reporting Source:	Firm
Current Status:	Final
Appealed To and Date Appeal Filed:	N/A
Allegations:	THE DIVISION ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE DIVISION ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	TENNESSEE SECURITIES DIVISION ("DIVISION")
Date Initiated:	09/02/2009
Docket/Case Number:	09-005 (S1-2008-010)
Principal Product Type:	No Product
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST UNDERTAKING
Resolution:	Settled
Resolution Date:	09/02/2009
Sanctions Ordered:	Monetary/Fine \$1,015,853.85 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$1,015,853.85 TO THE STATE OF TENNESSEE REPRESENTING TENNESSEE'S PORTION OF A TOTAL CIVIL



PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Firm Statement

WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

Disclosure 12 of 53

Reporting Source: Firm
Current Status: Final
Appealed To and Date Appeal Filed: N/A

Allegations: THE DIVISION ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE DIVISION ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.



Initiated By:	IOWA INSURANCE DIVISION ("DIVISION")
Date Initiated:	08/31/2009
Docket/Case Number:	65437
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	UNDERTAKING AND OTHER DONATIONS AND REIMBURSEMENT OF ADMINISTRATIVE COSTS
Resolution:	Settled
Resolution Date:	08/31/2009
Sanctions Ordered:	Monetary/Fine \$118,123.76 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID FOR THE COSTS OF THE INVESTIGATION AND MADE PAYMENTS TO THE IOWA SECURITIES INVESTOR EDUCATION AND TRAINING FUND AND THE IOWA INVESTOR PROTECTION TRUST FOR INVESTOR EDUCATION, INVESTOR PROTECTION, AND PROMOTION OF COMPLIANCE WITH FEDERAL AND STATE SECURITIES AND COMMODITIES LAWS. THE COSTS AND PAYMENTS TOTALED \$118,123.76, REPRESENTING IOWA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD



CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

Disclosure 13 of 53

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE DEPARTMENT ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE DEPARTMENT ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	NEBRASKA DEPARTMENT OF BANKING AND FINANCE ("DEPARTMENT")
Date Initiated:	08/17/2009
Docket/Case Number:	NONE
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING



Resolution:	Settled
Resolution Date:	08/17/2009
Sanctions Ordered:	Monetary/Fine \$116,613.44 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID AN ADMINISTRATIVE ASSESSMENT FOR COSTS OF THE INVESTIGATION IN THE AMOUNT OF \$116,613.44 TO THE STATE OF NEBRASKA REPRESENTING NEBRASKA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE ADMINISTRATOR ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE ADMINISTRATOR ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	SECURITIES ADMINISTRATOR OF THE MAINE OFFICE OF SECURITIES ("ADMINISTRATOR")
Date Initiated:	07/23/2009
Docket/Case Number:	09-064
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	07/23/2009
Sanctions Ordered:	Monetary/Fine \$282,068.24 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$282,068.24 TO THE STATE OF MAINE REPRESENTING MAINE'S PORTION OF A TOTAL CIVIL PENALTY OF



\$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Firm Statement

WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source: Firm

Current Status: Final

Allegations: THE COMMISSIONER ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE COMMISSIONER ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.

Initiated By: SECURITIES COMMISSIONER OF SOUTH CAROLINA ("COMMISSIONER")

Date Initiated: 07/28/2009



Docket/Case Number:	09046
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	07/28/2009
Sanctions Ordered:	Monetary/Fine \$696,936.14 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$696,936.14 TO THE STATE OF SOUTH CAROLINA REPRESENTING SOUTH CAROLINA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF



ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE OFFICE ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE OFFICE ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	FLORIDA OFFICE OF FINANCIAL REGULATION ("OFFICE")
Date Initiated:	07/28/2009
Docket/Case Number:	0429-S-05/09
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	07/28/2009
Sanctions Ordered:	Monetary/Fine \$4,774,636.46 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST



OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT AGREEMENT AND A FINAL ORDER ADOPTING AND INCORPORATING THE CONSENT AGREEMENT ("AGREEMENT"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.

Sanction Details:

THE FIRMS HAVE PAID AN ADMINISTRATIVE FINE OF \$4,774,636.46 TO THE STATE OF FLORIDA REPRESENTING FLORIDA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Firm Statement

WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source: Firm

Current Status: Final

Allegations: THE DEPARTMENT ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY



ASSOCIATED WITH ARS. THE DEPARTMENT ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.

Initiated By:	MINNESOTA DEPARTMENT OF COMMERCE ("DEPARTMENT")
Date Initiated:	07/24/2009
Docket/Case Number:	12180
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	07/24/2009
Sanctions Ordered:	Monetary/Fine \$644,316.83 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$644,316.83 TO THE STATE OF MINNESOTA REPRESENTING MINNESOTA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE



DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE COMMISSIONER ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE COMMISSIONER ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	SECURITIES COMMISSIONER OF THE STATE OF COLORADO ("COMMISSIONER")
Date Initiated:	07/16/2009
Docket/Case Number:	10-6-01
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING



Resolution:	Settled
Resolution Date:	07/16/2009
Sanctions Ordered:	Monetary/Fine \$570,462.52 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$570,462.52 TO THE STATE OF COLORADO REPRESENTING COLORADO'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

Disclosure 19 of 53

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE DEPARTMENT ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE DEPARTMENT ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION ("DEPARTMENT")
Date Initiated:	07/14/2009
Docket/Case Number:	NONE
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	07/14/2009
Sanctions Ordered:	Monetary/Fine \$285,294.27 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$285,294.27 TO THE STATE OF RHODE ISLAND REPRESENTING RHODE ISLAND'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR



ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Firm Statement

WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source: Firm

Current Status: Final

Allegations: THE COMMISSIONER ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETED AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE COMMISSIONER ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.

Initiated By: KANSAS SECURITIES COMMISSIONER ("COMMISSIONER")

Date Initiated: 07/13/2009

Docket/Case Number: 09 E 021; KSC NO. 2009-5609



Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	07/13/2009
Sanctions Ordered:	Monetary/Fine \$2,834,089.62 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL MONETARY PENALTY AND MADE A CONTRIBUTION TO THE KANSAS INVESTOR EDUCATION FUND IN THE TOTAL AMOUNT OF \$2,834,089.62, REPRESENTING KANSAS'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES



CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE COMMISSION ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE COMMISSION ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	STATE CORPORATION COMMISSION OF VIRGINIA ("COMMISSION")
Date Initiated:	07/15/2009
Docket/Case Number:	SEC-2009-00056
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	07/15/2009
Sanctions Ordered:	Monetary/Fine \$351,693.67 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE



CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.

Sanction Details:

THE FIRMS HAVE PAID A CIVIL PENALTY OF \$351,693.67 TO THE STATE OF VIRGINIA REPRESENTING VIRGINIA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Firm Statement

WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source:

Firm

Current Status:

Final

Allegations:

THE OFIR ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE OFIR ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND



UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.

Initiated By: MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION ("OFIR")

Date Initiated: 06/25/2009

Docket/Case Number: NONE

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought: CEASE & DESIST; UNDERTAKING

Resolution: Settled

Resolution Date: 06/25/2009

Sanctions Ordered: Monetary/Fine \$468,833.56
Cease and Desist/Injunction

Other Sanctions Ordered: CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.

Sanction Details: THE FIRMS HAVE PAID A CIVIL PENALTY AND MADE A DONATION TO THE MICHIGAN INVESTOR PROTECTION TRUST FUND. THE PENALTY AND DONATION TOALED \$468,833.56, REPRESENTING MICHIGAN'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Firm Statement WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE



SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE DIVISION ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE DIVISION ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR SALES REPRESENTATIVES.
Initiated By:	SECURITIES DIVISION OF THE OFFICE OF THE NEVADA SECRETARY OF STATE ("DIVISION")
Date Initiated:	06/25/2009
Docket/Case Number:	I09-113
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled



Resolution Date:	06/25/2009
Sanctions Ordered:	Monetary/Fine \$1,198,450.70 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$1,198,450.70 TO THE STATE OF NEVADA REPRESENTING NEVADA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."



Reporting Source: Firm

Current Status: Final

Allegations: THE DIRECTOR ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE DIRECTOR ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.

Initiated By: DIRECTOR OF THE OREGON DEPARTMENT OF CONSUMER & BUSINESS SERVICES ("DIRECTOR")

Date Initiated: 06/29/2009

Docket/Case Number: S-09-0033

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought: CEASE & DESIST; UNDERTAKING

Resolution: Settled

Resolution Date: 06/29/2009

Sanctions Ordered: Monetary/Fine \$432,193.36
Cease and Desist/Injunction

Other Sanctions Ordered: CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.

Sanction Details: THE FIRMS HAVE PAID A CIVIL PENALTY AND MADE A DONATION TO THE OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES INVESTOR EDUCATION PROGRAM FUND. THE PENALTY AND DONATION TOTALLED \$432,193.36, REPRESENTING OREGON'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE



STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Firm Statement

WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

Disclosure 25 of 53

Reporting Source: Firm

Current Status: Final

Allegations: THE COMMISSION ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE COMMISSION ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.

Initiated By: ALABAMA SECURITIES COMMISSION ("COMMISSION")

Date Initiated: 06/29/2009

Docket/Case Number: CO-2009-0017



Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	UNDERTAKING; DONATIONS AND REIMBURSEMENT OF ADMINISTRATIVE COSTS
Resolution:	Settled
Resolution Date:	06/29/2009
Sanctions Ordered:	Monetary/Fine \$454,153.31 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE MADE DONATIONS TO THE ALABAMA DISTRICT ATTORNEY ASSOCIATION, THE INVESTOR PROTECTION TRUST, AND THE NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, AND REIMBURSED CERTAIN ADMINISTRATIVE COSTS. THE COSTS AND DONATIONS TOTALED \$454,153.31, REPRESENTING ALABAMA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE



INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

Disclosure 26 of 53

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE COMMISSIONER ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE COMMISSIONER ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN INEQUITABLE PRACTICES IN THE SALE OF SECURITIES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	SECURITIES COMMISSIONER OF TEXAS ("COMMISSIONER")
Date Initiated:	07/03/2009
Docket/Case Number:	IC09-CDO-13
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	07/03/2009
Sanctions Ordered:	Monetary/Fine \$3,625,992.01 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH



THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.

Sanction Details:

THE FIRMS HAVE PAID A CIVIL PENALTY OF \$3,625,992.01 TO THE STATE OF TEXAS REPRESENTING TEXAS'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Firm Statement

WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

Disclosure 27 of 53

Reporting Source: Firm

Current Status: Final

Allegations: THE COMMISSIONER ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF



THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE COMMISSIONER ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.

Initiated By: COMMISSIONER OF THE DEPT. OF BANKING,INSURANCE,SECURITIES & HEALTH CARE ADMINISTRATION OF THE STATE OF VERMONT("COMMISSIONER")

Date Initiated: 05/28/2009

Docket/Case Number: 09-060-S

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought: CEASE AND DESIST; UNDERTAKING

Resolution: Settled

Resolution Date: 05/28/2009

Sanctions Ordered: Monetary/Fine \$122,126.09
Cease and Desist/Injunction

Other Sanctions Ordered: CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.

Sanction Details: THE FIRMS HAVE PAID AN ADMINISTRATIVE PENALTY AND ASSOCIATED COSTS AND MADE A DONATION TO THE VERMONT SECURITIES INVESTOR EDUCATION AND TRAINING FUND. THE PENALTY, COSTS AND DONATION TOTALED \$122,126.09 AND REPRESENTS VERMONT'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Firm Statement WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE



RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

Disclosure 28 of 53

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE DIRECTOR ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE DIRECTOR ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	DIRECTOR OF THE SOUTH DAKOTA DEPARTMENT OF REVENUE & REGULATION DIVISION OF SECURITIES ("DIRECTOR")
Date Initiated:	06/01/2009
Docket/Case Number:	NONE
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES



Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	06/01/2009
Sanctions Ordered:	Monetary/Fine \$100,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$100,000 TO THE STATE OF SOUTH DAKOTA REPRESENTING SOUTH DAKOTA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS



THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE NYAG ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE MADE MISREPRESENTATIONS IN CONNECTION WITH THE SALE OF AUCTION RATE SECURITIES ("ARS") TO CERTAIN OF THEIR CUSTOMERS WITHOUT DISCLOSING THE INCREASING RISKS OF OWNING OR PURCHASING ARS. THE NYAG ALLEGED THAT SUCH CONDUCT VIOLATED CERTAIN NEW YORK LAWS, INCLUDING THE MARTIN ACT, SECTION 349 OF THE GENERAL BUSINESS LAW, AND SECTION 63(12) OF THE EXECUTIVE LAW.
Initiated By:	ATTORNEY GENERAL OF THE STATE OF NEW YORK ("NYAG")
Date Initiated:	06/02/2009
Docket/Case Number:	NONE
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	06/02/2009
Sanctions Ordered:	Monetary/Fine \$2,538,853.56 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ASSURANCE OF DISCONTINUANCE ("ASSURANCE"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.

**Sanction Details:**

THE FIRMS HAVE PAID A CIVIL PENALTY OF \$2,538,853.56 TO THE STATE OF NEW YORK REPRESENTING NEW YORK'S PORTION OF A TOTAL FINE CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Firm Statement

THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE THEIR BEST EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

Disclosure 30 of 53

Reporting Source: Firm

Current Status: Final

Allegations: THE COMMISSIONER ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE COMMISSIONER ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.

Initiated By: INDIANA SECURITIES COMMISSIONER ("COMMISSIONER")



Date Initiated:	06/08/2009
Docket/Case Number:	09-0096 CO
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	06/08/2009
Sanctions Ordered:	Monetary/Fine \$121,627.68 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$121,627.68 TO THE STATE OF INDIANA REPRESENTING INDIANA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE



INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE COMMISSIONER ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE COMMISSIONER ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	NORTH DAKOTA SECURITIES COMMISSIONER
Date Initiated:	06/12/2009
Docket/Case Number:	NONE
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	06/12/2009
Sanctions Ordered:	Monetary/Fine \$100,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH



THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.

Sanction Details:

THE FIRMS HAVE PAID A CIVIL PENALTY AND MADE A DONATION TO THE NORTH DAKOTA INVESTOR EDUCATION AND TECHNOLOGY FUND. THE PENALTY AND DONATION TOTALED \$100,000 AND REPRESENTS NORTH DAKOTA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source: Regulator

Current Status: Final

Allegations: THE DIRECTOR ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE



INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE DIRECTOR ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.

Initiated By: IDAHO DEPARTMENT OF FINANCE

Date Initiated: 05/22/2009

Docket/Case Number: 2009-7-13

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought: UNDERTAKING

Resolution: Stipulation and Consent

Resolution Date: 06/09/2009

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 \$105,588.16
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.

Sanction Details: THE FIRMS HAVE PAID A CIVIL PENALTY OF \$105,588.16 TO THE STATE OF IDAHO REPRESENTING IDAHO'S PORTION OF A TOTAL FINE CIVIL PENALTY



OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Regulator Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE DIRECTOR ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE DIRECTOR ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	DIRECTOR OF THE DEPARTMENT OF FINANCE OF THE STATE OF IDAHO ("DIRECTOR")
Date Initiated:	06/09/2009



Docket/Case Number:	2009-7-13
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	06/09/2009
Sanctions Ordered:	Monetary/Fine \$105,588.16 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$105,588.16 TO THE STATE OF IDAHO REPRESENTING IDAHO'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF



ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

Disclosure 33 of 53

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE COMMISSIONER ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE COMMISSIONER ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	GEORGIA SECURITIES COMMISSIONER ("COMMISSIONER")
Date Initiated:	06/10/2009
Docket/Case Number:	ENSC-01385
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	06/10/2009
Sanctions Ordered:	Monetary/Fine \$1,055,828.82 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST



OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.

Sanction Details:

THE FIRMS HAVE PAID A CIVIL PENALTY AND ASSOCIATED COSTS TOTALING \$1,055,828.82 TO THE STATE OF GEORGIA REPRESENTING GEORGIA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

Disclosure 34 of 53

Reporting Source: Firm

Current Status: Final

Allegations: THE COMMISSIONER ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY



ASSOCIATED WITH ARS. THE COMMISSIONER ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.

Initiated By:	SECURITIES COMMISSIONER OF THE STATE OF DELAWARE
Date Initiated:	05/27/2009
Docket/Case Number:	09-4-3
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	05/27/2009
Sanctions Ordered:	Monetary/Fine \$109,666.00 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$109,666 TO THE STATE OF DELAWARE REPRESENTING DELAWARE'S PORTION OF A TOTAL FINE CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE



DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

Disclosure 35 of 53

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE DIVISION ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE DIVISION ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	SECURITIES AND CHARITIES DIVISION OF THE OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
Date Initiated:	05/26/2009
Docket/Case Number:	S-09-0153
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING



Resolution:	Settled
Resolution Date:	05/26/2009
Sanctions Ordered:	Monetary/Fine \$160,412.52 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$160,412.52 TO THE STATE OF MISSISSIPPI REPRESENTING MISSISSIPPI'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	<p>WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."</p>



Disclosure 36 of 53

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE OCFI ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE OCFI ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS OF PUERTO RICO
Date Initiated:	05/27/2009
Docket/Case Number:	C09-V-004
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	05/27/2009
Sanctions Ordered:	Monetary/Fine \$1,000,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$100,000 TO THE COMMONWEALTH OF PUERTO RICO REPRESENTING PUERTO RICO'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER



INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

Disclosure 37 of 53

Reporting Source: Firm

Current Status: Final

Allegations: THE DEPARTMENT ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETED AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE DEPARTMENT ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE FAILED TO OBSERVE HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE, AND ALSO FAILED TO PROPERLY SUPERVISE THEIR AGENTS.

Initiated By: CALIFORNIA DEPARTMENT OF CORPORATIONS

Date Initiated: 05/27/2009



Docket/Case Number:	NONE
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	05/27/2009
Sanctions Ordered:	Monetary/Fine \$9,746,777.40 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID AN ADMINISTRATIVE PENALTY OF \$9,746,777.40 TO THE STATE OF CALIFORNIA REPRESENTING CALIFORNIA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF



ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

Disclosure 38 of 53

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE ACC ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE ACC ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR SALESMEN.
Initiated By:	ARIZONA CORPORATION COMMISSION
Date Initiated:	05/21/2009
Docket/Case Number:	S-20668A-09-0181
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	05/21/2009
Sanctions Ordered:	Monetary/Fine \$554,543.82 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST



OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE ORDER TO CEASE AND DESIST, ORDER FOR ADMINISTRATIVE PENALTIES AND CONSENT TO SAME ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.

Sanction Details:

THE FIRMS HAVE PAID A CIVIL PENALTY OF \$554,543.82 TO THE STATE OF ARIZONA REPRESENTING ARIZONA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.

Firm Statement

WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source: Regulator

Current Status: Final

Allegations: RESPONDENTS INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES WITHOUT ADEQUATELY INFORMING THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH THE TIME PERIOD AUGUST 1, 2007, THROUGH FEBRUARY 11, 2008. AS A RESULT,



RESPONDENTS VIOLATED SECTION 409.4-412(D)(13), RSMO. (CUM. SUPP. 2007). RESPONDENTS FAILED TO PROPERLY SUPERVISE THEIR AGENTS WITH RESPECT TO THE MARKETING AND SALE OF ARS FROM OCTOBER 1, 2007 TO FEBURARY 11, 2008. AS A RESULT, RESPONDENTS VIOLATED SECTION 409.4-412(D)(9), RSMO. (CUM. SUPP. 2008).

Initiated By: MISSOURI

Date Initiated: 04/28/2009

Docket/Case Number: AP-09-20

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: CONSENT

Resolution: Consent

Resolution Date: 05/13/2009

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 \$54,288,266.88
Cease and Desist/Injunction

Other Sanctions Ordered: RESPONDENTS WILL CEASE AND DESIST FROM VIOLATING THE MISSOURI SECURITIES ACT OF 2003 AND WILL COMPLY WITH THE MISSOURI SECURITIES ACT OF 2003. NO LATER THAN OCTOBER 21, 2008, BAS SHALL HAVE CAUSED BLUE RIDGE TO OFFER TO BUY BACK, AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS, ELIGIBLE ARS FOR WHICH AUCTIONS ARE IN FIAILED MODE FROM ELIGIBLE INVESTORS WHO PURCHASES SUCH ELIGIBLE ARS FROM RESPONDENTS PRIOR TO FEBRUARY 13, 2008. NO LATER THAN DECEMBER 31, 2008, RESPONDENTS SHALL HAVE PROMPTLY PROVIDED NOTICE TO ANY ELIGIBLE INVESTOR THAT RESPONDENTS COULD REASONABLY IDENTIFY WHO SOLD ELIGIBLE ARS BELOW PAR BETWEEN FEBRUARY 11, 2008 AND SEPTEMBER 22, 2008. NO LATER THAN OCTOBER 10, 2008, RESPONDENTS SHALL MAKE REASONABLE EFFORTS PROMPTLY TO NOTIFY THOSE ELIGIBLE INVESTORS WHO OWN ELIGIBLE ARS THAT, PURSUANT TO THE TERMS OF



THE SETTLEMENT, AN INDEPENDENT ARBITRATOR, UNDER THE AUSPICES OF FINRA WILL BE AVAILABLE FOR THE EXCLUSIVE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL-DAMAGES CLAIM. RESPONDENTS SHALL ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES, INCLUDING REGULATORY AND GOVERNMENTAL ENTITIES, TO EXPEDITIOUSLY AND ON A BEST EFFORTS BASIS PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT PURCHASED ELIGIBLE ARS FROM RESPONDENTS AND ARE NOT ENTITLED TO PARTICIPATE IN THE BUYBACK. RESPONDENTS SHALL MAKE A TOTAL CIVIL PENALTY OF \$50,000,000.00 WHICH SHALL BE ALLOCATED AMONG AND PAID TO THE COMMONWEALTH OF MASSACHUSETTS, THE STATE OF NEW YORK, AND SUCH OTHER STATES. THE STATE OF MISSOURI'S PORTION OF THE PAYMENT SHALL BE \$1,366,805.30. RESPONDENTS SHALL PAY \$15,000 AS COSTS OF THIS INVESTIGATION.

Sanction Details: SEE ABOVE

Reporting Source: Firm

Current Status: Final

Allegations: THE COMMISSIONER ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE COMMISSIONER ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.

Initiated By: COMMISSIONER OF SECURITIES OF THE STATE OF MISSOURI

Date Initiated: 05/13/2009

Docket/Case Number: AP-09-20

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought: CEASE & DESIST; UNDERTAKING

Resolution: Settled

Resolution Date: 05/13/2009



Sanctions Ordered:	Monetary/Fine \$1,366,805.30 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$1,366,805.30 TO THE STATE OF MISSOURI REPRESENTING MISSOURI'S PORTION OF A TOTAL FINE CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source: Firm



Current Status:	Final
Allegations:	THE COMMISSIONER ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT ADEQUATELY INFORMING CERTAIN OF THEIR CUSTOMERS OF THE INCREASED RISKS OF ILLIQUIDITY ASSOCIATED WITH ARS. THE COMMISSIONER ALLEGED THAT, THROUGH THIS CONDUCT, APPLICANT AND ITS CONTROL AFFILIATE ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO PROPERLY SUPERVISE THEIR AGENTS.
Initiated By:	STATE AUDITOR AND COMMISSIONER OF SECURITIES OF THE STATE OF MONTANA
Date Initiated:	05/05/2009
Docket/Case Number:	SEC-2009-20
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	05/05/2009
Sanctions Ordered:	Monetary/Fine \$101,661.34 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, "THE FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS," AS DEFINED IN THE CONSENT AGREEMENT AND FINAL ORDER ("ORDER"), CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$101,661.34 TO THE STATE OF MONTANA REPRESENTING MONTANA'S PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	WITHOUT ADMITTING OR DENY THE ALLEGATIONS, THE FIRMS AGREED TO



A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL CERTAIN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH ARS THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS."

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE MASSACHUSETTS SECURITIES DIVISION ("MSD") ALLEGED THAT APPLICANT AND ITS CONTROL AFFILIATE INAPPROPRIATELY MARKETING AND SOLD AUCTION RATE SECURITIES ("ARS") WITHOUT INFORMING CERTAIN OF ITS CUSTOMERS OF THE INCREASED RISK OF ILLIQUIDITY ASSOCIATED WITH HOLDING THE ARS. AMONG OTHER THINGS, THE SETTLEMENT INCLUDES FINDINGS THAT THE APPLICANT ENGAGED IN DISHONEST AND UNETHICAL PRACTICES AND FAILED TO SUPERVISE ITS AGENTS IN VIOLATION OF THE MASSACHUSETTS SECURITIES LAWS.
Initiated By:	MASSACHUSETTS SECURITIES DIVISION
Date Initiated:	04/07/2009
Docket/Case Number:	E-2009-0030
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES



Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST; UNDERTAKING
Resolution:	Settled
Resolution Date:	04/07/2009
Sanctions Ordered:	Monetary/Fine \$4,740,819.07 Cease and Desist/Injunction
Other Sanctions Ordered:	CERTAIN UNDERTAKINGS (SEE 13 BELOW). THE APPLICANT AND ITS CONTROL AFFILIATE (TOGETHER, THE "FIRMS") HAVE ALSO, THROUGH THEIR AFFILIATE BLUE RIDGE INVESTMENTS, L.L.C. ("BLUE RIDGE"), OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM "ELIGIBLE INVESTORS" (AS DEFINED IN THE ADMINISTRATIVE CONSENT ORDER) CERTAIN ARS THAT HAVE FAILED AT AUCTION, AND HAVE SUBSTANTIALLY COMPLETED THE PURCHASE OF THOSE ARS.
Sanction Details:	THE FIRMS HAVE PAID A CIVIL PENALTY OF \$4,740,819.07 TO THE MSD REPRESENTING MASSACHUSETTS' PORTION OF A TOTAL CIVIL PENALTY OF \$50,000,000 THAT WILL BE DISTRIBUTED AMONG THE STATES AND U.S. TERRITORIES THAT ENTER INTO SIMILAR ADMINISTRATIVE OR CIVIL CONSENT ORDERS RELATED TO ARS.
Firm Statement	UNDER THE TERMS OF THE SETTLEMENT, THE FIRMS AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO ELIGIBLE INVESTORS. THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE, HAVE OFFERED TO PURCHASE AT PAR PLUS ACCRUED AND UNPAID INTEREST OR DIVIDENDS FROM ELIGIBLE INVESTORS CERTAIN ARS THAT HAVE FAILED AT AUCTION. THE FIRMS HAVE ALSO AGREED TO USE THEIR BEST EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON THE ARS. THE FIRMS HAVE ALSO AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THE INABILITY TO SELL ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH SECURITIES THROUGH THE FIRMS. THE FIRMS HAVE ALSO



UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "ELIGIBLE INVESTORS" AND RECEIVE NO RELIEF UNDER THE TERMS OF THE SETTLEMENT.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	ON NOVEMBER 15, 2006, AND ON JANUARY 29, 2007, THE FIRM SUBMITTED TO THE DISTRICT OF COLUMBIA APPLICATIONS, ALONG WITH THE ACCOMPANYING NOTARIZED INVESTMENT ADVISER AFFIDAVITS, ON BEHALF OF THREE INVESTMENT ADVISER REPRESENTATIVES IN THE DISTRICT IN CONNECTION WITH THE RELOCATION TO THE FIRM'S OFFICE LOCATED IN THE DISTRICT. IN RESPONDING TO THE QUESTIONS ON THE REPRESENTATIVE AFFIDAVITS, THE FIRM ANSWERED THAT THE INDIVIDUALS HAD IN FACT TRANSACTED INVESTMENT ADVISORY SERVICES WITH DISTRICT RESIDENTS WHILE EMPLOYED WITH THE FIRM AND AFTER RELOCATING TO AN OFFICE LOCATED IN THE DISTRICT WITHOUT FIRST HAVING OBTAINED AN INVESTMENT ADVISER REPRESENTATIVE LICENSE FROM THE DISTRICT.
Initiated By:	DISTRICT OF COLUMBIA
Date Initiated:	07/11/2008
Docket/Case Number:	SB-08-005
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	ADMINISTRATIVE CONSENT AGREEMENT AND SETTLEMENT ORDER
Resolution:	Order
Resolution Date:	07/11/2008



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 \$3,000.00

Other Sanctions Ordered:

Sanction Details:

THE AMOUNT SHALL BE PAID NO LATER THAN 30 DAYS FROM THE DATE OF THIS ORDER. IF PAYMENT IS NOT MADE AS AGREED, THE COMMISSIONER MAY VACATE THIS ORDER, AT HIS SOLE DISCRETION , UPON 10 DAYS NOTICE TO RESPONDENTS.

***** \$3,000 FINE PAID ON 8/5/08 - CHECK NO. 1449351

Reporting Source:

Firm

Current Status:

Final

Allegations:

ON NOVEMBER 15, 2006 AND ON JANUARY 29, 2007, THE FIRM SUBMITTED TO THE DISTRICT OF COLUMBIA APPLICATIONS, ALONG WITH ACCOMPANYING NOTARIZED INVESTMENT ADVISER REPRESENTATIVE AFFIDAVITS ON BEHALF OF THREE INVESTMENT ADVISER REPRESENTATIVES, TO SERVE AS BANC OF AMERICA INVESTMENT SERVICES' ("BAI") REGISTERED INVESTMENT ADVISER REPRESENTATIVE IN THE DISTRICT IN CONNECTION WITH THEIR RELOCATION TO A BAI OFFICE LOCATED IN THE DISTRICT. IN RESPONDING TO THE QUESTIONS ON THE REPRESENTATIVE AFFIDAVITS, BAI ANSWERED THAT THE INDIVIDUAL HAD IN FACT TRANSACTED INVESTMENT ADVISORY SERVICES WITH DISTRICT RESIDENTS WHILE EMPLOYED WITH BAI AND AFTER RELOCATING TO A BAI OFFICE LOCATED IN THE DISTRICT WITHOUT FIRST HAVING OBTAINED AN INVESTMENT ADVISER REPRESENTATIVE LICENSE FROM THE DEPARTMENT.

