

BrokerCheck Report

FORESTERS FINANCIAL SERVICES, INC.

CRD# 305

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

- **How current is this information?**

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

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

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

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

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

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



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



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.



FORESTERS FINANCIAL SERVICES, INC.
CRD# 305
SEC# 8-13891

Main Office Location
110 FIELDCREST AVENUE
EDISON, NJ 08837

Mailing Address
110 FIELDCREST AVE
EDISON, NJ 08837

Business Telephone Number
732-855-2500

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 New York on 02/07/1968.
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	34
Civil Event	3
Arbitration	18

Registration Withdrawal Information

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



Date firm ceased business: 08/19/2020

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



Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 02/07/1968.

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.

FORESTERS FINANCIAL SERVICES, INC.

Doing business as FORESTERS FINANCIAL SERVICES, INC.

CRD# 305

SEC# 8-13891

Main Office Location

110 FIELDCREST AVENUE
EDISON, NJ 08837

Mailing Address

110 FIELDCREST AVE
EDISON, NJ 08837

Business Telephone Number

732-855-2500



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):	FORESTERS INVESTMENT MANAGEMENT COMPANY, INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	SHAREHOLDER
Position Start Date	03/2020
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	GANNON, FRANCIS XAVIER 6181654
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT AND CHIEF FINANCIAL OFFICER
Position Start Date	04/2013
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):	REILLY, ELIZABETH ANN 1428527
Is this a domestic or foreign entity or an individual?	Individual
Position	SENIOR VICE PRESIDENT AND CHIEF COMPLIANCE OFFICER
Position Start Date	04/1997

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership	Less than 5%
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Does this owner direct the management or policies of the firm?	Yes
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Is this a public reporting company?	No
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Firm Profile

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



Indirect Owners

Legal Name & CRD# (if any):	THE INDEPENDENT ORDER OF FORESTERS
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	FORESTERS INVESTMENT MANAGEMENT COMPANY, INC.
Relationship to Direct Owner	OWNER
Relationship Established	01/2011
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

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

No information reported.



Firm Operations



Registrations

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

This firm is no longer registered.

The firm's registration was from 04/04/1940 to 10/19/2020.



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 9 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Mutual fund underwriter or sponsor
Mutual fund retailer
U S. government securities broker
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Broker or dealer involved in a networking, kiosk or similar arrangment with a: bank, savings bank or association, or credit union
Other - FORESTERS FINANCIAL SERVICES, INC. (APPLICANT) ENGAGES IN THE SALE OF NON-VARIABLE, TRADITIONAL LIFE INSURANCE PRODUCTS AND FIXED ANNUITIES. APPLICANT ALSO SERVES AS A PASSIVE NON-BANK TRUSTEE OR CUSTODIAN FOR CERTAIN RETIREMENT AND EDUCATION SAVINGS ACCOUNTS THAT ARE INVESTED IN THE FIRST INVESTORS FAMILY OF MUTUAL FUNDS.

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: FORESTERS FINANCIAL SERVICES, INC. (APPLICANT) ALSO ENGAGES IN THE SALE OF NON-VARIABLE, TRADITIONAL LIFE INSURANCE PRODUCTS AND FIXED ANNUITIES.

Firm Operations



Clearing Arrangements

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

Introducing Arrangements

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

Name:	PERSHING LLC
CRD #:	7560
Business Address:	ONE PERSHING PLAZA JERSEY CITY, NJ 07399
Effective Date:	09/15/2003
Description:	FORESTERS FINANCIAL SERVICES INC. HAS ENTERED INTO A CLEARING AGREEMENT, THROUGH WHICH ALL PURCHASES AND SALES OF INDIVIDUAL STOCKS AND BONDS ON BEHALF OF FORESTERS FINANCIAL CLIENTS WILL BE CLEARED THROUGH PERSHING, LLC.

Firm Operations

Industry Arrangements



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

Name:	DOCUPACE TECHNOLOGIES, LLC
Business Address:	11766 WILSHIRE BOULEVARD LOS ANGELES, CA 90025
Effective Date:	02/25/2017
Description:	CERTAIN TRANSACTIONAL AND ACCOUNT FORMS/RECORDS.
Name:	GLOBAL RELAY COMMUNICATIONS, INC.
Business Address:	220 CAMBLE STREET VANCOUVER, CANADA BC V6B 2M9
Effective Date:	05/29/2014
Description:	FORESTERS FINANCIAL SERVICES, INC. UTILIZES GLOBAL RELAY COMMUNICATIONS, INC. FOR PURPOSES OF COMPLYING WITH REGULATORY REQUIREMENTS RELATED TO E-MAIL REVIEW AND ARCHIVING.
Name:	ARCHIVE SYSTEMS, INC.
Business Address:	25 COMMERCE ROAD FAIRFIELD, NJ 07004
Effective Date:	06/01/1997
Description:	FORESTERS FINANCIAL SERVICES INC. HAS CONTRACTED WITH ARCHIVE SYSTEMS INC. TO PROVIDE OFF-SITE STORAGE SERVICES WITH RESPECT TO VARIOUS BOOKS AND RECORDS. (EFFECTIVE DATE GIVEN IS APPROXIMATE.)
Name:	VITAL RECORDS, INC.
Business Address:	563 NEW CENTER ROAD FLAGTOWN, NJ 08821
Effective Date:	06/01/1997
Description:	VITAL RECORDS, INC. PROVIDES OFF-SITE STORAGE SERVICES FOR CERTAIN FORESTERS FINANCIAL COMPUTER-BASED FILES AND RECORDS. (EFFECTIVE DATE GIVEN IS APPROXIMATE.)

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

Name: PERSHING LLC

Firm Operations



Industry Arrangements (continued)

CRD #: 7560

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 09/15/2003

Description: FORESTERS FINANCIAL SERVICES, INC. MAINTAINS CERTAIN ACCOUNTS AT PERSHING, LLC IN CONNECTION WITH A CLEARING AGREEMENT BETWEEN FORESTERS FINANCIAL SERVICES INC. AND PERSHING.

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

Name: PERSHING LLC

CRD #: 7560

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 09/15/2003

Description: CERTAIN CLIENT ACCOUNTS ARE MAINTAINED BY PERSHING, LLC IN CONNECTION WITH A CLEARING AGREEMENT BETWEEN FORESTERS FINANCIAL SERVICES, INC. AND PERSHING.

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 not, 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.**

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

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



Disclosure Events

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

	Pending	Final	On Appeal
Regulatory Event	0	34	0
Civil Event	0	3	0
Arbitration	N/A	18	N/A



Disclosure Event Details

What you should know about reported disclosure events:

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

Regulatory - Final

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

Disclosure 1 of 34

Reporting Source: Firm

Current Status: Final



Allegations:	THE ADMINISTRATIVE COMPLAINT FILED BY THE INDIANA SECURITIES DIVISION ALLEGED THAT THE RESPONDENTS VIOLATED INDIANA SECURITIES ACT, IC 23-2-1 BY ENGAGING IN MISLEADING SALES PRACTICES IN CONNECTION WITH THE OFFER AND SALE OF 2 HIGH YIELD BOND MUTUAL FUNDS.
Initiated By:	STATE OF INDIANA, OFFICE OF THE SECRETARY OF STATE, SECURITIES DIVISION
Date Initiated:	08/19/1991
Docket/Case Number:	91-0158 SC
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Suspension
Other Sanction(s)/Relief Sought:	FIRST INVESTORS ALSO AGREED THAT A PORTION OF ITS NATIONWIDE SETTLEMENT WITH THE SECURITIES AND EXCHANGE COMMISSION WOULD BE APPORTIONED TO THE ELIGIBLE INDIANA INVESTORS.
Resolution:	Consent
Resolution Date:	08/19/1992
Sanctions Ordered:	Suspension
Other Sanctions Ordered:	
Sanction Details:	FIRST INVESTORS CONSENTED TO AN ORDER REQUIRING IT TO SUSPEND CERTAIN SALES ACTIVITIES IN INDIANA. MORE SPECIFICALLY, FOR 30 DAYS FOLLOWING ENTRY OF THE CONSENT AGREEMENT, FIRST INVESTORS WAS PROHIBITED FROM SOLICITING ANY NEW INDIANA CUSTOMER MUTUAL FUND ACCOUNTS OR SOLICITING ANY MUTUAL FUND TRANSACTIONS FOR ANY INDIANA CUSTOMER WHO DID NOT HAVE AN ACCOUNT WITH FIRST INVESTORS ON OR BEFORE THE DATE OF THE CONSENT AGREEMENT. ALSO, FOR 30 DAYS FOLLOWING THE ENTRY OF THE CONSENT AGREEMENT, FIRST INVESTORS WAS PROHIBITED FROM SELLING INDIANA CUSTOMERS SHARES OF CERTAIN FIRST INVESTORS MUTUAL FUNDS.

Disclosure 2 of 34

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED THAT REGISTERED REPRESENTATIVES SOLD SHARES OF



CERTAIN HIGH-RISK MUTUAL FUNDS TO INVESTORS FOR WHOM SUCH INVESTMENTS WERE NOT SUITABLE, AND FAILED TO DISCLOSE THE RISKS INVOLVED WITH SUCH INVESTMENTS.

Initiated By: STATE OF ARKANSAS SECURITIES DEPARTMENT

Date Initiated: 01/01/1991

Docket/Case Number: 92-52-S

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: PLEASE SEE ITEM 12

Resolution: Consent

Resolution Date: 11/20/1992

Sanctions Ordered: Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIRST INVESTORS CONSENTED TO THE ENTRY OF AN ORDER DIRECTING IT TO (1) STRENGTHEN ITS SALES TRAINING, SUPERVISORY AND COMPLAINT SYSTEMS; AND (2) PROVIDE RESTITUTION TO ELIGIBLE ARKANSAS INVESTORS.

Disclosure 3 of 34

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT REGISTERED REPRESENTATIVES SOLD SHARES OF CERTAIN HIGH-RISK MUTUAL FUNDS TO INVESTORS FOR WHOM SUCH INVESTMENTS WERE NOT SUITABLE, AND FAILED TO DISCLOSE THE RISKS INVOLVED WITH SUCH INVESTMENTS.

Initiated By: STATE OF GEORGIA COMMISSIONER OF SECURITIES

Date Initiated: 01/01/1991

Docket/Case Number: 50-90-0955

Principal Product Type: Mutual Fund(s)

**Other Product Type(s):**

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: PLEASE SEE ITEM 12

Resolution: Order

Resolution Date: 07/10/1992

Sanctions Ordered: Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: FIRST INVESTORS AND SEVERAL EXECUTIVES AGREED TO CEASE AND DESIST FROM VIOLATIONS OF GEORGIA LAW, AND TO ENSURE THAT ALL ELIGIBLE GEORGIA INVESTORS PARTICIPATE IN THE DISTRIBUTION OF A NATIONWIDE SETTLEMENT FUND OF NOT LESS THAN \$24.7 MILLION. FIRST INVESTORS ALSO AGREED TO STRENGTHEN ITS SALES TRAINING, SUPERVISION AND COMPLIANCE SYSTEMS.

Disclosure 4 of 34

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT REGISTERED REPRESENTATIVES SOLD SHARES OF CERTAIN HIGH-RISK MUTUAL FUNDS TO INVESTORS FOR WHOM SUCH INVESTMENTS WERE NOT SUITEABLE, AND FAILED TO DISCLOSE THE RISKS INVOLVED WITH SUCH INVESTMENTS.

Initiated By: STATE OF MICHIGAN DEPT OF COMMERCE CORP AND SECURITIES BUREAU

Date Initiated: 01/01/1991

Docket/Case Number: BD 0248

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: PLEASE SEE ITEM 12



Resolution: Consent

Resolution Date: 09/16/1991

Sanctions Ordered: Censure
Monetary/Fine \$754,400.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIRST INVESTORS, AGREED TO THE ENTRY OF AN ORDER CENSURING IT, AND DIRECTING IT TO PAY \$754,400.00 TO BE DISTRIBUTED TO ELIGIBLE INVESTORS, AS WELL AS \$25,000.00 REPRESENTING COSTS OF THE INVESTIGATION. FIRST INVESTORS ALSO AGREED TO UNDERTAKE A COMPLIANCE TRAINING PROGRAM.

Disclosure 5 of 34

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT REGISTERED REPRESENTATIVES SOLD SHARES OF CERTAIN HIGH-RISK MUTUAL FUNDS TO INVESTORS FOR WHOM SUCH INVESTMENTS WERE NOT SUITABLE, AND FAILED TO DISCLOSE THE RISKS INVOLVED WITH SUCH INVESTMENTS.

Initiated By: STATE OF MISSISSIPPI SECURITIES DIVISION

Date Initiated: 01/01/1992

Docket/Case Number: 92-10-4

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: PLEASE SEE ITEM 12

Resolution: Consent

Resolution Date: 01/01/1992

Sanctions Ordered: Disgorgement/Restitution
Suspension

Other Sanctions Ordered:



Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIRST INVESTORS CONSENTED TO THE ENTRY OF AN ORDER SUSPENDING ITS BROKER-DEALER REGISTRATION IN PART FOR 90 DAYS WITH RESPECT TO THE SOLICITATION OF NEW SECURITIES BUSINESS, AND DIRECTING IT TO PROVIDE COMPENSATION TO ELIGIBLE MISSISSIPPI INVESTORS. FIRST INVESTORS ALSO AGREED TO STRENGTHEN ITS TRAINING, SUSPENSION AND COMPLIANCE SYSTEMS.

Disclosure 6 of 34

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT REGISTERED REPRESENTATIVES SOLD SHARES OF CERTAIN HIGH-RISK MUTUAL FUNDS TO INVESTORS FOR WHOM SUCH INVESTMENTS WERE NOT SUITABLE, AND FAILED TO DISCLOSE THE RISKS INVOLVED WITH SUCH INVESTMENTS.

Initiated By: STATE OF NEBRASKA DEPARTMENT OF BANKING AND FINANCE

Date Initiated: 01/05/1993

Docket/Case Number:

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: PLEASE SEE ITEM 12

Resolution: Consent

Resolution Date: 01/05/1993

Sanctions Ordered: Disgorgement/Restitution

Other Sanctions Ordered: CONTINUATION OF VOLUNTARY SUSPENSION OF THE SOLICITATION OF SALES OF CERTAIN MUTUAL FUNDS FOR 90 DAYS, AND SUSPENSION OF ALL NEW MUTUAL FUND ACCOUNTS FOR 45 DAYS.

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIRST INVESTORS CONSENTED TO THE ENTRY OF AN ORDER DIRECTING IT TO (1) PROVIDE RESTITUTION TO ELIGIBLE NEBRASKA INVESTORS IN AN AMOUNT NOT LESS THAN \$205,000; (2) PAY AN ASSESSMENT OF \$45,000 INTO AN ESCROW ACCOUNT; (3) CONTINUE THE VOLUNTARY SUSPENSION OF SALES OF FIRST INVESTORS HIGH YIELD FUND AND FIRST INVESTORS



FUND FOR INCOME FOR 90 DAYS; AND (4) SUSPEND THE SOLICITATION OF ALL NEW MUTUAL FUND ACCOUNTS FOR 45 DAYS. FIRST INVESTORS ALSO AGREED TO STRENGTHEN ITS TRAINING AND SALES PRACTICE PROCEDURES, AND TO ESTABLISH MINIMUM SUITABILITY STANDARDS.