Initiated By:

DISTRICT OF COLUMBIA

Date Initiated:

07/11/2008

Docket/Case Number:

SB-08-005

Principal Product Type:

No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other



Other Sanction(s)/Relief Sought:	ADMINISTRATIVE CONSENT AGREEMENT AND SETTLEMENT ORDER
Resolution:	Order
Resolution Date:	07/11/2008
Sanctions Ordered:	Monetary/Fine \$3,000.00
Other Sanctions Ordered:	N/A
Sanction Details:	THE AMOUNT SHALL BE PAID NO LATER THAN 30 DAYS FROM THE DATE OF THE ORDER. IF PAYMENT IS NOT MADE AS AGREED, THE COMMISSIONER MAY VACATE THE ORDER, AT HIS SOLE DISCRETION, UPON 10 DAYS NOTICE TO RESPONDENTS.
Firm Statement	ADMINISTRATIVE CONSENT AGREEMENT AND SETTLEMENT ORDER FOR RESPONDENT TO PAY \$3000 FINE PURSUANT TO DISTRICT OF COLUMBIA OFFICIAL CODE SECTION 31-5606.02(B)(4) AND 16 DCMR 3700 ET SEQ NO LATER THAN 30 DAYS FROM THE DATE OF THE ORDER.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	RESPONDENTS FAILED TO REASONABLY SUPERVISE TWO AGENTS WITHIN THE MEANING OF SECITON 11-412(A)(10) OF THE MARYLAND SECURITIES ACT.
Initiated By:	MARYLAND
Date Initiated:	06/01/2006
Docket/Case Number:	2007-0658
URL for Regulatory Action:	
Principal Product Type:	Banking Products (Other than CD(s))
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Stipulation and Consent
Resolution Date:	05/21/2008



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 \$10,000.00

Other Sanctions Ordered: CEASE AND DESIST.
REMEDIAL MEASURES TO BE INCORPORATED INTO SUPERVISORY PROGRAM.

Sanction Details: \$10,000 FINE FULLY PAID UPON ISSUANCE OF THE CONSENT ORDER.

Regulator Statement IN CONNECTION WITH THE FACTS DESCRIBED IN THE CONSENT ORDER, INVOLVING TWO AGENTS EMPLOYED AT TWO SEPARATE LOCATIONS WHO MISAPPROPRIATED MONIES FROM CUSTOMERS, RESPONDENT FAILED TO REASONABLY SUPERVISE ITS AGENTS WITHIN THE MEANING OF SECTION 11-412(A)(10) OF THE MARYLAND SECURITIES ACT.

Reporting Source: Firm

Current Status: Final

Allegations: RESPONDENT DID NOT REASONABLY SUPERVISE TWO AGENTS WHO MISAPPROPRIATED MONIES FROM CUSTOMERS WITHIN THE MEANING OF SECTION 11-412 (A)(10) OF THE MARYLAND SECURITIES ACT.

Initiated By: MARYLAND SECURITIES COMMISSIONER

Date Initiated: 06/01/2006

Docket/Case Number: 2007-0658

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: CEASE AND DESIST

Resolution: Order

Resolution Date: 05/21/2008

Sanctions Ordered: Monetary/Fine \$10,000.00

Other Sanctions Ordered: CEASE AND DESIST. REMEDIAL MEASURES TO BE INCORPORATED INTO



SUPERVISORY PROGRAM.

Sanction Details:

CONSENT ORDER FOR RESPONDENT TO PAY \$10,000 FINE, CEASE AND DESIST AND INCORPORATE REMEDIAL MEASURES INTO SUPERVISORY PROGRAM AS A RESULT OF NOT REASONABLY SUPERVISING TWO AGENTS WHO MISAPPROPRIATED MONIES FROM CUSTOMERS WITHIN THE MEANING OF SECTION 11-412 (A)(10) OF THE MARYLAND SECURITIES ACT.

Firm Statement

CONSENT ORDER FOR RESPONDENT TO PAY \$10,000 FINE, CEASE AND DESIST AND INCORPORATE REMEDIAL MEASURES INTO SUPERVISORY PROGRAM AS A RESULT OF NOT REASONABLY SUPERVISING TWO AGENTS WHO MISAPPROPRIATED MONIES FROM CUSTOMERS WITHIN THE MEANING OF SECTION 11-412 (A)(10) OF THE MARYLAND SECURITIES ACT.

Disclosure 44 of 53**Reporting Source:**

Regulator

Current Status:

Final

Allegations:

SEC ADMIN. PROCEEDING RELEASE NO.'S 33-8913, 34-57748, 40-2733 AND 40-28261, MAY 1, 2008: THIS MATTER INVOLVES MATERIAL MISREPRESENTATIONS AND OMISSIONS BY BANC OF AMERICA INVESTMENT SERVICES OR (THE "FIRM") TO ITS CLIENTS FOR WHOM IT MAINTAINED DISCRETIONARY MUTUAL FUND WRAP FEE ACCOUNTS BETWEEN JULY 2002 AND DECEMBER 2004 (THE "RELEVANT PERIOD"). THE FIRM SELECTED AT LEAST TWO AFFILIATED FUNDS (FUNDS), USING A METHODOLOGY THAT WAS CONTRARY TO PRIOR STATEMENTS TO CLIENTS, FOR INCLUSION WITHIN THE FIRM'S WRAP FEE ACCOUNTS. THE FIRM'S AFFILIATE ("AFFILIATE") EARNED ADDITIONAL FEES AS A RESULT BECAUSE ITS MANAGEMENT FEES WERE BASED ON THE FUNDS' ASSET SIZE. THE AFFILIATE WAS BOTH AN INVESTMENT ADVISER TO THE FUNDS, FROM WHICH IT DERIVED ASSET-BASED FEES, AND THE ENTITY RECOMMENDING MODEL PORTFOLIOS FOR ITS MUTUAL FUND WRAP FEE ACCOUNTS. AS AN INVESTMENT ADVISER TO CLIENTS IN ITS MUTUAL FUND WRAP FEE PROGRAM, THE FIRM HAD A FIDUCIARY DUTY TO ACT IN THE BEST INTERESTS OF ITS CLIENTS. THIS DUTY REQUIRED THE FIRM TO DISCLOSE ALL MATERIAL INFORMATION CONCERNING POTENTIAL OR ACTUAL CONFLICTS OF INTEREST, AND PRECLUDED IT FROM ANY UNDISCLOSED USE OF ITS CLIENTS' ASSETS TO BENEFIT ITSELF. DURING JULY 2002 AND DECEMBER 2004 (THE "RELEVANT PERIOD"), THE AFFILIATE MADE RECOMMENDATIONS, WHICH THE FIRM APPROVED, OF ALL MUTUAL FUNDS SELECTED FOR WRAP FEE CLIENTS WITH DISCRETIONARY ACCOUNTS, INCLUDING THE FUNDS THAT ARE THE SUBJECT OF THIS PROCEEDING. IN MISREPRESENTING ITS RESEARCH PROCESS AND



FAILING TO DISCLOSE THE CONFLICTS OF INTEREST INHERENT IN THE SELECTION OF FUNDS FOR ITS DISCRETIONARY CLIENTS, BANC OF AMERICA INVESTMENT SERVICES VIOLATED SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT. BANC OF AMERICA INVESTMENT SERVICES VIOLATED SECTION 206(2) OF THE ADVISERS ACT BY MISREPRESENTING TO CLIENTS THAT FUNDS IN THE MODEL PORTFOLIOS WOULD BE CHOSEN ACCORDING TO THE APPROVED RESEARCH PROCESS. (CONTINUED IN COMMENTS SECTION)

Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	05/01/2008
Docket/Case Number:	FILE NO. 3-13030
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	05/01/2008
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 \$2,000,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS: THE FIRM SHALL PLACE AND MAINTAIN ON ITS WEBSITE WITHIN 15 DAYS OF THE DATE OF ENTRY OF THE ORDER DISCLOSURES RESPECTING THE MANNER OF SELECTING FUNDS FOR ANY DISCRETIONARY PROGRAM AND IDENTIFYING ANY FUNDS AFFILIATED WITH THE FIRM OR ITS AFFILIATE, THAT ARE INCLUDED IN THE PROGRAM AND THE AGGREGATE PERCENTAGE OF AFFILIATED FUNDS INCLUDED IN SUCH PROGRAM. THE FIRM SHALL MAKE THIS INFORMATION AVAILABLE VIA A HYPERLINK ON THE HOME PAGE OF ITS WEBSITE FOR AT LEAST 18 MONTHS FROM THE DATE THE INFORMATION IS FIRST MADE AVAILABLE. THE FIRM SHALL PLACE ON ITS WEBSITE, WITHIN 15 DAYS OF THE DATE



OF ENTRY OF THIS ORDER, A SUMMARY OF THE ORDER IN A FORM NOT UNACCEPTABLE TO THE COMMISSION'S STAFF WITH A HYPERLINK TO THE ORDER. THE FIRM SHALL MAINTAIN THE SUMMARY AND HYPERLINK ON ITS WEBSITE FOR AT LEAST 18 MONTHS AFTER ITS INITIAL POSTING. IN A PERIODIC STATEMENT OR REPORT SENT TO EACH DISCRETIONARY MUTUAL FUND WRAP FEE CLIENT ON AT LEAST A QUARTERLY BASIS, THE FIRM SHALL SPECIFICALLY IDENTIFY ALL FUNDS OR FUND FAMILIES ADVISED BY ANY AFFILIATE OF THE FIRM. SUCH DISCLOSURE SHALL CONTINUE FOR AT LEAST 18 MONTHS FROM THE DATE OF THE STATEMENT IN WHICH IT IS FIRST INCLUDED AND BE IN TYPE NO SMALLER THAN THE TYPE USED FOR THE LISTING OF ANY TRANSACTIONS REPORTED OR ASSETS HELD IN THE PERIODIC REPORT OR STATEMENT. THE FIRM SHALL CONDUCT A COMPREHENSIVE REVIEW OF: (I) WHETHER THE METHOD OF SELECTING MUTUAL FUNDS TO BE INCLUDED IN ANY DISCRETIONARY PROGRAM ADVISED BY THE FIRM IS ADEQUATELY DISCLOSED; (II) THE ADEQUACY OF DISCLOSURES RESPECTING ANY DISCRETIONARY PROGRAM ADVISED BY THE FIRM; AND (III) THE ADEQUACY OF THE POLICIES AND PROCEDURES RESPECTING THE FIRM'S RECOMMENDATIONS TO MUTUAL FUND WRAP FEE ACCOUNT CLIENTS. (CONTINUED IN SANCTION DETAIL)

Sanction Details:

THE FIRM HAS SUBMITTED AN OFFER OF SETTLEMENT, WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT CONSENT TO THE ENTRY OF THIS ORDER. IT IS ORDERED THAT: THE FIRM, PURSUANT TO SECTION 8A OF THE SECURITIES ACT, SECTION 21C OF THE EXCHANGE ACT, AND SECTION 203(K) OF THE ADVISERS ACT, CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT, SECTIONS 206(2), 206(4), AND 207 OF THE ADVISERS ACT, AND RULE 206(4)-1(A)(5) PROMULGATED THEREUNDER. THE FIRM IS CENSURED PURSUANT TO SECTION 203(E) OF THE ADVISERS ACT AND IS ALSO CENSURED PURSUANT TO SECTION 15(B)(4) OF THE EXCHANGE ACT. THE FIRM SHALL, WITHIN 90 DAYS OF THE ENTRY OF THIS ORDER, AND PURSUANT TO SECTION 21B OF THE SECURITIES ACT, SECTION 9(E) OF THE COMPANY ACT, AND SECTION 203(J) OF THE ADVISERS ACT, PAY DISGORGEMENT IN THE TOTAL AMOUNT OF \$3,310,206 AND PREJUDGMENT INTEREST OF \$793,773. THE FIRM, WITHIN 90 DAYS OF THE ENTRY OF THIS ORDER, AND PURSUANT TO SECTION 15(B)(4) AND SECTION 21B OF THE EXCHANGE ACT, SECTION 9(D) OF THE COMPANY ACT AND SECTION 203(I) OF THE ADVISERS ACT, SHALL PAY A CIVIL MONETARY PENALTY OF \$2,000,000. (UNDERTAKINGS CONTINUED) THE FIRM SHALL PAY TO CLIENTS AND FORMER CLIENTS WHO PARTICIPATED IN ITS DISCRETIONARY MUTUAL FUND WRAP FEE PROGRAM THE DISGORGEMENT AMOUNT OF \$5,453,479, PREJUDGMENT INTEREST OF \$1,310,155, PLUS THE PENALTY AMOUNTS OF \$3,000,000, PROPORTIONALLY TO THE AMOUNT AND LENGTH OF TIME EACH CLIENT HAD INVESTED IN FUNDS BETWEEN JULY 1, 2002 AND



DECEMBER 31, 2004; IF THE FIRM IS UNABLE TO PAY ANY CLIENT DUE TO FACTORS BEYOND ITS CONTROL, ANY PORTION OF THE DISGORGEMENT, PREJUDGMENT INTEREST, AND PENALTIES, AND ANY SUMS THAT ARE NOT PAID TO ANY CLIENT OR FORMER CLIENT WHO IS DUE LESS THAN \$100, SUCH REMAINING SUMS SHALL BE PAID TO THE UNITED STATES TREASURY WITHIN 120 DAYS OF THE DATE ON WHICH THE FIRM INITIALLY SENDS PAYMENT TO SUCH CLIENT.

Regulator Statement

(FINDINGS CONTINUED) BANC OF AMERICA INVESTMENT SERVICES ALSO VIOLATED SECTION 206(2) BY FAILING TO DISCLOSE THE CONFLICT OF INTERESTS IN ITS SELECTION OF AFFILIATED FUNDS FOR INCLUSION IN THE MODEL PORTFOLIOS. AS AN INVESTMENT ADVISER, BANC OF AMERICA INVESTMENT SERVICES OWED A FIDUCIARY DUTY TO ITS DISCRETIONARY MUTUAL FUND WRAP FEE CLIENTS TO DISCLOSE ALL MATERIAL FACTS, INCLUDING ALL SITUATIONS INVOLVING AN ACTUAL OR POTENTIAL CONFLICT OF INTERESTS WITH A CLIENT. CONTRARY TO ITS FIDUCIARY DUTIES, BANC OF AMERICA INVESTMENT SERVICES PLACED ITS AND ITS AFFILIATE'S PECUNIARY INTERESTS AHEAD OF ITS CLIENTS' INTERESTS. IN DOING SO, BANC OF AMERICA INVESTMENT SERVICES VIOLATED SECTION 206(2) OF THE ADVISERS ACT. BECAUSE BANC OF AMERICA INVESTMENT SERVICES MADE THESE MATERIAL MISREPRESENTATIONS AND OMISSIONS IN ADVERTISING AND PROMOTIONAL MATERIALS FOR THE MUTUAL FUND WRAP FEE PROGRAMS AND BECAUSE THOSE ADVERTISEMENTS AND PROMOTIONAL MATERIALS WERE DISTRIBUTED TO CLIENTS AND PROSPECTIVE CLIENTS, BANC OF AMERICA INVESTMENT SERVICES VIOLATED SECTION 206(4) OF THE ADVISERS ACT AND RULE 206(4)-1(A)(5) THEREUNDER, WHICH PROHIBITS AN INVESTMENT ADVISER FROM PUBLISHING, CIRCULATING, OR DISTRIBUTING ANY ADVERTISEMENT WHICH CONTAINS ANY UNTRUE STATEMENT OF A MATERIAL FACT, OR WHICH IS OTHERWISE FALSE OR MISLEADING. BANC OF AMERICA INVESTMENT SERVICES MADE UNTRUE STATEMENTS OF MATERIAL FACT IN PART II OF ITS FORM ADV. PART II OF FORM ADV IS DEEMED FILED WITH THE COMMISSION PURSUANT TO SECTION 204 OF THE ADVISERS ACT AND RULE 204-1(C) THEREUNDER. BANC OF AMERICA INVESTMENT SERVICES WILLFULLY VIOLATED SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT, SECTIONS 206(2), 206(4), AND 207 OF THE ADVISERS ACT, AND ADVISERS ACT RULE 206(4)-1(A)(5).

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE SEC'S FINDINGS, BANC OF AMERICA INVESTMENT SERVICES, INC. ("BAISI") AND COLUMBIA



MANAGEMENT ADVISORS, LLC ("CMA") HAVE CONSENTED TO THE ENTRY OF AN ORDER THAT FINDS VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT OF 1933, SECTIONS 206(2), 206(4), AND 207 OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT"), AND ADVISERS ACT RULE 206(4)-1(A)(5) IN CONNECTION WITH BAISI'S SELECTION OF CERTAIN MUTUAL FUNDS IN BAISI'S WRAP FEE PROGRAM AND THE ADEQUACY OF DISCLOSURES TO CUSTOMERS REGARDING THE SAME AND CMA'S RECEIPT OF ADDITIONAL MANAGEMENT FEES AS A RESULT THEREOF.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 11/01/2003

Docket/Case Number: FILE NO. 3-13030

Principal Product Type: Mutual Fund(s)

Other Product Type(s): WRAP FEE PROGRAM

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

Other Sanction(s)/Relief Sought: OTHER - CEASE AND DESIST, CENSURE, DISGORGEMENT AND PREJUDGMENT INTEREST, CIVIL MONETARY PENALTIES AND CERTAIN UNDERTAKINGS. SEE ITEM 12B FOR FURTHER DETAILS.

Resolution: Order

Resolution Date: 05/01/2008

Sanctions Ordered: Censure
Monetary/Fine \$3,000,000.00
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: THE SEC ORDER PROVIDES THAT (I) BAISI AND CMA CEASE AND DESIST FROM COMMITTING OR CAUSING ANY FUTURE VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT OF 1933, SECTIONS 206(2), 206(4), AND 207 OF THE ADVISERS ACT, AND RULE 206(4)-1(A)(5) PROMULGATED THEREUNDER; (II) BAISI PAY \$3,310,206 IN DISGORGEMENT, \$793,773 IN PREJUDGMENT INTEREST, AND \$2,000,000 IN CIVIL MONETARY PENALTY; (III) CMA PAY \$2,143,273 IN DISGORGEMENT, \$516,382 IN PREJUDGMENT INTEREST, AND \$1,000,000 IN CIVIL MONETARY PENALTIES; (IV) CENSURES BAISI PURSUANT TO SECTION 15(B)(4) OF THE SECURITIES EXCHANGE ACT OF 1934 AND CENSURES BAISI AND CMA PURSUANT TO SECTION 203(E) OF THE ADVISERS ACT; AND (V) REQUESTS THAT BAISI COMPLY WITH CERTAIN UNDERTAKINGS AS DESCRIBED IN ITEM 13 BELOW.

Sanction Details: BAISI SHALL PAY \$3,310,206 IN DISGORGEMENT, \$793,773 IN



PREJUDGMENT INTEREST, AND \$2,000,000 IN CIVIL MONETARY PENALTY AND CMA SHALL PAY \$2,143,273 IN DISGORGEMENT, \$516,382 IN PREJUDGMENT INTEREST, AND \$1,000,000 IN CIVIL MONETARY PENALTIES WITHIN 90 DAYS OF ENTRY OF THE SEC ORDER. PURSUANT TO THE ORDER, THESE SUMS SHALL BE DISTRIBUTED TO CLIENTS IN THE MUTUAL FUND WRAP FEE PROGRAM PROPORTIONATELY TO THE AMOUNT AND LENGTH OF TIME EACH CLIENT HAD INVESTED IN THE NATIONS FUND LARGE CAP VALUE AND NATIONS SMALL COMPANY FUNDS BETWEEN JULY 1, 2002 AND DECEMBER 31, 2004.

Firm Statement

THE SEC ORDER PROVIDES THAT: (1) WITHIN 15 DAYS, BAISI PLACE AND MAINTAIN ON ITS WEBSITE FOR AT LEAST 18 MONTHS DISCLOSURES RESPECTING THE MANNER OF SELECTING FUNDS FOR ANY DISCRETIONARY PROGRAM AND IDENTIFYING ANY FUNDS AFFILIATED WITH BAISI OR CMA THAT ARE INCLUDED IN THE PROGRAM AND AGGREGATE PERCENTAGE OF AFFILIATE FUNDS INCLUDED IN SUCH PROGRAM; (2) WITHIN 15 DAYS, BAISI PLACE A SUMMARY OF THE ORDER ON ITS WEBSITE WITH A HYPERLINK TO THE ORDER AND MAINTAIN SUCH SUMMARY AND HYPERLINK FOR AT LEAST 18 MONTHS; (3) ON AT LEAST A QUARTERLY BASIS AND CONTINUING FOR AT LEAST 18 MONTHS FROM THE DATE OF THE STATEMENT IN WHICH IT IS FIRST INCLUDED, BAISI SHALL SEND A PERIODIC STATEMENT OR REPORT TO EACH DISCRETIONARY MUTUAL FUND WRAP FEE CLIENT TO SPECIFICALLY IDENTIFY ALL FUNDS OR FUND FAMILIES ADVISED BY ANY AFFILIATE OF BAISI; (4) WITHIN 90 DAYS, BAISI SHALL COMPLETE A COMPREHENSIVE REVIEW OF (I) WHETHER THE METHOD OF SELECTING MUTUAL FUNDS TO BE INCLUDED IN ANY DISCRETIONARY PROGRAM ADVISED BY BAISI IS ADEQUATELY DISCLOSED; (II) THE ADEQUACY OF DISCLOSURES RESPECTING AND DISCRETIONARY PROGRAM ADVISED BY BAISI; AND (III) THE ADEQUACY OF THE POLICIES AND PROCEDURES RESPECTING BAISI RECOMMENDATIONS TO MUTUAL FUND WRAP CLIENTS. UPON COMPLETION OF THE REVIEW OUTLINED IN (4) ABOVE, BAISI SHALL FORWARD A DESCRIPTION OF ANY DEFICIENCIES FOUND DURING THE REVIEW AND THE MANNER IN WHICH IT PLANS TO REMEDIATE ANY DEFICIENCIES TO THE SEC. BAISI SHALL THEN IMPLEMENT REMEDIAL ACTIONS TO ADDRESS ANY DEFICIENCIES FOUND IN THE REVIEW WITHIN 120 DAYS.

Disclosure 45 of 53

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 3011(A) AND (B), MSRB RULE G-41 - RESPONDENT MEMBER FAILED TO IMPLEMENT AND ENFORCE ITS ANTI-MONEY



LAUNDERING (AML) PROCEDURES WITH RESPECT TO CERTAIN ACCOUNTS REQUIRING IDENTIFICATION OF THE TRUE IDENTITY OF ALL CLIENTS AND BENEFICIAL OWNERS REQUESTING FIRM PRODUCTS AND SERVICES. THE FINDINGS STATED THAT THE FIRM DID NOT HAVE ADEQUATE COMMUNICATION WITH ITS PARENT CORPORATION AS TO WHETHER A SUSPICIOUS ACTIVITY REPORT (SAR) SHOULD BE FILED AND WHETHER A SAR HAD IN FACT BEEN FILED.

Initiated By: NASD

Date Initiated: 01/26/2007

Docket/Case Number: E062004038601

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: 01/26/2007

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

Sanctions Ordered: Censure
Monetary/Fine \$3,000,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, BANC OF AMERICA INVESTMENT SERVICES, INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$3,000,000.00.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110, 3011(A) AND (B), MSRB RULE G-41 - RESPONDENT MEMBER ALLEGEDLY FAILED TO OBTAIN THE NAMES OF BENEFICIAL



OWNERS FOR CERTAIN ACCOUNTS. THE MEMBER'S PROCEDURES REQUIRED SUCH CUSTOMER INFORMATION. THE FIRM ALSO ALLEGEDLY DID NOT HAVE ADEQUATE COMMUNICATION WITH ITS PARENT CORPORATION AS TO WHETHER A SUSPICIOUS ACTIVITY REPORT (SAR) SHOULD BE FILED AND WHETHER A SAR HAD IN FACT BEEN FILED.

Initiated By:	NASD
Date Initiated:	01/26/2007
Docket/Case Number:	E062004038601
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:	01/26/2007
Sanctions Ordered:	Censure Monetary/Fine \$3,000,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, BANC OF AMERICA INVESTMENT SERVICES, INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$3,000,000.00.
Firm Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, BANC OF AMERICA INVESTMENT SERVICES, INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$3,000,000.00.

Disclosure 46 of 53

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD CONDUCT RULES 2110, 3010, 2210(D)(1): RESPONDENT MEMBER FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO REVIEW AND MONITOR ITS FEE-BASED BROKERAGE BUSINESS. AS A RESULT OF THESE DEFICIENCIES, THE FIRM ALLOWED CUSTOMERS TO CONTINUE IN



THE PORTFOLIO EDGE ACCOUNT WITHOUT ASSESSING WHETHER THE ACCOUNT REMAINED APPROPRIATE FOR THOSE CUSTOMERS, IT FAILED TO ESTABLISH AND MONITOR THE MANUAL PROCESSING OF TRADES TO ENSURE THAT CUSTOMERS WERE NOT CHARGED A COMMISSION FOR TRANSACTIONS IN ELIGIBLE ASSETS AND TO ENSURE THAT ADEQUATE DISCLOSURES WERE MADE TO CUSTOMERS REGARDING THE FEES THAT WOULD BE CHARGED TO THE ACCOUNTS FOR CERTAIN TRANSACTIONS. THE FIRM USED WRITTEN COMMUNICATIONS WITH THE PUBLIC, INCLUDING ADVERTISING AND SALES LITERATURE, THAT OMITTED MATERIAL INFORMATION AND FAILED TO PROVIDE A SOUND BASIS FOR EVALUATING THE FACTS IN REGARD TO THE ACCOUNT.

Initiated By: NASD

Date Initiated: 12/19/2006

Docket/Case Number: EAF0401010002

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: 12/19/2006

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 \$500,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED, FINED \$500,000 AND ORDERED TO PAY RESTITUTION OF \$89,625 PLUS INTEREST. SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT



RESTITUTION SHALL BE PROVIDED TO NASD NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC.

IF FOR ANY REASON RESPONDENT CANNOT LOCATE CUSTOMER, AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, OR SUCH ADDITIONAL PERIOD AGREED TO BY THE STAFF, RESPONDENT SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY, OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER IS LAST KNOWN TO HAVE RESIDED.

Reporting Source: Firm

Current Status: Final

Allegations: NASD CONDUCT RULES 2110, 3010, 2210(D)(1): RESPONDENT MEMBER FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO REVIEW AND MONITOR ITS FEE-BASED BROKERAGE BUSINESS. AS A RESULT OF THESE DEFICIENCIES, THE FIRM ALLOWED CUSTOMERS TO CONTINUE IN THE PORTFOLIO EDGE ACCOUNT WITHOUT ASSESSING WHETHER THE ACCOUNT REMAINED APPROPRIATE FOR THOSE CUSTOMERS, IT FAILED TO ESTABLISH AND MONITOR THE MANUAL PROCESSING OF TRADES TO ENSURE THAT CUSTOMERS WERE NOT CHARGED A COMMISSION FOR TRANSACTIONS IN ELIGIBLE ASSETS AND TO ENSURE THAT ADEQUATE DISCLOSURES WERE MADE TO CUSTOMERS REGARDING THE FEES THAT WOULD BE CHARGED TO THE ACCOUNTS FOR CERTAIN TRANSACTIONS. THE FIRM USED WRITTEN COMMUNICATIONS WITH THE PUBLIC, INCLUDING ADVERTISING AND SALES LITERATURE, THAT OMITTED MATERIAL INFORMATION AND FAILED TO PROVIDE A SOUND BASIS FOR EVALUATING THE FACTS IN REGARD TO THE ACCOUNT.

Initiated By: NASD

Date Initiated: 12/19/2006

Docket/Case Number: EAF0401010002

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINED



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/19/2006

Sanctions Ordered: Censure
Monetary/Fine \$500,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED, FINED \$500,000 AND ORDERED TO PAY RESTITUTION OF \$89,625 PLUS INTEREST. SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION SHALL BE PROVIDED TO NASD NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. IF FOR ANY REASON RESPONDENT CANNOT LOCATE CUSTOMER, AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, OR SUCH ADDITIONAL PERIOD AGREED TO BY THE STAFF, RESPONDENT SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY, OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER IS LAST KNOWN TO HAVE RESIDED.

Firm Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED, FINED \$500,000 AND ORDERED TO PAY RESTITUTION OF \$89,625 PLUS INTEREST. SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION SHALL BE PROVIDED TO NASD NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. IF FOR ANY REASON RESPONDENT CANNOT LOCATE CUSTOMER, AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, OR SUCH ADDITIONAL PERIOD AGREED TO BY THE STAFF, RESPONDENT SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY, OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER IS LAST KNOWN TO HAVE RESIDED.

Disclosure 47 of 53

Reporting Source: Firm

Current Status: Final

Allegations: THE NASD ALLEGED THAT QUICK & REILLY, INC. (PRIOR TO THE 10/20/2004 MERGER WITH BANC OF AMERICA INVESTMENT SERVICES, INC.) FAILED



TO MAINTAIN AND ENFORCE AN ADEQUATE SYSTEM TO SUPERVISE THE ACTIVITIES OF CERTAIN REGISTERED REPRESENTATIVES, WITH RESPECT TO THE SALE OF VARIABLE ANNUITIES.

Initiated By: NASD

Date Initiated: 12/01/2006

Docket/Case Number: E102003158301

Principal Product Type: Annuity(ies) - Variable

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/01/2006

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, QUICK & REILLY, INC. (N/K/A BANC OF AMERICA INVESTMENT SERVICES, INC., AS OF A 10/20/2004 MERGER) CONSENTED TO A CENSURE AND A FINE OF \$75,000.00.

Disclosure 48 of 53

Reporting Source: Firm

Current Status: Final

Allegations: THE NYSE DIVISION OF ENFORCEMENT ALLEGED THAT QUICK & REILLY, INC. (PRIOR TO THE 10/20/2004 MERGER WITH BANC OF AMERICA INVESTMENT SERVICES, INC.) FAILED TO RETAIN CERTAIN INTRA-FIRM EMAIL COMMUNICATIONS AND FAILED TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS WITH RESPECT TO THE RETENTION OF CERTAIN INTRA-FIRM EMAIL COMMUNICATIONS.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 05/10/2006

Docket/Case Number: NYSE HEARING PANEL DECISION 06-38



Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	07/19/2006
Sanctions Ordered:	Censure Monetary/Fine \$200,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, QUICK & REILLY, INC. (N/K/A BANC OF AMERICA INVESTMENT SERVICES, INC., AS OF A 10/20/2004 MERGER) CONSENTED TO A CENSURE AND PAID A FINE OF \$200,000 ON 7/19/2006.
Firm Statement	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, QUICK & REILLY, INC. (N/K/A BANC OF AMERICA INVESTMENT SERVICES, INC., AS OF A 10/20/2004 MERGER) CONSENTED TO A CENSURE AND PAID A FINE OF \$200,000 ON 7/19/2006.

Disclosure 49 of 53

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 3010, 6230(A), 6230(E) - BANC OF AMERICA INVESTMENT SERVICES, INC. FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES EXECUTED ON A BUSINESS DAY DURING TRACE SYSTEM HOURS WITHIN 45 MINUTES OF THE TIME OF EXECUTION; REPORTED TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES IT WAS NOT REQUIRED TO REPORT; AND THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING ACCURATE REPORTING TO TRACE.
Initiated By:	NASD
Date Initiated:	08/08/2006
Docket/Case Number:	2005000187001



Principal Product Type:	Other
Other Product Type(s):	TRACE-ELIGIBLE SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/08/2006
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, THE FIRM IS CENSURED, FINED \$17,500 AND REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES REGARDING ACCURATE REPORTING TO TRACE WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE NASD ALLEGED THAT BANC OF AMERICA INVESTMENT SERVICES, INC. (I) FAILED TO COMPLY WITH TRACE REPORTING REQUIREMENTS FROM JANUARY 1, 2004 THROUGH MARCH 31, 2004 BY NOT REPORTING TO TRACE CERTAIN TRANSACTIONS WITHIN 45 MINUTES OF EXECUTION AND BY REPORTING TO TRACE CERTAIN TRANSACTIONS THAT IT WAS NOT REQUIRED TO REPORT, AND (II) FAILED TO HAVE A SUPERVISORY SYSTEM RESONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING ACCURATE TRACE REPORTING. THE NASD ASSERTED THAT SUCH PURPORTED ACTIONS VIOLATED NASD RULES 2110, 3010, 6230(A) AND 6230(E).
Initiated By:	NASD



Date Initiated: 08/08/2006
Docket/Case Number: 2005001870-01
Principal Product Type: Other
Other Product Type(s): TRACE-ELIGIBLE SECURITIES
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 08/08/2006
Sanctions Ordered: Censure
 Monetary/Fine \$17,500.00
Other Sanctions Ordered: UNDERTAKING
Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, BANC OF AMERICA INVESTMENT SERVICES, INC. CONSENTED TO A CENSURE, A FINE OF \$17,500 AND AN UNDERTAKING TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING ACCURATE TRACE REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THE AWC.

Disclosure 50 of 53

Reporting Source: Regulator
Current Status: Final
Allegations: MSRB RULE G-14 AND G-27- RESPONDENT FIRM FAILED TO TIMELY REPORT ITS MUNICIPAL SECURITIES CUSTOMER TRANSACTIONS TO THE MSRB. THE FIRM FAILED TO MONITOR ITS TRADE REPORTING TO ENSURE COMPLIANCE WITH MSRB RULE G-14.
Initiated By: NASD
Date Initiated: 06/28/2005
Docket/Case Number: C07050036
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: 06/28/2005

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 \$90,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$90,000

Reporting Source: Firm

Current Status: Final

Allegations: MSRB RULE G-14 AND G-27 RESPONDENT FIRM FAILED TO TIMELY REPORT ITS MUNICIPAL SECURITIES CUSTOMER TRANSACTIONS TO THE MSRB. THE FIRM FAILED TO MONITOR ITS TRADE REPORTING TO ENSURE COMPLIANCE WITH MSRB RULE G-14.

Initiated By: NASD

Date Initiated: 06/28/2005

Docket/Case Number: C07050036

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: 06/28/2005



Sanctions Ordered: Censure
Monetary/Fine \$90,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$90,000.

Disclosure 51 of 53

Reporting Source: Regulator

Current Status: Final

Allegations: SEC ADMINISTRATIVE RELEASE 34-51852, IA RELEASE 40-2396, JUNE 15, 2005; THIS ACTION CONCERNS VIOLATIONS BY RESPONDENTS OF THE RECORD-KEEPING REQUIREMENTS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4 THEREUNDER, AND VIOLATIONS BY RESPONDENT BANC OF AMERICA INVESTMENT SERVICES OF THE RECORD-KEEPING REQUIREMENTS OF SECTION 204 OF THE ADVISERS ACT AND RULE 204-2 THEREUNDER, DURING THE PERIOD FROM AT LEAST JANUARY 2001 TO FEBRUARY 2004 (THE "RELEVANT PERIOD"). DURING THE RELEVANT PERIOD, RESPONDENTS FAILED TO PRESERVE FOR THREE YEARS ELECTRONIC MAIL COMMUNICATIONS (INCLUDING INTER-OFFICE MEMORANDA AND COMMUNICATIONS) RECEIVED AND SENT BY ITS ASSOCIATED PERSONS AND EMPLOYEES THAT RELATED TO ITS BUSINESS AS A BROKER OR DEALER AS REQUIRED BY RULE 17A-4. DURING THE SAME PERIOD, RESPONDENT BANC OF AMERICA INVESTMENT SERVICES FAILED TO KEEP IN ANY EASILY ACCESSIBLE PLACE FOR A PERIOD OF FIVE YEARS, AND/OR TO PRESERVE IN AN APPROPRIATE OFFICE FOR A PERIOD OF TWO YEARS, TRUE, ACCURATE, AND CURRENT WRITTEN COMMUNICATIONS RELATING TO RECOMMENDATIONS MADE, ADVICE GIVEN OR PROPOSED TO BE GIVEN; RECEIPT, DISBURSEMENT OR DELIVERY OF FUNDS OR SECURITIES; AND THE PLACING OR EXECUTION OF ORDERS TO PURCHASE AND SELL SECURITIES AS REQUIRED BY RULE 204-2. IN PARTICULAR, RESPONDENTS LACKED ADEQUATE SYSTEMS AND PROCEDURES FOR THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 06/15/2005

Docket/Case Number: FILE NO. 3-11952

Principal Product Type: No Product

**Other Product Type(s):**

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

Other Sanction(s)/Relief Sought: CIVIL MONETARY PENALTY, CENSURE

Resolution: Order

Resolution Date: 06/15/2005

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 \$1,000,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: UNDERTAKING: RESPONDENTS HAVE UNDERTAKEN TO REVIEW THEIR PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS FOR COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND REGULATIONS, AS WELL AS APPLICABLE STATE LAWS AND REGULATIONS AND THE RULES OF SELFREGULATORY ORGANIZATIONS. WITHIN 90 DAYS OF THE ISSUANCE OF THIS ORDER, UNLESS OTHERWISE EXTENDED BY THE STAFF OF THE COMMISSION FOR GOOD CAUSE SHOWN, RESPONDENTS UNDERTAKE AND AGREE TO INFORM THE COMMISSION IN WRITING THAT THEY HAVE COMPLETED THEIR REVIEW AND THAT THEY HAVE ESTABLISHED SYSTEMS AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THOSE LAWS, REGULATIONS, AND RULES CONCERNING THE RESERVATION OF ELECTRONIC MAIL COMMUNICATIONS.

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER, RESPONDENTS, PURSUANT TO SECTION 21C OF THE EXCHANGE ACT, CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4 PROMULGATED THEREUNDER. RESPONDENT BANC OF AMERICA INVESTMENT SERVICES, INC., PURSUANT TO SECTION 203(K) OF THE ADVISERS ACT, CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 204 OF THE ADVISERS ACT AND RULE 204-2 PROMULGATED THEREUNDER. RESPONDENTS ARE CENSURED PURSUANT TO SECTION 15(B)(4) OF THE EXCHANGE ACT. RESPONDENT BANC OF AMERICA



INVESTMENT SERVICES IS ALSO CENSURED PURSUANT TO SECTION 203(E) OF THE ADVISERS ACT.
RESPONDENT BANC OF AMERICA INVESTMENT SERVICES, INC., WITHIN TEN DAYS OF THE ENTRY OF THIS ORDER, AND PURSUANT TO SECTION 15(B)(4) AND SECTION 21B OF THE EXCHANGE ACT AND SECTION 203(I) OF THE ADVISERS ACT, SHALL PAY A CIVIL MONETARY PENALTY OF \$1,000,000.

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED VIOLATIONS BY BANC OF AMERICA INVESTMENT SERVICES, INC. ("BAI") AND BACAP DISTRIBUTORS, LLC ("BACAP") OF RECORD-KEEPING REQUIREMENTS OF SECTION 17(A) OF THE EXCHANGE ACT & RULE 17A-4 THEREUNDER & VIOLATIONS BY BAI OF RECORD-KEEPING REQUIREMENTS OF SECTION 204 OF THE ADVISERS ACT & RULE 204-2 THEREUNDER FROM JANUARY 2001 TO FEBRUARY 2004.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	06/15/2005
Docket/Case Number:	FILE NO. 3-11952
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	PENALTIES AND OTHER RELIEF ("ORDER")
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	06/15/2005
Sanctions Ordered:	Censure Monetary/Fine \$1,500,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	WITHIN 10 DAYS OF THIS ORDER, BAI WILL PAY A CIVIL MONETARY PENALTY OF \$1,000,000 TO THE SEC AND BACAP WILL PAY \$500,000 TO THE SEC. (FOR MORE INFORMATION SEE #13. BELOW.)
Firm Statement	FROM JANUARY 2001 TO FEBRUARY 2004, BAI AND BACAP FAILED TO PRESERVE FOR 3 YEARS ELECTRONIC MAIL COMMUNICATIONS



(INCLUDING INTER-OFFICE MEMORANDA & COMMUNICATIONS) RECEIVED & SENT BY ITS ASSOCIATED PERSONS & EMPLOYEES THAT RELATED TO ITS BUSINESS AS A BROKER OR DEALER AS REQUIRED BY RULE 17A-4. DURING THE SAME PERIOD, BAI FAILED TO KEEP IN ANY EASILY ACCESSIBLE PLACE FOR A PERIOD OF 5 YEARS, AND/OR TO PRESERVE IN AN APPROPRIATE OFFICE FOR A PERIOD OF 2 YEARS, TRUE, ACCURATE & CURRENT WRITTEN COMMUNICATIONS RELATING TO RECOMMENDATIONS MADE, ADVICE GIVEN OR PROPOSED TO BE GIVEN; RECEIPT, DISBURSEMENT OR DELIVERY OF FUNDS OR SECURITIES; AND THE PLACING OR EXECUTION OF ORDERS TO PURCHASE & SELL SECURITIES AS REQUIRED BY RULE 204-2. WITHIN 90 DAYS OF THIS ORDER, BAI & BACAP WILL COMPLETE A REVIEW OF THEIR PROCEDURES FOR PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS AND ESTABLISH SYSTEMS & PROCEDURES DESIGNED TO ACHIEVE COMPLIANCE WITH LAWS, REGULATIONS & RULES. PURSUANT TO SECTION 21C OF THE EXCHANGE ACT, BAI AND BACAP WILL CEASE AND DESIST FROM COMMITTING OR CAUSING VIOLATIONS OR FUTURE VIOLATIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4 THEREUNDER. PURSUANT TO SECTION 203(K) OF THE ADVISERS ACT, BAI SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING TO COMMIT VIOLATIONS & ANY FUTURE VIOLATIONS OF SECTION 204 OF THE ADVISERS ACT AND RULE 204-2 THEREUNDER. BAI & BACAP ARE CENSURED PURSUANT TO SECTION 15(B)(4) OF THE EXCHANGE ACT & BAI IS ALSO CENSURED PURSUANT TO SECTION 203(E) OF THE ADVISERS ACT. WITHIN 10 DAYS OF THIS ORDER, BAI WILL PAY A CIVIL MONETARY PENALTY OF \$1,000,000 TO THE SEC AND BACAP WILL PAY \$500,000 TO THE SEC.

Disclosure 52 of 53

Reporting Source:	Regulator
Current Status:	Final
Allegations:	ARTICLE V, SECTIONS 2(C) AND 3(B) OF NASD'S BY-LAWS, AND NASD RULES 2110 AND 3010 - BANC OF AMERICA INVESTMENT SERVICES, INC. ("RESPONDENT FIRM") FILED AT LEAST 170 LATE AMENDMENTS TO FORMS U4 AND U5, WHICH REPRESENTED APPROXIMATELY 56% OF THE REQUIRED AMENDMENTS RELATING TO REPORTABLE CUSTOMER COMPLAINTS, REGULATORY ACTIONS, AND CRIMINAL DISCLOSURES. DURING THE RELEVANT PERIOD, THE RESPONDENT FIRM'S SUPERVISORY SYSTEM AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS ARTICLE V REPORTING OBLIGATIONS.
Initiated By:	NASD
Date Initiated:	11/30/2004



Docket/Case Number: CAF040101

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: 11/30/2004

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 \$200,000.00

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, IT IS CENSURED AND FINED \$200,000, WHICH SHALL BE PAID WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF THIS AWC. IN ADDITION RESPONDENT FIRM SHALL COMPLY WITH THE FOLLOWING UNDERTAKINGS: (1) PROMPTLY FOLLOWING NOTICE OF ACCEPTANCE OF THIS AWC, THE FIRM'S INTERNAL AUDIT DEPARTMENT OR PERSONNEL NOT DIRECTLY RESPONSIBLE FOR THE FIRM'S ARTICLE V REPORTING OBLIGATIONS AND THEIR IMMEDIATE SUPERVISORS SHALL CONDUCT AN AUDIT TO ASSESS THE EFFECTIVENESS OF ITS SYSTEM AND PROCEDURES FOR ENSURING TIMELY FILING OF FORM U4 AND U5 AMENDMENTS SUMMARIZING FINDINGS AND RECOMMENDATIONS AND SHALL FOR THE NEXT FOUR CALENDAR QUARTERS BEGINNING FOURTH QUARTER 2004, CONDUCT A SIMILAR AUDIT AND PREPARE A SIMILAR WRITTEN AUDIT REPORT. (2) NO LATER THAN 90 DAYS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED AND THE OFFICER HAS REVIEWED THE CURRENT AUDIT REPORT. (3) NO LATER THAN 60 DAYS AFTER THE DATE OF THE CURRENT AUDIT REPORT, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS IMPLEMENTED, OR HAS BEGUN TO IMPLEMENT, ANY RECOMMENDATIONS WITHIN A SPECIFIED TIME PERIOD. (4) NO LATER THAN 60 DAYS AFTER THE LAST



DAY OF THE NEXT FOUR QUARTERS, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED, THE CURRENT AUDIT REPORT WAS REVIEWED, AND RECOMMENDATIONS IMPLEMENTED, OR BEGUN TO BE IMPLEMENTED. (5) NO LATER THAN SIX MONTHS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS REVIEWED ITS SYSTEM AND PROCEDURES FOR COMPLYING WITH ITS ARTICLE V REPORTING OBLIGATIONS AND HAS ESTABLISHED A SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REPORTING REQUIREMENTS SET FORTH THEREIN.

Reporting Source:	Firm
Current Status:	Final
Allegations:	ARTICLE V, SECTIONS 2(C) & 3(B) OF NASD'S BY-LAWS, & NASD RULES 2110 & 3010 - BANC OF AMERICA INVESTMENT SERVICES, INC. FILED AT LEAST 170 LATE AMENDMENTS TO FORMS U4 & U5, WHICH REPRESENTED APPROX. 56% OF THE REQUIRED AMENDMENTS RELATING TO REPORTABLE CUSTOMER COMPLAINTS, REGULATORY ACTIONS AND CRIMINAL DISCLOSURES. DURING THE RELEVANT PERIOD, BANC OF AMERICA INVESTMENT SERVICES, INC.'S SUPERVISORY SYSTEM & PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS ARTICLE V REPORTING OBLIGATIONS.
Initiated By:	NASD
Date Initiated:	11/30/2004
Docket/Case Number:	CAF040101
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:	11/30/2004
Sanctions Ordered:	Censure Monetary/Fine \$200,000.00
Other Sanctions Ordered:	UNDERTAKINGS

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, BANC OF AMERICA INVESTMENT SERVICES, INC. (BAI), CONSENTED TO THE DESCRIBED SANCTIONS & TO THE ENTRY OF FINDINGS, THEREFORE, IT IS CENSURED & FINED \$200,000.00 WHICH SHALL BE PAID WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF THIS AWC. IN ADDITION, BAI SHALL COMPLY WITH THE FOLLOWING UNDERTAKINGS; (1) PROMPTLY FOLLOWING NOTICE OF ACCEPTANCE OF THIS AWC, BAI'S INTERNAL AUDIT DEPARTMENT OR PERSONNEL NOT DIRECTLY RESPONSIBLE FOR BAI'S ARTICLE V REPORTING OBLIGATIONS & THEIR IMMEDIATE SUPERVISORS SHALL CONDUCT AN AUDIT TO ASSESS THE EFFECTIVENESS OF ITS SYSTEM & PROCEDURES FOR ENSURING TIMELY FILING OF FORM U4 & U5 AMENDMENTS SUMMARIZING FINDINGS & RECOMMENDATIONS & SHALL FOR THE NEXT FOUR CALENDAR QUARTERS BEGINNING FOURTH QUARTER 2004, CONDUCT A SIMILAR AUDIT & PREPARE A SIMILAR WRITTEN AUDIT REPORT. (2) NO LATER THAN 90 DAYS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED & THE OFFICER HAS REVIEWED THE CURRENT AUDIT REPORT. (3) NO LATER THAN 60 DAYS AFTER THE DATE OF THE CURRENT AUDIT REPORT, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS IMPLEMENTED, OR HAS BEGUN TO IMPLEMENT, ANY RECOMMENDATIONS WITHIN A SPECIFIED TIME PERIOD. (4) NO LATER THAN 60 DAYS AFTER THE LAST DAY OF THE NEXT FOUR QUARTERS, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED, THE CURRENT AUDIT REPORT WAS REVIEWED, & RECOMMENDATIONS IMPLEMENTED, OR BEGUN TO BE IMPLEMENTED. (5) NO LATER THAN 6 MONTHS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT BAI HAS REVIEWED ITS SYSTEM & PROCEDURES FOR COMPLYING WITH ITS ARTICLE V REPORTING OBLIGATIONS & HAS ESTABLISHED A SYSTEM & PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REPORTING REQUIREMENTS SET FORTH THEREIN.

Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, BANC OF AMERICA INVESTMENT SERVICES, INC. (BAI), CONSENTED TO THE DESCRIBED SANCTIONS & TO THE ENTRY OF FINDINGS, THEREFORE, IT IS CENSURED & FINED \$200,000.00 WHICH SHALL BE PAID WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF THIS AWC. IN ADDITION, BAI SHALL COMPLY WITH THE FOLLOWING UNDERTAKINGS; (1) PROMPTLY FOLLOWING NOTICE OF ACCEPTANCE OF THIS AWC, BAI'S INTERNAL AUDIT DEPARTMENT OR PERSONNEL NOT DIRECTLY RESPONSIBLE FOR BAI'S ARTICLE V REPORTING OBLIGATIONS & THEIR IMMEDIATE SUPERVISORS SHALL CONDUCT AN AUDIT TO ASSESS THE EFFECTIVENESS OF ITS SYSTEM & PROCEDURES FOR ENSURING TIMELY FILING OF FORM U4 & U5 AMENDMENTS SUMMARIZING FINDINGS & RECOMMENDATIONS & SHALL FOR THE NEXT FOUR CALENDAR QUARTERS BEGINNING FOURTH



QUARTER 2004, CONDUCT A SIMILAR AUDIT & PREPARE A SIMILAR WRITTEN AUDIT REPORT. (2) NO LATER THAN 90 DAYS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED & THE OFFICER HAS REVIEWED THE CURRENT AUDIT REPORT. (3) NO LATER THAN 60 DAYS AFTER THE DATE OF THE CURRENT AUDIT REPORT, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS IMPLEMENTED, OR HAS BEGUN TO IMPLEMENT, ANY RECOMMENDATIONS WITHIN A SPECIFIED TIME PERIOD. (4) NO LATER THAN 60 DAYS AFTER THE LAST DAY OF THE NEXT FOUR QUARTERS, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED, THE CURRENT AUDIT REPORT WAS REVIEWED, & RECOMMENDATIONS IMPLEMENTED, OR BEGUN TO BE IMPLEMENTED. (5) NO LATER THAN 6 MONTHS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT BAI HAS REVIEWED ITS SYSTEM & PROCEDURES FOR COMPLYING WITH ITS ARTICLE V REPORTING OBLIGATIONS & HAS ESTABLISHED A SYSTEM & PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REPORTING REQUIREMENTS SET FORTH THEREIN.

Disclosure 53 of 53

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	05/29/1998
Docket/Case Number:	C07980030
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/29/1998
Sanctions Ordered:	Censure Monetary/Fine \$16,000.00

**Other Sanctions Ordered:****Sanction Details:****Regulator Statement**

ON MAY 29, 1998, DISTRICT NO. 7 NOTIFIED RESPONDENTS NATIONSBANC INVESTMENTS, INC. AND JOHN W. MUNCE THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C07980030 WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$5,000, JOINTLY AND SEVERALLY. RESPONDENT MEMBER IS FINED AN ADDITIONAL \$11,000 AND RESPONDENT MUNCE IS FINED \$2,500, INDIVIDUALLY - (NASD RULES 1021, 1120(a) AND 3010 - RESPONDENT MUNCE FAILED TO SATISFY THE REGULATORY ELEMENT OF THE CONTINUING EDUCATION PROGRAM; RESPONDENT MEMBER ALLOWED RESPONDENT MUNCE TO CONTINUE PERFORMING DUTIES WHILE NOT PROPERLY REGISTERED AS A PRINCIPAL; AND, RESPONDENT MEMBER AND MUNCE FAILED TO HAVE AN INDIVIDUAL PERFORMING DUTIES REQUIRING PRINCIPAL REGISTRATION PROPERLY QUALIFIED AND REGISTERED AS SUCH; AND, RESPONDENT MEMBER FAILED TO PROVIDE AN ADEQUATE SUPERVISORY SYSTEM WITH RESPECT TO PRINCIPAL REGISTRATIONS, AND FAILED TO PREPARE AND MAINTAIN WRITTEN PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ALL APPLICABLE RULES AND REGULATIONS).

**** \$5,000 PAID ON 9/22/98, INVOICE NO. 98-07-681 *** \$6,000 PAID ON 6/22/98, INVOICE NO. 98-07-505, \$5,000 PAID J&S ON 6/22/98, INVOICE NO. 98-07-507 ***

Reporting Source:

Firm

Current Status:

Final

Allegations:

NASDR ALLEGED THAT NATIONSBANC INVESTMENTS, INC. (NKA BANC OF AMERICA INVESTMENT SERVICES, INC.) VIOLATED MEMBERSHIP AND REGISTRATION RULES 1120(A) AND 1021 REGARDING A FORMER DIRECTOR'S REGISTRATION STATUS AND VIOLATED NASD CONDUCT RULE 3010 PERTAINING TO WRITTEN SUPERVISORY RULES WITH REGARD TO OUTSIDE DIRECTORS. NASDR ALLEGED THAT THE FORMER DIRECTOR FAILED TO SATISFY THE REGULATORY ELEMENT OF THE CONTINUING EDUCATION PROGRAM AND PERFORMED DUTIES WHILE NOT PROPERLY REGISTERED AS A PRINCIPAL THEREBY VIOLATING MEMBERSHIP AND REGISTRATION RULE 1021 AND 1120(A).

Initiated By:

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.



Date Initiated: 05/29/1998
Docket/Case Number: C07980030-AWC
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: 05/29/1998
Sanctions Ordered: Censure
 Monetary/Fine \$13,500.00
Other Sanctions Ordered:
Sanction Details: WITHOUT ADMITTING OR DENYING ALLEGATIONS, NATIONS BANC INVESTMENTS, INC. CONSENTED TO A CENSURE AND FINE OF \$1,000 FOR VIOLATION OF RULE 1120(A); CENSURE AND FINE OF \$5,000 FOR VIOLATION OF RULE 1021 AND CENSURE AND FINE OF \$5,000 FOR VIOLATION OF RULE 3010. WITHOUT ADMITTING OR DENYING ALLEGATIONS, THE FORMER DIRECTOR CONSENTED TO A CENSURE AND FINE OF \$2,500 FOR VIOLATION OF RULE 1120(A) AND A CENSURE AND FINE OF \$5,000 JOINT AND SEVERAL WITH THE FIRM, FOR VIOLATION OF RULE 1021.



Civil - Final

This type of disclosure event involves (1) an injunction issued by a foreign or domestic court within the last 10 years in connection with investment-related activity, (2) a finding by a court of a violation of any investment-related statute or regulation, or (3) an action dismissed by a court pursuant to a settlement agreement.

Disclosure 1 of 1

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC LITIGATION RELEASE 21066, JUNE 3, 2009: SECTION 15(C) OF THE EXCHANGE ACT OF 1934 - THE SECURITIES AND EXCHANGE COMMISSION ANNOUNCED THAT IT HAS FILED COMPLAINTS AGAINST BANC OF AMERICA INVESTMENT SERVICES, INC AND OTHER FIRMS ALLEGING THAT THE FIRMS MISLED INVESTORS REGARDING THE LIQUIDITY RISKS ASSOCIATED WITH AUCTION RATE SECURITIES (ARS) THAT THEY UNDERWROTE, MARKETING OR SOLD. ACCORDING TO THE COMMISSION'S COMPLAINTS, BANK OF AMERICA AND THE OTHER DEFENDANTS MISREPRESENTED TO CERTAIN CUSTOMERS THAT ARS WERE SAFE, HIGHLY LIQUID INVESTMENTS THAT WERE COMPARABLE TO MONEY MARKETS. ACCORDING TO THE COMPLAINTS, IN LATE 2007 AND EARLY 2008, THE FIRMS KNEW THAT THE ARS MARKET WAS DETERIORATING, CAUSING THE FIRMS TO HAVE TO PURCHASE ADDITIONAL INVENTORY TO PREVENT FAILED AUCTIONS. AT THE SAME TIME, HOWEVER, THE FIRMS KNEW THAT THEIR ABILITY TO SUPPORT AUCTIONS BY PURCHASING MORE ARS HAD BEEN REDUCED, AS THE CREDIT CRISIS STRESSED THE FIRMS' BALANCE SHEETS. THE COMPLAINTS ALLEGE THAT BANK OF AMERICA AND OTHER DEFENDANTS FAILED TO MAKE THEIR CUSTOMERS AWARE OF THESE RISKS. IN MID-FEBRUARY 2008, ACCORDING TO THE COMPLAINTS, BANK OF AMERICA AND THE OTHER DEFENDANTS STOP SUPPORTING THE ARS MARKET, LEAVING CUSTOMERS HOLDING BILLIONS IN ILLIQUID ARS.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Court Details:	UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, SEC V. BANC OF AMERICA INVESTMENT SERVICES, INC., ET AL., CIVIL ACTION NO. 09-CIV-5170 (S.D.N.Y. JUNE 3, 2009)
Date Court Action Filed:	06/03/2009
Principal Product Type:	Other
Other Product Types:	AUCTION RATE SECURITIES
Relief Sought:	Other
Other Relief Sought:	FINANCIAL PENALTY



Resolution:	Judgment Rendered
Resolution Date:	06/09/2009
Sanctions Ordered or Relief Granted:	Cease and Desist/Injunction
Other Sanctions:	PERMANENTLY RESTRAINED
Sanction Details:	<p>ON JUNE 9, 2009 THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK RENDERED JUDGMENT AS TO THE DEFENDANT BANC OF AMERICA INVESTMENT SERVICES, INC. IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT THE DEFENDANT IS PERMANENTLY RESTRAINED AND ENJOINED FROM VIOLATING, DIRECTLY OR INDIRECTLY, SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934. IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED THAT UPON MOTION OF THE COMMISSION, BASED ON AN ALLEGED FAILURE BY THE DEFENDANT TO SATISFY ITS OBLIGATIONS UNDER THE CONSENT, MADE NO LATER THAN 90 DAYS AFTER DECEMBER 31, 2009, THE COURT SHALL DETERMINE WHETHER IT IS APPROPRIATE TO ORDER A CIVIL PENALTY PURSUANT TO SECTION 21(D)(3) OF THE EXCHANGE ACT AND, IF SO, THE AMOUNT OF THE CIVIL PENALTY. IT IS FURTHER ORDERED, ADJUDGED, AND DECREED THAT THE CONSENT IS INCORPORATED HEREIN WITH THE SAME FORCE AND EFFECT AS IF FULLY SET FORTH HEREIN, AND THAT DEFENDANT SHALL COMPLY WITH ALL OF THE UNDERTAKINGS AND AGREEMENTS SET FORTH THEREIN, AND THAT THE COURT SHALL RETAIN JURISDICTION OF THE MATTER FOR THE PURPOSES OF ENFORCING THE TERMS OF THIS JUDGMENT.</p> <p>DECEMBER 15, 2010 - NOTICE THAT PLAINTIFF WILL NOT FILE A MOTION FOR CIVIL PENALTY - EARLIER, THE COURT ENTERED JUDGMENT IN FAVOR OF SECURITIES AND EXCHANGE COMMISSION AND FURTHER ORDERED THAT IT WOULD CONSIDER THE APPROPRIATENESS OF A CIVIL PENALTY UPON MOTION OF THE COMMISSION. THE CURRENT DEADLINE FOR ANY COMMISSION MOTION FOR CIVIL PENALTY WAS DECEMBER 15, 2010. THE COMMISSION INFORMS THE COURT THAT IT WILL NOT FILE A MOTION FOR CIVIL PENALTY.</p>
Regulator Statement	<p>SEC LITIGATION RELEASE 21066, JUNE 3, 2009: WITHOUT ADMITTING OR DENYING THE COMMISSION'S ALLEGATIONS, THE FIRM AND OTHER DEFENDANTS CONSENTED TO SETTLE THE ACTIONS. THESE SETTLEMENTS, COMBINED, WILL PROVIDE OR ALREADY HAVE PROVIDED NEARLY \$6.7 BILLION TO APPROXIMATELY 9,600 CUSTOMERS WHO INVESTED IN AUCTION RATE SECURITIES BEFORE THE MARKET FOR THOSE SECURITIES FROZE IN FEBRUARY 2008. THE SETTLEMENTS ARE SUBJECT TO COURT APPROVAL.</p>



Reporting Source:	Firm
Current Status:	Final
Allegations:	THE SECURITIES AND EXCHANGE COMMISSION ("SEC") ALLEGED THAT BANC OF AMERICA SECURITIES LLC AND ITS AFFILIATE, BANC OF AMERICA INVESTMENT SERVICES, INC. (TOGETHER, THE "FIRMS"), MISLED CUSTOMERS REGARDING THE FUNDAMENTAL NATURE AND INCREASING RISKS ASSOCIATED WITH AUCTION RATE SECURITIES ("ARS") THAT THE FIRMS UNDERWROTE, MARKETED, AND SOLD. THE SEC ALSO ALLEGED THAT, BY ENGAGING IN SUCH CONDUCT, THE FIRMS VIOLATED SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED ("EXCHANGE ACT").
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Court Details:	UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK, 09-CIV, 5170
Date Court Action Filed:	06/09/2009
Principal Product Type:	Other
Other Product Types:	AUCTION RATE SECURITIES
Relief Sought:	Injunction
Other Relief Sought:	UNDERTAKINGS
Resolution:	Consent
Resolution Date:	06/09/2009
Sanctions Ordered or Relief Granted:	Cease and Desist/Injunction
Other Sanctions:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRMS ENTERED INTO A CONSENT ("CONSENT"), WHEREBY THEY AGREED TO A SERIES OF UNDERTAKINGS DESIGNED TO PROVIDE RELIEF TO "INDIVIDUAL INVESTORS" (AS DEFINED IN THE CONSENT). THE FIRMS, THROUGH THEIR AFFILIATE BLUE RIDGE LLC, HAVE OFFERED TO PURCHASE AT PAR FROM INDIVIDUAL INVESTORS CERTAIN ARS. THE FIRMS ALSO AGREED TO USE REASONABLE EFFORTS TO IDENTIFY INDIVIDUAL INVESTORS WHO SOLD CERTAIN ARS BELOW PAR, AND TO PAY SUCH INVESTORS THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THEY SOLD THE SECURITIES. IN ADDITION, THE FIRMS ARE ENDEAVORING TO IDENTIFY INDIVIDUAL INVESTORS WHO TOOK OUT CERTAIN LOANS FROM THE FIRMS THAT WERE SECURED BY ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME OF THE LOAN, AND REIMBURSE THEM TO THE EXTENT THAT THE INTEREST RATE ON THE LOANS EXCEEDED THE INTEREST PAID ON SUCH ARS. THE FIRMS ALSO



AGREED TO PARTICIPATE IN A SPECIAL ARBITRATION PROCESS FOR THE PURPOSE OF ARBITRATING ANY INDIVIDUAL INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM RELATED TO ITS INVESTMENT IN ARS. FURTHERMORE, THE FIRMS AGREED TO REFUND CERTAIN REFINANCING FEES TO MUNICIPAL AUCTION RATE ISSUERS THAT ISSUED SUCH SECURITIES THROUGH THE FIRMS. THE FIRMS HAVE ALSO UNDERTAKEN TO MAKE THEIR BEST EFFORTS TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO SEEK TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS THAT ARE NOT CONSIDERED "INDIVIDUAL INVESTORS."