Disclosure 7 of 34

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED THAT REGISTERED REPRESENTATIVES SOLD SHARES OF CERTAIN HIGH-RISK MUTUAL FUNDS TO INVESTORS FOR WHOM SUCH INVESTMENTS WERE NOT SUITABLE, AND FAILED TO DISCLOSE THE RISKS INVOLVED WITH SUCH INVESTMENTS.
Initiated By:	RHODE ISLAND DEPT OF BUSINESS REGULATION - DIV OF SECURITIES
Date Initiated:	07/27/1991
Docket/Case Number:	
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	PLEASE SEE ITEM 12
Resolution:	Consent
Resolution Date:	07/30/1991
Sanctions Ordered:	Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	FIRST INVESTORS AGREED TO PROVIDE RESTITUTION TO CERTAIN RHODE ISLAND INVESTORS, AND TO IMPLEMENT A PROGRAM TO STRENGTHEN THE SALES TRAINING, SUPERVISION AND COMPLIANCE SYSTEMS.

Disclosure 8 of 34

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED THAT REGISTERED REPRESENTATIVES SOLD SHARES OF



CERTAIN HIGH-RISK MUTUAL FUNDS TO INVESTORS FOR WHOM SUCH INVESTMENTS WERE NOT SUITABLE, AND FAILED TO DISCLOSE THE RISKS INVOLVED WITH SUCH INVESTMENTS.

Initiated By: TENNESSEE SECURITIES DIVISION

Date Initiated: 09/15/1992

Docket/Case Number: 92-003

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: PLEASE SEE ITEM 12

Resolution: Consent

Resolution Date: 09/15/1992

Sanctions Ordered: Censure
Monetary/Fine \$55,000.00
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: TO RESOLVE THIS MATTER, FIRST INVESTORS AGREED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO (1) CEASE AND DESIST FROM FURTHER VIOLATIONS OF TENNESSEE LAW; (2) PAY A FINE OF \$55,000; AND (3) PROVIDE COMPENSATION TO CERTAIN TENNESSEE INVESTORS. IN ADDITION, FIRST INVESTORS' CHAIRMAN AND PRESIDENT WERE CENSURED.

Disclosure 9 of 34

Reporting Source: Firm

Current Status: Final

Allegations: THE COMMISSIONER OF SECURITIES OF GEORGIA FOUND THAT FIRST INVESTORS CORPORATION VIOLATED SECITONS 3 AND 4(A) & (B) OF THE GEORGIA SECURITIES ACT OF 1973. THE ORDER (CASE NO. S80-57) FOUND THAT CERTAIN REGISTERED REPRESENTATIVES WERE NOT PROPERLY REGISTERED TO SELL SECURITIES.

Initiated By: THE COMMISSIONER OF SECURITIES OF THE STATE OF GEORGIA



Date Initiated: 09/01/1980

Docket/Case Number: S80-57

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: PLEASE SEE ITEM NUMBER 12.

Resolution: Consent

Resolution Date: 09/01/1980

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE COMMISSITIONER ORDERED THE APPLICANT TO (1) CEASE AND DESIST FROM ANY FURTHER VIOLATIONS OF THE GEORGIA SECURITIES ACT: AND (2) FILE WITH THE COMMISSIONER AN AFFIRMATIVE PLAN OF POLICIES AND PROCEDURES DESIGEND TO ENSURE COMPLIANCE WITH LICENSING PROVISIONS.

Disclosure 10 of 34

Reporting Source: Firm

Current Status: Final

Allegations: MARY ALICE BROPHY COMMISSIONER OF SECURITIES AND REAL ESTATE IN THE STATE OF MINNESOTA ISSUED AN ORDER TO SHOW CAUSE, ORDER SUMMARILY SUSPENDING LICENSE AND NOTICE OF AN ORDER FOR HEARING IN THE MATTER OF BROKER-DEALER LICENSE OF FIRST INVESTORS CORPORATION, A NEW YORK CORPORATION. THE COMISSIONER ALLEGED THAT FIRST INVESTORS CORPORATION WILLFULLY VIOLATED MINNESOTA STAT. SEC. 80A. 06, SUBD. 2(1980) AND S. DIV. RULE 2017 (A) BY NOT FILING A COPY OF ITS 1980 ANNUAL REPORT.

Initiated By: COMMISSIONER OF SECURITIES AND REAL ESTATE IN THE STATE OF MN

Date Initiated: 05/29/1981

Docket/Case Number:

Principal Product Type: No Product

Other Product Type(s):



Principal Sanction(s)/Relief Sought:	Suspension
Other Sanction(s)/Relief Sought:	PLEASE SEE ITEM 12.
Resolution:	Consent
Resolution Date:	06/22/1981
Sanctions Ordered:	Monetary/Fine Suspension
Other Sanctions Ordered:	
Sanction Details:	ON JUNE 22,1981, FIRST INVESTORS CORPORATION SIGNED THE CONSENT TO THE ENTRY OF AN ORDER WHICH RESULTED IN AN INFORMAL DISPOSITION OF THIS MATTER. FIRST INVESTORS CORPORATION AGREED TO AND DID PAY TO THE TREASURER, STATE OF MINNESOTA \$10,000 AND THE ORIGINAL ORDER OF THE COMMISSIONER WAS TERMINATED AND FIRST INVESTORS CORPORATION'S BROKER-DEALER LICENSE WAS REINSTATED ON JUNE 23, 1981.

Disclosure 11 of 34

Reporting Source:	Regulator
Current Status:	Final
Allegations:	THE NEW YORK ATTORNEY GENERAL'S BUREAU OF INVESTOR PROTECTION AND SECURITIES COMMENCED AN ACTION ON NOVEMBER 8, 1990 TO BAR FIRST INVESTORS CORP. AND FIRST INVESTORS MANAGEMENT CO., INC., THEIR CONTROLLING SHAREHOLDERS GLENN HEAD AND DAVID GRAYSON AND FIC PRINCIPALS ALVIN BLUMENFELD AND HOWARD FROMAN FROM THE SECURITIES BUSINESS. AN APPLICATION FOR A PRELIMINARY INJUNCTION AGAINST THE DEFENDANTS SELLING SHARES OF THE FIRST INVESTORS FUND FOR INCOME AND THE FIRST INVESTORS HIGH YIELD FUND IS RETURNABLE ON 12/3/90. THE COMPLAINT CHARGES THAT THE DEFENDANTS SOLD SHARES IN FIC JUNK BOND MUTUAL FUNDS (FIRST INVESTORS FUND FOR INCOME AND FIRST INVESTORS HIGH YIELD FUND) THROUGH A CALCULATED SERIES OF ORAL MISREPRESENTATIONS AND OMISSIONS, MISLEADING AND OMISSIVE PROSPECTUSES AND UNSUITABLE SECURITIES RECOMMENDATIONS. CONTACT: WILLIAM H. MOHR (212) 341-2208.
Initiated By:	N.Y. ATTORNEY GENERAL'S INVEST. PROTEC. &



SECURITIES BUR.

Date Initiated: 11/08/1990
Docket/Case Number: 90-46431

URL for Regulatory Action:

Principal Product Type:
Other Product Type(s):

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

Resolution: Stipulation and Consent
Resolution Date: 11/08/1990

Sanctions Ordered:
Other Sanctions Ordered:

Sanction Details: PENDING IN A STIPULATION FILED WITH THE COURT, THE DEFENDANTS AGREED TO HALT SALES OF SHARES OF THE FIRST INVESTORS FUND FOR INCOME AND FIRST INVESTORS HIGH YIELD FUND EXCEPT FOR THE REINVESTMENT OF DIVIDENDS IN THESE FUNDS. THE CORPORATE AND INDIVIDUAL DEFENDANTS ALSO STIPULATED NOT TO MAKE ANY TRANSFERS EXCEPT FOR REASONABLY EQUIVALENT VALUE.

Regulator Statement Not Provided

Reporting Source: Firm
Current Status: Final
Allegations: SEE ITEM 12(C) BELOW.
Initiated By: NY ATTORNEY GENERAL'S INVESTOR PROTECTION & SECURITIES BUREAU
Date Initiated: 11/08/1990
Docket/Case Number: 90-46431
Principal Product Type: Mutual Fund(s)
Other Product Type(s):
Principal Sanction(s)/Relief Restitution

**Sought:**

Other Sanction(s)/Relief Sought: SEE ITEM 12(C) BELOW.

Resolution: Consent

Resolution Date: 12/20/1993

Sanctions Ordered: Disgorgement/Restitution
Suspension

Other Sanctions Ordered:**Sanction Details:**

BETWEEN 1990 AND 1993, FIRST INVESTORS CORPORATION ("FIC"), WAS SUED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), VARIOUS STATE SECURITIES REGULATORS AND PLAINTIFFS IN CLASS AND INDIVIDUAL ACTION BASED UPON ALLEGATIONS THAT CERTAIN OF FIC'S SALES REPRESENTATIVES HAD MADE MISREPRESENTATIONS CONCERNING THE RISKS OF INVESTING IN TWO HIGH YIELD BOND MUTUAL FUNDS (THE "FUNDS"), AND HAD SOLD THE FUNDS TO CERTAIN INVESTORS FOR WHOM THEY WERE NOT SUITABLE. IN 6/92, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIC SETTLED THE SEC AND CLASS ACTIONS BY: CONSENTING TO THE ENTRY OF A FINAL JUDGMENT ENJOINING IT FROM VIOLATING SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10B-5 THEREUNDER AND SECTION 17(A) OF THE 1933 ACT; AGREEING TO THE ENTRY OF AN ADMINISTRATIVE ORDER CENSURING IT AND REQUIRING IT TO COMPLY WITH UNDERTAKINGS TO IMPROVE ITS POLICIES AND PROCEDURES WITH REGARD TO SALES, TRAINING, SUPERVISION, AND COMPLIANCE; AND AGREEING TO PAY \$24.7 MILLION TO INVESTORS WHO PURCHASED SHARES OF THE FUNDS FROM IN OR ABOUT 11/84 TO IN OR ABOUT 11/90. ALL OF THE STATE REGULATORY ACTIONS WERE ALSO SETTLED. AS PART OF SETTLEMENTS WITH FIVE OF THE STATES, ME, MA, NY, VA AND WA ("STATE SETTLEMENTS"), FIC AND CERTAIN AFFILIATED ENTITIES AND PERSONS AGREED, WITHOUT ADMITTING ANY OF THE ALLEGATIONS, TO BE ENJOINED FROM VIOLATING CERTAIN PROVISIONS OF THE STATE SECURITIES LAWS; TO ENGAGE IN REMEDIAL MEASURES DESIGNED TO ENSURE THAT PROPER SALES PRACTICES ARE OBSERVED IN THE FUTURE; AND TO PAY \$7.5 MILLION, IN ADDITION TO THE \$24.7 MILLION PREVIOUSLY PAID BY FIC IN CONNECTION WITH THE SEC SETTLEMENT, TO INVESTORS IN THE FUNDS. IN ADDITION, ON 12/8/93, SEVERAL PRESENT AND FORMER FIC EXECUTIVES, INCLUDING THE CHAIRMAN, ALSO AGREED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO TEMPORARY SUSPENSIONS FROM ASSOCIATING WITH BROKER-DEALERS AND IN SOME CASES OTHER REGULATED ENTITIES IN A SUPERVISORY CAPACITY. THESE SUSPENSIONS RANGED FROM 3 TO 9 MONTHS IN LENGTH.

**Disclosure 12 of 34**

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	01/31/1983
Docket/Case Number:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	
Sanctions Ordered:	Monetary/Fine \$1,000.00
Other Sanctions Ordered:	
Sanction Details:	
Regulator Statement	ON JANUARY 31, 1983, THE DISTRICT BUSINESS CONDUCT COMMITTEE FOR DISTRICT NO. 5 OF THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. FILED A COMPLAINT AGAINST FIRST INVESTORS CORPORATION, THE MANAGER OF ITS NEW ORLEANS BRANCH OFFICE, DENIS COLLINS (CRD #713461), AND A FORMER REGISTERED REPRESENTATIVE. THE COMPLAINT ALLEGED: (1) THAT THE FORMER REGISTERED REPRESENTATIVE AND THE COMPANY VIOLATED ARTICLE III, SECTION 1 AND 2 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE ("RULES") BECAUSE THE FORMER REGISTERED REPRESENTATIVE ALLEGEDLY RECOMMENDED TO A CUSTOMER THE PURCHASE OF SECURITIES WITHOUT REASONABLE GROUNDS TO BELIEVE THAT SUCH RECOMMENDATIONS WERE SUITABLE FOR THE CUSTOMER; (2) THAT THE FORMER REGISTERED



REPRESENTATIVE AND FIRST INVESTORS CORPORATION VIOLATED ARTICLE III, SECTIONS 1 AND 35(D) OF THE RULES IN THAT THE FORMER REGISTERED REPRESENTATIVE ALLEGEDLY CAUSED TO BE POSTED A MISLEADING RECRUITING ADVERTISEMENT IN A LOCAL COLLEGE; AND (3) THAT THE BRANCH MANAGER, DENIS COLLINS, AND FIRST INVESTORS CORPORATION VIOLATED ARTICLE III, SECTIONS 1 AND 27(A) BY ALLEGEDLY PERMITTING THE ABOVE-DESCRIBED VIOLATIONS TO ARISE, EXIST AND CONTINUE. FIRST INVESTORS CORPORATION ENTERED INTO A SETTLEMENT. UNDER THE TERMS OF THE SETTLEMENT, FIRST INVESTORS CORPORATION AND THE BRANCH MANAGER, DENIS COLLINS, JOINTLY PAID \$1,000 AND THERE WAS NO FINDING OF FACT OF ANY WRONGDOING. (FORM BD: JD 23687, SEQUENCE NO 10009).

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED VIOLATIONS OF ARTICLE III, SECTIONS 1, 2, 27(A) AND 35 (D) OF THE RULES OF FAIR PRACTICE; RESPONDENT MEMBER AND COLLINS FAILED TO ENFORCE THE MEMBER'S SUPERVISORY PROCEDURES
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated:	01/30/1983
Docket/Case Number:	NEW-347
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	SEE ITEM NUMBER 12
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	04/12/1984
Sanctions Ordered:	Monetary/Fine \$1,000.00
Other Sanctions Ordered:	NONE
Sanction Details:	RESPONDENT MEMBER, FIRST INVESTORS CORP. , AND COLLINS ARE



FINED \$1,000, JOINTLYAND SEVERALLY.

Disclosure 13 of 34

Reporting Source:	Regulator
Current Status:	Final
Allegations:	VIOLETIONS OF SECTIONS 401 AND 403 OF THE PENNSYLVANIA SECURITIES ACT.
Initiated By:	PENNSYLVANIA SECURITIES COMMISSION
Date Initiated:	09/09/1992
Docket/Case Number:	9106-11
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	09/09/1992
Sanctions Ordered:	Suspension
Other Sanctions Ordered:	
Sanction Details:	RESPONDENT CONSENTED TO A 45-DAY SUSPENSION OF SOLICITATIONS IN ALL NEW ACCOUNTS, A 6-MONTH SUSPENSION IN OFFERS AND SALES OF FIRST INVESTORS FUND FOR INCOME, INC. ("FIFI") AND FIRST INVESTORS HIGH YIELD FUND, INC. ("FIHY"), AND AN ADDITIONAL ONE-YEAR PERIOD IN WHICH THE FOLLOWING SUITABILITY STANDARDS ARE IMPOSED: NO SALES OF FIFI OR FIHY TO ANY PENNSYLVANIA RESIDENTS UNLESS THEY HAVE A HOUSEHOLD INCOME OF AT LEAST \$30,000 OR NET WORTH (EXCLUSIVE OF PERSONAL RESIDENCE) OF AT LEAST \$75,000.
Regulator Statement	RESPONDENT WAS ISSUED A FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER BY PENNSYLVANIA FOR UNLAWFUL SALES PRACTICES IN CONNECTION WITH THE OFFER AND SALE OF TWO JUNK



BONDS TO PENNSYLVANIA RESIDENTS. UNDER THE ORDER, AND UNDER A
SIMILAR SETTLEMENT WITH THE PENNSYLVANIA OFFICE OF ATTORNEY
GENERAL, BUREAU OF CONSUMER PROTECTION, RESPONDENT
GUARANTEES
THAT PENNSYLVANIA RESIDENTS WILL RECEIVE \$1.2 MILLION IN
RESTITUTION FROM THE SEC PLAN OF DISTRIBUTION AND FROM THE
DISTRIBUTION OF ADDITIONAL FUNDS BY RESPONDENT. RESPONDENT
WILL OBTAIN A LETTER OF CREDIT IN THE AMOUNT OF \$150,000 FOR
THE BENEFIT OF PENNSYLVANIA, AND WILL DISTRIBUTE THE DIFFERENCE
BETWEEN THE \$1.2 MILLION GUARANTEE AND THE TOTAL AMOUNT
RECEIVED BY PENNSYLVANIA RESIDENTS UNDER THE SEC PLAN OF
DISTRIBUTION PURSUANT TO A PLAN OF DISTRIBUTION TO BE PREPARED
BY COMMISSION STAFF AND TTHE OFFICE OF THE ATTORNEY GENERAL.
ALL RESPONDENTS IN THIS MATTER AGREE TO PAY \$140,000 FOR THE
COSTS OF INVESTIGATION TO THE COMMISSION AND THE OFFICE OF
ATTORNEY GENERAL.



Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED VIOLATIONS OF SECTIONS 401 AND 403 OF THE PENNSYLVANIA SECURITIES ACT.
Initiated By:	PENNSYLVANIA SECURITIES COMMISSION
Date Initiated:	09/09/1992
Docket/Case Number:	9106-11
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	SEE ITEM NUMBER 12
Resolution:	Consent
Resolution Date:	09/09/1992
Sanctions Ordered:	Monetary/Fine \$1,200,000.00 Disgorgement/Restitution Revocation/Expulsion/Denial



Other Sanctions Ordered:

Sanction Details: RESPONDENT CONSENTED TO A 45-DAY SUSPENSION OF SOLICITATIONS IN ALL NEW ACCOUNTS, A 6-MONTH SUSPENSION IN OFFERS AND SALES FOR FIRST INVESTORS FUND FOR INCOME, INC.("FIFI") AND FIRST INVESTORS HIGH YIELD FUND, INC. ("FIHY") , AND AN ADDITIONAL ONE-YEAR PERIOD IN WHICH THE FOLLOWING SUITABILITY STANDARDS ARE IMPOSED: NO SALES OF FIFI OR FIHY TO ANY PENNSYLVANIA RESIDENTS UNLESS THEY HAVE A HOUSEHOLD INCOME OF AT LEAST \$30,000 OR NET WORTH (EXCLUSIVE OF PERSONAL RESIDENCE) OF AT LEAST \$75,000.

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Reporting Source: Regulator

Current Status: Final

Allegations: STATEMENT OF CHARGES AND ORDER TO SHOW CAUSE WHY THE BROKER-DEALER REGIS- TRATION SHOULD NOT BE REVOKED OR SUSPENDED AND NOTICE OF OPPORTUNITY FOR HEARING

Initiated By: WA

Date Initiated: 09/15/1992

Docket/Case Number: 91-02-0013

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 12/20/1993

Sanctions Ordered:

Other Sanctions Ordered:

Sanction Details: PENDING REQUEST FOR HEARING

Regulator Statement Not Provided



Reporting Source: Firm

Current Status: Final

Allegations: PLEASE SEE ITEM 12

Initiated By: WASHINGTON DEPT OF FINANCIAL INSTITUTIONS, SECURIITES DIVISION

Date Initiated: 09/15/1992

Docket/Case Number: 91-02-0013

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: PLEASE SEE ITEM 12

Resolution: Consent

Resolution Date: 12/20/1993

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

Other Sanctions Ordered:

Sanction Details: BETWEEN 1990 AND 1993, FIRST INVESTORS CORPORATION ("FIC"), WAS SUED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), VARIOUS STATE SECURITIES REGULATORS AND PLAINTIFFS IN CLASS AND INDIVIDUAL ACTION BASED UPON ALLEGATIONS THAT CERTAIN OF FIC'S SALES REPRESENTATIVES HAD MADE MISREPRESENTATIONS CONCERNING THE RISKS OF INVESTING IN TWO HIGH YIELD BOND MUTUAL FUNDS (THE "FUNDS"), AND HAD SOLD THE FUNDS TO CERTAIN INVESTORS FOR WHOM THEY WERE NOT SUITABLE. IN 6/92, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIC SETTLED THE SEC AND CLASS ACTIONS BY: CONSENTING TO THE ENTRY OF A FINAL JUDGMENT ENJOINING IT FROM VIOLATING SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10B-5 THEREUNDER AND SECTION 17(A) OF THE 1933 ACT; AGREEING TO THE ENTRY OF AN ADMINISTRATIVE ORDER CENSURING IT AND REQUIRING IT TO COMPLY WITH UNDERTAKINGS TO IMPROVE ITS POLICIES AND PROCEDURES WITH REGARD TO SALES, TRAINING, SUPERVISION, AND COMPLIANCE; AND AGREEING TO PAY \$24.7 MILLION TO INVESTORS WHO PURCHASED SHARES OF THE FUNDS FROM IN OR ABOUT 11/84 TO IN OR ABOUT 11/90. ALL OF THE STATE REGULATORY ACTIONS WERE ALSO SETTLED. AS PART



OF SETTLEMENTS WITH FIVE OF THE STATES, ME, MA, NY, VA AND WA ("STATE SETTLEMENTS"), FIC AND CERTAIN AFFILIATED ENTITIES AND PERSONS AGREED, WITHOUT ADMITTING ANY OF THE ALLEGATIONS, TO BE ENJOINED FROM VIOLATING CERTAIN PROVISIONS OF THE STATE SECURITIES LAWS; TO ENGAGE IN REMEDIAL MEASURES DESIGNED TO ENSURE THAT PROPER SALES PRACTICES ARE OBSERVED IN THE FUTURE; AND TO PAY \$7.5 MILLION, IN ADDITION TO THE \$24.7 MILLION PREVIOUSLY PAID BY FIC IN CONNECTION WITH THE SEC SETTLEMENT, TO INVESTORS IN THE FUNDS. IN ADDITION, ON 12/8/93, SEVERAL PRESENT AND FORMER FIC EXECUTIVES, INCLUDING THE CHAIRMAN, ALSO AGREED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO TEMPORARY SUSPENSIONS FROM ASSOCIATING WITH BROKER-DEALERS AND IN SOME CASES OTHER REGULATED ENTITIES IN A SUPERVISORY CAPACITY. THESE SUSPENSIONS RANGED FROM 3 TO 9 MONTHS IN LENGTH.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	NOT PROVIDED
Initiated By:	MASSACHUSETTS SECURITIES DIVISION
Date Initiated:	11/08/1990
Docket/Case Number:	E-90-045
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	UNKNOWN TYPE OF SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Stipulation and Consent
Resolution Date:	12/14/1990
Sanctions Ordered:	
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	ON DECEMBER 14, 1990 THE MASSACHUSETTS SECURITIES DIVISION ENTERED INTO A FOUR POINT STIPULATION WITH FIRST



INVESTORS CORPORATION, IN CONNECTION WITH AN ADMINISTRATIVE PROCEEDING WHICH WAS FILED ON NOVEMBER 8, 1990 (E-90-045). THE STIPULATION PROVIDES FOR THE FOLLOWING: 1)RESPONDENT AGREED TO HALT SALES OF FUNDS AND WILL NOT RESUME SUCH SALES WITHOUT WRITTEN NOTICE TO THE SECURITIES DIVISION 30 DAYS IN ADVANCE. 2) RESPONDENT AGREED TO THE CONTENTS OF A SHAREHOLDER LETTER THAT WILL BE SENT, WITH A COPY OF A REVISED PROSPECTUS, TO ALL SHAREHOLDERS. 3) RESPONDENT AGREED THAT IT SHALL NOT TRANSFER, LIQUIDATE, PLEDGE OR OTHERWISE DISPOSE OF CERTAIN OF THEIR ASSETS. 4) RESPONDENT AGREED NOT TO DESTROY ANY DOCUMENTS, RECORDS, FILES OR ANY OTHER MATERIALS PERTAINING TO THE OFFER OR SALE OF SECURITIES.

Reporting Source:	Firm
Current Status:	Final
Allegations:	SEE ITEM 12(C) BELOW.
Initiated By:	MASSACHUSETTS SECURITIES DIVISION
Date Initiated:	11/08/1990
Docket/Case Number:	E-90-045
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	SEE ITEM 12(C) BELOW.
Resolution:	Consent
Resolution Date:	12/20/1993
Sanctions Ordered:	Disgorgement/Restitution Suspension
Other Sanctions Ordered:	
Sanction Details:	BETWEEN 1990 AND 1993, FIRST INVESTORS CORPORATION ("FIC"), WAS SUED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), VARIOUS STATE SECURITIES REGULATORS AND PLAINTIFFS IN CLASS AND INDIVIDUAL ACTION BASED UPON ALLEGATIONS THAT CERTAIN OF FIC'S SALES REPRESENTATIVES HAD MADE MISREPRESENTATIONS



CONCERNING THE RISKS OF INVESTING IN TWO HIGH YIELD BOND MUTUAL FUNDS (THE "FUNDS"), AND HAD SOLD THE FUNDS TO CERTAIN INVESTORS FOR WHOM THEY WERE NOT SUITABLE. IN 6/92, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIC SETTLED THE SEC AND CLASS ACTIONS BY: CONSENTING TO THE ENTRY OF A FINAL JUDGMENT ENJOINING IT FROM VIOLATING SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10B-5 THEREUNDER AND SECTION 17(A) OF THE 1933 ACT; AGREEING TO THE ENTRY OF AN ADMINISTRATIVE ORDER CENSURING IT AND REQUIRING IT TO COMPLY WITH UNDERTAKINGS TO IMPROVE ITS POLICIES AND PROCEDURES WITH REGARD TO SALES, TRAINING, SUPERVISION, AND COMPLIANCE; AND AGREEING TO PAY \$24.7 MILLION TO INVESTORS WHO PURCHASED SHARES OF THE FUNDS FROM IN OR ABOUT 11/84 TO IN OR ABOUT 11/90. ALL OF THE STATE REGULATORY ACTIONS WERE ALSO SETTLED. AS PART OF SETTLEMENTS WITH FIVE OF THE STATES, ME, MA, NY, VA AND WA ("STATE SETTLEMENTS"), FIC AND CERTAIN AFFILIATED ENTITIES AND PERSONS AGREED, WITHOUT ADMITTING ANY OF THE ALLEGATIONS, TO BE ENJOINED FROM VIOLATING CERTAIN PROVISIONS OF THE STATE SECURITIES LAWS; TO ENGAGE IN REMEDIAL MEASURES DESIGNED TO ENSURE THAT PROPER SALES PRACTICES ARE OBSERVED IN THE FUTURE; AND TO PAY \$7.5 MILLION, IN ADDITION TO THE \$24.7 MILLION PREVIOUSLY PAID BY FIC IN CONNECTION WITH THE SEC SETTLEMENT, TO INVESTORS IN THE FUNDS. IN ADDITION, ON 12/8/93, SEVERAL PRESENT AND FORMER FIC EXECUTIVES, INCLUDING THE CHAIRMAN, ALSO AGREED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO TEMPORARY SUSPENSIONS FROM ASSOCIATING WITH BROKER-DEALERS AND IN SOME CASES OTHER REGULATED ENTITIES IN A SUPERVISORY CAPACITY. THESE SUSPENSIONS RANGED FROM 3 TO 9 MONTHS IN LENGTH.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	ON AUGUST 4, 1992, RULE TO SHOW CAUSE WAS ISSUED WHICH ALLEGES FIRM USED MISLEADING AND DECEPTIVE SALES TACTICS; FALSELY REPRESENTED THE "JUNK BOND FUNDS" AS SAFE, PRUDENT INVESTMENTS; AND FAILED TO DISCLOSE THE HIGH RISKS INHERENT IN INVESTING IN SUCH FUNDS.
Initiated By:	VIRGINIA - STATE CORPORATON COMMISSION DIVISION OF SECURITIES
Date Initiated:	08/04/1992



Docket/Case Number: SEC920077

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 12/20/1993

Sanctions Ordered:

Other Sanctions Ordered:

Sanction Details: FIRM IS TO APPEAR BEFORE THE COMMISSION ON NOVEMBER 9, 1992, TO ANSWER ALLEGATIONS.

Regulator Statement CONTACT AL HUGHES, BROKER-DEALER EXAMINER, 804-225-4885.