Sanction Details:

AS OF JUNE 9, 2009, THE FIRMS ARE, AMONG OTHER THINGS, PERMANENTLY RESTRAINED AND ENJOINED FROM VIOLATING, DIRECTLY OR INDIRECTLY, SECTION 15(C) OF THE EXCHANGE ACT.

Firm Statement

FOLLOWING AN INVESTIGATION BY THE SEC INTO THE MARKETING AND SALE OF ARS BY THE FIRMS, THE FIRMS NEGOTIATED AND EXECUTED THE CONSENT, IN WHICH THEY NEITHER ADMITTED NOR DENIED THE SEC'S ALLEGATIONS AND AGREED TO THE ENTRY OF A JUDGMENT AGAINST THEM BY THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK ("COURT"). THE SEC SUBSEQUENTLY FILED A COMPLAINT AGAINST THE FIRMS, AND THE COURT'S JUDGMENT WAS ENTERED ON JUNE 9, 2009.



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 68

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE; EXECUTIONS-EXECUTION PRICE; EXECUTIONS-INCORRECT QUANTITY
Arbitration Forum:	NASD
Case Initiated:	04/06/2000
Case Number:	00-01292
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$99,340.25
Disposition:	AWARD AGAINST PARTY
Disposition Date:	04/06/2001
Sum of All Relief Awarded:	\$81,500.00

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

Disclosure 2 of 68

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	01/17/2001
Case Number:	00-05709



Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS

Sum of All Relief Requested: \$232,001.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 03/01/2002

Sum of All Relief Awarded: \$50,000.00

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 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-OTHER;
ACCOUNT RELATED-TRANSFER; EXECUTIONS-FAILURE TO EXECUTE

Arbitration Forum: NASD

Case Initiated: 07/03/2001

Case Number: 01-01795

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS

Sum of All Relief Requested: \$10,302.28

Disposition: AWARD AGAINST PARTY

Disposition Date: 01/09/2002

Sum of All Relief Awarded: \$5,576.15

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

Disclosure 4 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-
MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS;
ACCOUNT RELATED-BREACH OF CONTRACT

Arbitration Forum: NASD



Case Initiated: 05/15/2001
Case Number: 01-02086
Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$1,904,737.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/08/2002
Sum of All Relief Awarded: \$604,432.01

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

Disclosure 5 of 68

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 06/19/2001
Case Number: 01-02830
Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$13,761.08
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/20/2001
Sum of All Relief Awarded: \$13,973.59

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

Disclosure 6 of 68

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-



NEGLIGENCE

Arbitration Forum: NASD

Case Initiated: 08/29/2001

Case Number: 01-03508

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$37,113.38

Disposition: AWARD AGAINST PARTY

Disposition Date: 08/30/2002

Sum of All Relief Awarded: \$728.35

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

Disclosure 7 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD

Case Initiated: 09/10/2001

Case Number: 01-04463

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS

Sum of All Relief Requested: \$45,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 06/10/2002

Sum of All Relief Awarded: \$18,746.01

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

Disclosure 8 of 68

Reporting Source: Regulator



Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-OTHER;
NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 02/11/2002

Case Number: 01-05114

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$100.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 09/12/2002

Sum of All Relief Awarded: \$50.00

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

Disclosure 9 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-
ERRORS-CHARGES; ACCOUNT RELATED-NEGLIGENCE; EXECUTIONS-
FAILURE TO EXECUTE

Arbitration Forum: NASD

Case Initiated: 02/04/2002

Case Number: 01-06916

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$24,084.35

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/31/2002

Sum of All Relief Awarded: \$22,425.02

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



Disclosure 10 of 68

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	01/24/2002
Case Number:	02-00230
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS
Sum of All Relief Requested:	\$70,457.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	06/05/2003
Sum of All Relief Awarded:	\$42,805.60

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

Disclosure 11 of 68

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY- MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum:	NASD
Case Initiated:	02/19/2002
Case Number:	02-00801
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$201,031.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	02/10/2003
Sum of All Relief Awarded:	\$46,045.01

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



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

Disclosure 12 of 68

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT RELATED-NEGLIGENCE; NO OTHER CONTROVERSY INVOLVED; TRADING DISPUTES-OTHER
Arbitration Forum:	NASD
Case Initiated:	03/15/2002
Case Number:	02-01446
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	\$50,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	03/05/2003
Sum of All Relief Awarded:	\$12,378.00

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

Disclosure 13 of 68

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY- SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	07/25/2002
Case Number:	02-04103
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; PREFERRED STOCK
Sum of All Relief Requested:	\$92,154.56
Disposition:	AWARD AGAINST PARTY
Disposition Date:	06/11/2003



Sum of All Relief Awarded: \$18,225.01

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

Disclosure 14 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING

Arbitration Forum: NASD

Case Initiated: 08/06/2002

Case Number: 02-04390

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$340,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 02/20/2004

Sum of All Relief Awarded: \$79,566.96

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

Disclosure 15 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE

Arbitration Forum: NASD

Case Initiated: 09/26/2002

Case Number: 02-04523

Disputed Product Type: UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$218,129.00



Disposition: AWARD AGAINST PARTY

Disposition Date: 11/07/2003

Sum of All Relief Awarded: \$69,402.01

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

Disclosure 16 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 10/16/2002

Case Number: 02-05940

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS

Sum of All Relief Requested: \$260,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/20/2003

Sum of All Relief Awarded: \$157,300.00

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

Disclosure 17 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 01/31/2003

Case Number: 03-00196



Disputed Product Type: ANNUITIES; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$360,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 01/08/2004

Sum of All Relief Awarded: \$266,683.02

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

Disclosure 18 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 03/12/2003

Case Number: 03-00812

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; PREFERRED STOCK

Sum of All Relief Requested: \$16,155.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/14/2003

Sum of All Relief Awarded: \$3,805.00

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

Disclosure 19 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD



Case Initiated: 03/25/2003
Case Number: 03-00975
Disputed Product Type: CORPORATE BONDS; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$52,712.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/15/2004
Sum of All Relief Awarded: \$3,840.41

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

Disclosure 20 of 68

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 04/07/2003
Case Number: 03-02402
Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; PREFERRED STOCK
Sum of All Relief Requested: \$23,927.58
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/19/2003
Sum of All Relief Awarded: \$17,875.00

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

Disclosure 21 of 68

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



RELATED-FAILURE TO SUPERVISE

Arbitration Forum: NASD

Case Initiated: 04/15/2003

Case Number: 03-02570

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$22,637.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 09/22/2003

Sum of All Relief Awarded: \$7,625.00

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

Disclosure 22 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT RELATED-FAILURE TO SUPERVISE

Arbitration Forum: NASD

Case Initiated: 10/23/2003

Case Number: 03-07346

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS

Sum of All Relief Requested: \$625,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 12/01/2005

Sum of All Relief Awarded: \$7,500.00

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

Disclosure 23 of 68

Reporting Source: Regulator



Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 01/22/2004

Case Number: 03-08984

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$25,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/25/2004

Sum of All Relief Awarded: \$33,758.01

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

Disclosure 24 of 68

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: 03/03/2004

Case Number: 04-01055

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$77,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 03/14/2005

Sum of All Relief Awarded: \$27,284.00

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



Disclosure 25 of 68

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	06/03/2004
Case Number:	04-03761
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	\$1,753.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	02/10/2005
Sum of All Relief Awarded:	\$1,828.00

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

Disclosure 26 of 68

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	07/19/2004
Case Number:	04-05041
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$24,588.09
Disposition:	AWARD AGAINST PARTY
Disposition Date:	03/17/2005



Sum of All Relief Awarded: \$6,588.10

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

Disclosure 27 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 07/16/2004

Case Number: 04-05096

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$5,175.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 01/18/2005

Sum of All Relief Awarded: \$1,043.75

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

Disclosure 28 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-OTHER; ACCOUNT RELATED-TRANSFER; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 08/09/2004

Case Number: 04-05445

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$48,000.00



Disposition: AWARD AGAINST PARTY

Disposition Date: 05/18/2005

Sum of All Relief Awarded: \$6,000.03

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

Disclosure 29 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 08/19/2005

Case Number: 05-04314

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS

Sum of All Relief Requested: \$500,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 11/02/2006

Sum of All Relief Awarded: \$167,750.01

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

Disclosure 30 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-NEGLIGENCE; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 07/09/2007

Case Number: 07-01824



Disputed Product Type: CORPORATE BONDS; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$7,386.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 01/28/2008

Sum of All Relief Awarded: \$2,624.50

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

Disclosure 31 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 07/11/2007

Case Number: 07-01876

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$20,699.59

Disposition: AWARD AGAINST PARTY

Disposition Date: 01/24/2008

Sum of All Relief Awarded: \$6,385.86

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

Disclosure 32 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-NEGLIGENCE; EXECUTIONS-INCORRECT QUANTITY; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: FINRA



Case Initiated: 11/01/2007
Case Number: 07-02570
Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$11,600.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/12/2008
Sum of All Relief Awarded: \$213.50

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

Disclosure 33 of 68

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-TRANSFER
Arbitration Forum: FINRA
Case Initiated: 04/30/2008
Case Number: 08-00940
Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$9,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/10/2008
Sum of All Relief Awarded: \$425.00

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

Disclosure 34 of 68

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; NO OTHER CONTROVERSY



INVOLVED

Arbitration Forum: FINRA

Case Initiated: 12/16/2008

Case Number: 08-03821

Disputed Product Type: ANNUITIES; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: Unspecified Damages

Disposition: AWARD AGAINST PARTY

Disposition Date: 02/09/2011

Sum of All Relief Awarded: \$35,000.00

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

Disclosure 35 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: NO OTHER CONTROVERSY INVOLVED; UNKNOWN TYPE OF CONTROVERSIES

Arbitration Forum: FINRA

Case Initiated: 12/03/2008

Case Number: 08-03886

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$81,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 11/18/2010

Sum of All Relief Awarded: \$22,369.50

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

Disclosure 36 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION



Allegations:	EXECUTIONS-FAILURE TO EXECUTE; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	FINRA
Case Initiated:	12/08/2008
Case Number:	08-04626
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS
Sum of All Relief Requested:	\$7,047.22
Disposition:	AWARD AGAINST PARTY
Disposition Date:	06/02/2009
Sum of All Relief Awarded:	\$5,342.00

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

Disclosure 37 of 68

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	02/18/2009
Case Number:	09-00752
Disputed Product Type:	CORPORATE BONDS; NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS; PREFERRED STOCK
Sum of All Relief Requested:	\$100,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	03/23/2010
Sum of All Relief Awarded:	\$32,230.16

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

Disclosure 38 of 68



Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: FINRA

Case Initiated: 03/11/2009

Case Number: 09-01250

Disputed Product Type:

Sum of All Relief Requested: \$19,546.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 09/22/2009

Sum of All Relief Awarded: \$18,770.16

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

Disclosure 39 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-OTHER

Arbitration Forum: FINRA

Case Initiated: 04/23/2009

Case Number: 09-01567

Disputed Product Type: AUCTION RATE SECURITIES

Sum of All Relief Requested: \$11,076.44

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/01/2009

Sum of All Relief Awarded: \$2,287.44

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



Disclosure 40 of 68

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum:	FINRA
Case Initiated:	05/04/2009
Case Number:	09-01931
Disputed Product Type:	PREFERRED STOCK
Sum of All Relief Requested:	\$24,450.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	01/21/2010
Sum of All Relief Awarded:	\$13,712.50

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

Disclosure 41 of 68

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; TRADING DISPUTES-MANIPULATION
Arbitration Forum:	FINRA
Case Initiated:	07/16/2009
Case Number:	09-04054
Disputed Product Type:	COMMON STOCK
Sum of All Relief Requested:	\$19,692.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	04/01/2010
Sum of All Relief Awarded:	\$6,776.50



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

Disclosure 42 of 68

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE; EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum:	FINRA
Case Initiated:	09/01/2009
Case Number:	09-05025
Disputed Product Type:	MUTUAL FUNDS
Sum of All Relief Requested:	\$58,512.35
Disposition:	AWARD AGAINST PARTY
Disposition Date:	09/20/2010
Sum of All Relief Awarded:	\$58,512.36

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

Disclosure 43 of 68

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-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	09/02/2009
Case Number:	09-05044
Disputed Product Type:	ANNUITIES; VARIABLE ANNUITIES
Sum of All Relief Requested:	\$800,000.00
Disposition:	AWARD AGAINST PARTY



Disposition Date: 10/08/2010

Sum of All Relief Awarded: \$0.00

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

Disclosure 44 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE

Arbitration Forum: FINRA

Case Initiated: 12/23/2009

Case Number: 09-06997

Disputed Product Type: MUTUAL FUNDS; VARIABLE ANNUITIES

Sum of All Relief Requested: \$25,425.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 07/22/2010

Sum of All Relief Awarded: \$5,712.50

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

Disclosure 45 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: EXECUTIONS-FAILURE TO EXECUTE; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 01/01/1988

Case Number: 88-02604

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES



Sum of All Relief Requested: \$6,025.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/02/1989
Sum of All Relief Awarded: \$573.63

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

Disclosure 46 of 68

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT RELATED-OTHER;
EXECUTIONS-FAILURE TO EXECUTE; EXECUTIONS-OTHER
Arbitration Forum: NASD
Case Initiated: 05/23/1991
Case Number: 91-01161
Disputed Product Type: COMMON STOCK; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested: \$25,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/25/1991
Sum of All Relief Awarded: \$2,732.87

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

Disclosure 47 of 68

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-
MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; NO OTHER
CONTROVERSY INVOLVED
Arbitration Forum: NASD
Case Initiated: 12/23/1991



Case Number: 91-03881

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; OPTIONS

Sum of All Relief Requested: \$250,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 07/07/1992

Sum of All Relief Awarded: \$212,100.66

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

Disclosure 48 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-BREACH OF CONTRACT;
ACCOUNT RELATED-NEGLIGENCE; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 02/07/1992

Case Number: 92-00227

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE; PREFERRED STOCK

Sum of All Relief Requested: \$1,861.99

Disposition: AWARD AGAINST PARTY

Disposition Date: 09/10/1992

Sum of All Relief Awarded: \$1,861.99

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

Disclosure 49 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: EXECUTIONS-FAILURE TO EXECUTE; NO OTHER CONTROVERSY
INVOLVED

Arbitration Forum: NASD



Case Initiated: 12/06/1993
Case Number: 93-04658
Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$2,889.86
Disposition: AWARD AGAINST PARTY
Disposition Date: 10/06/1994
Sum of All Relief Awarded: \$135.00

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

Disclosure 50 of 68

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum: NASD
Case Initiated: 03/24/1994
Case Number: 94-01097
Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$95,615.97
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/12/1995
Sum of All Relief Awarded: \$29,179.74

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

Disclosure 51 of 68

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; NO OTHER CONTROVERSY INVOLVED



Arbitration Forum: NASD
Case Initiated: 07/27/1994
Case Number: 94-01888
Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested: \$11,015.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 07/25/1995
Sum of All Relief Awarded: \$441.06

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

Disclosure 52 of 68

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-ERRORS-CHARGES; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum: NASD
Case Initiated: 12/27/1994
Case Number: 94-04764
Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$1,379.88
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/28/1995
Sum of All Relief Awarded: \$1,000.00

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

Disclosure 53 of 68

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



CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY

Arbitration Forum: NASD

Case Initiated: 06/26/1995

Case Number: 95-02976

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; MUNICIPAL BOND FUNDS; MUTUAL FUNDS

Sum of All Relief Requested: \$172,450.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 04/08/1996

Sum of All Relief Awarded: \$24,450.00

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

Disclosure 54 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 11/01/1995

Case Number: 95-05023

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; OPTIONS

Sum of All Relief Requested: \$120,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 08/19/1996

Sum of All Relief Awarded: \$36,250.00

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

Disclosure 55 of 68

Reporting Source: Regulator



Type of Event: ARBITRATION

Allegations: EXECUTIONS-FAILURE TO EXECUTE; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 09/12/1996

Case Number: 96-03300

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$9,125.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 02/06/1997

Sum of All Relief Awarded: \$75.00

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

Disclosure 56 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 09/25/1996

Case Number: 96-03999

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE; PREFERRED STOCK

Sum of All Relief Requested: \$15,071.44

Disposition: AWARD AGAINST PARTY

Disposition Date: 09/29/1997

Sum of All Relief Awarded: \$3,071.44

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

Disclosure 57 of 68



Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OTHER; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 12/11/1996

Case Number: 96-04243

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$2,800.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 06/26/1997

Sum of All Relief Awarded: \$62.50

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

Disclosure 58 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 11/09/1996

Case Number: 96-04753

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; MUNICIPAL BOND FUNDS

Sum of All Relief Requested: \$402,537.52

Disposition: AWARD AGAINST PARTY

Disposition Date: 12/05/1997

Sum of All Relief Awarded: \$119,784.00

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



Disclosure 59 of 68

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT RELATED-MARGIN CALLS; ACCOUNT RELATED-OTHER; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	08/06/1997
Case Number:	97-03847
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$9,102.55
Disposition:	AWARD AGAINST PARTY
Disposition Date:	03/02/1998
Sum of All Relief Awarded:	\$7,102.55

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

Disclosure 60 of 68

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-OTHER; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	04/09/1998
Case Number:	98-00892
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$10,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	10/13/1998
Sum of All Relief Awarded:	\$10,150.00



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

Disclosure 61 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 01/27/1999

Case Number: 99-00285

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$819.37

Disposition: AWARD AGAINST PARTY

Disposition Date: 03/21/2000

Sum of All Relief Awarded: \$409.69

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

Disclosure 62 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-OTHER; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 05/14/1999

Case Number: 99-00771

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$10,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 11/15/1999

Sum of All Relief Awarded: \$150.00



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

Disclosure 63 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-ERRORS-CHARGES; EXECUTIONS-INCORRECT QUANTITY; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 09/02/1999

Case Number: 99-01481

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$14,259.37

Disposition: AWARD AGAINST PARTY

Disposition Date: 02/25/2000

Sum of All Relief Awarded: \$14,789.52

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

Disclosure 64 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-NEGLIGENCE; EXECUTIONS-FAILURE TO EXECUTE; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 11/04/1999

Case Number: 99-01935

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$9,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/02/2000



Sum of All Relief Awarded: \$825.00

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

Disclosure 65 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OMISSION OF FACTS; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 05/19/1999

Case Number: 99-02177

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$1,000,375.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 05/19/2000

Sum of All Relief Awarded: \$348,275.00

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

Disclosure 66 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-OTHER; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 11/10/1999

Case Number: 99-03680

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS

Sum of All Relief Requested: \$10,354.00



Disposition: AWARD AGAINST PARTY

Disposition Date: 08/21/2000

Sum of All Relief Awarded: \$162.50

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

Disclosure 67 of 68

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-MARGIN CALLS; ACCOUNT RELATED-NEGLIGENCE;
NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 10/20/1999

Case Number: 99-04389

Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$80,790.56

Disposition: AWARD AGAINST PARTY

Disposition Date: 11/30/2000

Sum of All Relief Awarded: \$36,290.56

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

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Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-
NEGLIGENCE; EXECUTIONS-FAILURE TO EXECUTE; NO OTHER
CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 12/16/1999

Case Number: 99-05022



Disputed Product Type: COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$28,336.88

Disposition: AWARD AGAINST PARTY

Disposition Date: 01/29/2001

Sum of All Relief Awarded: \$12,500.00

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

Disclosure 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	82	1
Civil Event	1	3	0



Disclosure Event Details

Regulatory - Final

Disclosure 1 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH EQUITIES AUSTRALIA LIMITED
Current Status:	Final
Allegations:	ALLEGATIONS THAT DEFICIENCIES WERE IDENTIFIED IN MLEAL'S RELEVANT ORDER RECORDS, SYSTEMS AND PROCESSES. THERE WERE ALLEGATIONS OF DEFICIENCIES IN THREE SEPARATE AGENCY ORDER RECORD MANAGERS.
Initiated By:	THE AUSTRALIAN STOCK EXCHANGE (ASX)
Date Initiated:	05/08/2003
Docket/Case Number:	REF: 2003052
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:	ORDERED THAT FIRM BE SUBJECT TO AN EDUCATION AND COMPLIANCE PROGRAM FOR CONTRAVENING ASX1S ORDER RECORD REQUIREMENTS.
Resolution:	Order
Resolution Date:	12/21/2004
Sanctions Ordered:	Monetary/Fine \$35,000.00
Other Sanctions Ordered:	ORDERED THAT FIRM BE SUBJECT TO AN EDUCATION AND COMPLIANCE PROGRAM FOR ASX'S ORDER RECORD REQUIREMENTS.
Sanction Details:	SEE ITEM 13
Firm Statement	THE DEFICIENCIES IDENTIFIED IN THE RELEVANT ORDER RECORDS OF THREE MATTERS EVIDENCED FAILINGS OF MLEAL'S SYSTEMS AND PROCESSES AND ITS OBLIGATION TO COMPLY WITH RULE 1.2.1.2. THE FLAWS IN ITS RECORD-KEEPING SYSTEM, AND THE FAILURE TO INPUT OR RECORD DATA CORRECTLY, RESULTED IN THE



CREATING OF COMPLETE AND ERRONEOUS ORDER RECORDS. FINE
TALLING \$35,000.00 (AUD) FOR
MATTERS TRANSACTION ON MAY 6TH AND MAY 7TH, 2003.

Disclosure 2 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH, PIERCE, FENNER & SMITH LIMITED (BROKERS & DEALERS)
Current Status:	Final
Allegations:	MERRILL LYNCH, PIERCE, FENNER & SMITH LIMITED, MERRILL LYNCH INTERNATIONAL INCORPORATED AND MERRILL LYNCH & CO., INC. ALLEGED BY THE CFTC AND MERRILL LYNCH, PIERCE FENNER & SMITH LIMITED WAS ALLEGED BY THE LONDON METAL EXCHANGE TO HAVE AIDED AND ABETTED SUMITOMO CORPORATION AND GLOBAL METALS CORPORATION IN THEIR ALLEGED MANIPULATION OF COPPER PRICES.
Initiated By:	LONDON METAL EXCHANGE
Date Initiated:	05/20/1999
Docket/Case Number:	UNKNOWN
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	06/30/1999
Sanctions Ordered:	Monetary/Fine \$10,000,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	NONE
Sanction Details:	THE CFTC DISMISSED THE ACTION AS TO MERRILL LYNCH & CO., INC. MERRILL LYNCH, PIERCE FENNER & SMITH LIMITED AND MERRILL LYNCH INTERNATIONAL INCORPORATED WITHOUT ADMITTING OR DENYING ANY WRONGDOING AGREED TO A SETTLEMENT WITH THE CFTC



PURSUANT TO WHICH THEY WIL PAY A \$15
MILUON CIVIL PENALTY AND AGREE TO CEASE AND DESIST FROM
VIOLATION OF CERTAIN PROVISIONS OF
THE COMMODITY EXCHANGE ACT. MERRILL LYNCH, PIERCE, FENNER &
SMITH LIMITED AGREED TO A
SETTLEMENT WITH LONDON METAL EXCHANGE PAYING A FINE OF 6.5
MILUON POUNDS STERLING
(APPROX U.S., \$10 MILLION).

Disclosure 3 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH ASSET MANAGEMENT, L.P.
Current Status:	Final
Allegations:	FIRM VIOLATED THREE PROVISIONS OF THE EXPORT ADMINISTRATION REGULATIONS - 15 C.F.R. 769.2(A), 769.(D)AND 769.6.
Initiated By:	U.S. DEPARTMENT OF COMMERCE
Date Initiated:	09/01/1997
Docket/Case Number:	UNKNOWN
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	09/01/1997
Sanctions Ordered:	Monetary/Fine \$6,500.00
Other Sanctions Ordered:	NONE
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, MERRILL LYNCH ASSET MANAGEMENT, L.P. PAID A CIVIL PENALTY.

Disclosure 4 of 82



Reporting Source: Firm

Affiliate: MERRILL LYNCH ASSET MANAGEMENT, L.P.

Current Status: Final

Allegations: REGISTRANT OPERATED BRANCH OFFICES IN JACKSONVILLE AND ST. PETERSBURG WITHOUT HAVING REGISTERED SUCH OFFICES WITH THE DEPARTMENT.

Initiated By: FLORIDA DEPARTMENT OF BANKING AND FINANCE

Date Initiated: 11/28/1995

Docket/Case Number: ADMINISTRATIVE PROCEEDING # 2258-5-10/95

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: Order

Resolution Date: 11/28/1995

Sanctions Ordered: Monetary/Fine \$10,000.00

Other Sanctions Ordered: NONE

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIRM REIMBURSED THE DEPARTMENT \$10,000 FOR COSTS OF INVESTIGATION.

Disclosure 5 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH INTERNATIONAL

Current Status: Final

Allegations: FROM SEPTEMBER 1996 TO DECEMBER 2001, MERRILL LYNCH BREACHED SFA RULE 5.49 BY FAILING TO ACCURATELY REPORT THE CAPACITY IN WHICH IT EXECUTED TRANSACTIONS IN NON-UK EUROPEAN EQUITIES WHEN REPORTING TRANSACTIONS TO THE SFA. FROM DECEMBER 2001 UNTIL JANUARY 2006, MERRILL LYNCH



BREACHED FSA RULE SUP 17.6.2R BY FAILING TO ACCURATELY REPORT THE CAPACITY IN WHICH IT EXECUTED TRANSACTIONS IN NON-UK EUROPEAN EQUITIES WHEN REPORTING TRANSACTIONS TO THE FSA.

Initiated By: FINANCIAL SERVICES AUTHORITY

Date Initiated: 08/04/2006

Docket/Case Number: NO DOCKET NUMBER

Principal Product Type: Other

Other Product Type(s): NON-UK EUROPEAN EQUITIES

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

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/04/2006

Sanctions Ordered: Monetary/Fine \$150,000.00

Other Sanctions Ordered: MONETARY FINE WAS 150,000.00 IN BRITISH POUNDS. UNABLE TO ENTER IN PREFORMATTED US DOLLAR SPACE ABOVE.