Reporting Source: Firm

Current Status: Final

Allegations: PLEASE SEE ITEM 12

Initiated By: VIRGINIA STATE CORPORATION COMMISSION

Date Initiated: 08/04/1992

Docket/Case Number: SEC920077

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: PLEASE SEE ITEM 12

Resolution: Settled

Resolution Date: 12/20/1993



Sanctions Ordered: Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: BETWEEN 1990 AND 1993, FIRST INVESTORS CORPORATION ("FIC"), WAS SUED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), VARIOUS STATE SECURITIES REGULATORS AND PLAINTIFFS IN CLASS AND INDIVIDUAL ACTION BASED UPON ALLEGATIONS THAT CERTAIN OF FIC'S SALES REPRESENTATIVES HAD MADE MISREPRESENTATIONS CONCERNING THE RISKS OF INVESTING IN TWO HIGH YIELD BOND MUTUAL FUNDS (THE "FUNDS"), AND HAD SOLD THE FUNDS TO CERTAIN INVESTORS FOR WHOM THEY WERE NOT SUITABLE. IN 6/92, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIC SETTLED THE SEC AND CLASS ACTIONS BY: CONSENTING TO THE ENTRY OF A FINAL JUDGMENT ENJOINING IT FROM VIOLATING SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10B-5 THEREUNDER AND SECTION 17(A) OF THE 1933 ACT; AGREEING TO THE ENTRY OF AN ADMINISTRATIVE ORDER CENSURING IT AND REQUIRING IT TO COMPLY WITH UNDERTAKINGS TO IMPROVE ITS POLICIES AND PROCEDURES WITH REGARD TO SALES, TRAINING, SUPERVISION, AND COMPLIANCE; AND AGREEING TO PAY \$24.7 MILLION TO INVESTORS WHO PURCHASED SHARES OF THE FUNDS FROM IN OR ABOUT 11/84 TO IN OR ABOUT 11/90. ALL OF THE STATE REGULATORY ACTIONS WERE ALSO SETTLED. AS PART OF SETTLEMENTS WITH FIVE OF THE STATES, ME, MA, NY, VA AND WA ("STATE SETTLEMENTS"), FIC AND CERTAIN AFFILIATED ENTITIES AND PERSONS AGREED, WITHOUT ADMITTING ANY OF THE ALLEGATIONS, TO BE ENJOINED FROM VIOLATING CERTAIN PROVISIONS OF THE STATE SECURITIES LAWS; TO ENGAGE IN REMEDIAL MEASURES DESIGNED TO ENSURE THAT PROPER SALES PRACTICES ARE OBSERVED IN THE FUTURE; AND TO PAY \$7.5 MILLION, IN ADDITION TO THE \$24.7 MILLION PREVIOUSLY PAID BY FIC IN CONNECTION WITH THE SEC SETTLEMENT, TO INVESTORS IN THE FUNDS. IN ADDITION, ON 12/8/93, SEVERAL PRESENT AND FORMER FIC EXECUTIVES, INCLUDING THE CHAIRMAN, ALSO AGREED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO TEMPORARY SUSPENSIONS FROM ASSOCIATING WITH BROKER-DEALERS AND IN SOME CASES OTHER REGULATED ENTITIES IN A SUPERVISORY CAPACITY. THESE SUSPENSIONS RANGED FROM 3 TO 9 MONTHS IN LENGTH.

Disclosure 17 of 34

Reporting Source: Regulator

Current Status: Final

Allegations: ON OR ABOUT MARCH 21, 1994, THE DEPARTMENT OF



BANKING AND FINANCE COMMENCED A REVIEW OF THE ACTIVITIES OF FIRST INVESTORS CORPORATION (FIC). THE DEPARTMENT ALLEGES THAT FIC, IN CONNECTION WITH CERTAIN SALES OF FIRST INVESTORS FUND FOR INCOME AND FIRST INVESTORS HIGH YIELD FUND, MADE MISREPRESENTATIONS OF MATERIAL FACTS OR OMITTED TO STATE MATERIAL FACTS. FIC FURTHER ENGAGED IN TRANSACTIONS, PRACTICES OR COURSES OF BUSINESS WHICH OPERATED OR WOULD OPERATE AS A FRAUD OR DECEIT UPON INVESTORS.

Initiated By: FLORIDA DIVISION OF SECURITIES

Date Initiated: 03/21/1994

Docket/Case Number: 2077-S-9/94

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Stipulation and Consent

Resolution Date: 11/28/1994

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: ON NOVEMBER 28, 1994, THE FLORIDA DIVISION OF SECURITIES ISSUED A FINAL ORDER. THE FINAL ORDER INCORPORATES THE STIPULATION AND CONSENT AGREEMENT IN WHICH THE DEPARTMENT AND THE RESPONDENT AGREED TO ENTRY OF THE FINDINGS OF THE DEPARTMENT, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS. THE TERMS OF THE AGREEMENT REQUIRE THAT FIC AGREE TO CEASE AND DESIST FROM ANY AND ALL FUTURE VIOLATIONS OF CHAPTER 517, FLORIDA STATUTES, AND THE RULES, PAY \$5,000 TO REIMBURSE THE DEPARTMENT FOR THE COSTS OF INVESTIGATION. THE TERMS OF THE AGREEMENT REQUIRE THAT THE RESPONDENT AGREE TO SUBMIT COMPLIANCE REPORTS REQUIRED BY FEDERAL/STATE REGULATORS AND AGREE NOT TO APPLY FOR REGISTRATION OF ADDITIONAL BRANCH OFFICES WITH THE DEPARTMENT FOR A PERIOD OF SIX (6) MONTHS FROM THE DATES OF THE FINAL ORDER.

**Regulator Statement**

CONTACT: PLEASE CONTACT DAVID M. BURLEY AT (904)
488-9805

Reporting Source:

Firm

Current Status:

Final

Allegations:

ON OR ABOUT MARCH 21, 1994, THE DEPARTMENT OF BANKING AND FINANCE COMMENCED A REVIEW, IN CONNECTION WITH AN APPLICATION FOR BRANCH OFFICE REGISTRATION IN FLORIDA, OF THE PAST ACTIVITIES OF FIRST INVESTORS CORPORATION (FIC). THE DEPARTMENT ALLEGED THAT FIC, IN CONNECTION WITH CERTAIN SALES OF FIRST INVESTORS FUND FOR INCOME AND FIRST INVESTORS HIGH YIELD FUND, MADE MISREPRESENTATIONS OF MATERIAL FACTS OR OMITTED TO STATE MATERIAL FACTS WHICH WERE NECESSARY IN ORDER TO MAKE THE STATEMENTS MADE NOT MISLEADING.

Initiated By:

FLORIDA DIVISION OF SECURITIES AND INVESTOR PROTECTION, BUREAU

Date Initiated:

03/21/1994

Docket/Case Number:

2077-S-9/94

Principal Product Type:

Mutual Fund(s)

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

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

Other Sanction(s)/Relief Sought:

SEE ITEM NUMBER 12

Resolution:

Stipulation and Consent

Resolution Date:

11/28/1994

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

THE FLORIDA DEPARTMENT OF BANKING AND FINANCE ISSUED A FINAL ORDER ADOPTING THE TERMS OF A STIPULATION AND CONSENT AGREEMENT WITH THE RESPONDENT FIRST INVESTORS CORPORATION. THE FINAL ORDER INCORPORATES THE STIPULATION AND CONSENT AGREEMENT, LAST DATED NOVEMBER 23, 1994, IN WHICH THE DEPARTMENT AND THE RESPONDENT AGREED TO THE ENTRY OF THE FINDINGS OF THE DEPARTMENT, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS. THE TERMS OF THE AGREEMENT REQUIRE THAT FIC AGREE TO CEASE AND DESIST FROM ANY AND ALL FUTURE VIOLATIONS



OF CHAPTER 517, FLORIDA STATUTES, AND THE RULES, PAY \$5,000 TO REIMBURSE THE DEPARTMENT FOR THE COSTS OF THE INVESTIGATION. THE TERMS OF THE AGREEMENT REQUIRE THAT THE RESPONDENT AGREE TO SUBMIT COMPLIANCE REPORTS REQUIRED BY FEDERAL/STATE REGULATORS AND AGREE NOT TO APPLY FOR REGISTRATION OF ADDITIONAL BRANCH OFFICES WITH THE DEPARTMENT FOR A PERIOD OF SIX (6) MONTHS FROM THE DATES OF THE FINAL ORDER.

Disclosure 18 of 34

Reporting Source:	Regulator
Current Status:	Final
Allegations:	Not Provided
Initiated By:	TEXAS STATE SECURITIES BOARD
Date Initiated:	08/19/1991
Docket/Case Number:	CEN/SSO-916
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	08/19/1991
Sanctions Ordered:	Censure Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	AMENDED U6 TO PREVIOUS FILING: ATTORNEY DAVID GRAUER REQUESTED THE WORDING TO READ AS FOLLOWS: FIRST INVESTORS WAS CENSURED, REQUIRED TO PAY \$1,127,000 TO TEXAS INVESTORS, & REQUIRED TO COMPLETELY REVISE ITS SALES PROCEDURES INCLUDING A REQUIREMENT OF MAINTAINING AN 80% PERSISTANCY RATE WITH THE FIRST INVESTORS HIGH YIELD & INCOME FUND CONTRACT PLANS, AND CONSENTED TO THE ENTRY OF A PERMANENT INJUNCTION PURSUANT TO SECTION 33 IN AN ACTION BASED UPON SALES PRACTICES



BY SOME OF ITS SALES REPRESENTATIVES.

Regulator Statement

Not Provided

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED UNSUITABLE SALES TO CERTAIN INVESTORS AND MISLEADING SALES PRACTICES BY SOME SALES REPRESENTATIVES.

Initiated By: TEXAS STATE SECURITIES BOARD

Date Initiated: 08/19/1991

Docket/Case Number: CEN/SSO-916

Principal Product Type: Mutual Fund(s)

Other Product Type(s): PERIODIC PAYMENT PLANS

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: PLEASE SEE ITEM NUMBER 12

Resolution: Consent

Resolution Date: 08/19/1991

Sanctions Ordered: Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: FIRST INVESTORS WAS CENSURED, REQUIRED TO PAY \$1,127,000 TO TEXAS INVESTORS, AND REQUIRED TO COMPLETELY REVISE ITS SALES PROCEDURES INCLUDING A REQUIREMENT OF MAINTAINING AN 80% PERSISTENCY RATE WITH THE FIRST INVESTORS HIGH YIELD & INCOME FUND CONTRACTUAL PLANS, AND CONSENTED TO THE ENTRY OF A PERMANENT INJUNCTION AGAINST FUTURE VIOLATIONS OF SECURITIES LAWS.

Disclosure 19 of 34

Reporting Source: Regulator

Current Status: Final

Allegations: Not Provided



Initiated By: STATE OF DELAWARE, DIVISION OF SECURITIES

Date Initiated: 04/24/1991

Docket/Case Number: 91-01-03

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 06/26/1991

Sanctions Ordered: Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: On June 26, 1991, an Agreement was entered into between First Investors Corp. ("FIC"), First Investors Consolidated Corp., First Investors Management Co., First Investors High Yield Fund, Inc., First Investors Fund for Income, Inc., David D. Grayson, Glenn O. Head, Peter Kachinsky, Dennis J. Delduco, and William H. Kantner, IV, and the Delaware Department of Justice Securities Division. FIC agreed to the following: (1) undertake to strengthen its sales training, supervisory and compliance policies and procedures; and (2) deposit a total of \$34,500 with the Division to be used towards restitution for Delaware investors. On June 26, 1991, the Delaware Securities Commissioner issued an order vacating his April 25, 1991 order which set a hearing on the charges contained in the Notice.

Regulator Statement On June 26, 1991, FIC entered into an agreement with the Delaware Department of Justice Division of Securities whereby it agreed to pay the Division \$34,500 and to strengthen its sales training, supervisory and compliance policies and procedures. The Commissioner issued an order vacating his April 25, 1991 order.

Reporting Source: Firm



Current Status:	Final
Allegations:	THE DELAWARE SECURITIES DIVISION ISSUED A NOTICE OF INTENT REVOKE BROKER-DEALER AND AGENT REGISTRATIONS AGAINST FIRST INVESTORS CORP. ("FIC"), PETER J. KACHINSKY, JR., DENNIS J. DELDUCO, AND WILLIAM H. KANTNER, IV. THE NOTICE CHARGES FIC, KACHINSKY, DELDUCO, AN KANTNER WITH MAKING UNTRUE STATEMENTS OF MATERIAL FACTS AND OMITTING TO STATE MATERIAL FACTS IN THE SALE OF SECURITIES AND ENGAGING IN DISHONEST AND UNETHICAL SALES PRACTICES. FIC WAS ALSO CHARGED WITH FAILING TO REASONABLY SUPERVISE ITS AGENTS.
Initiated By:	STATE OF DELAWARE, DIVISION OF SECURITIES
Date Initiated:	04/24/1991
Docket/Case Number:	91-01-03 AND 91-04-01
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	PLEASE SEE ITEM NUMBER 12
Resolution:	Consent
Resolution Date:	06/26/1991
Sanctions Ordered:	Monetary/Fine \$34,500.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	AN AGREEMENT WAS ENTERED INTO BETWEEN FIRST INVESTORS CORP. ("FIC"), FIRST INVESTORS CONSOLIDATED CORP., FIRST INVESTORS MANAGEMENT CO., FIRST INVESTORS HIGH YIELD FUND, INC., FIRST INVESTORS FUND FOR INCOME, INC., DAVID D. GRAYSON, GLENN O. HEAD, PETER KACHINSKY, DENNIS J. DELDUCO, AND WILLIAM H. KANTNER, IV, AND THE DELAWARE DEPARTMENT OF JUSTICE SECURITIES DIVISION. FIC AGREED TO: (1) UNDERTAKE TO STRENGTHEN ITS SALES TRAINING, SUPERVISORY AND COMPLIANCE POLICIES AND PROCEDURES; AND (2) DEPOSIT A TOTAL OF \$34,500 WITH THE DIVISION TO BE USED TOWARDS RESTITUTION FOR DELAWARE INVESTORS. ON JUNE 26, 1991, THE DELAWARE SECURITIES COMMISSIONER



Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	VERMONT
Date Initiated:	08/30/1989
Docket/Case Number:	89-0870-S
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	08/30/1989
Sanctions Ordered:	Monetary/Fine \$500.00
Other Sanctions Ordered:	
Sanction Details:	
Regulator Statement	FORM BD WITH JDS 10010-25489 DISCLOSED ON AUGUST 30, 1989, THE COMMISSIONER OF BANKING AND INSURANCE OF THE STATE OF VERMONT FOUND THAT FIRST INVESTORS CORPORATION (THE "APPLICANT") VIOLATED SECTIONS 4213 AND 4217 OF THE VERMONT SECURITIES ACT. A CONSENT ORDER (NO. 89-0870-S) WAS ENTERED INTO BY THE APPLICANT WITHOUT ADMITTING OR DENYING THE TRUTH OF THE ALLEGATIONS. THE CONSENT ORDER FOUND THAT A REGISTERED REPRESENTATIVE OF THE APPLICANT WAS NOT PROPERLY REGISTERED TO SELL SECURITIES PURSUANT TO SECTION 4217 OF THE VERMONT SECURITIES ACT. THE COMMISSIONER ORDERED THE APPLICANT TO (1) PAY A PENALTY OF \$500 AND (2) TO COMPLY WITH THE PROVISIONS OF THE VERMONT SECURITIES ACT. *** 11/14/89-FORM U6 (8073-27989) DISCLOSES: ON AUGUST 31, 1989, PURSUANT TO A CONSENT ORDER IN WHICH IT NEITHER ADMITTED NOR DENIED FINDINGS OF VIOLATION, FIRST INVESTORS CORPORATION



CONSENTED TO THE IMPOSITION OF AN ADMINISTRATIVE PENALTY BY THE VERMONT SECURITIES DIVISION IN THE AMOUNT OF \$500.00 AND AGREED TO COMPLY WITH CERTAIN UNDERTAKINGS INCLUDING EFFECTING RESCISSION OF THE TRANSACTIONS AT ISSUE IN THE AMOUNT OF \$62,263.36. THE ACTION WAS BASED ON THE UNREGISTERED SALES ACTIVITY OF AGENT EMPLOYED BY THE FIRM. DOCKET/CASE NO. 89-0870-S, DATED AUGUST 31, 1989.

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED THAT A REGISTERED REPRESENTATIVE OF FIRST INVESTORS CORPORATION WAS NOT PROPERLY REGISTERED TO SELL SECURITIES PURSUANT TO SECTION 4217 OF THE VERMONT SECURITIES ACT.
Initiated By:	COMMISSIONER OF BANKING AND INSURANCE OF THE STATE OF VERMONT
Date Initiated:	08/01/1989
Docket/Case Number:	89-0870-S
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	PLEASE SEE ITEM 12.
Resolution:	Consent
Resolution Date:	08/31/1989
Sanctions Ordered:	Monetary/Fine \$62,263.36 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	PURSUANT TO A CONSENT ORDER IN WHICH IT NEITHER ADMITTED NOR DENIED FINDINGS OF VIOLATION, FIRST INVESTORS CORPORATION CONSENTED TO THE IMPOSITION OF AN ADMINISTRATIVE PENALTY IN THE AMOUNT OF \$500 AND AGREED TO COMPLY WITH CERTAIN UNDERTAKINGS INCLUDING EFFECTING RESCISSION OF THE TRANSACTIONS AT ISSUE IN THE AMOUNT OF \$62,263.36.



Disclosure 21 of 34

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	CONNECTICUT
Date Initiated:	06/01/1982
Docket/Case Number:	
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	07/08/1982
Regulator Statement	IN OR ABOUT JUNE, 1982, THE BANKING COMMISSIONER OF THE STATE OF CONNECTICUT NOTIFIED FIRST INVESTORS CORPORATION THAT SEVERAL INDIVIDUALS IN ITS EMPLOY HAVE RECEIVED COMMISSION PAYMENTS FOR THE SALE OF SECURITIES WHILE THEY WERE NOT PROPERLY LICENSED BY THE STATE OF CONNECTICUT. ON JULY 8, 1982, THE COMMISSIONER ISSUED AN ORDER THAT A HEARING BE HELD TO SHOW CAUSE WHY FIRST INVESTORS CORPORATION SHOULD NOT HAVE ITS LICENSE AS A BROKER-DEALER SUSPENDED. WHILE NO HEARING WAS HELD, THIS MATTER WAS RESOLVED IN A MUTUALLY SATISFACTORY MANNER BY THE ENTRY OF A CONSENT ORDER. THE SUBSTANCE OF THIS CONSENT ORDER ENJOINS FIRST INVESTORS CORPORATION FROM EMPLOYING UNREGISTERED AGENTS AND FROM FAILING TO PROMPTLY NOTIFY THE COMMISSIONER WHEN IT BEGINS OR TERMINATES A CONNECTION WITH A BROKER-DEALER AGENT. IN ADDITION, FIRST INVESTORS CORPORATION HAS OFFERED RECISSION



WITH
RESPECT TO SALES MADE BY THE REPRESENTATIVES INVOLVED AND HAS
ADOPTED AND IMPLEMENTED PROCEDURES TO INSURE COMPLIANCE
WITH
CONNECTICUT'S SECURITIES LAWS. (FORM BD: JD 03486, SEQUENCE NO
10994).

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT CERTAIN REGISTERED REPRESENTATIVES OF FIRST INVESTORS CORPORATION THAT SEVERAL INDIVIDUALS IN ITS EMPLOY HAVE RECEIVED COMMISSION PAYMENTS FOR THE SALE OF SECURITIES WHILE THEY WERE NOT PROPERLY LICENSED BY THE STATE OF CONNECTICUT.

Initiated By: THE BANKING COMMISSIONER OF THE STATE OF CONNECTICUT

Date Initiated: 06/01/1982

Docket/Case Number:

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Injunction

Other Sanction(s)/Relief Sought: PLEASE SEE ITEM 12.

Resolution: Consent

Resolution Date: 07/08/1982

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: WHILE NO HEARING WAS HELD, THIS MATTER WAS RESOLVED IN A MUTUALLY SATISFACTORY MANNER BY THE ENTRY OF A CONSENT ORDER. THE SUBSTANCE OF THIS CONSENT ORDER ENJOINS FIRST INVESTORS CORPORATION FROM EMPLOYING UNREGISTERED AGENTS AND FROM FAILING TO PROMPTLY NOTIFY THE COMMISSIONER WHEN IT BEGINS OR TERMINATES A CONNECTION WITH A BROKER-DEALER AGENT. IN ADDITION, FIRST INVESTORS CORPORATION HAS OFFERED RECISSION WITH RESPECT TO SALES MADE BY THE REPRESENTATIVES INVOLVED AND HAS ADOPTED AND IMPLEMENTED PROCEDURES TO ENSURE



COMPLIANCE WITH CONNECTICUT'S SECURITIES LAWS.

Disclosure 22 of 34	
Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	10/08/1965
Docket/Case Number:	NY-986
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Decision
Resolution Date:	07/05/1966
Sanctions Ordered:	Censure Monetary/Fine \$500.00
Other Sanctions Ordered:	
Sanction Details:	
Regulator Statement	COMPLAINT NY-986 FILED 10-8-65 6-3-66 CENSURED, FINED \$500, ASSESSED COSTS OF \$450.48 7-5-66 TO BE FINAL 7-5-66 FINAL 7-18-66 F & C PAID

Reporting Source:	Firm
Current Status:	Final
Allegations:	DUE TO THE PASSAGE OF TIME, THE ALLEGATIONS RELATING TO THIS ACTION ARE UNAVAILABLE.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS



Date Initiated: 10/08/1965

Docket/Case Number: NY-986

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: PLEASE SEE ITEM 12

Resolution: Decision

Resolution Date: 06/03/1966

Sanctions Ordered: Censure
Monetary/Fine

Other Sanctions Ordered:

Sanction Details: FIRST INVESTORS WAS CENSURED, FINED \$500 AND ASSESSED COSTS OF \$450.48.

Disclosure 23 of 34

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 06/19/1992

Docket/Case Number:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 06/19/1992



Sanctions Ordered: Censure
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details:

Regulator Statement +7/28/92+ SEC NEWS DIGEST, ISSUE 92-119, DATED JUNE 19, 1992
ADMINISTRATIVE PROCEEDINGS DISCLOSES; "ADMINISTRATIVE
PROCEEDINGS INSTITUTED AGAINST FIRST INVESTORS CORPORATION";
THE COMMISSION ANNOUNCED THAT IT INSTITUTED PUBLIC
ADMINISTRATIVE PROCEEDINGS PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT NAMING FIRST INVESTORS CORPORATION
BY
THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
NEW YORK RESTRAINING AND ENJOINING FIRST INVESTORS FORM
VIOLATING SECTION 10(b) OF THE EXCHANGE ACT, RULE 10b-5
THEREUNDER, AND SECTION 17(a) OF THE SECURITIES ACT OF 1933.
SIMULTANEOUSLY WITH THE INSTITUTION OF THESE PROCEEDINGS, THE
COMMISSION ACCEPTED FIRST INVESTORS' OFFER OF SETTLEMENT IN
WHICH IT CONSENTED TO THE ENTRY OF AN ORDER FINDING THAT FIRST
INVESTORS HAS BEEN PERMANENTLY ENJOINED BY THE COURT FROM
VIOLATING SECTION 10(b) OF THE EXCHANGE ACT, RULE 10b-5
THEREUNDER, AND SECTION 17(a) OF THE SECURITIES ACT. THE ORDER
ALSO CENSURES FIRST INVESTORS AND ORDERS FIRST INVESTORS TO
COMPLY WITH ITS UNDERTAKINGS TO IMPROVE ITS SALES TRAINING,
SUPERVISORY AND COMPLIANCE PROCEDURES. (REL. 34-30799)

Reporting Source: Firm

Current Status: Final

Allegations: COMPLAINT ALLEGED THAT MISREPRESENTATIONS WERE MADE TO
INVESTORS CONCERNING THE RISKS OF INVESTING IN TWO HIGH- YIELD
BOND MUTUAL FUNDS. IT ALSO ALLEGED THAT SHARES OF THE FUNDS
WERE SOLD TO CERTAIN INVESTORS FOR WHOM SUCH INVESTMENTS
WERE UNSUITABLE.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 06/12/1992

Docket/Case Number: 92 CIV 4281 (MJL)

Principal Product Type: Mutual Fund(s)

Other Product Type(s):



Principal Sanction(s)/Relief Sought:	Injunction
Other Sanction(s)/Relief Sought:	DISGORGEMENT - PLEASE SEE ITEM NUMBER 12
Resolution:	Consent
Resolution Date:	07/28/1992
Sanctions Ordered:	Monetary/Fine \$24,700,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIRST INVESTORS CONSENTED TO THE ENTRY OF A PERMANENT INJUNCTION AGAINST VIOLATIONS OF SECTION 10(B) OF THE EXCHANGE ACT, RULE 10B-5 AND SECTION 17(A) OF THE SECURITIES ACT OF 1933. IT ALSO AGREED TO DISGORGE \$24.7 MILLION, WHICH WAS PAID OUT TO QUALIFIED INVESTORS. THE COMPANY ALSO AGREED TO STRENGTHEN ITS SALES TRAINING, SUPERVISORY AND COMPLIANCE PROCEDURES.

Disclosure 24 of 34

Reporting Source:	Regulator
Current Status:	Final
Allegations:	FIRST INVESTORS CORPORATION, FIRST INVESTORS CONSOLIDATED CORP., FIRST INVESTORS MANAGEMENT CO., INC. AND DAVID D. GRAYSON MADE MISREPRESENTATIONS AND OMITTED MATERIAL FACTS AND ENGAGED IN TRANSACTIONS, PRACTICES OR COURSES OF BUSINESS WHICH OPERATED OR WOULD OPERATE AS A FRAUD BY DECEIT UPON INVESTORS.
Initiated By:	MISSOURI SECURITIES DIVISION
Date Initiated:	10/22/1992
Docket/Case Number:	AO-92-19
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	

**Other Sanction(s)/Relief Sought:****Resolution:** Consent**Resolution Date:** 10/22/1992**Sanctions Ordered:****Other Sanctions Ordered:****Sanction Details:** THE COMMISSIONER ENTERED AN ORDER PROHIBITING THE RESPONDENT FROM OPERATING AS A FRAUD OR DECEIT UPON INVESTORS.**Regulator Statement** Not Provided**Reporting Source:** Firm**Current Status:** Final**Allegations:** IT WAS ALLEGED THAT FIRST INVESTORS CORPORATION AND CERTAIN AFFILIATES MADE MISREPRESENTATIONS AND OMITTED MATERIAL FACTS AND ENGAGED IN TRANSACTIONS, PRACTICES OR COURSES OF BUSINESS WHICH OPERATED OR WOULD OPERATE AS A FRAUD BY DECEIT UPON INVESTORS.**Initiated By:** MISSOURI SECURITIES DIVISION**Date Initiated:** 10/15/1992**Docket/Case Number:** AO-92-19**Principal Product Type:** Mutual Fund(s)**Other Product Type(s):****Principal Sanction(s)/Relief Sought:** Restitution**Other Sanction(s)/Relief Sought:** SEE ITEM NUMBER 12**Resolution:** Consent**Resolution Date:** 10/18/1992**Sanctions Ordered:** Disgorgement/Restitution
Cease and Desist/Injunction**Other Sanctions Ordered:**



Sanction Details: RESPONDENTS AGREED TO (1) MAKE RESTITUTION TO MISSOURI INVESTORS; (2) PAY \$7,500 FOR THE COSTS OF THE INVESTIGATION; (3) PAY FOR THE ESTABLISHMENT AND MAINTAINANCE OF A TOLL FREE TELEPHONE NUMBER FOR MISSOURI INVESTORS FOR A PERIOD OF THREE YEARS; AND (4) TO CEASE AND DESIST FROM VIOLATING MISSOURI LAW. RESPONDENTS ALSO AGREED TO MPLEMENT CERTAIN COMPLIANCE UNDERTAKINGS.

Disclosure 25 of 34

Reporting Source: Regulator

Current Status: Final

Allegations: N/A

Initiated By: PENNSYLVANIA SECURITIES COMMISSION

Date Initiated: 02/18/1993

Docket/Case Number: 9106-11

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Stipulation and Consent

Resolution Date: 02/18/1993

Sanctions Ordered:

Other Sanctions Ordered:

Sanction Details: PENNSYLVANIA HAS ISSUED A SECOND AMENDED FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER AGAINST RESPONDENT. THE ORIGINAL ORDER REQUIRED FIRST INVESTORS CORPORATION ("FIC") TO OBTAIN A LETTER OF CREDIT WHICH WOULD EXPIRE 18 MONTHS AFTER THE DISTRIBUTION OF SEC SETTLEMENT FUNDS. THE SECOND AMENDED ORDER REQUIRED FIC TO OBTAIN A LETTER OF CREDIT WHICH EXPIRES ON OCTOBER 15, 1995, OR UPON WRITTEN AUTHORIZATION OF TERMINATION BY THE COMMONWEALTH OF PENNSYLVANIA. IN ADDITION, THE SECOND AMENDED ORDER REQUIRED FIC TO RENEW THE LETTER OF



CREDIT FOR AN ADDITIONAL THREE YEAR PERIOD IN THE EVENT THE SEC SETTLEMENT FUNDS ARE NOT DISTRIBUTED BY AUGUST 1, 1995.

Regulator Statement

Not Provided

Reporting Source:

Firm

Current Status:

Final

Allegations:

N/A

Initiated By:

PENNSYLVANIA SECURITIES COMMISSION

Date Initiated:

02/18/1993

Docket/Case Number:

9106-11

Principal Product Type:

No Product

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

Other

Other Sanction(s)/Relief Sought:

ORDER TO OBTAIN LETTER OF CREDIT

Resolution:

Stipulation and Consent

Resolution Date:

02/18/1993

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

PENNSYLVANIA HAS ISSUED A SECOND AMENDED FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER AGAINST RESPONDENT. THE ORIGINAL ORDER REQUIRED FIRST INVESTORS CORPORATION ("FIC") TO OBTAIN A LETTER OF CREDIT WHICH WOULD EXPIRE 18 MONTHS AFTER THE DISTRIBUTION OF SEC SETTLEMENT FUNDS. THE SECOND AMENDED ORDER REQUIRED FIC TO OBTAIN A LETTER OF CREDIT WHICH EXPIRES ON OCTOBER 15, 1995, OR UPON WRITTEN AUTHORIZATION OF TERMINATION BY THE COMMONWEALTH OF PENNSYLVANIA. IN ADDITION, THE SECOND AMENDED ORDER REQUIRED FIC TO RENEW THE LETTER OF CREDIT FOR AN ADDITIONAL THREE YEAR PERIOD IN THE EVENT THE SEC SETTLEMENT FUNDS ARE NOT DISTRIBUTED BY AUGUST 1, 1995.