Sanction Details: N/A

Firm Statement SEVERAL MITIGATING FACTORS WERE CONSIDERED BY THE FINANCIAL SERVICES AUTHORITY ("FSA") WHEN IMPOSING THEIR FINE: MERRILL LYNCH REPORTED THIS MATTER TO THE FSA AND HAS COOPERATED FULLY WITH THE FSA IN RESPECT TO THIS MATTER. MERRILL LYNCH HAS TAKEN SUBSTANTIAL STEPS TO IMPROVE ITS SYSTEMS AND CONTROLS TO ENSURE THAT GOING FORWARD TRANSACTION REPORTS ARE ACCURATE. THE FSA HAS STATED THAT MERRILL LYNCH'S FAILURE WAS NOT DELIBERATE OR RECKLESS. FINE TO BE PAID BY MERRILL LYNCH ON OR BEFORE AUGUST 17, 2006.

Disclosure 6 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH INTERNATIONAL BANK, LTD.

Current Status: Final



Allegations:	IT WAS ALLEGED THE MLIB FAILED TO ACT WITH DUE SKILL, CARE AND DILIGENCE AND FAILED TO ARRANGE PROPER PROTECTION FOR A CLIENT'S ASSETS IN INSTRUCTING THE TRANSFERS OF NINE SECURITIES, IN BREACH OF PRINCIPLES 2 AND 7 OF SFA'S STATEMENTS OF PRINCIPLE.
Initiated By:	THE SECURITIES AND FUTURES AUTHORITY LIMITED ("SFA")
Date Initiated:	04/03/2002
Docket/Case Number:	UNKNOWN
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:	REPRIMAND
Resolution:	Settled
Resolution Date:	04/03/2002
Sanctions Ordered:	Censure Monetary/Fine \$177,500.00
Other Sanctions Ordered:	NONE
Sanction Details:	MLIB ENTERED INTO A SETTLEMENT WITH THE SFA WAS REPRIMANDED, FINED \$177,500 AND HAS AGREED TO PAY A CONTRIBUTION OF \$56,800 TOWARDS SFA'S COSTS.
Firm Statement	MLIB ENTERED INTO A SETTLEMENT WITH THE SFA WAS REPRIMANDED, FINED \$177,500 AND HAS AGREED TO PAY A CONTRIBUTION OF \$56,800 TOWARDS SFA'S COSTS.

Disclosure 7 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH FUTURES, INC.
Current Status:	Final
Allegations:	MERRILL LYNCH FUTURES WAS FINED FOR VIOLATIONS OF REGULATION 332.02, IN THAT THE FIRM FAILED TO SUBMIT ONLY THE BRACKET INFORMATION SUBMITTED TO IT BY THE MEMBERS EXECUTING THE TRADES ON THE RECORD OF TRANSACTIONS SUBMMED TO THE CLEARING HOUSE



AND FOR VIOLATIONS OF REGULATION
332.08, IN THAT THE FIRM FAILED TO MAKE ALL TRADE DATA SUBMISSIONS
IN A CORRECT MANNER.

Initiated By: CHICAGO BOARD OF TRADE

Date Initiated: 08/14/2000

Docket/Case Number: 00-RFT-046

Principal Product Type: Futures - Financial

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 10/09/2000

Sanctions Ordered: Monetary/Fine \$1,000.00

Other Sanctions Ordered: NONE

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, MERRILL LYNCH AGREED TO THE FINE IN ORDER TO SETTLE THIS MATTER.

Disclosure 8 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH PRIVATE (AUSTRALIA) PTY LIMITED

Current Status: Final

Allegations: MERRILL LYNCH AUSTRALIA WAS FINED FOR BREACHING VARIOUS ASX BUSINESS RULES RELATING TO THE BOOKING AND SUPERVISION OF CERTAIN CLIENT TRANSACTIONS IN A STOCK LISTED ON THE ASX.

Initiated By: AUSTRALIAN STOCK EXCHANGE LIMITED A.C.N. ("ASX")

Date Initiated: 08/22/2000

Docket/Case Number: INSPECTION REPORT # 1999116

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



Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: FINE

Resolution: Decision

Resolution Date: 08/22/2000

Sanctions Ordered: Monetary/Fine \$18,000.00

Other Sanctions Ordered: NONE

Sanction Details: FINE WAS \$18,000 (AUSTRALIA) APPROXIMATELY \$9,400 (US).

Disclosure 9 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH INTERNATIONAL

Current Status: Final

Allegations: CONTRARY TO LSE RULE 4.64(E) MLI MISTAKENLY SUBMITTED AN ORDER TO THE ORDER BOOK WITH AN ERRONEOUS PRICE IN BREACH OF ITS OBUGATION TO HAVE AT ALL TIMES SUFFICIENT ORDER MANAGEMENT SYSTEMS, PROCEDURES AND CONTROLS TO PREVENT THE ENTRY OF SUCH ERRONEOUS ORDERS.

Initiated By: LONDON STOCK EXCHANGE PLC ("LSE")

Date Initiated: 10/19/2000

Docket/Case Number: UNKNOWN

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

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: FINE

Resolution: Decision

Resolution Date: 10/19/2000



Sanctions Ordered:	Monetary/Fine \$14,240.00
Other Sanctions Ordered:	NONE
Sanction Details:	FINE WAS 10,000 POUNDS (UK) (APPROXIMATELY \$14,240 US)
Firm Statement	PLEASE SEE NUMBER 7 ABOVE

Disclosure 10 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH MEXICO, S.A. DE C.V., CASA DE BOLSA
Current Status:	Final
Allegations:	FOLLOWING AN EXAMINATION BY CNBV OF ML MEXICO OPERATIONS, THE CNBV IDENTIFIED CERTAIN VIOLATIONS RELATING TO ML MEXICO'S STOCK LENDING BUSINESS.
Initiated By:	COMICION NACIONAL BANCARLA Y DE VALORES
Date Initiated:	08/30/2000
Docket/Case Number:	UNKNOWN
Principal Product Type:	Other
Other Product Type(s):	SECURITIES LENDING OPERATIONS
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	FINE
Resolution:	Decision
Resolution Date:	08/30/2000
Sanctions Ordered:	Monetary/Fine \$19,862.81
Other Sanctions Ordered:	NONE
Sanction Details:	FINE WAS 185,320 MEXICAN PESOS, APPROXIMATELY 19,862.81 U.S. DOLLARS

Disclosure 11 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH JAPAN INCORPORATED



Current Status:	Final
Allegations:	VIOLETION IN CONNECTION WITH APPROVAL OF SIDELINE BUSINESSES. THE FSA FOUND THAT MU, TOKYO BRANCH ENGAGED IN CERTAIN SWAP TRANSACTIONS AND ACTED AS INTERMEDIARY FOR CERTAIN LOANS WITHOUT OBTAINING THE REQUISITE APPROVALS FOR SUCH BUSINESS. IN ADDITION THE FSA FOUND THAT MU HAD NOT PROVIDED NOTIFICATION THAT MLJ DIRECTOR ALSO SERVED AS PART TIME DIRECTOR FOR AN AFFILIATED ENTITY.
Initiated By:	FINANCIAL SUPERVISORY (KINYU KANTOKU CHO) OF JAPAN ("FSA")
Date Initiated:	06/30/2000
Docket/Case Number:	FSA NO. 2214
Principal Product Type:	Other
Other Product Type(s):	SWAP TRANSACTIONS
Principal Sanction(s)/Relief Sought:	Suspension
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	06/30/2000
Sanctions Ordered:	Suspension
Other Sanctions Ordered:	A STATUS REPORT REGARDING IMPROVEMENT OF INTERNAL CONTROLS TO BE PROVIDED.
Sanction Details:	THE FSA ORDERED THAT MU SUSPEND CERTAIN ACTIVITIES FOR 5 BUSINESS DAYS WITH REGARD TO THE INTEREST RATE AND CURRENCY SWAP TRANSACTIONS.

Disclosure 12 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH PHATRA SECURITIES COMPANY LIMITED
Current Status:	Final
Allegations:	FOLLOWING THE ANNUAL EXAMINATION OF OPERATIONS BY THE OFFICE OF "THAI SEC", MLP WAS FINED FOR SELLING THAI SECURITIES ON BEHALF OF CLIENTS WITHOUT HAVING



TAKEN POSSESSION OF SUCH SECURITIES, FAILURE TO COMPLY WITH MANAGER QUALIFICATION PROCEDURES IN CONNECTION WITH THE MANAGEMENT OF PRIVATE FUN DS.

Initiated By: THE OFFICE OF THE SEC. & EXCH. COMM. OF THAILAND ("SEC")

Date Initiated: 06/22/2000

Docket/Case Number: UNKNOWN

Principal Product Type: Other

Other Product Type(s): EQUITY SECURITIES LISTED ON THE STOCK EXCHANGE OF THAILAND AND DISCRETIONARY MANAGED ACCOUNTS ON PRODUCT TYPES.

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

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 06/22/2000

Sanctions Ordered: Monetary/Fine \$14,846.00

Other Sanctions Ordered: NONE

Sanction Details: MLP ORDERED TO PAY MONETARY FINE.

Disclosure 13 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH LIFE INSURANCE COMPANY

Current Status: Final

Allegations: MERRILL LYNCH LIFE INSURANCE COMPANY USED VARIABLE LIFE ADVERTISING MATERIALS PRIOR TO SUBMISSION TO THE MARYLAND INSURANCE ADMINISTRATION IN VIOLATION OF THE ADMINISTRATION'S RULES.

Initiated By: MARYLAND INSURANCE ADMINISTRATION

Date Initiated: 02/18/2000

Docket/Case Number: MIA-105-2/00



Principal Product Type:	Insurance
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	CONSENT ORDER
Resolution:	Consent
Resolution Date:	02/25/2000
Sanctions Ordered:	Monetary/Fine \$2,500.00
Other Sanctions Ordered:	NONE
Sanction Details:	MERRILL LYNCH LIFE INSURANCE COMPANY, THE CONTROL AFFILIATE, PAID AN ADMINISTRATIVE PENALTY OF \$2500 TO THE MARYLAND INSURANCE ADMINISTRATION ON FEBRUARY 25, 2000. NO PORTION OF THIS ADMINISTRATIVE PENALTY WAS LEVIED AGAINST THE APPLICANT AND NO PORTION WAS WAIVED.
Firm Statement	THE ACTION WAS RESOLVED BY VIRTUE OF MERRILL LYNCH LIFE INSURANCE COMPANY'S FILING OF THE VARIABLE LIFE ADVERTISING, CONSENTING TO MAKE ALL FUTURE ADVERTISING FILINGS IN A TIMELY MANNER AND PAYMENT OF A \$2500 ADMINISTRATIVE PENALTY. THE MARYLAND INSURANCE ADMINISTRATION NOTES THAT MERRILL LYNCH LIFE INSURANCE COMPANY'S ADVERTISING EXCEPTIONS WERE NOT WILLFUL AND THAT APPROPRIATE CORRECTIVE ACTION WAS TAKEN.

Disclosure 14 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH LIFE INSURANCE CO.
Current Status:	Final
Allegations:	MERRILL LYNCH LIFE INSURANCE COMPANY WAS ALLEGED TO HAVE OMITTED TO SEND ANOTHER INSURANCE COMPANY WRITTEN NOTICE OF A PROPOSED REPLACEMENT.
Initiated By:	SOUTH CAROLINA DEPARTMENT OF INSURANCE
Date Initiated:	01/27/2000



Docket/Case Number:	SCDI FILE NUMBER 1998324-020-003
Principal Product Type:	Insurance
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CONSENT ORDER
Resolution:	Consent
Resolution Date:	03/08/2000
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	NONE
Sanction Details:	\$5,000 WAS PAID TO THE DEPARTMENT OF INSURANCE BY MERRILL LYNCH LIFE INSURANCE COMPANY ON FEBRUARY 23, 2000. THE ENTIRE PAYMENT WAS LEVIED AGAINST THE CONTROL AFFILLIATE, MERRILL LYNCH LIFE INSURANCE COMPANY.
Firm Statement	MERRILL LYNCH LIFE INSURANCE COMPANY ACKNOWLEDGED THAT IT INADVERTENTLY FAILED IN ONE CASE TO SEND WRITTEN NOTICE TO ANOTHER INSURANCE COMPANY WHEN THAT COMPANY'S PRODUCT WAS EXCHANGED FOR A MERRILL LYNCH LIFE POLICY. MERRILL LYNCH LIFE MAINTAINED AND DOCUMENTED TO THE DEPARTMENT OF INSURANCE THAT THIS OMISSION WAS NOT INDICATIVE OF ITS USUAL STANDARDS, AND ENTERED INTO A CONSENT ORDER.

Disclosure 15 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH INTERNATIONAL & CO. C.V.
Current Status:	Final
Allegations:	INACCURATE AND INCOMPLETE INFORMATION WAS PROVIDED TO THE SEHK WITH RESPECT TO THE PLACING AND TRADING ML WARRANTS.
Initiated By:	STOCK EXCHANGE OF HONG KONG UNITED ("SEHK")
Date Initiated:	03/31/2000



Docket/Case Number:	N/A
Principal Product Type:	Other
Other Product Type(s):	DERIVATIVE WARRANTS USTED ON THE SEHK AND ISSUED BY MLICO ("ML WARRANTS")
Principal Sanction(s)/Relief Sought:	Reprimand
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	03/31/2000
Sanctions Ordered:	
Other Sanctions Ordered:	SEVERE REPRIMAND
Sanction Details:	SEHK ISSUED A PRESS RELEASE ANNOUNCING A SEVERE REPRIMAND OF MLICO ARISING FROM AN INVESTIGATION OF TRADING IN ML WARRANTS BY THE SECURMES AND FUTURES COMMISSION OF HONG KONG.
Firm Statement	SEHK ISSUED A PRESS RELEASE ANNOUNCING A SEVERE REPRIMAND OF MLICO ARISING FROM AN INVESTIGATION OF TRADING IN ML WARRANTS BY THE SECURMES AND FUTURES COMMISSION OF HONG KONG.

Disclosure 16 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH FAR EAST LIMITED
Current Status:	Final
Allegations:	SFC CONDUCTED AN INVESTIGATION OF FORMER MLAP STAFF MEMBERS RELATING TO UNAUTHORIZED AND IMPROPER TRADING OF ML WARRANTS THROUGH NOMINEE ACCOUNTS MAINTAINED BY THEM AT THIRD PARTY UNRELATED BROKERS IN HONG KONG.
Initiated By:	SECURITIES AND FUTURES COMMISSION OF HONG KONG ("SFC")
Date Initiated:	03/31/2000
Docket/Case Number:	N/A



Principal Product Type:	Other
Other Product Type(s):	DERIVATIVE WARRANTS LISTED ON THE STOCK EXCHANGE OF HONG KONG, LTD. ("SHK") AND ISSUED BY MERRILL LYNCH INTERNATIONAL & CO. C.V. ("MLICO") ("ML WARRANTS")
Principal Sanction(s)/Relief Sought:	Reprimand
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	03/31/2000
Sanctions Ordered:	
Other Sanctions Ordered:	SEVERE REPRIMAND
Sanction Details:	SFC ISSUED A PRESS RELEASE ANNOUNCING A SEVERE REPRIMAND OF MLFE AND MERRILL LYNCH (ASIA PACIFIC) LIMITED FOR THEIR FAILURE TO ADEQUATELY SUPERVISE THE TRADING BY FORMER MLAP EMPLOYEES OF ML WARRANTS.
Firm Statement	SFC ISSUED A PRESS RELEASE ANNOUNCING A SEVERE REPRIMAND OF MLFE AND MERRILL LYNCH (ASIA PACIFIC) LIMITED FOR THEIR FAILURE TO ADEQUATELY SUPERVISE THE TRADING BY FORMER MLAP EMPLOYEES OF ML WARRANTS.

Disclosure 17 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH (ASIA PACIFIC) LIMITED
Current Status:	Final
Allegations:	SFC CONDUCTED AN INVESTIGATION OF FORMER MLAP STAFF MEMBERS RELATING TO UNAUTHORIZED AND IMPROPER TRADING OF ML WARRANTS THROUGH NOMINEE ACCOUNTS MAINTAINED BY THEM AT THIRD PARTY UNRELATED BROKERS IN HONG KONG.
Initiated By:	SECURITIES AND FUTURES COMMISSION OF HONG KONG ("SFC")
Date Initiated:	03/31/2000
Docket/Case Number:	N/A



Principal Product Type:	Other
Other Product Type(s):	DERIVATIVE WARRANTS LISTED ON THE STOCK EXCHANGE OF HONG KONG, LTD. ("SHK") AND ISSUED BY MERRILL LYNCH INTERNATIONAL & CO. C.V. ("MUCO") ("ML WARRANTS")
Principal Sanction(s)/Relief Sought:	Reprimand
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	03/31/2000
Sanctions Ordered:	
Other Sanctions Ordered:	SEVERE REPRIMAND
Sanction Details:	SFC ISSUED A PRESS RELEASE ANNOUNCING A SEVERE REPRIMAND OF MLAP AND MERRILL LYNCH FAR EAST UNITED FOR THEIR FAILURE TO ADEQUATELY SUPERVISE THE TRADING BY FORMER MLAP EMPLOYEES OF ML WARRANTS.
Firm Statement	SFC ISSUED A PRESS RELEASE ANNOUNCING A SEVERE REPRIMAND OF MLAP AND MERRILL LYNCH FAR EAST UNITED FOR THEIR FAILURE TO ADEQUATELY SUPERVISE THE TRADING BY FORMER MLAP EMPLOYEES OF ML WARRANTS.

Disclosure 18 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH FUTURES (SINGAPORE) PTE. LTD.
Current Status:	Final
Allegations:	MERRILL LYNCH FUTURES (SINGAPORE) PTE. LTD. VIOLATED CERTAIN RULES RELATING TO THE EXECUTION OF ALLOR NON AND CROSS TRADES ON THE FLOOR OF THE SIMEX IN CONNECTION WITH THE NIKKEI 225 FUTURES CONTRACT.
Initiated By:	SINGAPORE INTERNATIONAL MONETARY EXCHANGE LIMITED
Date Initiated:	02/10/1999
Docket/Case Number:	UNKNOWN



Principal Product Type: Futures - Commodity

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 02/23/1999

Sanctions Ordered: Monetary/Fine \$2,500.00
Cease and Desist/Injunction

Other Sanctions Ordered: A FINE OF 4000 SINGAPORE DOLLARS (APPROXIMATELY \$2500 U.S.) AND AN ORDER TO CEASE AND DESIST FROM ANY FUTURE SUCH CONDUCT.

Sanction Details: THE INDIVIDUAL WHO EXECUTED TWO TRADES IN QUESTION MISUNDERSTOOD THE OPERATION OF THE TWO RULES IN QUESTION SINCE ONE WAS A NEW RULE AT THAT TIME.

Disclosure 19 of 82

Reporting Source: Firm

Affiliate: SMITH ZAIN SECURITIES SDN BHD

Current Status: Final

Allegations: VIOLATION OF THE MALAYSIA SECURITIES INDUSTRY ACT IN PERMITTING AN EMPLOYEE TO EFFECT SECURITIES TRANSACTIONS FROM MAY 1996 TO SEPTEMBER 1997 WITHOUT BEING LICENSED TO DO SO.

Initiated By: SECURITIES COMMISSION OF MALAYSIA

Date Initiated: 02/09/1999

Docket/Case Number: UNKNOWN

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:	Decision & Order of Offer of Settlement
Resolution Date:	03/18/1999
Sanctions Ordered:	Monetary/Fine \$25,000.00
Other Sanctions Ordered:	NONE
Sanction Details:	<p>FINE OF 100,000 MALYASIAN RINGGITS (APPROXIMATELY \$25,000 U.S.) THE INDIVIDUAL IN QUESTION WAS EMPLOYED PRIOR TO THE TIME THAT ANY MERRILL LYNCH AFFILIATE HAD MANAGEMENT CONTROL OF SMITH ZAIN SECURMES. AFTER MANAGEMENT CONTROL WAS OBTAINED IN 1997, AND AS SOON AS THE ISSUE WAS IDENTIFIED BY MERRILL LYNCH MANAGEMENT, THE EMPLOYEE WAS TERMINATED AND THE MATTER WAS REPORTED TO THE MALYASIAN SECURITIES COMMISSION.</p>

Disclosure 20 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH PHATRA SECURITIES COMPANY LTD. (THAILAND)
Current Status:	Final
Allegations:	<p>ALLEGATIONS STEMMING FROM AN EXAM BY THE THAI SEC THAT CERTAIN VIOLATIONS OF THE THAI SEC HAD OCCURRED, INCLUDING FAILURE TO HAVE CERTAIN ACCOUNT OPENING OR ADVISORY AGREEMENTS, EFFECTING CUSTOMER SELL ORDERS FOR SECURITIES NOT ON DEPOSIT IN THEIR ACCOUNT ERRONEOUSLY PURCHASING SECURITIES FOR FOREIGN CLIENTS ON THE WRONG TRADING BOARD, FAILURE TO APPOINT OR EMPLOY A CUSTODIAN FOR MANAGED ACCOUNT CLIENTS, AND FAILURE TO HAVE CERTAIN ORDER ALLOCATION PROCEDURES.</p>
Initiated By:	THAI SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	01/27/1999
Docket/Case Number:	UNKNOWN
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: Decision & Order of Offer of Settlement

Resolution Date: 02/26/1999

Sanctions Ordered: Monetary/Fine \$8,500.00

Other Sanctions Ordered: NONE

Sanction Details: FINE OF 352,520 BAHT (APPROXIMATELY US \$8500) THE ALLEGED VIOLATIONS OCCURRED PRIMARILY BEFORE ANY MERRILL LYNCH AFFILIATE WAS RESPONSIBLE FOR CONTROL OF THE ENTITY IN QUESTION.

Disclosure 21 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH, PIERCE, FENNER & SMITH (BROKERS & DEALERS) LIMITED

Current Status: Final

Allegations: MLPFS (BROKERS & DEALERS) UMITED, MERRILL LYNCH INTERNATIONAL INCORPORATED AND MERRILL LYNCH & CO., INC. WERE ALLEGED BY THE CFTC AND MERRILL LYNCH, PIERCE, FENNER & SMITH (BROKER & DEALERS) UMITED WERE ALLEGED BY THE LME TO HAVE AIDED AND ABELTED SUMITOMO CORPORATION AND GLOBAL MINERALS AND METALS CORPORATION IN THEIR ALLEGED MANIPULATION OF COPPER PRICES.

Initiated By: COMMODITY FUTURES TRADING COMMISSION & LONDON METAL EXCHANGE

Date Initiated: 05/20/1999

Docket/Case Number: CFTC #99-11

Principal Product Type: Futures - Commodity

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Settled



Resolution Date: 06/30/1999

Sanctions Ordered: Monetary/Fine \$15,000,000.00

Other Sanctions Ordered: NONE

Sanction Details: THE CFTC DISMISSED THE ACTION AS TO MERRILL LYNCH & CO. INC. MERRILL LYNCH, PIERCE, FENNER & SMITH (BROKERS & DEALERS) UNITED AND MERRILL LYNCH INTERNATIONAL INCORPORATED, WITHOUT ADMITTING OR DENYING ANY WRONGDOING, AGREED TO A SETTLEMENT WITH THE CFTC, PURSUANT TO WHICH THEY WILL PAY \$15 MILUON CIVIL PENALTY, AND AGREE TO CEASE AND DESIST FROM VIOLATION OF CERTAIN PROVISIONS OF THE COMMODITY EXCHANGE ACT. MERRILL LYNCH, PIERCE, FENNER & SMITH (BROKERS & DEALERS) LIMITED WITHOUT ADMITTING OR DENYING ANY WRONGDOING, AGREED TO A SETTLEMENT WITH THE LME, PURSUANT TO WHICH IT WILL PAY A FINE OF 6.5 MILLION POUNDS STERLING (APPROXIMATELY U.S. \$10 MILLION).

Disclosure 22 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH PHATRA SECURITIES COMPANY LTD. (THAILAND)

Current Status: Final

Allegations: ALLEGATIONS OF VARIOUS SALES PRACTICE AND OPERATIONS VIOLATIONS.

Initiated By: THE STOCK EXCHANGE OF THAILAND

Date Initiated: 05/13/1999

Docket/Case Number: UNKNOWN

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 05/29/1999



Sanctions Ordered:	Monetary/Fine \$13,400.00
Other Sanctions Ordered:	NONE
Sanction Details:	THE ALLEGED VIOLATIONS OCCURRED PRIMARILY BEFORE ANY MERRILL LYNCH AFFILIATE WAS RESPONSIBLE FOR CONTROL OF THE ENTITY IN QUESTION. FINE OF 495,100 BAHT (APPROXIMATELY US \$13,400.00)

Disclosure 23 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH JAPAN INCORPORATED
Current Status:	Final
Allegations:	THE TOKYO BRANCH OF MERRILL LYNCH JAPAN INCORPORATED EXECUTED CERTAIN PROPRIETARY PURCHASES OF SECURITIES UNDERWRITTEN BY MERRILL LYNCH JAPAN DURING STABILIZATION PERIODS WHICH MAY HAVE BEEN VIOLATIVE WITH MINISTRY OF FINANCE RULES.
Initiated By:	MINISTRY OF FINANCE JAPAN
Date Initiated:	11/02/1995
Docket/Case Number:	MOF #1698
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Suspension
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	11/02/1995
Sanctions Ordered:	Suspension
Other Sanctions Ordered:	NONE
Sanction Details:	THE TOKYO BRANCH OF MERRILL LYNCH JAPAN INCORPORATED EXECUTED CERTAIN PROPRIETARY PURCHASES OF SECURITIES UNDERWRITTEN BY MERRILL LYNCH JAPAN DURING STABILIZATION PERIODS



WHICH MAY HAVE BEEN VIOLATIVE WITH MINISTRY OF FINANCE RULES.

Firm Statement

BETWEEN FEBRUARY 1989 AND MAY 1995 THE TOKYO BRANCH OFFICE MADE PROPRIETARY PURCHASES OF SECURITIES ISSUED UNDERWRITTEN BY MERRILL LYNCH JAPAN DURING STABILIZATION PERIODS. NONE OF THESE PURCHASES WERE PERMISSIBLE TRANSACTIONS UNDER MINISTRY OF FINANCE RULES. THERE WAS NO ADVERSE EFFECT ON THE MARKET FOR THESE SECURITIES OR WERE MERRILL LYNCH JAPAN CLIENTS DISADVANTAGED BY THE ACTIVITY IN QUESTION. MERRILL LYNCH JAPAN COOPERATED FULLY WITH THE MINISTRY OF FINANCE DURING ITS INQUIRY INTO THIS MATTER.

Disclosure 24 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH FUTURES, INC.
Current Status:	Final
Allegations:	MERRILL LYNCH FUTURES INC. VIOLATED THE SPECULATIVE POSITION LIMIT RULE 13.04(B) WHERE A CUSTOMER ACCOUNT EXCEEDED THE MARCH 1995 SUGAR 14 SINGLE MONTH LIMIT OF 1000 CONTRACTS.
Initiated By:	COFFEE, SUGAR AND COCOA EXCHANGE, INC.
Date Initiated:	12/02/1994
Docket/Case Number:	194 - 68
Principal Product Type:	Commodity Option(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	12/02/1994
Sanctions Ordered:	Monetary/Fine \$2,000.00
Other Sanctions Ordered:	NONE
Sanction Details:	MERRILL LYNCH FUTURES INC WITHOUT ADMITTING OF DENYING THE



VIOLATION AGREED TO PAY A FINE
FOR SEVEN SUCH APPARENT VIOLATIONS OF RULE 13.04.

Disclosure 25 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH FUTURES, INC.
Current Status:	Final
Allegations:	VIOLATION OF REGULATION 416.01-FAILING TO NOTIFY OF THE OPENING AND/OR CLOSING OF CERTAIN OMNIBUS ACCOUNTS. REGULATION 545.02-FAILING TO MAINTAIN ACCURATE BOOKS AND RECORDS. RULE 504.00-ENGAGED IN ACTS DETRIMENTAL TO THE INTEREST AND WELFARE OF THE ASSOCIATION.
Initiated By:	CHICAGO BOARD OF TRADE
Date Initiated:	12/15/1992
Docket/Case Number:	92 - EX 10
Principal Product Type:	Futures - Commodity
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	03/08/1993
Sanctions Ordered:	Monetary/Fine \$10,000.00
Other Sanctions Ordered:	NONE
Sanction Details:	MERRILL LYNCH FUTURES INC. WITHOUT ADMITTING OR DENYING VIOLATION OF REGULATIONS 416.01 AND 545.02 AGREED TO PAY A FINE. THE COMMITTEE AGREED TO DISMISS THE CHARGE THE FIRM VIOLATED RULE 504.00

Disclosure 26 of 82

Reporting Source:	Firm
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Affiliate: MERRILL LYNCH INTERNATIONAL

Current Status: Final

Allegations: MERRILL LYNCH INTERNATIONAL BREACHED LONDON STOCK EXCHANGE RULE 2.11 (CONDITIONAL TRADES).

Initiated By: LONDON STOCK EXCHANGE

Date Initiated: 04/30/1997

Docket/Case Number: UNKNOWN

Principal Product Type: Other

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 04/30/1997

Sanctions Ordered: Monetary/Fine \$10,000.00

Other Sanctions Ordered: NONE

Sanction Details: FIRM WAS FINED \$10000.00 (UK)

Disclosure 27 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH FUTURES, INC.

Current Status: Final

Allegations: MERRILL LYNCH FUTURES INC. VIOLATED SECTION 4(C)(A)(A) OF THE COMMODITY EXCHANGE ACT AND CFTC REGULATION 1.37(A) RELATING TO TRADING IN WHEAT FUTURES.

Initiated By: COMMODITY FUTURES TRADING COMMISSION

Date Initiated: 06/24/1997

Docket/Case Number: #97 - 10

Principal Product Type: Commodity Option(s)



Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CIVIL AND ADMINISTRATIVE PENALTY/FINE
Resolution:	Order
Resolution Date:	06/24/1997
Sanctions Ordered:	Monetary/Fine \$175,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	NONE
Sanction Details:	MERRILL LYNCH FUTURES, INC. SHALL CEASE AND DESIST FROM VIOLATING SECTION 4C(A) (A)OF THE ACT, 7 USC S6C(A)(A) AND REGULALTION 1.37(A), 17 CFR SI.37(A) AND PAY A CIVIL MONETARY PENALTY.