Disclosure 26 of 34**Reporting Source:**

Regulator



Current Status:	Final
Allegations:	ON MAY 1, 1992, THE SECURTIES DIVISION FILED ADMINISTRATIVE CHARGES ALLEGING THAT FIRST INVESTORS CORPORATION AND OTHER RESPONDENTS OR THOSE UNDER THEIR SUPERVISION ENGAGED IN FRAUDULENT SALES PRACTICES IN CONNECTION WITH THE OFFER AND SALE OF FIRST INVESTORS FUND FOR FOR INCOME, INC. AND FIRST INVESTORS HIGH YIELD FUND, INC. IN VIOLATION OF THE ANTI- FRAUD, SUPERVISION, AND UNETHICAL AND DISHONEST PRACTICE PROVISIONS OF THE VERMONT SECURITIES ACT. ALLEGATIONS INCLUDE THE FAILURE TO ADEQUATELY DISCLOSE THE SPECULATIVE NATURE OF JUNK BONDS AND THE SALE OF JUNK BOND MUTUAL FUND SHARES TO UNSUITABLE INVESTORS.
Initiated By:	STATE OF VERMONT SECURITIES DIVISION
Date Initiated:	05/01/1992
Docket/Case Number:	91-101-S
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	05/01/1992
Sanctions Ordered:	Monetary/Fine \$35,000.00 Disgorgement/Restitution Suspension Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	ON MAY 1, 1992, FIRST INVESTORS CORPORATION ENTERED INTO A CONSENT ORDER WITH THE VT SECURTIES DIVISION IN SETTLEMENT OF THE ALLEGATIONS RAISED IN A NOTICE OF INTENT TO REVOKE BROKER-DEALER AND SECURITIES REGISTRATIONS AND IMPOSE ADMINISTRATIVE SANCTIONS ISSUED ON MAY 1, 1992. IN SETTLEMENT FIRST INVESTORS CORPORATION HAS, WITHOUT ADMITTING OR DENYING



ANY VIOLATION OF LAW, AGREED TO JOINTLY AND SEVERALLY PAY A \$35,000 FINE AND \$15,000 IN INVESTIGATION COSTS. RESPONDENT ALSO AGREED TO A SIX-MONTH SUSPENSION FROM THE SOLICITATION OF NEW BUSINESS AND AN ADDITIONAL ONE-YEAR SUSPENSION FROM THE SALE OF CERTAIN DESIGNATED JUNK BOND MUTUAL FUNDS. RESPONDENT FURTHER AGREED TO CEASE AND DESIST FROM FUTURE VIOLATIONS AND TO CERTAIN RESTITUTION AND COMPLIANCE UNDERTAKINGS.

Regulator Statement

Not Provided

Reporting Source:

Firm

Current Status:

Final

Allegations:

THE SECURITIES DIVISION FILED ADMINISTRATIVE CHARGES ALLEGING THAT FIRST INVESTORS CORPORATION AND OTHER RESPONDENTS OR THOSE UNDER THEIR SUPERVISION ENGAGED IN FRAUDULENT SALES PRACTICES IN CONNECTION WITH THE OFFER AND SALES OF FIRST INVESTORS FUND FOR INCOME, INC. AND FIRST INVESTORS HIGH YIELD FUND, INC. IN VIOLATION OF THE ANTI- FRAUD, SUPERVISION, AND UNETHICAL AND DISHONEST PRACTICE PROVISIONS OF THE VERMONT SECURITIES ACT. ALLEGATIONS INCLUDE THE FAILURE TO ADEQUATELY DISCLOSE THE SPECULATIVE NATURE OF JUNK BONDS AND THE SALE OF JUNK BOND MUTUAL FUND SHARES TO UNSUITABLE INVESTORS.

Initiated By:

STATE OF VERMONT SECURITIES DIVISION

Date Initiated:

05/01/1992

Docket/Case Number:

91-101-S

Principal Product Type:

Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

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

Other Sanction(s)/Relief Sought:

SEE ITEM NUMBER 12

Resolution:

Consent

Resolution Date:

05/01/1992

Sanctions Ordered:

Monetary/Fine \$35,000.00
Suspension
Cease and Desist/Injunction

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

ON MAY 1, 1992, FIRST INVESTORS CORPORATION ENTERED INTO A CONSENT ORDER WITH THE VT SECURITIES DIVISION IN SETTLEMENT OF THE ALLEGATIONS RAISED IN A NOTICE OF INTENT TO REVOKE BROKER-DEALER AND SECURITIES REGISTRATIONS AND IMPOSE ADMINISTRATIVE SANCTIONS. IN SETTLEMENT FIRST INVESTORS CORPORATION HAS, WITHOUT ADMITTING OR DENYING ANY VIOLATION OF LAW, AGREED TO JOINTLY AND SEVERALLY PAY A \$35,000 FINE AND \$15,000 IN INVESTIGATION COSTS. RESPONDENT ALSO AGREED TO A SIX-MONTH SUSPENSION FROM THE SOLICITATION OF NEW BUSINESS AND AN ADDITIONAL ONE-YEAR SUSPENSION FROM THE SALE OF CERTAIN DESIGNATED JUNK BOND MUTUAL FUNDS. RESPONDENT FURTHER AGREED TO CEASE AND DESIST FROM FUTURE VIOLATIONS AND TO CERTAIN RESTITUTION AND COMPLIANCE UNDERTAKINGS.

Disclosure 27 of 34**Reporting Source:**

Regulator

Current Status:

Final

Allegations:

ON 2/20/92 THE ARIZONA CORPORATION COMMISSION ENTERED AN ORDER TO CEASE AND DESIST, ORDER OF SUSPENSION OF CERTAIN SALES ACTIVITY AND AN ORDER OF ASSESSMENT CONCERNING FIRST INVESTORS CORPORATION, FIRST INVESTORS FUND FOR INCOME AND FIRST INVESTORS HIGH YIELD FUND. THE TERMS OF THE ORDER INCLUDE A \$140,000 ASSESSMENT AND A TWO TIERED PLAN FOR RESTITUTION TO ALL ARIZONA INVESTORS WHO HAD MARKET LOSSES IN THESE TWO FUNDS. MARKET LOSSES HAVE BEEN DETERMINED TO BE APPROXIMATELY \$2.3 MILLION. DAVID GRAYSON AND GLENN HEAD, THE PRESIDENT AND CHAIRMAN OF FIC, ARE JOINTLY AND SEVERALLY LIABLE WITH FIC, FIRST INVESTORS CONSOLIDATED CORPORATION AND FIRST INVESTORS MANAGEMENT CORPORATION FOR RESTITUTION TO ARIZONA INVESTORS. IN THE ORDER FIC ALSO CONSENTS TO A MINIMUM 30 DAYS SUSPENSION FROM THE SOLICITATION OF ALL NEW MUTUAL FUND ACCOUNTS AND SALES OF ALL HIGH YIELD INVESTMENT PRODUCTS. FIC AGREED TO CONDUCT NEW TRAINING FOR ALL ARIZONA SALESPEOPLE AND MANAGERS IN THE AREA OF COMPLIANCE WITH THE ARIZONA SECURITIES ACT AND ADDITIONAL TRAINING IN THE AREA OF HIGH YIELD SECURITIES. IF YOU HAVE ANY QUESTIONS PLEASE CALL STEVE MURPHY OR MATT NEUBERT AT THE SECURITIES DIVISION (602) 542-4242.

Initiated By:

ARIZONA CORPORATION COMMISSION, SECURITIES
DIVISION



Date Initiated: 02/20/1992

Docket/Case Number: S-2774-I

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 02/20/1992

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

Other Sanctions Ordered:

Sanction Details: Not Provided

Regulator Statement ALL INVOLVED: FIRST INVESTORS CORPORATION; FIRST INVESTORS CONSOLIDATED CORP; FIRST INVESTORS MANAGEMENT COMPANY, INC; DAVID D. GRAYSON; GLENN O. HEAD; SAM SIEGEL; HOWARD A. FROMAN; ALVIN J. BLUMENFELD; GEORGE KECHEJIAN; JOHN P. MURPHY AND LOUIS A. WOOLF.

Reporting Source: Firm

Current Status: Final

Allegations: THE SECURITIES DIVISION ALLEGED THAT FIRST INVESTORS CORPORATION AND OTHER RESPONDENTS ENGAGED IN MISLEADING SALES PRACTICES IN CONNECTION WITH THE OFFER AND SALE OF FIRST INVESTORS FUND FOR INCOME, INC. AND FIRST INVESTORS HIGH YIELD FUND, INC.

Initiated By: ARIZONA CORPORATION COMMISSION, SECURITIES DIVISION

Date Initiated: 02/20/1992

Docket/Case Number: S-2774-I

Principal Product Type: Mutual Fund(s)

**Other Product Type(s):**

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

Other Sanction(s)/Relief Sought: SEE ITEM NUMBER 12

Resolution: Consent

Resolution Date: 02/20/1992

Sanctions Ordered: Disgorgement/Restitution
Suspension

Other Sanctions Ordered:

Sanction Details: ON 2/20/92, THE ARIZONA CORPORATION COMMISSION ENTERED AN ORDER TO CEASE AND DESIST, ORDER OF SUSPENSION OF CERTAIN SALES ACTIVITY AND AN ORDER OF ASSESSMENT CONCERNING FIRST INVESTORS CORPORATION, FIRST INVESTORS FUND FOR INCOME AND FIRST INVESTORS HIGH YIELD FUND. THE TERMS OF THE ORDER INCLUDE A \$140,000 ASSESSMENT AND A TWO TIERED PLAN FOR RESTITUTION TO ALL ARIZONA INVESTORS WHO HAD MARKET LOSSES IN THESE TWO FUNDS. MARKET LOSSES HAVE BEEN DETERMINED TO BE APPROXIMATELY \$2.3. MILLION. IN THE ORDER FIC, ALSO CONSENTS TO A MINIMUM 30 DAYS SUSPENSION FROM THE SOLICITATION OF ALL NEW MUTUAL FUND ACCOUNTS AND SALES OF ALL HIGH YIELD INVESTMENT PRODUCTS. FIC AGREED TO CONDUCT NEW TRAINING FOR ALL ARIZONA SALES PEOPLE AND MANAGERS IN THE AREA OF COMPLIANCE WITH THE ARIZONA SECURITIES ACT AND ADDITIONAL TRAINING IN THE AREA OF HIGH YIELD SECURITIES.

Disclosure 28 of 34

Reporting Source: Regulator

Current Status: Final

Allegations: DURING THE PERIOD FROM 11/5/91 TO 1/10/92, FIRST INVESTORS MANAGEMENT COMPANY, INC. AND FIRST INVESTORS CORPORATION ("RESPONDENTS") OFFERED AND SOLD SHARES OF THE FIRST INVESTORS BLUE CHIP SERIES WITHOUT SUCH SHARES BEING REGISTERED OR EXEMPT FROM SUCH REGISTRATION IN VIOLATION OF SECTION 301 OF THE RHODE ISLAND SECURITIES ACT.

Initiated By: RHODE ISLAND DIVISION OF SECURITIES

Date Initiated: 01/27/1992



Docket/Case Number:

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

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

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

Resolution: Consent

Resolution Date: 01/27/1992

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: RESPONDENTS, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, HAVE CONSENTED TO THE ENTRY OF THIS ORDER, THAT THEY CEASE AND DESIST FROM FURTHER VIOLATIONS OF THE SECURITIES REGISTRATION PROVISIONS UNDER SECTION 301 OF THE RHODE ISLAND SECURITIES ACT. ADDITIONALLY, RESPONDENTS HAVE REMITTED TO THE DIVISION REGISTRATION/EXEMPTION FEES WHICH WERE NOT TIMELY PAID, AND HAVE PAID A CIVIL PENALTY OF \$1,000 TO THE DIVISION. UPON ENTRY OF THIS ORDER, THE EXEMPTION FROM REGISTRATION FOR FIRST INVESTORS BLUE CHIP SERIES IS EFFECTIVE.

Regulator Statement Not Provided

Reporting Source: Firm

Current Status: Final

Allegations: DURING THE PERIOD FROM 11/5/91 TO 1/10/92, FIRST INVESTORS MANAGEMENT COMPANY, INC. AND FIRST INVESTORS CORPORATION ("RESPONDENTS") OFFERED AND SOLD SHARES OF THE FIRST INVESTORS BLUE CHIP SERIES WITHOUT SUCH SHARES BEING REGISTERED OR EXEMPT FROM SUCH REGISTRATION IN VIOLATION OF SECTION 301 OF THE RHODE ISLAND SECURITIES ACT.

Initiated By: RHODE ISLAND DIVISION OF SECURITIES

Date Initiated: 01/27/1992

Docket/Case Number:



Principal Product Type: Unit Investment Trust(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: PLEASE SEE ITEM 12.

Resolution: Consent

Resolution Date: 01/27/1992

Sanctions Ordered: Monetary/Fine
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: RESPONDENTS, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, HAVE CONSENTED TO THE ENTRY OF AN ORDER THAT THEY CEASE AND DESIST FROM FURTHER VIOLATIONS OF THE SECURITIES REGISTRATION PROVISIONS UNDER SECTION 301 OF THE RHODE ISLAND SECURITIES ACT. ADDITIONALLY, RESPONDENTS HAVE REMITTED TO THE DIVISION REGISTRATION/EXEMPTION FEES WHICH WERE NOT TIMELY PAID, AND HAVE PAID A CIVIL PENALTY OF \$1,000 TO THE DIVISION.

Disclosure 29 of 34

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 11/07/1991

Docket/Case Number: C3B910041

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date: 11/07/1991

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

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

ON NOVEMBER 7, 1991, THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C3B910041 (DISTRICT NO. 3) SUBMITTED BY RESPONDENTS FIRST INVESTORS CORPORATION, WILLIAM M. GRIBBLE, HOWARD A. WASHBURN, CHARLES R. BENDER, ARNIE D. BERGMAN, AND STEPHEN M. PERRY WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED \$25,000; RESPONDENT GRIBBLE IS CENSURED, FINED \$8,200, AND REQUIRED TO REQUALIFY BY EXAMINATION AS A GENERAL SECURITIES PRINCIPAL WITHIN 90 DAYS OF THE DATE OF NOTIFICATION OF ACCEPTANCE OF THIS AWC; RESPONDENT WASHBURN IS CENSURED AND FINED \$10,000; RESPONDENT BENDER IS CENSURED AND FINED \$4,200; RESPONDENT BERGMAN IS CENSURED AND FINED \$3,500, AND RESPONDENT PERRY IS CENSURED AND FINED \$2,500 (ARTICLE III, SECTIONS 1, 2 AND 27 OF THE RULES OF FAIR PRACTICE - RESPONDENT GRIBBLE, BENDER, BERGMAN, AND PERRY RECOMMENDED TO PUBLIC CUSTOMERS THE PURCHASE OF SECURITIES WITHOUT HAVING REASONABLE GROUNDS FOR BELIEVING THAT SUCH RECOMMENDATIONS WERE SUITABLE FOR THE CUSTOMERS IN VIEW OF THE SIZE AND NATURE OF THE TRANSACTIONS, AND THE CUSTOMERS' FINANCIAL SITUATIONS, CIRCUMSTANCES AND NEEDS; RESPONDENT GRIBBLE FAILED TO SUPERVISE RESPONDENTS BENDER AND PERRY, PROPERLY AND RESPONDENT WASHBURN FAILED TO SUPERVISE RESPONDENTS GRIBBLE AND BERGMAN PROPERLY TO ENSURE THEIR COMPLIANCE WITH APPLICABLE NASD RULES; AND, RESPONDENT MEMBER FAILED TO ESTABLISH AND MAINTAIN ADEQUATE WRITTEN OR UNWRITTEN SUPERVISORY PROCEDURES TO DETECT AND PREVENT THE UNSUITABLE RECOMMENDATIONS AND SALE OF UNSUITABLE INVESTMENTS TO PUBLIC CUSTOMERS).

\$25,000.00 PAID ON 11/26/92 INVOICE #91-3B-1324

Reporting Source: Firm



Current Status:	Final
Allegations:	IT WAS ALLEGED THAT RESPONDENTS FIRST INVESTORS CORPORATION, WILLIAM GRIBBLE, HOWARD A. WASHBURN, CHARLES R. BENDER, ARNIE D. BERGMEN, AND STEPHEN M. PERRY VIOLATED ARTICLE III, SECTIONS 1, 2 AND 27 OF THE RULES OF FAIR PRACTICE - RESPONDENT GRIBBLE, BENDER, BERGMAN, AND PERRY ALLEGEDLY RECOMMENDED TO PUBLIC CUSTOMERS THE PURCHASE OF SECURITIES WITHOUT HAVING REASONABLE GROUNDS FOR BELIEVING THAT SUCH RECOMMENDATIONS WERE SUITABLE FOR THE CUSTOMERS IN VIEW OF THE SIZE AND NATURE OF THE TRANSACTIONS, AND THE CUSTOMERS FINANCIAL SITUATIONS, CIRCUMSTANCES AND NEEDS.
Initiated By:	NASD DISTRICT BUSINESS CONDUCT COMMITTEE FOR DISTRICT NO. 3
Date Initiated:	11/07/1991
Docket/Case Number:	C3B910041
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CENSURE - SEE ITEM NUMBER 12
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/07/1991
Sanctions Ordered:	Censure Monetary/Fine
Other Sanctions Ordered:	
Sanction Details:	ON NOVEMBER 7, 1991, THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT SUBMITTED BY RESPONDENTS FIRST INVESTORS CORPORATION, WILLIAM GRIBBLE, HOWARD A. WASHBURN, CHARLES R. BENDER, ARNIE D. BERGMEN, AND STEPHEN M. PERRY WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED \$25,000; RESPONDENT GRIBBLE IS CENSURED, FINED \$8,200, AND REQUIRED TO REQUALIFY BY EXAMINATION AS A GENERAL SECURITIES PRINCIPAL WITHIN 90 DAYS OF THE DATE OF NOTIFICATION OF ACCEPTANCE OF THIS AWC; RESPONDENT WASHBURN IS CENSURED AND FINED \$10,000; RESPONDENT BENDER IS CENSURED AND FINED \$4,200; RESPONDENT BERGMAN IS CENSURED AND FINED \$3,500, AND RESPONDENT PERRY IS CENSURED AND FINED \$2,500.



Disclosure 30 of 34

Reporting Source:	Regulator
Current Status:	Final
Allegations:	CERTAIN DOCUMENTS WERE NOT MAINTAINED AT THE BRANCH OFFICE AS REQUIRED. WRITTEN EVIDENCE OF SUPERVISION WAS NOT KEPT FOR CERTAIN ORDER TICKETS THAT WERE PREPARED BY REGISTERED AGENTS WHO WERE NOT LICENSED AS PRINCIPALS. COMMON STOCK CERTIFICATES WERE RECEIVED BY AGENTS OF FIC TO REDEEM FOR CLIENTS. THESE CERTIFICATES HAD THEN BEEN FORWARDED TO FIRST INVESTORS SECURITIES CORP. (A SUBSIDIARY OF FIC). CLIENTS USED THE PROCEEDS OF SUCH REDEMPTIONS IN ORDER TO PURCHASE MUTUAL FUNDS. AGENTS OF FIC EFFECTED OR ATTEMPTED TO EFFECT SALES OF STOCK FOR CLIENTS ALTHOUGH SUCH AGENTS WERE ONLY REGISTERED TO EFFECT TRANSACTIONS IN INVESTMENT COMPANY AND VARIABLE CONTRACT PRODUCTS. RESPONDENT CONSENTED TO THE ISSUANCE OF A PERMANENT ORDER TO CEASE AND DESIST FROM SUCH VIOLATIONS WHICH WAS ISSUED ON AUGUST 20, 1990.
Initiated By:	OKLAHOMA DEPARTMENT OF SECURITIES
Date Initiated:	08/20/1990
Docket/Case Number:	OSC 89-322
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	08/20/1990



Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: PERMANENT ORDER

Regulator Statement Not Provided

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED THAT CUSTOMER ACCOUNT INFORMATION WAS NOT MAINTAINED AT THE BRANCH OFFICE, ALLEGED FAILURE TO RENEW AND ENDORSE ORDER TICKETS, AND ALLEGED THAT CERTAIN FIRST INVESTORS REGISTERED REPRESENTATIVES ACTED OUTSIDE THAT SCOPE OF THEIR REGISTRATIONS IN THE STATE OF OKLAHOMA.

Initiated By: OKLAHOMA DEPARTMENT OF SECURITIES

Date Initiated: 01/29/1990

Docket/Case Number: OSC89-322

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: 08/20/1990

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: FIRST INVESTORS CONSENTED TO THE ISSUANCE OF A PERMANENT ORDER TO CEASE AND DESIST FROM FUTURE VIOLATIONS OF SECTION 201 OF THE OKLAHOMA SECURITIES ACT AND RULE R-204(G) OF THE ADMINISTRATIVE RULES OF THE OKLAHOMA SECURITIES COMMISSION, AS AMENDED.



Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 01/30/1983
Docket/Case Number: NEW-347

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

Resolution: Decision & Order of Offer of Settlement
Resolution Date: 04/12/1984
Sanctions Ordered: Monetary/Fine \$1,000.00
Other Sanctions Ordered:

Sanction Details:

Regulator Statement COMP #NEW-347, FILED 1/30/83, DIST. #5: DECISION RENDERED 4/12/84, WHEREIN THE OFFER OF SETTLEMENT SUBMITTED BY COLLINS WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER, FIRST INVESTORS CORP., AND COLLINS ARE FINED \$1,000, J&S. (ARTICLE III, SECTIONS 1, 2, 27(a) AND 35(d) OF THE RULES OF FAIR PRACTICE- RESPONDENT MEMBER AND COLLINS FAILED TO ENFORCE THE MEMBER'S SUPERVISORY PROCEDURES THEREBY PERMITTING SAID VIOLATIONS TO OCCUR). ALL RIGHTS OF APPEAL AND REVIEW HAVE BEEN WAIVED, THIS DECISION WAS FINAL 4/12/84. *****5/23/84, FC# 8740, PAID IN FULL.

Reporting Source: Firm
Current Status: Final
Allegations: FAILURE TO ENFORCE SUPERVISORY PROCEDURES
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 01/30/1983



Docket/Case Number: NEW-347

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 04/12/1984

Sanctions Ordered: Monetary/Fine \$1,000.00

Other Sanctions Ordered:

Sanction Details: FIRST INVESTORS CORPORATION AND REPRESENTATIVE COLLINS WERE FINED \$1,000 JOINTLY AND SEVERALLY.

Firm Statement OFFER OF SETTLEMENT ACCEPTED. RESPONDENT MEMBER, FIRST INVESTORS CORP. AND REPRESETATIVE COLLINS ARE FINED \$1,000.00 JOINTLY AND SEVERALLY. RESPONDENT MEMBER AND COLLINS FAILED TO ENFORCE THE MEMBER'S SUPERVISORY PROCEDURES PERMITTING VIOLATIONS TO OCCUR.

Disclosure 32 of 34

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 08/03/1973

Docket/Case Number: AWC-42

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:



Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 08/03/1973
Sanctions Ordered: Censure
Monetary/Fine \$750.00
Other Sanctions Ordered:
Sanction Details:
Regulator Statement COMPLAINT #AWC-42 FILED 08/03/73
DECISION 08/03/73: FINAL
FINES & COSTS 08/29/73: PAID (FC #5275)

Reporting Source: Firm
Current Status: Final
Allegations: DUE TO THE PASSAGE OF TIME, THE ALLEGATIONS RELATING TO THIS ACTION ARE UNAVAILABLE.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated: 01/01/1973
Docket/Case Number: AWC-42
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: PLEASE SEE ITEM 12
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 08/03/1973
Sanctions Ordered:
Other Sanctions Ordered: A MONETARY/FINE WAS ASSESSED. DUE TO THE PASSAGE OF TIME, THE AMOUNT IS NOT AVAILABLE. THIS FORM WILL NOT PERMIT US TO MARK THE "MONETARY/FINE" FIELD UNLESS AN AMOUNT IS ENTERED INTO THE "AMOUNT" FIELD. SINCE THE AMOUNT IS UNKNOWN, WE HAVE ENTERED THE INFORMATION RESPONSIVE TO "RESOLUTION DETAIL" IN THIS BOX.
Sanction Details: FIRST INVESTORS WAS ASSESSED FINES AND COSTS.

**Disclosure 33 of 34**

Reporting Source:	Regulator
Current Status:	Final
Allegations:	ENGAGED IN A COURSE OF BUSINESS WHICH WORKED OR TENDED TO WORK A FRAUD OR DECEIT UPON CERTAIN ILLINOIS RESIDENTS.
Initiated By:	ILLINOIS SECURITIES DEPARTMENT
Date Initiated:	12/31/1992
Docket/Case Number:	9100007
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	01/12/1993
Sanctions Ordered:	Censure Monetary/Fine \$90,000.00
Other Sanctions Ordered:	
Sanction Details:	CONSENT ORDER OF CENSURE AND PROHIBITION ISSUED JANUARY 12, 1993. RESPONDENT WAS FINED \$40,000.00 AND \$20,000.00 TO THE SECURITIES AUDIT AND ENFORCEMENT FUND. RESPONDENT ACKNOWLEDGES THAT AT LEAST \$827,450.00 WILL BE PAID TO ILLINOIS INVESTORS PURSUANT TO THE RESPONDENT'S AGREEMENT WITH THE SEC. RESPONDENT IS PROHIBITED FROM OFFERING OR SELLING SECURITIES IN THE STATE OF ILLINOIS EXCEPT IN COMPLIANCE WITH OUR ACT.
Regulator Statement	Not Provided

Reporting Source: Firm

Current Status: Final



Allegations: APPLICANT WAS ALLEGED TO HAVE ENGAGED IN A COURSE OF BUSINESS WHICH WORKED OR TENDED TO WORK A FRAUD OR DECEIT UPON CERTAIN ILLINOIS RESIDENTS.

Initiated By: ILLINOIS SECURITIES DEPARTMENT

Date Initiated: 12/31/1992

Docket/Case Number: 9100007

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: SEE ITEM NUMBER 12

Resolution: Consent

Resolution Date: 01/16/1993

Sanctions Ordered: Monetary/Fine

Other Sanctions Ordered:

Sanction Details: CONSENT ORDER OF CENSURE AND PROHIBITION ISSUED JANUARY 12, 1993. RESPONDENT WAS FINED \$40,000.00 AND \$20,000.00 TO THE SECURITIES AUDIT AND ENFORCEMENT FUND. RESPONDENT ACKNOWLEDGES THAT AT LEAST \$827,450.00 WILL BE PAID TO ILLINOIS INVESTORS PURSUANT TO THE RESPONDENT'S AGREEMENT WITH THE SEC. RESPONDENT IS PROHIBITED FROM OFFERING OR SELLING SECURITIES IN THE STATE OF ILLINOIS EXCEPT IN COMPLIANCE WITH ILLINOIS LAW.

Disclosure 34 of 34

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 02/23/1996

Docket/Case Number: C9B960001

Principal Product Type:



Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 02/20/1998

Regulator Statement

COMPLAINT NO. C9B960001 FILED FEBRUARY 23, 1996 BY DISTRICT NO. 9 AGAINST RESPONDENTS FIRST INVESTORS CORPORATION, NORMAN WIGUTOW AND GEORGE F. CHAPLIN ALLEGING VIOLATIONS OF ARTICLE III, SECTIONS 1, 2, 18 AND 27 OF THE RULES OF FAIR PRACTICE IN THAT RESPONDENT CHAPLIN RECOMMENDED TO PUBLIC CUSTOMERS THE PURCHASE OF SECURITIES WITHOUT HAVING REASONABLE GROUNDS FOR BELIEVING THAT SUCH RECOMMENDATIONS WERE SUITABLE FOR THE CUSTOMERS IN VIEW OF THEIR FINANCIAL SITUATION, CIRCUMSTANCES, NEEDS, AND OBJECTIVES; FAILED TO PERFORM MINIMUM DUE DILIGENCE AND DID NOT FULFILL HIS OBLIGATION TO INVESTIGATE AND UNDERSTAND THE INVESTMENT HE RECOMMENDED TO THE CUSTOMERS; AND, RESPONDENT MEMBER, ACTING THROUGH RESPONDENT WIGUTOW, FAILED TO ESTABLISH, IMPLEMENT AND ENFORCE REASONABLE SUPERVISORY PROCEDURES DESIGNED TO PREVENT THE AFOREMENTIONED SALES PRACTICE VIOLATIONS.

ON FEBRUARY 20, 1998, THE DECISION AND ORDER OF ACCEPTANCE OF OFFER OF SETTLEMENT SUBMITTED BY RESPONDENTS MEMBER AND WIGUTOW WAS ISSUED. PURSUANT TO THE OFFER OF SETTLEMENT, NO SANCTIONS WERE IMPOSED AGAINST RESPONDENTS MEMBER AND WIGUTOW FOR THE VIOLATIONS. HOWEVER, THE RESPONDENTS ARE ORDERED TO COMPLY WITH THE UNDERTAKING SET FORTH IN THEIR OFFER OF SETTLEMENT. A SEPARATE DECISION WILL BE RENDERED AS TO RESPONDENT CHAPLIN.