Disclosure 28 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH FUTURES, INC.
Current Status:	Final
Allegations:	VIOLATED REGULATION 5.05 BY SUBMITTING INACCURATE COTTON FUTURES "SPEC-HEDGE" REPORTS FOR DECEMBER 12, 1986 AND JANUARY 9, 1987.
Initiated By:	NEW YORK COTTON EXCHANGE
Date Initiated:	06/11/1987
Docket/Case Number:	UNKNOWN
Principal Product Type:	Commodity Option(s)
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:	06/11/1987



Sanctions Ordered: Monetary/Fine \$3,000.00

Other Sanctions Ordered: NONE

Sanction Details: THE EXCHANGE ACCEPTED A STIPULATION AND CONSENT IN WHICH FIRM, WITHOUT ADMITTING OR DENYING ALLEGATIONS, AGREED TO PAY A FINE.

Disclosure 29 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH FUTURES, INC.

Current Status: Final

Allegations: VIOLATED NEW YORK COTTON EXCHANGE RULE 5.03(6) - FAILURE TO PREPARE PROPERLY, TIMESTAMP AND MAINTAIN ORDER TICKETS.

Initiated By: NEW YORK COTTON EXCHANGE

Date Initiated: 08/19/1986

Docket/Case Number: UNKNOWN

Principal Product Type: Commodity Option(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 08/19/1986

Sanctions Ordered: Monetary/Fine \$15,000.00

Other Sanctions Ordered: NONE

Sanction Details: THE EXCHANGE AGREED TO ACCEPT FIRMS' OFFER OF SETTLEMENT.

Disclosure 30 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH FUTURES, INC.



Current Status:	Final
Allegations:	VIOLATIONS WITH RESPECT TO THE PREPARATION, TIME-STAMPING, AND MAINTENANCE OF ORDER TICKETS IN THE DALLAS, TEXAS BRANCH OFFICE DURING THE PERIOD DECEMBER 1980 THROUGH JUNE 1982.
Initiated By:	NEW YORK COTTON EXCHANGE
Date Initiated:	08/18/1986
Docket/Case Number:	UNKNOWN
Principal Product Type:	Commodity Option(s)
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:	08/18/1986
Sanctions Ordered:	Monetary/Fine \$1,500.00
Other Sanctions Ordered:	NONE
Sanction Details:	THE FIRM WITHOUT ADMITTING OR DENYING THE ALLEGATIONS SET FORTH IN THE INVESTIGATION REPORT EXECUTED A STIPULATION AND CONSENT IN SETTLEMENT OF THE PROCEEDING.

Disclosure 31 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH FUTURES, INC.
Current Status:	Final
Allegations:	VIOLATED RULE 9.01(C) BY SENDING A BUY AND SELL ORDER FOR SAME PRINCIPAL TO THE COTTON TRADE RING AND ALLOWING THOSE ORDERS TO TRADE AGAINST EACH OTHER.
Initiated By:	NWE YORK COTTON EXCHANGE
Date Initiated:	06/06/1986
Docket/Case Number:	UNKNOWN



Principal Product Type: Commodity Option(s)

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: 06/06/1986

Sanctions Ordered: Monetary/Fine \$2,500.00
Cease and Desist/Injunction

Other Sanctions Ordered: NONE

Sanction Details: THE NEW YORK COTTON EXCHANGE ACCEPTED A STIPULATION AND CONSENT WHEREBY FIRM PAID A FINE AND AGREED TO A CEASE AND DESIST ORDER.

Disclosure 32 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH FUTURES, INC.

Current Status: Final

Allegations: MERRILL LYNCH FUTURES INC. VIOLATED RULE 9.01 (C) BY SENDING A BUY AND SELL ORDER FOR SAME PRINCIPAL TO THE COTTON TRADE RING AND ALLOWING THOSE ORDERS TO TRADE AGAINST EACH OTHER.

Initiated By: NEW YORK COTTON EXCHANGE

Date Initiated: 04/23/1986

Docket/Case Number: UNKNOWN

Principal Product Type: Commodity Option(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:



Resolution: Stipulation and Consent

Resolution Date: 04/23/1986

Sanctions Ordered: Monetary/Fine \$2,500.00
Cease and Desist/Injunction

Other Sanctions Ordered: NONE

Sanction Details: THE NEW YORK COTTON EXCHANGE ACCEPTED A STIPULATION AND CONSENT WHEREBY FIRM PAID A FINE AND AGREED TO A CEASE AND DESIST ORDER.

Disclosure 33 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH FUTURES, INC.

Current Status: Final

Allegations: VIOLATION OF RULES 9.10(A) AND 9.01(C).

Initiated By: NWE YORK COTTON EXCHANGE

Date Initiated: 10/08/1984

Docket/Case Number: UNKNOWN

Principal Product Type: Commodity Option(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 10/08/1984

Sanctions Ordered: Monetary/Fine \$1,000.00

Other Sanctions Ordered: NONE

Sanction Details: PURSUANT TO THE TERMS OF THE OFFER OF SETTLEMENT FIRM WAS ORDERED TO PAY A FINE.

Disclosure 34 of 82



Reporting Source:	Firm
Affiliate:	MERRILL LYNCH FUTURES, INC.
Current Status:	Final
Allegations:	VIOLATIONS OF COMEX RULES 4.21, NONCOMPETITIVE TRADING AND 4.27, PREARRANGED TRADING.
Initiated By:	COMMODITY EXCHANGE ("COMEX")
Date Initiated:	02/22/1988
Docket/Case Number:	UNKNOWN
Principal Product Type:	Commodity Option(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	02/22/1988
Sanctions Ordered:	Censure
Other Sanctions Ordered:	NONE
Sanction Details:	BASED ON AN OFFER OF SETTLEMENT IT WAS DETERMINED TO IMPOSE A CENSURE.
Firm Statement	BASED ON AN OFFER OF SETTLEMENT IT WAS DETERMINED TO IMPOSE A CENSURE.

Disclosure 35 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH FUTURES, INC.
Current Status:	Final
Allegations:	MERRILL LYNCH FUTURES, INC. FAILED TO MAINTAIN THE SPECIAL REQUIREMENTS FOR CLEARING IN THAT TWO INDIVIDUAL MEMBERS, WHOSE MEMBERSHIPS HAD BEEN ASSIGNED TO MERRILL LYNCH FUTURES INC. FOR CLEARING PRIVILEGES, VIOLATED THE 903.B.4. RESTRICTIONS



PLACED ON THESE MEMBERSHIPS. IN
DOING SO, MLF VIOLATED EXCHANGE RULE 902.A.

Initiated By: COMMODITY EXCHANGE ("COMEX")

Date Initiated: 06/27/1990

Docket/Case Number: UNKNOWN

Principal Product Type: Commodity Option(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 07/05/1990

Sanctions Ordered: Monetary/Fine \$35,000.00

Other Sanctions Ordered: NONE

Sanction Details: IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE COMMITTEE IMPOSED A FINE.

Disclosure 36 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH FUTURES, INC.

Current Status: Final

Allegations: VIOLATION OF CME RULE 732, AFTER FINDING THAT MERRILL LYNCH FUTURES INC. FAILED TO DELIVER TIMELY THE CURRENCIES UNDERLYING 86 JAPANESE YEN FUTURES CONTRACTS.

Initiated By: CHICAGO MERCANTILE EXCHANGE

Date Initiated: 10/23/1989

Docket/Case Number: UNKNOWN

Principal Product Type: Commodity Option(s)

Other Product Type(s):



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

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 10/23/1989

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered: NONE

Sanction Details: FIRM WAS FOUND TO BE IN VIOLATION.

Disclosure 37 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH FUTURES, INC.

Current Status: Final

Allegations: VIOLATING RULE 432 SUBSECTION 0 IN THAT IT PERMITTED A CUSTOMER TO NET OUT 99 SHORT POSITIONS AGAINST 99 LONG POSITIONS.

Initiated By: CHICAGO MERCANTILE EXCHANGE

Date Initiated: 12/08/1981

Docket/Case Number: UNKNOWN

Principal Product Type: Commodity Option(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 12/08/1981

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered: NONE

Sanction Details: THE CHICAGO MERCANTILE EXCHANGE ISSUED A CEASE & DESIST



ORDER BY CONSENT WITH MERRILL
LYNCH FUTURES INC.

Disclosure 38 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH FUTURES, INC.
Current Status:	Final
Allegations:	EMPLOYEES OF FIRM DID NOT TIMELY RECORD TRADE INFORMATION WITH REGRD TO RELATED ACCOUNTS.
Initiated By:	NEW YORK MERCANTILE EXCHANGE
Date Initiated:	09/05/1984
Docket/Case Number:	UNKNOWN
Principal Product Type:	Commodity Option(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Undertaking
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	09/05/1984
Sanctions Ordered:	Monetary/Fine \$30,100.00
Other Sanctions Ordered:	TO PLEDGE TO ENFORCE THE RULES OF THE EXCHANGE.
Sanction Details:	ALLEGATIONS WERE BASED SOLELY UPON A THEORY OF RESPONDENT SUPERIOR.

Disclosure 39 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH FUTURES, INC.
Current Status:	Final
Allegations:	VIOLETIONS OF EXCHANGE RULES RELATING TO "EX-PIT" AND "EFP" TRANSACTIONS ON THE NEW YORK MERCANTILE EXCHANGE BEGINNING DECEMBER 1981.



Initiated By: NEW YORK MERCANTILE EXCHANGE
Date Initiated: 02/08/1984
Docket/Case Number: UNKNOWN
Principal Product Type: Commodity Option(s)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Settled
Resolution Date: 02/08/1984
Sanctions Ordered: Monetary/Fine \$7,500.00
Other Sanctions Ordered: NONE
Sanction Details: FIRM AGREED TO THE IMPOSITION OF A PENALTY.

Disclosure 40 of 82

Reporting Source: Firm
Affiliate: MERRILL LYNCH FUTURES INC.
Current Status: Final
Allegations: FIRM ENGAGED IN "PREARRANGED TRADING".
Initiated By: COFFEE, SUGAR AND COCOA EXCHANGE
Date Initiated: 11/26/1986
Docket/Case Number: UNKNOWN
Principal Product Type: Commodity Option(s)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Decision



Resolution Date: 11/26/1986

Sanctions Ordered: Monetary/Fine \$75,000.00

Other Sanctions Ordered: NONE

Sanction Details: AFTER A DISCIPLINARY PROCEEDING FIRM WAS FINED. ON 09/27/1987 THE FIRM PETITIONED FOR REVIEW OF THE DECISION.

Disclosure 41 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH FUTURES INC.

Current Status: Final

Allegations: VIOLATIONS OF COFFEE, SUGAR & COCOA MEMBER RULE 1.12(C), (D) & (E) (FAILURE TO PREPARE AND PROPERLY TIMESTAMP OFFICE ORDER TICKETS).

Initiated By: COFFEE, SUGAR AND COCOA EXCHANGE

Date Initiated: 06/04/1985

Docket/Case Number: UNKNOWN

Principal Product Type: Commodity Option(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 06/04/1985

Sanctions Ordered: Monetary/Fine \$15,000.00

Other Sanctions Ordered: NONE

Sanction Details: THE EXCHANGE AGREED TO ACCEPT FIRMS' OFFER OF SETTLEMENT.

Disclosure 42 of 82

Reporting Source: Firm



Affiliate: MERRILL LYNCH FUTURES, INC.

Current Status: Final

Allegations: VIOLATIONS OF SUGAR TRADE RULE 12.23 (MEMBERS CARRYING ACCOUNTS FOR OTHERS MUST ACT DILIGENTLY IN REPORTING AND CORRECTING ERRORS IN THEIR POSITIONS).

Initiated By: COFFEE, SUGAR AND COCOA EXCHANGE

Date Initiated: 10/19/1983

Docket/Case Number: UNKNOWN

Principal Product Type: Commodity Option(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 10/19/1983

Sanctions Ordered: Monetary/Fine \$10,000.00

Other Sanctions Ordered: NONE

Sanction Details: THE EXCHANGE AGREED TO ACCEPT FIRMS' OFFER OF SETILEMENT.

Disclosure 43 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH FUTURES, INC.

Current Status: Final

Allegations: MERRILL LYNCH FUTURES INC. VIOLATED RULE 214 (A) AND (C) (FAILURE TO FILE TIMELY YEAR-END AND SECOND-QUARTER BALANCE SHEET AND INCOME STATEMENTS AND FAILURE TO NOTIFY THE CLEARING CORPORATION THAT THE WORKING CAPITAL OF THE MEMBER DECREASED BY MORE THAN 20% FROM THE WORKING CAPITAL SHOWN ON THE LAST FINANCIAL STATEMENT FILED).

Initiated By: COFFEE, SUGAR AND COCOA CLEARING CORP.



Date Initiated: 02/01/1983

Docket/Case Number: UNKNOWN

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 02/01/1983

Sanctions Ordered: Monetary/Fine \$4,000.00

Other Sanctions Ordered: NONE

Sanction Details: FIRM WAS ORDERED TO PAY FINES OF \$2000.00 AND \$2000.00 FOR THE RESPECTIVE VIOLATIONS.

Disclosure 44 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH FUTURES, INC.

Current Status: Final

Allegations: VIOLATION OF RULES RELATING TO THE REPORTING OF OPEN FUTURES POSITIONS ON THE EXCHANGE.

Initiated By: COFFEE, SUGAR AND COCOA EXCHANGE INC.

Date Initiated: 01/01/1983

Docket/Case Number: UNKNOWN

Principal Product Type: Commodity Option(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Settled



Resolution Date: 01/01/1983

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered: NONE

Sanction Details: FIRM AGREED TO THE IMPOSITION OF A PENALTY IN A DISCIPLINARY PROCEEDING.

Disclosure 45 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH FUTURES, INC.

Current Status: Final

Allegations: VIOLATION CBT REGULATION 1842.01 IN THAT FIRM FAILED TO HAVE DECEMBER '84 U.S. TREASURY BONDS IN ACCEPTABLE DELIVERY FORM AT ITS DELIVERY BANK BY 10:00 A.M. ON THE DELIVERY DAY FOR SUCH TBONDS.

Initiated By: CHICAGO BOARD OF TRADE

Date Initiated: 05/06/1985

Docket/Case Number: UNKNOWN

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:

Resolution: Settled

Resolution Date: 05/06/1985

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered: NONE

Sanction Details: THE BUSINESS CONDUCT COMMITTEE AGREED TO ACCEPT THE FIRMS' OFFER OF SETILEMENT.

Disclosure 46 of 82

Reporting Source: Firm



Affiliate: MERRILL LYNCH FUTURES, INC.

Current Status: Final

Allegations: FIRM ERRONEOUSLY OVERSTATED A DEUVERY COMMITMENT.

Initiated By: THE CHICAGO BOARD OF TRADE CLEARING CORPORATION

Date Initiated: 10/06/1982

Docket/Case Number: UNKNOWN

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: Decision

Resolution Date: 10/06/1982

Sanctions Ordered: Monetary/Fine \$10,000.00

Other Sanctions Ordered: NONE

Sanction Details: FIRM WAS ALSO ASKED TO PAY STORAGE CHARGES IN THE AMOUNT OF \$2,735.00.

Disclosure 47 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH CANADA, LTD.

Current Status: Final

Allegations: FAILED TO OBTAIN ESSENTIAL NEW ACCOUNT INFORMATION FOR VARIOUS CUSTOMERS, FAILED TO PREVENT AN ACCOUNT EXECUTIVE FROM EXECUTING UNAUTHORIZED TRADES IN THE ACCOUNTS OF CUSTOMERS, FAILED TO PREVENT IMPROPER CROSS TRADING BY THE AFORESAID ACCOUNT EXECUTIVE AND PERMITTED CERTAIN ACCOUNTS TO BECOME UNDER-MARGINED.

Initiated By: INVESTMENT DEALERS ASSOCIATION OF CANADA

Date Initiated: 06/24/1981



Docket/Case Number: UNKNOWN

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 06/24/1981

Sanctions Ordered: Monetary/Fine \$250,000.00

Other Sanctions Ordered: NONE

Sanction Details: FIRM AGREED TO ACCEPT A FINE IMPOSED BY THE INVESTMENT DEALERS ASSOCIATION OF CANADA.

Disclosure 48 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH LIFE AGENCY, INC.

Current Status: Final

Allegations: SOLICITING, NEGOTIATING AND EFFECTING COVERAGES OF INSURANCES BY ONE OF ITS FORMER EMPLOYEES PRIOR TO HIS BEING LICENSED.

Initiated By: NEW JERSEY DEPARTMENT OF INSURANCE

Date Initiated: 06/26/1990

Docket/Case Number: CONSENT ORDER #90-19

Principal Product Type: Insurance

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: 06/26/1990

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered: NONE

Sanction Details: FIRM PAID IN FULL SETTLEMENT OF THE CONSENT ORDER.

Disclosure 49 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH LIFE AGENCY, INC.

Current Status: Final

Allegations: VIOLATION OF THE LICENSING PROVISIONS OF THE SOUTH CAROLINA INSURANCE CODE.

Initiated By: SOUTH CAROLINA DEPARTMENT OF INSURANCE

Date Initiated: 02/13/1985

Docket/Case Number: UNKNOWN

Principal Product Type: Insurance

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: UNDERTAKING

Resolution: Consent

Resolution Date: 02/13/1985

Sanctions Ordered: Monetary/Fine \$58,000.00

Other Sanctions Ordered: NONE

Sanction Details: WITHOUT ADMITTING ANY OF THE VIOLATIONS FIRM CONSENTED TO AN ADMINISTRATIVE ASSESSMENT, AGREED THAT NONE OF ITS AGENTS WOULD ACT WITHOUT BEING LICENSED AND THAT IT WOULD MAINTAIN AN AGENCY LICENSE AT ALL TIMES IN WHICH IT TRANSACTS THE BUSINESS OF AN INSURANCE AGENT.



Disclosure 50 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH LIFE AGENCY, INC.
Current Status:	Final
Allegations:	VIOLATED THE LICENSING PROVISIONS OF THE GEORGIA INSURANCE CODE.
Initiated By:	GEORGIA COMMISSIONER OF INSURANCE
Date Initiated:	02/04/1985
Docket/Case Number:	UNKNOWN
Principal Product Type:	Insurance
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST
Resolution:	Order
Resolution Date:	02/04/1985
Sanctions Ordered:	Monetary/Fine \$100,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	NONE
Sanction Details:	FIRM WITHOUT ADMING ANY OF THE VIOLATIONS CONSENTED TO ISSUANCE OF A CEASE AND DESIST ORDER AND PENALTY.

Disclosure 51 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH LIFE AGENCY, INC.
Current Status:	Final
Allegations:	FIRM AND CERTAIN OF ITS AGENTS WERE NOT PROPERLY LICENSED IN CONNECTION WITH THE SALE OF CERTAIN ANNUITY CONTRACTS.
Initiated By:	NORTH CAROLINA COMMISSIONER OF INSURANCE



Date Initiated: 12/07/1984
Docket/Case Number: UNKNOWN
Principal Product Type: Annuity(ies) - Fixed
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: 12/07/1984
Sanctions Ordered: Monetary/Fine \$15,000.00
Cease and Desist/Injunction
Other Sanctions Ordered: NONE
Sanction Details: FIRM WITHOUT ADMITTING OR DENYING ANY OF THE VIOLATIONS AGREED TO SETTLE.

Disclosure 52 of 82

Reporting Source: Firm
Affiliate: MERRILL LYNCH LIFE AGENCY, INC.
Current Status: Final
Allegations: VIOLATION OF THE KANSAS INSURANCE CODE IN CONNECTION WITH THE SALE OF CERTAIN ANNUITY CONTRACTS. CERTAIN OF FIRM'S AGENTS WERE NOT PROPERLY LICENSED, FAILED TO DISCLOSE THAT ANNUITY CONTRACTS WERE GROUP CONTRACTS AND INFORMED SOME ANNUITY HOLDERS THAT CONTRACTS WERE GUARANTEED BY AN ENTITY OTHER THAN THE ISSUING CARRIER.
Initiated By: KANSAS COMMISSIONER OF INSURANCE
Date Initiated: 10/11/1984
Docket/Case Number: UNKNOWN
Principal Product Type: Annuity(ies) - Fixed
Other Product Type(s):



Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CIVIL AND ADMINISTRATIVE PENALTY/FINE
Resolution:	Settled
Resolution Date:	10/11/1984
Sanctions Ordered:	Monetary/Fine \$45,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	NONE
Sanction Details:	FIRM WITHOUT ADMITTING ANY OF THE VIOLATIONS CONSENTED TO A CEASE AND DESIST ORDER AND THE IMPOSITION OF A PENALTY.

Disclosure 53 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH LIFE AGENCY, INC.
Current Status:	Final
Allegations:	FIRMS' SOUCITATIONS OF CERTAIN ANNUITY CONTRACTS BY ACCOUNT EXECUTIVES NOT PROPERTY UCENSED AND NOT HOLDING A VAUD CORPORATE LICENSE FOR PERIOD MARCH 1982 TO MAY 1983.
Initiated By:	KENTUCKY DEPARTMENT OF INSURANCE
Date Initiated:	10/11/1984
Docket/Case Number:	UNKNOWN
Principal Product Type:	Annuity(ies) - Fixed
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	10/11/1984
Sanctions Ordered:	Monetary/Fine \$56,600.00



Other Sanctions Ordered: NONE

Sanction Details: KENTUCKY DEPARTMENT OF INSURANCE ACCEPTED AN OFFER OF SETTLEMENT MADE WITHOUT ADMITTING OR DENYING ANY VIOLATIONS.

Disclosure 54 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH LIFE AGENCY, INC.

Current Status: Final

Allegations: FIRM AND ITS EMPLOYEES SOLD PRODUCTS WITHOUT BEING PROPERLY LICENSED.

Initiated By: NEW HAMPSHIRE INSURANCE DEPARTMENT

Date Initiated: 01/30/1984

Docket/Case Number: UNKNOWN

Principal Product Type: Insurance

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: UNDERTAKING

Resolution: Settled

Resolution Date: 01/30/1984

Sanctions Ordered: Monetary/Fine \$15,000.00

Other Sanctions Ordered: NONE

Sanction Details: UNDERTAKING BY FIRM THAT NO FURTHER SALES OF INSURANCE PRODUCTS WOULD BE DONE WITHOUT PROPER LICENSING.

Disclosure 55 of 82

Reporting Source: Firm

Affiliate: MERRILL LYNCH CAPITAL SERVICES, INC.



Current Status:	Final
Allegations:	ALLEGATION THAT TREASURY SECURITIES WERE PRICED TOO HIGH WHEN SOLD IN CONNECTION WITH MUNICIPAL ADVANCE REFUNDING BOND OFFERINGS.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	04/06/2000
Docket/Case Number:	SEA REL. 42640; 95 CIV. 1353 (SDNY)
Principal Product Type:	Debt - Government
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	THE FIRM ALSO AGREED TO MAKE PAYMENTS TO CERTAIN MUNICIPALITIES AND TO THE UNITED STATES TREASURY.
Resolution:	Settled
Resolution Date:	04/06/2000
Sanctions Ordered:	Censure Monetary/Fine \$972,482.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	NONE
Sanction Details:	THE FIRM AGREED TO PAY \$972,482 TO MUNICIPALITIES AND \$4,614,869 TO THE UNITED STATES TREASURY.
Firm Statement	THE FIRM JOINED IN A GLOBAL SETTLEMENT OF THE SEC'S IN DUSTRY-WIDE INVESTIGATION RELATING TO THE PRICING OF GOVERNMENT SECURITIES IN ADVANCE REFUNDS (SEA REL. NO.42640) AND A RELATED QUI TAM SUIT BROUGHT BY MICHAEL USSACK ON BEHALF OF THE UNITED STATES (95 CIV. 1353 (SONY). UNDER THE TERMS OF THE SETTLEMENT, MERRILL LYNCH, WITHOUT ADMITTING OR DENYING LIABILITY, CONSENTED TO AN SEC ADMINISTRATIVE CEASE AND DESIST ORDER UNDER SECTIONS 17(A)(2) AND (3) OF THE SECURITIES AND EXCHANGE ACT AND A CENSURE AND AGREED TO PAYMENTS TO MUNICIPALITIES AND TO THE UNITED STATES TREASURY. THE QUI TAM SUIT AGAINST MERRILL



LYNCH WAS THEN DISMISSED WITH PREJUDICE AND THE INTERNAL REVENUE SERVICE AGREED TO PROVIDE ASSURANCES TO MUNICIPALITIES RELATING TO THE TAX EXEMPT STATUS OF APPROXIMATELY 260 TRANSACTIONS.

Disclosure 56 of 82

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH FUTURES, INC.
Current Status:	Final
Allegations:	FIRM AND A RESIDENT MANAGER FAILED TO SUPERVISE ACTIVITIES OF A FORMER EMPLOYEE.
Initiated By:	COMMODITY FUTURES TRADING COMMISSION
Date Initiated:	09/30/1985
Docket/Case Number:	UNKNOWN
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	09/30/1985
Sanctions Ordered:	Monetary/Fine \$75,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	NONE
Sanction Details:	MERRILL LYNCH FUTURES INC. CONSENTED WITHOUT ADMITTING OR DENYING ALLEGATIONS TO A CEASE AND DESIST.

Disclosure 57 of 82

Reporting Source:	Firm
Affiliate:	NB HOLDINGS CORPORATION (F/K/A US TRUST CORPORATION



Current Status:	Final
Allegations:	THE FEDERAL RESERVE BOARD AND THE NEW YORK STATE BANKING DEPARTMENT ALLEGED VIOLATIONS AND DEFICIENCIES RELATING TO THE LACK OF INTERNAL CONTROLS AND PROCEDURES AND INADEQUATE COMPLIANCE WITH THE BANK SECRECY ACT, AND THE FAILURE TO MAINTAIN ACCURATE AND COMPLETE BOOKS AND RECORDS IN CONNECTION WITH THE OPERATIONS AND ACTIVITIES OF THE STRATEGIC TRADING GROUP OF UNITED STATES TRUST COMPANY OF NEW YORK (EFFECTIVE 3/31/2006, UNITED STATES TRUST COMPANY OF NEW YORK ENGAGED IN A CHARTER CONVERSION INTO UNITED STATES TRUST COMPANY, N.A.).
Initiated By:	NEW YORK STATE BANKING DEPARTMENT
Date Initiated:	07/12/2001
Docket/Case Number:	01-010-B-HC/01-010-CMP-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:	07/12/2001
Sanctions Ordered:	Monetary/Fine \$5,000,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	ON JULY 11, 2001, U.S. TRUST CORPORATION AND UNITED STATES TRUST COMPANY OF NEW YORK (EFFECTIVE 3/31/2006, UNITED STATES TRUST COMPANY OF NEW YORK ENGAGED IN A CHARTER CONVERSION INTO UNITED STATES TRUST COMPANY, N.A.) PAID TO THE FEDERAL RESERVE BOARD A CIVIL MONEY PENALTY IN THE AMOUNT OF \$5 MILLION AND MADE A \$5 MILLION MONETARY PAYMENT TO THE STATE OF NEW YORK.
Firm Statement	U.S. TRUST CORPORATION AND UNITED STATES TRUST COMPANY OF NEW YORK (EFFECTIVE 3/31/2006, UNITED STATES TRUST COMPANY OF NEW YORK ENGAGED IN A CHARTER CONVERSION INTO UNITED STATES TRUST COMPANY, N.A.), WITHOUT ADMITTING TO ANY ALLEGATIONS, CONSENTED ON JULY 12, 2001, TO THE ISSUANCE OF THE ORDER TO CEASE AND DESIST AND ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY AND



MONETARY PAYMENT ISSUED UPON CONSENT IN CONNECTION WITH THE ALLEGED VIOLATIONS AND DEFICIENCIES RELATING TO THE LACK OF INTERNAL CONTROLS AND PROCEDURES AND INADEQUATE COMPLIANCE WITH THE BANK SECRECY ACT, AND RELATING TO THE FAILURE TO MAINTAIN ACCURATE AND COMPLETE BOOKS AND RECORDS IN CONNECTION WITH THE OPERATIONS AND ACTIVITIES OF THE STRATEGIC TRADING GROUP OF UNITED STATES TRUST COMPANY OF NEW YORK (AS OF 4/1/06 UNITED STATES TRUST COMPANY, N.A.).

Reporting Source:	Firm
Affiliate:	UNITED STATES TRUST COMPANY, N.A. (F/K/A UNITED STATES TRUST COMPANY OF NEW YORK)
Current Status:	Final
Allegations:	THE FEDERAL RESERVE BOARD AND THE NEW YORK STATE BANKING DEPARTMENT ALLEGED VIOLATIONS AND DEFICIENCIES RELATING TO THE LACK OF INTERNAL CONTROLS AND PROCEDURES AND INADEQUATE COMPLIANCE WITH THE BANK SECRECY ACT, AND THE FAILURE TO MAINTAIN ACCURATE AND COMPLETE BOOKS AND RECORDS IN CONNECTION WITH THE OPERATIONS AND ACTIVITIES OF THE STRATEGIC TRADING GROUP OF UNITED STATES TRUST COMPANY OF NEW YORK (EFFECTIVE 3/31/2006, UNITED STATES TRUST COMPANY OF NEW YORK ENGAGED IN A CHARTER CONVERSION INTO UNITED STATES TRUST COMPANY, N.A.).
Initiated By:	NEW YORK STATE BANKING DEPARTMENT
Date Initiated:	07/12/2001
Docket/Case Number:	01-010-B-HC/01-010-CMP-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:	07/12/2001
Sanctions Ordered:	Monetary/Fine \$5,000,000.00 Cease and Desist/Injunction

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

ON JULY 11, 2001, U.S. TRUST CORPORATION AND UNITED STATES TRUST COMPANY OF NEW YORK (EFFECTIVE 3/31/2006, UNITED STATES TRUST COMPANY OF NEW YORK ENGAGED IN A CHARTER CONVERSION INTO UNITED STATES TRUST COMPANY, N.A.) PAID TO THE FEDERAL RESERVE BOARD A CIVIL MONEY PENALTY IN THE AMOUNT OF \$5 MILLION AND MADE A \$5 MILLION MONETARY PAYMENT TO THE STATE OF NEW YORK.

Firm Statement

U.S. TRUST CORPORATION AND UNITED STATES TRUST COMPANY OF NEW YORK (EFFECTIVE 3/31/2006, UNITED STATES TRUST COMPANY OF NEW YORK ENGAGED IN A CHARTER CONVERSION INTO UNITED STATES TRUST COMPANY, N.A.), WITHOUT ADMITTING TO ANY ALLEGATIONS, CONSENTED ON JULY 12, 2001, TO THE ISSUANCE OF THE ORDER TO CEASE AND DESIST AND ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY AND MONETARY PAYMENT ISSUED UPON CONSENT IN CONNECTION WITH THE ALLEGED VIOLATIONS AND DEFICIENCIES RELATING TO THE LACK OF INTERNAL CONTROLS AND PROCEDURES AND INADEQUATE COMPLIANCE WITH THE BANK SECRECY ACT, AND RELATING TO THE FAILURE TO MAINTAIN ACCURATE AND COMPLETE BOOKS AND RECORDS IN CONNECTION WITH THE OPERATIONS AND ACTIVITIES OF THE STRATEGIC TRADING GROUP OF UNITED STATES TRUST COMPANY OF NEW YORK (AS OF 4/1/06 UNITED STATES TRUST COMPANY, N.A.).

Disclosure 58 of 82**Reporting Source:**

Firm

Affiliate:

NB HOLDINGS CORPORATION (F/K/A US TRUST CORPORATION)

Current Status:

Final

Allegations:

THE FEDERAL RESERVE BOARD AND THE NEW YORK STATE BANKING DEPARTMENT ALLEGED VIOLATIONS AND DEFICIENCIES RELATING TO THE LACK OF INTERNAL CONTROLS AND PROCEDURES AND INADEQUATE COMPLIANCE WITH THE BANK SECRECY ACT, AND THE FAILURE TO MAINTAIN ACCURATE AND COMPLETE BOOKS AND RECORDS IN CONNECTION WITH THE OPERATIONS AND ACTIVITIES OF THE STRATEGIC TRADING GROUP OF UNITED STATES TRUST COMPANY OF NEW YORK (EFFECTIVE 3/31/2006, UNITED STATES TRUST COMPANY OF NEW YORK ENGAGED IN A CHARTER CONVERSION INTO UNITED STATES TRUST COMPANY, N.A.).

Initiated By:

FEDERAL RESERVE BOARD

Date Initiated:

07/12/2001

Docket/Case Number:

01-010-B-HC/01-010-CMP-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:	07/12/2001
Sanctions Ordered:	Monetary/Fine \$5,000,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	ON JULY 11, 2001, U.S. TRUST CORPORATION AND UNITED STATES TRUST COMPANY OF NEW YORK (EFFECTIVE 3/31/2006, UNITED STATES TRUST COMPANY OF NEW YORK ENGAGED IN A CHARTER CONVERSION INTO UNITED STATES TRUST COMPANY, N.A.) PAID TO THE FEDERAL RESERVE BOARD A CIVIL MONEY PENALTY IN THE AMOUNT OF \$5 MILLION AND MADE A \$5 MILLION MONETARY PAYMENT OT THE STATE OF NEW YORK.
Firm Statement	U.S. TRUST CORPORATION AND UNITED STATES TRUST COMPANY OF NEW YORK (EFFECTIVE 3/31/2006, UNITED STATES TRUST COMPANY OF NEW YORK ENGAGED IN A CHARTER CONVERSION INTO UNITED STATES TRUST COMPANY, N.A.), WITHOUT ADMITTING TO ANY ALLEGATIONS, CONSENTED ON JULY 12, 2001, TO THE ISSUANCE OF THE ORDER TO CEASE AND DESIST AND ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY AND MONETARY PAYMENT ISSUED UPON CONSENT IN CONNECTION WITH THE ALLEGED VIOLATIONS AND DEFICIENCIES RELATING TO THE LACK OF INTERNAL CONTROLS AND PROCEDURES AND INADEQUATE COMPLIANCE WITH THE BANK SECRECY ACT, AND RELATING TO THE FAILURE TO MAINTAIN ACCURATE AND COMPLETE BOOKS AND RECORDS IN CONNECTION WITH THE OPERATIONS AND ACTIVITIES OF THE STRATEGIC TRADING GROUP OF UNITED STATES TRUST COMPANY OF NEW YORK (AS OF 4/1/06 UNITED STATES TRUST COMPANY, N.A.).
<hr/>	
Reporting Source:	Firm
Affiliate:	UNITED STATES TRUST COMPANY, N.A. (F/K/A UNITED STATES TRUST COMPANY OF NEW YORK)
Current Status:	Final
Allegations:	THE FEDERAL RESERVE BOARD AND THE NEW YORK STATE BANKING



DEPARTMENT ALLEGED VIOLATIONS AND DEFICIENCIES RELATING TO THE LACK OF INTERNAL CONTROLS AND PROCEDURES AND INADEQUATE COMPLIANCE WITH THE BANK SECRECY ACT, AND THE FAILURE TO MAINTAIN ACCURATE AND COMPLETE BOOKS AND RECORDS IN CONNECTION WITH THE OPERATIONS AND ACTIVITIES OF THE STRATEGIC TRADING GROUP OF UNITED STATES TRUST COMPANY OF NEW YORK (EFFECTIVE 3/31/2006, UNITED STATES TRUST COMPANY OF NEW YORK ENGAGED IN A CHARTER CONVERSION INTO UNITED STATES TRUST COMPANY, N.A.).

Initiated By: FEDERAL RESERVE BOARD

Date Initiated: 07/12/2001

Docket/Case Number: 01-010-B-HC/01-010-CMP-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: 07/12/2001

Sanctions Ordered: Monetary/Fine \$5,000,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: ON JULY 11, 2001, U.S. TRUST CORPORATION AND UNITED STATES TRUST COMPANY OF NEW YORK (EFFECTIVE 3/31/2006, UNITED STATES TRUST COMPANY OF NEW YORK ENGAGED IN A CHARTER CONVERSION INTO UNITED STATES TRUST COMPANY, N.A.) PAID TO THE FEDERAL RESERVE BOARD A CIVIL MONEY PENALTY IN THE AMOUNT OF \$5 MILLION AND MADE A \$5 MILLION MONETARY PAYMENT TO THE STATE OF NEW YORK.

Firm Statement U.S. TRUST CORPORATION AND UNITED STATES TRUST COMPANY OF NEW YORK (EFFECTIVE 3/31/2006, UNITED STATES TRUST COMPANY OF NEW YORK ENGAGED IN A CHARTER CONVERSION INTO UNITED STATES TRUST COMPANY, N.A.), WITHOUT ADMITTING TO ANY ALLEGATIONS, CONSENTED ON JULY 12, 2001, TO THE ISSUANCE OF THE ORDER TO CEASE AND DESIST AND ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY AND MONETARY PAYMENT ISSUED UPON CONSENT IN CONNECTION WITH THE ALLEGED VIOLATIONS AND DEFICIENCIES RELATING TO THE LACK OF INTERNAL CONTROLS AND PROCEDURES AND INADEQUATE COMPLIANCE



WITH THE BANK SECRECY ACT, AND RELATING TO THE FAILURE TO MAINTAIN ACCURATE AND COMPLETE BOOKS AND RECORDS IN CONNECTION WITH THE OPERATIONS AND ACTIVITIES OF THE STRATEGIC TRADING GROUP OF UNITED STATES TRUST COMPANY OF NEW YORK (AS OF 4/1/06 UNITED STATES TRUST COMPANY, N.A.).

Disclosure 59 of 82

Reporting Source:	Firm
Affiliate:	BANK OF AMERICA CORPORATION
Current Status:	Final
Allegations:	BANK OF AMERICA CORPORATION ("BAC") ALLEGEDLY HAD DEFICIENCIES IN CERTAIN INTERNAL ANTI-MONEY LAUNDERING CONTROLS RELATING TO SOUTH AMERICAN MONEY SERVICE BUSINESS CUSTOMERS.
Initiated By:	NEW YORK COUNTY (NEW YORK) DISTRICT ATTORNEY
Date Initiated:	03/01/2004
Docket/Case Number:	L03-005071
Principal Product Type:	Other
Other Product Type(s):	CORRESPONDENT BANK ACCOUNT
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	09/28/2006
Sanctions Ordered:	Monetary/Fine \$6,000,000.00
Other Sanctions Ordered:	PLUS ADDITIONAL \$1.5 MILLION FOR COST OF INVESTIGATION.
Sanction Details:	BAC WILL PAY TOTAL OF \$7.5 MILLION, \$6 MILLION OF WHICH WILL BE PAID TO THE CITY AND STATE OF NEW YORK AND \$1.5 MILLION TO BE PAID TO THE NEW YORK COUNTY (NEW YORK) DISTRICT ATTORNEY FOR THE COST OF THE INVESTIGATION.
Firm Statement	BAC ENTERED INTO A CIVIL SETTLEMENT AGREEMENT WITH THE NEW YORK COUNTY (NEW YORK) DISTRICT ATTORNEY (DA) ON SEPTEMBER 28, 2006. THE AGREEMENT PROVIDES THAT, FROM ABOUT 2002 TO 2004, BAC HAD DEFICIENCIES IN CERTAIN INTERNAL ANTI-MONEY LAUNDERING CONTROLS AND FAILED TO REACT APPROPRIATELY TO THE RISK



PRESENTED BY CERTAIN SOUTH AMERICAN MONEY SERVICES BUSINESS CUSTOMERS, WHO MOVED FUNDS ILLEGALLY THROUGH BAC. THE AGREEMENT REQUIRES BAC TO MAKE A TOTAL PAYMENT OF \$7.5 MILLION, TO COOPERATE WITH THE DA IN ONGOING INVESTIGATIONS, AND TO ABIDE BY ANTI-MONEY LAUNDERING CHANGES RECOMMENDED BY BAC'S REGULATORS.

Disclosure 60 of 82

Reporting Source:	Firm
Affiliate:	BANK OF AMERICA CORPORATION
Current Status:	Final
Allegations:	THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM AND THE RESERVE BANK REVIEWED CERTAIN ACTIVITIES OF BANK OF AMERICA CORPORATION'S WEALTH AND INVESTMENT MANAGEMENT GROUP. THE RESERVE BANK RAISED CONCERNS THAT BANK OF AMERICA CORPORATION (THE "BANK") AND ITS SUBSIDIARIES DID NOT ADEQUATELY ASSESS THE LEGAL AND REPUTATIONAL RISKS POSED BY CERTAIN MUTUAL FUND TRADING ACTIVITIES AND ADDRESS FLAWS IN COMPLIANCE AND RISK MANAGEMENT PERTAINING TO THE ASSET MANAGEMENT LINES OF BUSINESS. FOLLOWING THAT REVIEW, THE BANK AND THE RESERVE BANK EXECUTED A WRITTEN AGREEMENT TO ENSURE THAT THE BANK AND ITS SUBSIDIARIES MAKE PROGRESS IN THEIR EFFORTS TO ADOPT AND IMPLEMENT NUMEROUS CORRECTIVE ACTIONS AND BEST PRACTICE RECOMMENDATIONS.
Initiated By:	FEDERAL RESERVE BANK OF RICHMOND
Date Initiated:	02/09/2005
Docket/Case Number:	
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	WRITTEN AGREEMENT
Resolution:	Consent
Resolution Date:	02/09/2005
Firm Statement	THE BANK AGREED TO CONTINUE TO TAKE STEPS TO ADOPT AND



IMPLEMENT CORRECTIVE ACTIONS AND BEST PRACTICE RECOMMENDATIONS OF THE INDEPENDENT CONSULTANTS AND TO ENHANCE THE ENTERPRISE-WIDE COMPLIANCE PROGRAM TO ENSURE COMPLIANCE WITH ALL APPLICABLE LAWS AND REGULATIONS, INCLUDING BUT NOT LIMITED TO SECURITIES LAWS AND REGULATIONS INCLUDING, AMONG OTHER THINGS, A PROCESS FOR RESOLVING OR ESCALATING COMPLIANCE ISSUES, ONGOING TRAINING ON POLICIES AND PROCEDURES FOR COMPLIANCE WITH LAWS AND REGULATIONS FOR CERTAIN STAFF OF THE BANK AND ITS SUBSIDIARIES, ENSURE PROCESSES FOR AN ENHANCED APPROVAL PROCESS FOR NEW CLIENTS, NEW OR UNIQUE INVESTMENT PRODUCTS, SERVICES OR TRANSACTIONS, AND MATERIAL CHANGES TO EXISTING PRODUCTS OR SERVICES, PROCEDURES TO ENSURE THOROUGH ASSESSMENT OF RISKS, POLICIES AND PROCEDURES TO ENSURE PRODUCTS, SERVICES AND ARRANGEMENTS ARE CONSISTENT WITH BUSINESS EXPERTISE, STRATEGY AND APPROVED RISK PROFILE, PROCEDURES FOR INTERNAL AUDIT, MECHANISMS FOR PERIODIC REVIEWS, MONITORING OF ENTERPRISE-WIDE ADOPTION AND EXECUTION OF NEW POLICIES AND PROCEDURES AND OTHER RECOMMENDATIONS OF THE INDEPENDENT CONSULTANTS, AND SUBMISSION OF PROGRESS REPORTS TO RESERVE BANK.

Disclosure 61 of 82

Reporting Source:	Firm
Affiliate:	BANK OF AMERICA, NATIONAL ASSOCIATION
Current Status:	Final
Allegations:	THE OFFICE OF THE COMPTROLLER OF THE CURRENCY CONDUCTED ONGOING EXAMINATIONS OF BANK OF AMERICA, NATIONAL ASSOCIATION (THE "BANK") INVOLVING THE BANK'S CONDUCT IN CONNECTION WITH ALLEGED MARKET TIMING, LATE TRADING AND RELATED MATTERS IN THE BANK'S AFFILIATED NATIONS FUNDS.
Initiated By:	OFFICE OF THE COMPTROLLER OF THE CURRENCY
Date Initiated:	02/09/2005
Docket/Case Number:	AA-EC-04-35
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other



Other Sanction(s)/Relief Sought:	SUPERVISORY WRITTEN AGREEMENT
Resolution:	Consent
Resolution Date:	02/09/2005
Firm Statement	<p>THE BANK HAS ENTERED INTO A SUPERVISORY WRITTEN AGREEMENT DATED FEBRUARY 9, 2005, WITH THE COMPTROLLER OF THE CURRENCY. UNDER THE TERMS OF THE WRITTEN AGREEMENT, THE BANK HAS SUBMITTED AN ACTION PLAN (THE "PLAN") THAT IT SHALL IMPLEMENT AND ADHERE TO UNTIL IT RECEIVES FURTHER WRITTEN NOTICE FROM THE COMPTROLLER. THE PLAN PROVIDES FOR THE DEVELOPMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL POLICIES AND PROCEDURES FOR TRANSACTION DOCUMENTATION OF EACH SIGNIFICANT NEW CUSTOMER RELATIONSHIP, NEW OR UNIQUE PRODUCT OR SERVICE, OR ANY SIGNIFICANT CHANGE TO AN EXISTING CUSTOMER RELATIONSHIP, PRODUCT, SERVICE OR BUSINESS PRACTICE RECOMMENDED FOR APPROVAL BY THE WEALTH AND INVESTMENT MANAGEMENT GROUP; POLICIES AND PROCEDURES GOVERNING THE APPROVAL AND RISK MANAGEMENT OF EACH SIGNIFICANT NEW CUSTOMER RELATIONSHIP, NEW OR UNIQUE PRODUCT OR SERVICE, OR ANY SIGNIFICANT CHANGE TO AN EXISTING CUSTOMER RELATIONSHIP, PRODUCT, SERVICE OR BUSINESS PRACTICE RECOMMENDED FOR APPROVAL BY THE WEALTH AND INVESTMENT MANAGEMENT GROUP; AND DEVELOPMENT OF AUDIT PROCEDURES TO PROVIDE COMPREHENSIVE COVERAGE OF ACTIVITY INVOLVING THE WEALTH AND INVESTMENT MANAGEMENT BUSINESS.</p>

Disclosure 62 of 82

Reporting Source:	Firm
Affiliate:	BANK OF AMERICA, N.A.
Current Status:	Final
Allegations:	ALLEGATIONS THAT BANK OF AMERICA, N.A., BY VIRTUE OF REGULATION 9B.07, EXECUTED TRADES INVOLVING PRE-EXECUTION COMMUNICATIONS WHICH WERE NOT ENTERED IN ACCORDANCE WITH PRESCRIBED TIME REQUIREMENTS AND PROCEDURES, IN VIOLATION OF REGULATION 9B.16.
Initiated By:	CHICAGO BOARD OF TRADE
Date Initiated:	08/25/2004
Docket/Case Number:	2004-INV-12B



Principal Product Type:	Other
Other Product Type(s):	TREASURY OPTIONS
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	FINE
Resolution:	Settled
Resolution Date:	09/27/2004
Sanctions Ordered:	Monetary/Fine \$20,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING ANY VIOLATION OF REGULATION 9B.16, BANK OF AMERICA, N.A. AGREED TO PAY A FINE OF \$20,000.00 IN SETTLEMENT OF THIS MATTER.
Firm Statement	WITHOUT ADMITTING OR DENYING ANY VIOLATION OF REGULATION 9B.16, BANK OF AMERICA, N.A. AGREED TO PAY A FINE OF \$20,000.00 IN SETTLEMENT OF THIS MATTER.

Disclosure 63 of 82

Reporting Source:	Firm
Affiliate:	NCNB TEXAS SECURITIES, INC. (FORMERLY FIRST REPUBLIC BANK SECURITIES COMPANY)
Current Status:	Final
Allegations:	THE ALLEGATION ALLEGES THAT THE CONTROL AFFILIATE FILED THEIR FOCUS PART 1 REPORT FOR THE MONTH OF JULY ONE BUSINESS DAY LATE.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated:	03/30/1990
Docket/Case Number:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other



Other Sanction(s)/Relief Sought:	LETTER OF AWC
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/03/1990
Sanctions Ordered:	Monetary/Fine \$250.00
Other Sanctions Ordered:	
Sanction Details:	ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT WITH THE NASD AND PAID A \$250 FINE.
Firm Statement	ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT WITH THE NASD AND PAID A \$250 FINE.

Disclosure 64 of 82

Reporting Source:	Firm
Affiliate:	BANK OF AMERICA NT&SA
Current Status:	Final
Allegations:	VIOLATION OF BOOKS AND RECORDKEEPING PROVISIONS AS WELL AS OTHER PROVISIONS OF THE U.S. SECURITIES LAWS.
Initiated By:	OFFICE OF THE COMPTROLLER OF CURRENCY
Date Initiated:	07/23/1987
Docket/Case Number:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	07/01/1987
Sanctions Ordered:	Censure
Other Sanctions Ordered:	
Sanction Details:	BOFA WAS SANCTIONED BY THE OCC. PURSUANT TO THE ORDER, BOFA



WAS CENSURED, TWO BOFA OFFICERS WERE SUSPENDED FOR SEVERAL DAYS AND BOFA WAS DIRECTED TO ADOPT CERTAIN POLICIES AND PROCEDURES AND TO CREATE A COMPLIANCE REVIEW COMMITTEE. THE ORDER WAS LIFTED IN 1991.

Firm Statement

BOFA WAS SANCTIONED BY THE OCC DUE TO PROBLEMS ASSOCIATED WITH AN ATTEMPTED CONVERSION TO A NEW SECURITIES TRADE PROCESSING & RECORDKEEPING SYSTEM. THE OCC FOUND THAT DUE TO SYSTEMS PROBLEMS, BOFA VIOLATED BOOKS AND RECORDKEEPING PROVISIONS AS WELL AS OTHER PROVISIONS OF THE U.S. SECURITIES LAWS. THE ORDER WAS LIFTED IN 1991.

Disclosure 65 of 82

Reporting Source:	Firm
Affiliate:	CONTINENTAL BANK, N.A. (NKA BANK OF AMERICA ILLINOIS) BANK OF AMERICA NT&SA
Current Status:	Final
Allegations:	VIOLATION OF CERTAIN RECORDKEEPING REQUIREMENTS UNDER THE UNITED STATES GOVERNMENT SECURITIES ACT AND COMPTROLLER'S RULES.
Initiated By:	COMPTROLLER OF THE CURRENCY
Date Initiated:	01/01/1992
Docket/Case Number:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	01/01/1992
Sanctions Ordered:	Monetary/Fine \$200,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	CEASE AND DESIST ORDER AND \$100,000 FINE TO BANK OF AMERICA NT&SA; CEASE AND DESIST ORDER AND \$100,000 FINE TO CONTINENTAL



BANK, N.A.

Firm Statement

IN JANUARY 1992, AS PART OF AN INDUSTRY-WIDE RESOLUTION OF AN INVESTIGATION OF CERTAIN MARKET PRACTICES FOR THE UNITED STATES GOVERNMENT SPONSORED ENTERPRISE SECURITIES, THE COMPTROLLER ISSUED CEASE AND DESIST ORDER TO BOFA, CBNA, AND APPROXIMATELY 100 OTHER SECURITIES DEALERS (INCLUDING OTHER BANKS) REQUIRING THESE ENTITIES TO CEASE AND DESIST FROM FURTHER VIOLATIONS OF CERTAIN RECORDKEEPING REQUIREMENTS UNDER THE UNITED STATES GOVERNMENT SECURITIES ACT AND THE COMPTROLLER'S RULES AND TO PAY CIVIL MONEY PENALTIES. WITHOUT ADMITTING OR DENYING, THE COMPTROLLER'S FINDINGS, BOFA AGREED TO PAY A FINE IN THE AMOUNT OF \$100,000. CBNA, WHICH BECAME A WHOLLY OWNED SUBSIDIARY OF BANKAMERICA CORPORATION IN SEPTEMBER 1994, AGREED TO PAY A FINE IN THE AMOUNT OF \$100,000.

Disclosure 66 of 82

Reporting Source:	Firm
Affiliate:	SEATTLE FIRST NATIONAL BANK
Current Status:	Final
Allegations:	VIOLATION OF SECTION 17(F)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17(F)(1) PROMULGATED THEREUNDER.
Initiated By:	COMPTROLLER OF THE CURRENCY
Date Initiated:	06/30/1994
Docket/Case Number:	EA-94-4
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	07/05/1994
Sanctions Ordered:	Monetary/Fine \$75,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	



Sanction Details: WIHTOUT ADMITTING OR DENYING THE MATTERS ASSERTED THEREIN, SEATTLE FIRST NATIONAL BANK ("SEAFIRST") A WHOLLY OWNED SUBSIDIARY OF SEAFIRST CORPORATION AND BANKAMERICA CORPORATION ENTERED INTO A JOINT CONSENT CEASE AND DESIST ORDER WITH THE SEC AND THE OCC. THE ORDER FOUND THAT SEAFIRST VIOLATED SECTION 17F1 OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17F1 PROMULGATED THEREUNDER, PROHIBITED VIOLATIONS IN THE FUTURE, AND REQUIRED SEAFIRST TO PAY A CIVIL MONEY PENALTY OF \$75,000.

Firm Statement THE MATTER AROSE OUT OF THEFTS FROM A COURIER SERVICE OF SECURITIES SHIPPED BY SEAFIRST IN DEC. 1992. THE SEC AND OCC FOUND THAT SEAFIRST FAILED TO CONFIRM RECEIPT OF THE SECURITIES BEING DELIVERED AFTER THEY WERE NOT PAID WITHIN 10 DAYS AND FAILED TO REPORT THE LOSS OF SUCH SECURITIES.

Disclosure 67 of 82

Reporting Source:	Firm
Affiliate:	SEATTLE FIRST NATIONAL BANK
Current Status:	Final
Allegations:	VIOLATION OF SECTION 17(F)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17F1, PROMULGATED THEREUNDER.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	07/01/1994
Docket/Case Number:	3-9409
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	07/05/1994
Sanctions Ordered:	Monetary/Fine \$75,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	



Sanction Details:	WITHOUT ADMITTING OR DENYING THE MATTERS ASSERTED THEREIN, SEATTLE FIRST NATIONAL BANK ("SEAFIRST") A WHOLLY OWNED SUBSIDIARY OF SEAFIRST CORPORATION AND BANKAMERICA CORPORATION ENTERED INTO A JOINT CONSENT CEASE AND DESIST ORDER WITH THE SEC AND THE OCC. THE ORDER FOUND THAT SEAFIRST VIOLATED SECTION 17F1 OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17F1 PROMULGATED THEREUNDER, PROHIBITED VIOLATIONS IN THE FUTURE, AND REQUIRED SEAFIRST TO PAY CIVIL MONEY PENALTY OF \$75,000.
Firm Statement	THE MATTER AROSE OUT OF THEFTS FROM A COURIER SERVICE OF SECURITIES SHIPPED BY SEAFIRST IN DEC. 1992. THE SEC AND OCC FOUND THAT SEAFIRST FAILED TO CONFIRM RECEIPT OF THE SECURITIES BEING DELIVERED AFTER THEY WERE NOT PAID WITHIN 10 DAYS AND FAILED TO REPORT THE LOSS OF SUCH SECURITIES.

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Reporting Source:	Firm
Affiliate:	BANKAMERICA NATIONAL TRUST CO. (FORMERLY SECURITY PACIFIC NATIONAL TRUST CO.)
Current Status:	Final
Allegations:	ALLEGATIONS INVOLVED CERTAIN SECURITIES LENDING ACTIVITIES OF BANKAMERICA NATIONAL TRUST CO. (FORMERLY SECURITY PACIFIC NATIONAL TRUST CO. (SPNT CO.) AND RELATED ACTIVITIES.
Initiated By:	COMPTROLLER OF THE CURRENCY, FRB, IRS
Date Initiated:	04/01/1992
Docket/Case Number:	
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:	04/01/1992
Sanctions Ordered:	Monetary/Fine \$521,823.00 Cease and Desist/Injunction

**Other Sanctions Ordered:**

Sanction Details: THIS DISCLOSURE CONCERNS SPNT CO. AND RELATED ENTITIES THAT CEASED TO EXIST AFTER THEY WERE MERGED INTO BANKAMERICA CORPORATION.

Firm Statement THIS DISCLOSURE CONCERNS SPNT CO. AND RELATED ENTITIES THAT CEASED TO EXIST AFTER THEY WERE MERGED INTO BANKAMERICA CORPORATION.

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Reporting Source: Firm

Affiliate: SOUTHMARK PROPERTIES; THE CITIZENS AND SOUTHERN NATIONAL BANK (NKA BANK OF AMERICA, NATIONAL ASSOCIATION)

Current Status: Final

Allegations: SEC ALLEGED THAT PUBLIC DISCLOSURE BY THE CITIZENS AND SOUTHERN NATIONAL BANK (NKA BANK OF AMERICA, NATIONAL ASSOCIATION) (THE "GEORGIA BANK") CONTAINED UNTRUE STATEMENTS OF MATERIAL FACT OR FAILED TO DISCLOSE MATERIAL FACTS NECESSARY IN ORDER TO MAKE THE STATEMENTS MISLEADING.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 12/01/1977

Docket/Case Number: N/A

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: 12/01/1977

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: INJUNCTION ACTION - CONSENT AND UNDERTAKING

Firm Statement WITHOUT ADMITTING OR DENYING THE ALLEGATION OF THE COMPLAINT



AND IN ORDER TO AVOID LENGTHY LITIGATION, THE GEORGIA BANK ENTERED INTO A CONSENT SETTLEMENT OF THE INJUNCTION ACTION. THIS INCLUDED A CONSENT AND UNDERTAKING TO ESTABLISH AN ACQUISITION COMMITTEE OF THE BOARD OF DIRECTORS TO PERFORM CERTAIN FUNCTIONS RELATING TO ANY FUTURE ACQUISITIONS OF CORRESPONDENT ASSOCIATE BANKS, TO ESTABLISH A SPECIAL REVIEW SUB COMMITTEE OF THE BOARD'S CREDIT COMMITTEE TO REVIEW CERTAIN CREDIT TRANSACTIONS WITH DIRECTORS AND SENIOR OFFICERS, AND TO DISCLOSE INFORMATION ABOUT RELATIONSHIPS WITH CORRESPONDENT ASSOCIATE BANKS AND CERTAIN ACQUISITIONS IN 1975. ON JULY 27, 1984, THE COURT REMOVED THE CONSENT AND UNDERTAKING AND ONLY THE PERMANENT INJUNCTION REMAINS IN EFFECT.

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Reporting Source:	Firm
Affiliate:	CRABBE HUSON GROUP, INC. (NKA COLUMBIA MANAGEMENT ADVISORS, INC.)
Current Status:	Final
Allegations:	THE ONTARIO SECURITIES COMMISSION ALLEGED THAT THE CRABBE HUSON GROUP, INC. (NKA COLUMBIA MANAGEMENT ADVISORS, INC.) FAILED TO TIMELY FILE CERTAIN REPORTS CONCERNING THE AGGREGATE OWNERSHIP OF ITS CLIENTS IN A CANADIAN COMPANY.
Initiated By:	ONTARIO (CANADA) SECURITIES COMMISSION
Date Initiated:	07/22/1999
Docket/Case Number:	ORDER PURSUANT TO SECTION 127(1)
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	08/10/1999
Sanctions Ordered:	Monetary/Fine \$120,000.00 Cease and Desist/Injunction



Other Sanctions Ordered:	THE ONTARIO SECURITIES COMMISSION ALSO ORDERED THAT THE CRABBE HUSON GROUP, INC. (NKA COLUMBIA MANAGEMENT ADVISORS, INC.) MAKE A MONETARY CONTRIBUTION IN THE AMOUNT OF CDN \$40,000 TOWARDS THE COST OF THE COMMISSION'S INVESTIGATION OF THIS MATTER.
Sanction Details:	TOTAL FUNDS EQUAL TO \$147,080 WAS PAID ON AUGUST 10, 1999 (US \$120,000 + CDN \$40,000)

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Reporting Source:	Firm
Affiliate:	STEIN ROE & FARNHAM INCORPORATED (NKA COLUMBIA MANAGEMENT ADVISORS, INC.)
Current Status:	Final
Allegations:	THE SEC ALLEGED THAT STEIN ROE & FARNHAM INCORPORATED (NKA COLUMBIA MANAGEMENT ADVISORS, INC.) VIOLATED SECTION 17(E)(1) OF THE INVESTMENT COMPANY ACT ALLEGING THAT COMPENSATION WAS RECEIVED FOR THE PURCHASE AND SALE OF PROPERTY TO OR FOR THE ACCOUNTS OF SEVERAL INVESTMENT COMPANIES WHICH WERE ADVISED BY STEIN ROE.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	01/09/1990
Docket/Case Number:	ADMIN. PROCEEDING FILE NO. 3-7303
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	PRIVATE ADVISORY ACCOUNTS
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	STEIN ROE & FARNHAM INCORPORATED (NKA COLUMBIA MANAGEMENT ADVISORS, INC.) WAS REQUIRED TO COMPLY WITH AN UNDERTAKING TO ESTABLISH CERTAIN PROCEDURES REGARDING TRANSACTIONS INVOLVING INVESTMENT COMPANY ASSETS.
Resolution:	Consent
Resolution Date:	01/09/1990
Sanctions Ordered:	Censure
Other Sanctions Ordered:	
Sanction Details:	STEIN ROE & FARNHAM INCORPORATED (NKA COLUMBIA MANAGEMENT



ADVISORS, INC.) WAS REQUIRED TO COMPLY WITH AN UNDERTAKING TO ESTABLISH CERTAIN PROCEDURES REGARDING TRANSACTIONS INVOLVING INVESTMENT COMPANY ASSETS.

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Reporting Source:	Firm
Affiliate:	STEIN ROE & FARNHAM INCORPORATED (NKA COLUMBIA MANAGEMENT ADVISORS, INC.)
Current Status:	Final
Allegations:	THE SEC ALLEGED THAT STEIN ROE & FARNHAM INCORPORATED (NKS COLUMBIA MANAGEMENT ADVISORS, INC.) VIOLATED SECTION 203(E)(5) OF THE INVESTMENT ADVISERS ACT ("ACT") WITH A VIEW TO PREVENTING VIOLATIONS OF SECTION 206 OF THE ACT AND SECTION 10(B) OF THE SECURITIES EXCHANGE ACT AND RULE 10B-5 THEREUNDER.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	09/25/1986
Docket/Case Number:	ADMIN. PROCEEDING FILE NO. 3-6733
Principal Product Type:	Other
Other Product Type(s):	PRIVATE ACCOUNTS
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	STEIN ROE & FARNHAM INCORPORATED (NKA COLUMBIA MANAGEMENT ADVISORS, INC.) WAS REQUIRED TO OBTAIN AN INDEPENDENT CONSULTANT TO MAKE RECOMMENDATIONS CONCERNING THE ADMINISTRATION OF ITS INVESTMENT ADVISER OPERATIONS.
Resolution:	Consent
Resolution Date:	09/25/1986
Sanctions Ordered:	Censure
Other Sanctions Ordered:	
Sanction Details:	STEIN ROE & FARNHAM INCORPORATED (NKA COLUMBIA MANAGEMENT ADVISORS, INC.) WAS REQUIRED TO OBTAIN AN INDEPENDENT CONSULTANT TO MAKE RECOMMENDATIONS CONCERNING THE ADMINISTRATION OF ITS INVESTMENT ADVISER OPERATIONS.



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Reporting Source:	Firm
Affiliate:	COLONIAL MANAGEMENT ASSOCIATES, INC. (NKA COLUMBIA MANAGEMENT ADVISORS, INC.)
Current Status:	Final
Allegations:	THE SEC ALLEGED THAT COLONIAL MANAGEMENT ASSOCIATES, INC. (NKA COLUMBIA MANAGEMENT ADVISORS, INC.) VIOLATED SECTIONS 15(C)(3) AND 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 15C3-1, 17A-3(A)(11) AND 17A-11(A)(1) PROMULGATED THEREUNDER BY (1) FAILING TO TIMELY CALCULATE ITS NET CAPITAL ON A MONTHLY BASIS DURING A LIMITED PERIOD OF TIME, (2) FAILING TO MAINTAIN THE REQUIRED RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL DURING A LIMITED PERIOD OF TIME, AND (3) FAILING TO PROVIDE TELEGRAPHIC NOTICE OF ITS NET CAPITAL DEFICIENCY ON THE DATE IT OCCURRED.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	06/15/1994
Docket/Case Number:	ADMIN. PROCEEDING FILE NO. 3-8397
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	COLONIAL MANAGEMENT ASSOCIATES, INC. (NKA COLUMBIA MANAGEMENT ADVISORS, INC.) WAS ORDERED TO PAY A \$50,000 CIVIL PENALTY.
Resolution:	Order
Resolution Date:	06/15/1994
Sanctions Ordered:	Monetary/Fine \$50,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	CIVIL PENALTY WAS PAID BY COLONIAL MANAGEMENT ASSOCIATES, INC. (NKA COLUMBIA MANAGEMENT ADVISORS, INC.) ON OR ABOUT JUNE 21, 1994.

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Reporting Source:	Firm
Affiliate:	FIRST NATIONAL BANK OF BOSTON
Current Status:	Final
Allegations:	THAT THE FIRST NATIONAL BANK OF BOSTON ("FNBB"), AS A MEMBER OF A SELLING GROUP INVOLVED IN THE DISTRIBUTION OF DEBT SECURITIES FOR CERTAIN GOVERNMENT SPONSORED ENTERPRISES, COMMITTED CERTAIN RECORDKEEPING VIOLATIONS RELATIVE TO CUSTOMER ORDERS FOR GSE SECURITIES.
Initiated By:	THE OFFICE OF THE COMPTROLLER OF THE CURRENCY
Date Initiated:	01/16/1999
Docket/Case Number:	N/A
Principal Product Type:	Debt - Government
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CIVIL AND ADMINISTRATIVE PENALTY/FINE/UNDERTAKING
Resolution:	Settled
Resolution Date:	01/16/1992
Sanctions Ordered:	Monetary/Fine \$100,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	IMPLEMENT POLICIES AND PROCEDURES TO ENSURE FUTURE COMPLIANCE.
Sanction Details:	THE COMPTROLLER ACCEPTED FNBB'S OFFER OF SETTLEMENT, UNDER WHICH FNBB CONSENTED TO THE ISSUANCE OF AN ORDER FINDING THE FNBB (1) CEASE AND DESIST FROM VIOLATING THOSE PROVISIONS, (2) IMPLEMENT POLICIES AND PROCEDURES DESIGNED TO ENSURE FUTURE COMPLIANCE, (3) PAY A CIVIL PENALTY OF \$100,000.
Firm Statement	THE SETTLEMENT ENTERED INTO BY FNBB WAS PART OF AN INDUSTRY-WIDE INVESTIGATION OF THE DEBT SECURITIES MARKETS PERTAINING TO GSE'S. PURSUANT TO THE SETTLEMENT, THE COMPTROLLER AND OTHER REGULATORY AGENCIES CONCLUDED THEIR INVESTIGATION AS TO 98 GOVERNMENT SECURITIES BROKER AND DEALERS, INCLUDING FNBB, THAT HAD PARTICIPATED AS SELLING GROUP MEMBERS IN THE PRIMARY DISTRIBUTION OF DEBT SECURITIES FOR THE GSE'S. FNBB HAS INSTITUTED PROCEDURES TO COMPLY WITH THE SETTLEMENT AS WELL



AS THE SEPARATE REQUIREMENTS MANDATED BY THE INDIVIDUAL GSE'S.
THERE HAS BEEN NO RECURRENCE OF THE ALLEGED VIOLATIONS.

Disclosure 75 of 82

Reporting Source:	Firm
Affiliate:	BANK OF BOSTON CORPORATION
Current Status:	Final
Allegations:	THAT CERTAIN ASPECTS OF THE MANAGEMENT DISCUSSION AND ANALYSIS PORTION OF BANK OF BOSTON CORPORATION'S 10-Q FOR THE 2ND QUARTER OF 1989 DID NOT COMPLY WITH SECTION 13(A) OF THE SECURITIES EXCHANGE ACT OF 1934 (THE "EXCHANGE ACT").
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	01/11/1994
Docket/Case Number:	ADMIN. PROCEEDING FILING NO. 3-8270
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:	02/26/1996
Sanctions Ordered:	Cease and Desist/Injunction
Other Sanctions Ordered:	BANK OF BOSTON CORPORATION WAS ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 13(A) OF THE EXCHANGE ACT AND RULES 12B-20 AND 13A-13 THEREUNDER.
Sanction Details:	BANK OF BOSTON CORPORATION WAS ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 13(A) OF THE EXCHANGE ACT AND RULES 12B-20 AND 13A-13 THEREUNDER.
Firm Statement	BANK OF BOSTON CORPORATION WAS ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 13(A) OF THE EXCHANGE ACT AND RULES 12B-20 AND 13A-13 THEREUNDER.

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Reporting Source:	Firm
Affiliate:	FLEET INVESTMENT ADVISORS, INC. (NKA COLUMBIA MANAGEMENT ADVISORS, INC.)
Current Status:	Final
Allegations:	ADMINISTRATIVE PROCEEDING BY PENNSYLVANIA SECURITIES COMMISSION REGARDING APPLICATION FOR REGISTRATION AS INVESTMENT ADVISOR. FIA (NKA COLUMBIA MANAGEMENT ADVISORS, INC.) FAILED TO RESPOND TO WRITTEN REQUESTS AND A RELATED ORDER TO SUPPLY CERTAIN INFORMATION TO COMPLETE ITS APPLICATION. NO DAMAGES WERE ALLEGED.
Initiated By:	PENNSYLVANIA SECURITIES COMMISSION
Date Initiated:	02/01/1991
Docket/Case Number:	N/A
Principal Product Type:	Other
Other Product Type(s):	ADVISORY SERVICES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	APPLICATION DENIED.
Resolution:	Decision
Resolution Date:	02/05/1998
Sanctions Ordered:	Revocation/Expulsion/Denial
Other Sanctions Ordered:	
Sanction Details:	APPLICATION DENIED. NO PENALTIES, FINES OR OTHER PAYMENTS WERE ASSESSED.

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Reporting Source:	Firm
Affiliate:	FIRST NATIONAL BANK OF BOSTON
Current Status:	Final



Allegations:	THAT FNBB, IN CONNECTION WITH ITS CORPORATE TRUST BUSINESS, HAD VIOLATED CERTAIN RECORDKEEPING AND CUSTOMER RESPONSE PROVISIONS OF THE SEC'S TRANSFER AGENT REGULATIONS.
Initiated By:	OFFICE OF THE COMPTROLLER OF CURRENCY
Date Initiated:	12/31/1990
Docket/Case Number:	AA-SCP-92-110
Principal Product Type:	Other
Other Product Type(s):	TRANSFER AGENT SERVICES
Principal Sanction(s)/Relief Sought:	Undertaking
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	12/30/1990
Sanctions Ordered:	
Other Sanctions Ordered:	
Sanction Details:	THE COMPTROLLER ACCEPTED FNBB'S OFFER OF SETTLEMENT, UNDER WHICH FNBB CONSENTED TO THE COMPTROLLER'S ISSUANCE OF AN ORDER FINDING THAT FNBB HAD WILLFULLY VIOLATED CERTAIN RECORDKEEPING AND CUSTOMER RESPONSE PROVISIONS OF THE SEC'S TRANSFER AGENT REGULATIONS AND IMPOSING REMEDIAL MEASURES DESIGNED TO PREVENT THE RECURRENCE OF THE ALLEGED VIOLATIONS.
Firm Statement	THE COMPTROLLER TERMINATED ITS CONSENT ORDER ON MAY 1, 1992, FOLLOWING AN EXAMINATION IN WHICH IT DETERMINED THAT FNBB HAD SATISFACTORILY COMPLETED THE REQUIRED REMEDIAL ACTIONS.

Disclosure 78 of 82

Reporting Source:	Firm
Affiliate:	FLEET FINANCIAL GROUP, INC. (PREDECESSOR TO FLEETBOSTON FINANCIAL CORPORATION - NOW KNOWN AS BANK OF AMERICA CORPORATION)
Current Status:	Final
Allegations:	NORSTAR BANCORP, INC., THE PREDECESSOR OF FLEET FINANCIAL GROUP, VOLUNTARILY BROUGHT TO THE ATTENTION OF THE TREASURY DEPARTMENT NUMEROUS VIOLATIONS OF THE BANK SECRECY ACT FOR FAILURE TO REPORT CURRENCY TRANSACTIONS BETWEEN 1980 AND



1985 BY THREE BANK SUBSIDIARIES.

Initiated By: U.S. DEPARTMENT OF TREASURY

Date Initiated: 01/01/1985

Docket/Case Number: N/A

Principal Product Type: Other

Other Product Type(s): CURRENCY TRANSACTIONS

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

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 12/30/1985

Sanctions Ordered: Monetary/Fine \$269,904.00

Other Sanctions Ordered:

Sanction Details: TREASURY DEPARTMENT ASSESSED AGAINST NORSTAR A CIVIL PENALTY OF \$269,904 IN COMPLETE SETTLEMENT OF NORSTAR'S CIVIL LIABILITY FOR VIOLATIONS BY THREE BANK SUBSIDIARIES.

Disclosure 79 of 82

Reporting Source: Firm

Affiliate: FLEET FINANCIAL GROUP, INC. (PREDECESSOR TO FLEETBOSTON FINANCIAL CORPORATION - NOW KNOWN AS BANK OF AMERICA CORPORATION)

Current Status: Final

Allegations: PRIOR TO ITS AFFILIATION WITH FLEET, SHAWMUT BANK OF BOSTONM N.A., ACCEPTED AN AGREEMENT IN 1983 WITH THE OFFICE OF THE COMPTROLLER OF THE CURRENCY THAT TEMPORARILY AND PARTIALLY RESTRICTED THE EXPANSION OF SHAWMUT'S TRANSFER AGENT SERVICING OPERATION.

Initiated By: OFFICE OF THE COMPTROLLER OF CURRENCY

Date Initiated: 01/01/1983

Docket/Case Number: N/A

Principal Product Type: Other



Other Product Type(s):	TRANSFER AGENT SERVICES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	AGREEMENT WAS TERMINATED
Resolution:	Other
Resolution Date:	06/30/1984
Firm Statement	<p>PRIOR TO ITS AFFILIATION WITH FLEET, SHAWMUT BANK OF BOSTON, N.A., ACCEPTED AN AGREEMENT IN 1983 WITH THE OFFICE OF THE COMPTROLLER OF THE CURRENCY THAT TEMPORARILY AND PARTIALLY RESTRICTED THE EXPANSION OF SHAWMUT'S TRANSFER AGENT SERVICING OPERATION. THE AGREEMENT WAS TERMINATED, REMOVING THIS RESTRICTION IN 1984. FLEET FINANCIAL GROUP MERGED WITH SHAWMUT NATIONAL CORPORATION IN 1995.</p>

Disclosure 80 of 82

Reporting Source:	Firm
Affiliate:	BANK OF AMERICA CORPORATION
Current Status:	Final
Allegations:	<p>THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") FOUND THAT IN 1997 AND 1998, BANKAMERICA CORPORATION ("BANKAMERICA"), PREDECESSOR OF THE CORPORATE PARENT OF THE APPLICANT, VIOLATED VARIOUS SECURITIES EXCHANGE ACT ACCOUNTING AND REPORTING PROVISIONS WITH RESPECT TO A BUSINESS ALLIANCE BETWEEN BANKAMERICA AND D.E. SHAW SECURITIES GROUP, L.P. AND RELATED ENTITIES.</p>
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	07/30/2001
Docket/Case Number:	3-10541
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	



Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	07/30/2001
Sanctions Ordered:	Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	ON JULY 30, 2001, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CHARGES OR FINDINGS, THE APPLICANT'S CORPORATE PARENT (BANK OF AMERICA CORPORATION) CONSENTED TO ENTRY OF AN ADMINISTRATIVE ORDER PROVIDING THAT IT CEASE AND DESIST FROM COMMITTING OR CAUSING ANY FUTURE VIOLATIONS OF THE EXCHANGE ACT ACCOUNTING AND REPORTING PROVISIONS CITED IN THE COMMISSION'S ALLEGATIONS.
Firm Statement	ON JULY 30, 2001, THE COMMISSION FOUND THAT, IN 1997 AND 1998, BANKAMERICA CORPORATION ("BANKAMERICA"), PREDECESSOR OF THE CORPORATE PARENT OF THE APPLICANT, (I) INCORRECTLY ACCOUNTED FOR A FINANCIAL RELATIONSHIP, AND (II) MADE INADEQUATE DISCLOSURES RELATED TO RISK IN EXCHANGE ACT REPORT FILINGS WITH THE COMMISSION, IN CONNECTION WITH A BUSINESS ALLIANCE WITH D.E. SHAW SECURITIES GROUP, L.P. AND RELATED ENTITIES. ON THE SAME DATE, WITHOUT ADMITTING OR DENYING THE COMMISSION'S ALLEGATIONS, CHARGES OR FINDINGS, THE APPLICANT'S CORPORATE PARENT (BANK OF AMERICA CORPORATION) CONSENTED TO ENTRY OF AN ADMINISTRATIVE ORDER PROVIDING THAT IT CEASE AND DESIST FROM COMMITTING OR CAUSING ANY FUTURE VIOLATIONS OF THE EXCHANGE ACT ACCOUNTING AND REPORTING PROVISIONS CITED IN THE COMMISSION'S ALLEGATIONS.

Disclosure 81 of 82

Reporting Source:	Firm
Affiliate:	BANK OF AMERICA, N.A.
Current Status:	Final
Allegations:	OCC FOUND THAT NATIONSBANK, N.A. (N.K.A. BANK OF AMERICA, N.A.) VIOLATED A CONDITION IN AN OCC APPROVAL LETTER AND THEREBY FAILED TO ADHERE TO AN OCC BANKING CIRCULAR WHICH PROVIDED GUIDANCE TO ALL NATIONAL BANKS CONCERNING THE SALE & MARKETING OF INVESTMENT PRODUCTS ON BANK PREMISES, IN ASSOCIATION WITH THE INITIAL PUBLIC OFFERING OF SHARES OF THE NATIONS GOVERNMENT INCOME TERM TRUST 2003, INC. & NATIONS GOVERNMENT INCOME TERM TRUST 2004, INC.



Initiated By: OFFICE OF THE COMPTROLLER OF THE CURRENCY

Date Initiated: 05/04/1998

Docket/Case Number: N/A

Principal Product Type: Unit Investment Trust(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: STIPULATION AND CONSENT ORDER

Resolution: Settled

Resolution Date: 05/04/1998

Sanctions Ordered: Monetary/Fine \$750,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING CHARGES NATIONSBANK, N.A. CONSENTED TO PAY A CIVIL MONEY PENALTY OF \$750,000.00.

Firm Statement WITHOUT ADMITTING OR DENYING CHARGES NATIONSBANK, N.A. CONSENTED TO PAY A CIVIL MONEY PENALTY OF \$750,000.00.

Disclosure 82 of 82

Reporting Source: Firm

Affiliate: BANK OF AMERICA, N.A.

Current Status: Final

Allegations: ALLEGED THAT NATIONSBANK, N.A. (N.K.A. BANK OF AMERICA, N.A.) WAS A CAUSE OF NATIONSSSECURITIES', A FORMER AFFILIATE BROKER-DEALER, VIOLATION OF SECTION 17(A)(2) & (3) OF THE SECURITIES ACT IN REGARDS TO SUPERVISING REGISTERED REPRESENTATIVES IN ASSOCIATION WITH THE INITIAL PUBLIC OFFERING OF SHARES OF THE NATIONS GOVERNMENT INCOME TERM TRUST 2003, INC. & NATIONS GOVERNMENT INCOME TERM TRUST 2004, INC.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 05/04/1998

Docket/Case Number: 3-9596



Principal Product Type:	Unit Investment Trust(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	05/04/1998
Sanctions Ordered:	Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, NATIONSBANK, N.A. CONSENTED TO AN ORDER TO CEASE AND DESIST FROM COMMITTING OR CAUSING VIOLATIONS OF SECTION 17 (A)(2) AND (3) OF THE SECURITIES ACT.



Regulatory - On Appeal

Disclosure 1 of 1

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH SIM S.P.A.
Current Status:	On Appeal
Appealed To and Date Appeal Filed:	CORTE DJ APELLO DI ROMA SEZIONE 1 (PROCEDURE NUMBER 4/2001)
Allegations:	MERRILL LYNCH SIM S.P.A.; AN ENTITY IN LIQUIDATION WAS FINED FOR ALLEGED VIOLATIONS OF VARIOUS ARTICLES OF THE TREASURY/FINANCE, BUDGET AND ECONOMIC PLANNING MINISTRY (ITALY) RELATING TO CERTAIN CONDUCT OF BROKERAGE BUSINESS ACTIVITIES ON BEHALF OF ITALIAN INVESTORS.
Initiated By:	TREASURY/FINANCE, BUDGET & ECONOMIC PLANNING MINISTRY (ITALY)
Date Initiated:	11/28/2000
Docket/Case Number:	UNKNOWN
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	FINE
Resolution:	Order
Resolution Date:	11/28/2000
Sanctions Ordered:	Monetary/Fine \$33,014.00
Other Sanctions Ordered:	NONE
Sanction Details:	FINE WAS 66,000,000 (SIXTY-SIX MILLION ITALIAN LIRA) APPROXIMATELY 33,014 (US).
Firm Statement	PLEASE SEE NUMBER 7 ABOVE.



Civil - Final

Disclosure 1 of 3

Reporting Source:	Firm
Affiliate:	MERRILL LYNCH S.A.M.
Current Status:	Final
Allegations:	COURT OF MONACO DECLARED FORMER MERRILL LYNCH FINANCIAL CONSULTANT TAREK AMUYNI GUILTY OF ABUSE OF CONFIDENCE, FORGERY OF BANK DOCUMENTS AND USE OF FORGED DOCUMENTS. UNDER MONACO CIVIL LAW, MERRILL LYNCH S.A.M. WAS HELD JOINTLY AND SEVERALLY LIABLE TO PAY APPROXIMATELY \$917,390. PLUS INTEREST IN COURT COSTS. MR. AMUYNI AND MERRILL LYNCH S.A.M. APPEALED THE COURTS DECISION.
Initiated By:	PRIVATE PLAINTIFF
Court Details:	CRIMINAL COURT OF MONACO - #599/93
Date Court Action Filed:	02/25/1997
Principal Product Type:	No Product
Other Product Types:	
Relief Sought:	Money Damages (Private/Civil Complaint)
Other Relief Sought:	
Resolution:	Judgment Rendered
Resolution Date:	10/05/1998
Sanctions Ordered or Relief Granted:	Monetary/Fine \$917,390.00
Other Sanctions:	NONE
Sanction Details:	THE COURT RULED THAT ML SAM, AS THE EMPLOYER, WAS CIVILLY RESPONSIBLE FOR THE TORT CAUSED BY THE FORMER EMPLOYEE AND WAS OBLIGED TO INDENMIFY THE PLAINTIFFS JOINTLY AND SEVERALLY WITH THE FORMER EMPLOYEE.

Disclosure 2 of 3

Reporting Source:	Firm
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Affiliate: MERRILL LYNCH & CO., INC.

Current Status: Final

Allegations: IN ITS COMPLAINT, THE SECURITIES AND EXCHANGE COMMISSION ("SEC") ALLEGED THAT THREE YEARS AGO, IN 1999, MERRILL LYNCH & CO., INC. ("ML & CO. "), THE PARENT COMPANY OF MERRILL LYNCH PROFESSIONAL CLEARING CORP. ("MLPCC"), AIDED AND ABETTED ENRON CORP.'S (LIEN RON ") VIOLATIONS OF SECTIONS 10 (B), 13(A), 13(B)(2) AND 13(B)(5) OF THE EXCHANGE ACT AND RULES 10B-5, 12B-20, 13A-1, 13A-13 AND 13B 2-1 THEREUNDER, AS A RESULT OF ML & CO. ENGAGING IN CERTAIN YEAR-END TRANSACTIONS DESIGNED AND PROPOSED BY ENRON. ML & CO. SETTLED THE MATTER WITHOUT ADMITTING OR DENYING THE ALLEGATIONS.

Initiated By: SECURITIES & EXCHANGE COMMISSION

Court Details: UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS.

Date Court Action Filed: 03/17/2003

Principal Product Type: No Product

Other Product Types:

Relief Sought: Injunction

Other Relief Sought: CIVIL PENALTIES AND DISGORGEMENT

Resolution: Consent

Resolution Date: 03/17/2003

Sanctions Ordered or Relief Granted: Monetary/Fine \$80,000,000.00
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions: NONE

Sanction Details: PURSUANT TO THE TERMS OF THE SETTLEMENT, MERRILL LYNCH & CO., THE PARENT COMPANY OF MLPCC, CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO THE ENTRY OF AN INJUNCTION, EFFECTIVE MARCH 19, 2003, ENJOINING IT FROM VIOLATING SECTIONS 10(B), 13(A), 13(B) (2) AND 13(B)(5) OF THE EXCHANGE ACT AND RULES 10B-5, 12B-20, 13A-1, 13A-13 AND 13B2-1



THEREUNDER. ML & CO. ALSO AGREED TO PAY DISGORGEMENT OF \$37,500,000, PREJUDGMENT INTEREST OF \$5,000,000 AND A CIVIL PENALTY \$37,500,000.

Firm Statement

ML & CO., THE PARENT COMPANY OF MLPCC, CONSENTED TO AN INJUNCTIVE ACTION INSTITUTED BY THE SEC. IN ITS COMPLAINT, THE SEC ALLEGED THAT THREE YEARS AGO, IN 1999, ML & CO. AIDED AND ABETTED ENRON'S VIOLATIONS OF SECTIONS 10(B), 13(A), 13(B)(2) AND 13(8)(5) OF THE EXCHANGE ACT AND RULES 10B-5, 12B-20, 13A-1, 13A-13 AND 13B2-1 THEREUNDER, AS A RESULT OF ML & CO. ENGAGING IN CERTAIN YEAR-END TRANSACTIONS DESIGNED AND PROPOSED BY ENRON. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, ML & CO. CONSENTED TO THE ENTRY OF AN INJUNCTION ENJOINING IT FROM VIOLATING THE ABOVE-REFERENCED PROVISIONS, AND AGREED TO PAY DISGORGEMENT, PENALTIES AND INTEREST IN THE AMOUNT OF \$80 MILLION. IN ITS RELEASE ANNOUNCING THE SETTLEMENT, THE COMMISSION ACKNOWLEDGED THAT IN AGREEING TO RESOLVE THIS MATTER ON THE TERMS DESCRIBED ABOVE, THE COMMISSION TOOK INTO ACCOUNT CERTAIN AFFIRMATIVE CONDUCT BY ML & CO.

Disclosure 3 of 3	
Reporting Source:	Firm
Affiliate:	FLEET FINANCIAL GROUP (FKA FLEETBOSTON FINANCIAL CORPORATION NKA BANK OF AMERICA CORPORATION)
Current Status:	Final
Allegations:	U.S. DISTRICT COURT FOUND THAT FLEET FINANCIAL GROUP ISSUED DEFICIENT PROXY MATERIALS.
Initiated By:	U.S. DISTRICT COURT (CONNECTICUT)
Court Details:	U.S. DISTRICT COURT
Date Court Action Filed:	01/01/1981
Principal Product Type:	Other
Other Product Types:	BANKING PRODUCT
Relief Sought:	
Other Relief Sought:	



Resolution: Judgment Rendered

Resolution Date: 06/30/1981

**Sanctions Ordered or Relief
Granted:**

Other Sanctions:

Sanction Details:

Firm Statement

PRIOR TO ITS AFFILIATION WITH FLEET, A U.S. DISTRICT COURT FOUND IN 1981 THAT HARTFORD NATIONAL CORPORATION (HNC) ISSUED DEFICIENT PROXY MATERIALS TO ITS SHAREHOLDERS FOR A MEETING TO APPROVE A MERGER WITH ANOTHER BANK. NEW PROXY MATERIALS WERE ISSUED IN LIGHT OF THE COURT'S DECISION AND HNC'S SHAREHOLDERS REAPPROVED THE MERGER IN 1982.



Civil - Pending

Disclosure 1 of 1

Reporting Source:	Firm
Affiliate:	BANK OF AMERICA CORPORATION
Current Status:	Pending
Allegations:	THE SECURITIES AND EXCHANGE COMMISSION ("SEC") ALLEGED THAT BANK OF AMERICA CORPORATION (THE "CORPORATION") VIOLATED SECTION 14(A) OF THE SECURITIES EXCHANGE ACT OF 1934 (THE "EXCHANGE ACT") AND RULE 14A-9 THEREUNDER BY FAILING TO DISCLOSE IN THE CORPORATION'S JOINT PROXY STATEMENT FILED ON NOVEMBER 3, 2008 THE INCENTIVE COMPENSATION THAT MERRILL LYNCH & CO, INC. COULD, IN ITS DISCRETION, AWARD TO ITS EMPLOYEES PRIOR TO COMPLETION OF ITS MERGER WITH THE CORPORATION.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Court Details:	U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; 09-CV-6829
Date Court Action Filed:	08/03/2009
Date Notice/Process Served:	08/03/2009
Principal Product Type:	No Product
Other Product Types:	N/A
Relief Sought:	Civil Penalty(ies)/Fine(s)
Other Relief Sought:	INJUNCTION
Firm Statement	THE CORPORATION, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS DESCRIBED ABOVE IN RESPONSE TO PART II, ITEM 7 AND AS SET FORTH IN THE COMPLAINT FILED BY THE SEC ON AUGUST 3, 2009, CONSENTED TO THE ENTRY OF A FINAL JUDGMENT IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK (THE "COURT"), INCLUDING THE SANCTIONS DESCRIBED IN RESPONSE TO PART II, ITEM 2. IN AN ORDER ISSUED ON SEPTEMBER 14, 2009, THE COURT DISAPPROVED THE CONSENT JUDGMENT AND ORDERED THE PARTIES TO PREPARE THE CASE FOR TRIAL.

End of Report



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