Reporting Source: Firm

Current Status: Final



Allegations:	COMPLAINT AGAINST RESPONDENTS FIRST INVESTORS CORPORATION, NORMAN WIGUTOW AND GEORGE F. CHAPLIN ALLEGING VIOLATIONS OF ARTICLE III, SECTIONS 1, 2, 18 AND 27 OF THE RULES OF FAIR PRACTICE IN THAT RESPONDENT CHAPLIN ALLEGEDLY RECOMMENDED TO PUBLIC CUSTOMERS THE PURCHASE OF SECURITIES WITHOUT HAVING REASONABLE GROUNDS FOR BELIEVING THAT SUCH RECOMMENDATIONS WERE SUITABLE FOR THE CUSTOMERS IN VIEW OF THEIR FINANCIAL SITUATION, CIRCUMSTANCES, NEEDS, AND OBJECTIVES; FAILED TO PERFORM MINIMUM DUE DILIGENCE AND DID NOT FULFILL HIS OBLIGATION TO INVESTIGATE AND UNDERSTAND THE INVESTMENT HE RECOMMENDED TO THE CUSTOMERS; AND, RESPONDENT MEMBER, ACTING THROUGH RESPONDENT WIGUTOW, FAILED TO ESTABLISH, IMPLEMENT AND ENFORCE REASONABLE SUPERVISORY PROCEDURES DESIGNED TO PREVENT THE AFOREMENTIONED SALES PRACTICE VIOLATIONS
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. DISTRICT NO.9
Date Initiated:	02/23/1996
Docket/Case Number:	C9B960001
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	SEE ITEM NUMBER 12
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	02/20/1998
Sanctions Ordered:	
Other Sanctions Ordered:	
Sanction Details:	THE DECISION AND ORDER OF ACCEPTANCE OFFER OF SETTLEMENT SUBMITTED BY RESPONDENTS MEMBER AND WIGUTOW WAS ISSUED. PURSUANT TO THE OFFER OF SETTLEMENT, NO SANCTIONS WERE IMPOSED AGAINST RESPONDENTS MEMBER AND WIGUTOW FOR THE VIOLATIONS. HOWEVER, THE RESPONDENTS ARE ORDERED TO COMPLY WITH THE UNDERTAKING SET FORTH IN THEIR OFFER OF SETTLEMENT. A SEPARATE DECISION WILL BE RENDERED AS TO RESPONDENT CHAPLIN.



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 3

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE STATE ALLEGED FAILURE BY THE APPLICANT, AS WELL AS SOME ASSOCIATED PERSONS AND AFFILIATED COMPANIES, TO PROPERLY SUPERVISE CERTAIN SALES REPRESENTATIVES WHO ALLEGEDLY MADE MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE SALE OF HIGH YIELD BOND MUTUAL FUNDS AND SOLD THE FUNDS TO CERTAIN INVESTORS FOR WHOM THEY ARE NOT SUITABLE.
Initiated By:	COMMONWEALTH OF MASSACHUSETTS
Court Details:	COMMONWEALTH OF MASSACHUSETTS, SUPERIOR COURT DEPARTMENT OF THE TRIAL COURT, SUFFOLK, MASSACHUSETTS, CIVIL ACTION, NO. 91-6423-E;
Date Court Action Filed:	09/25/1991
Date Notice/Process Served:	09/25/1991
Principal Product Type:	Mutual Fund(s)
Other Product Types:	
Relief Sought:	Cease and Desist
Other Relief Sought:	
Resolution:	Consent
Resolution Date:	12/20/1993
Sanctions Ordered or Relief Granted:	Cease and Desist/Injunction
Other Sanctions:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE APPLICANT CONSENTED TO BE ENJOINED FOR A PERIOD OF TWO YEARS FROM ACTING AS AN AGENT OF ANY BROKER-DEALER IN MASSACHUSETTS, DIRECTLY SUPERVISING ANY PERSON OR EXERCISING AUTHORITY AS AN OFFICER OR VOTING AS A DIRECTOR OR MATTERS PERTAINING SOLELY TO ACTIVITIES IN MASSACHUSETTS OR RECEIVING ANY INCREASE OF COMPENSATION FROM CERTAIN ACTIVITIES IN MASSACHUSETTS.



Disclosure 2 of 3	
Reporting Source:	Regulator
Current Status:	Final
Allegations:	MATERIAL MISREPRESENTATIONS, NON-DISCLOSURE OF SALES COMMISSIONS, SALE OF UNSUITABLE INVESTMENTS, AND USE OF MISLEADING PROSPECTUSES IN CONNECTION WITH THE OFFERING AND SALE OF JUNK BOND MUTUAL FUNDS AND PERIODIC PAYMENT PLANS. CIVIL SUIT INITIATED ALLEGING MATERIAL MISREPRESENTATIONS, NON-DISCLOSURE OF SALES COMMISSIONS, SALES OF UNSUITABLE INVESTMENTS AND USE OF MISLEADING PROSPECTUSES IN CONNECTION WITH THE OFFERING AND SALE OF JUNK BOND MUTUAL FUNDS AND PERIODIC PAYMENT PLANS. CIVIL SUIT INITIATED ALLEGING MATERIAL MISREPRESENTATIONS, NON-DISCLOSURE OF SALES COMMISSIONS, SALES OF UNSUITABLE INVESTMENTS AND USE OF MISLEADING PROSPECTUSES IN CONNECTION WITH THE OFFERING AND SALE OF JUNK BOND MUTUAL FUNDS AND PERIODIC PAYMENT PLANS.
Initiated By:	STATE OF MAINE SECURITIES DIVISION AND THE STATE OF *See FAQ #1*
Court Details:	CV-91-XXXX STATE OF MAINE, SUPERIOR COURT, KENNEBEC COUNTY
Date Court Action Filed:	08/14/1991
Principal Product Type:	
Other Product Types:	
Relief Sought:	
Other Relief Sought:	
Resolution:	Consent
Resolution Date:	12/20/1993
Sanctions Ordered or Relief Granted:	Cease and Desist/Injunction
Other Sanctions:	
Sanction Details:	LITIGATION PENDING CONSENT AGREEMENT AND ORDER



DATED 12/20/93.

Regulator Statement

PERMANENTLY ENJOINED FROM ENGAGING IN FRAUDULENT PRACTICES IN VIOLATION OF REVISED MAINE SECURITIES ACT; WITHIN 2 YEARS TERMINATE THE PAYMENT OF COMMISSION OVERRIDES TO ANY PERSONS OTHER THAN OFFICE MANAGERS, REGISTERED PRINCIPALS AND THOSE OTHER PERSONS RESPONSIBLE FOR THE SUPERVISION OF THE PERSON WHO PRODUCED THE SALE GENERATING THE COMMISSION; WITHIN 3 YEARS REQUIRE ALL COMPLEX HEADS AND COMPLEX DIRECTORS TO HOLD NASD SERIES 7 LICENSE; FIVE ANNUAL COMPLIANCE REVIEWS OF CURRENT SALES PRACTICES FOR SALES TO MAINE RESIDENTS TO BE CONDUCTED BY NAMED CONSULTANTS; AND OTHER UNDERTAKINGS.
U-6 ELECTRONICALLY ENTERED BY ME; TRANS #400038-20899
PERMANENTLY ENJOINED FROM ENGAGING IN FRAUDULENT PRACTICES; WITHIN 2 YEARS TERMINATE PAYMENT OF CERTAIN COMMISSION OVERRIDES; WITHIN 3 YEARS REQUIRE ALL COMPLEX HEADS AND COMPLEX DIRECTORS TO HOLD NASD SERIES 7 LICENSE; FIVE ANNUAL COMPLIANCE REVIEWS OF CURRENT SALES PRACTICES FOR SALES TO MAINE RESIDENTS TO BE CONDUCTED BY NAMED CONSULTANTS; AND OTHER UNDERTAKINGS.

Reporting Source:	Firm
Current Status:	Final
Allegations:	MATERIAL MISREPRESENTATIONS, NON-DISCLOSURE OF SALES COMMISSIONS, SALE OF UNSUITABLE INVESTMENTS AND USE OF MISLEADING PROSPECTUSES IN CONNECTION WITH THE OFFERING AND SALE OF JUNK BOND MUTUAL FUNDS AND PERIODIC PAYMENT PLANS.
Initiated By:	STATE OF MAINE SECURITIES DIVISION AND STATE ATTORNEY GENERAL
Court Details:	STATE OF MAINE SUPERIOR COURT - KENNEBEC COUNTY #CV-91-373
Date Court Action Filed:	08/14/1991
Principal Product Type:	Mutual Fund(s)
Other Product Types:	PERIODIC PAYMENT PLANS
Relief Sought:	Injunction
Other Relief Sought:	UNDERTAKINGS



Resolution:	Consent
Resolution Date:	12/20/1993
Sanctions Ordered or Relief Granted:	Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions:	UNDERTAKINGS TO STRENGTHEN COMPLIANCE AND TRAINING PROCEDURES
Sanction Details:	FIRST INVESTORS AGREED TO BE PERMANENTLY ENJOINED FROM ENGAGING IN FRAUDULENT PRACTICES IN VIOLATION OF REVISED MAINE SECURITIES ACT; TERMINATE WITHIN 2 YEARS THE PAYMENT OF COMMISSION OVERRIDES TO ANY PERSONS OTHER THAN OFFICE MANAGERS, REGISTERED PRINCIPALS AND THOSE OTHER PERSONS RESPONSIBLE FOR THE SUPERVISION OF THE PERSON WHO PRODUCED THE SALE GENERATING THE COMMISSION; WITHIN 3 YEARS REQUIRE ALL COMPLEX HEADS AND COMPLEX DIRECTORS TO HOLD NASD SERIES 7 LICENSE; FIVE ANNUAL COMPLIANCE REVIEWS OF CURRENT SALES PRACTICES FOR SALES TO MAINE RESIDENTS TO BE CONDUCTED BY NAMED CONSULTANTS; AND OTHER UNDERTAKINGS.

Disclosure 3 of 3

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Court Details:	
Date Court Action Filed:	06/11/1992
Principal Product Type:	
Other Product Types:	
Relief Sought:	
Other Relief Sought:	
Resolution:	Consent
Resolution Date:	06/30/1992
Sanctions Ordered or Relief Granted:	Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions:	

**Sanction Details:****Regulator Statement**

[TOP] +7/28/92+ SEC DOCKET, VOLUME 51 NO. 14, 6/30/92, PAGE 1455: FIRST INVESTORS CORPORATION (FIRST INVESTORS) HAS BEEN PERMANENTLY ENJOINED BY THE U.S.D.C. FOR THE S.D. OF N.Y., SEC V. FIRST INVESTORS, 92 CIV.4281 (MJL), (JUDGMENT ENTERED 6/12/92) FROM VIOLATING SECTION 10(b) OF THE EXCHANGE ACT, RULE 10b-5 AND SECTION 17(a) OF THE SECURITIES ACT OF 1933. THE SEC'S COMPLAINT ALLEGED, THAT FROM 1984 THROUGH 1990, FIRST INVESTORS VIOLATED THE FOREGOING PROVISIONS OF THE SECURITIES LAWS, IN CONNECTION WITH THE SALE OF SHARES OF THE FUNDS.

+8/20/92+ SEC NEWS DIGEST, ISSUE 92-113, DATED 6/11/92 DISCLOSES; THE SEC FILED A CIVIL INJUNCTIVE ACTION IN THE S.D. OF N.Y. AGAINST FIRST INVESTORS. THE COMPLAINT SEEKS A PERMANENT INJUNCTION AGAINST FIRST INVESTORS FROM FUTURE VIOLATIONS OF SECTION 10(b) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 10b-5, AND SECTION 17(a) OF THE SECURITIES ACT OF 1933. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIRST INVESTORS CONSENTED TO THE ENTRY OF A PERMANENT INJUNCTION AND AGREED TO DISGORGE \$24.7 MILLION TO THE REGISTRY OF THE COURT. ACCORDING TO THE COMPLAINT, FROM 1984 THROUGH 1990, FIRST INVESTORS AUTHORIZED ITS REPRESENTATIVES TO MAKE ORAL MISREPRESENTATIONS TO INVESTORS IN TWO AFFILIATED HIGH YIELD FUNDS CONCERNING THE RISKS OF INVESTING IN THE FUNDS, THE RETURN ON THE FUNDS AND THE LIKELIHOOD AND EFFECT OF A DEFAULT BY ISSUERS OF SECURITIES IN THE FUNDS' PORTFOLIOS. THE COMPLAINT ALLEGES THAT THE MISREPRESENTATIONS AND OMISSIONS MISLED SOME INVESTORS INTO BELIEVING THAT THE FUNDS WERE SAFE AND RISK-FREE INVESTMENTS. THE COMPLAINT ALSO ALLEGED THAT DURING THAT PERIOD FIRST INVESTORS, DIRECTLY OR INDIRECTLY, THROUGH CERTAIN OF ITS SALES REPRESENTATIVES, RECOMMENDED AND SOLD SHARES OF THE FUNDS TO CERTAIN INVESTORS FOR WHOM SUCH SHARES WERE UNSUITABLE INVESTMENTS. [SEC V. FIRST INVESTORS, 92 CIV. 4281, MJL, SDNY] (LR-13267)

Reporting Source:

Firm

Current Status:

Final

Allegations:

ALLEGATIONS THAT FIRST INVESTORS REPRESENTATIVES RECOMMENDED AND SOLD SHARES OF TWO HIGH YIELD BOND MUTUAL FUNDS TO CERTAIN INVESTORS FOR WHOM SUCH SHARES WERE UNSUITABLE, AND THAT MISREPRESENTATIONS WERE MADE TO



INVESTORS CONCERNING THE RISKS OF INVESTING IN THE FUNDS, THE RETURN ON THE FUNDS AND EFFECT OF A DEFAULT BY ISSUERS OF SECURITIES IN THE FUNDS' PORTFOLIOS.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Court Details: UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK, 92 CIV. 4281

Date Court Action Filed: 06/11/1992

Principal Product Type: Mutual Fund(s)

Other Product Types:

Relief Sought: Injunction

Other Relief Sought: RESTITUTION

Resolution: Consent

Resolution Date: 06/30/1992

Sanctions Ordered or Relief Granted: Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIRST INVESTORS AGREED TO BE PERMANENTLY ENJOINED FROM VIOLATING SECTION 10(B) OF THE EXCHANGE ACT, RULE 10B-5 AND SECTION 17(A) OF THE SECURITIES ACT OF 1933, AND AGREED TO DISGORGE \$24.7 MILLION TO THE REGISTRY OF THE COURT.



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 18

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	09/05/1990
Case Number:	90-01831
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS
Sum of All Relief Requested:	\$43,571.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	06/20/1991
Sum of All Relief Awarded:	\$10,000.00

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

Disclosure 2 of 18

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum:	NASD
Case Initiated:	10/13/1990
Case Number:	90-02400
Disputed Product Type:	CORPORATE BONDS; NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS



Sum of All Relief Requested: \$180,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 04/16/1991

Sum of All Relief Awarded: \$20,000.00

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 18

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 04/15/1991

Case Number: [91-00248](#)

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

Sum of All Relief Requested: \$164,028.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 01/06/1992

Sum of All Relief Awarded: \$236,867.00

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 18

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 04/16/1991



Case Number: [91-00255](#)

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

Sum of All Relief Requested: \$433,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 07/27/1992

Sum of All Relief Awarded: \$213,695.00

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 18

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 03/21/1991

Case Number: [91-00777](#)

Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; LIMITED PARTNERSHIPS

Sum of All Relief Requested: \$58,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/09/1991

Sum of All Relief Awarded: \$15,000.00

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

Disclosure 6 of 18

Reporting Source: Regulator

Type of Event: ARBITRATION

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



Arbitration Forum: NASD

Case Initiated: 06/25/1991

Case Number: [91-01847](#)

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

Sum of All Relief Requested: \$69,326.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 04/06/1992

Sum of All Relief Awarded: \$36,832.00

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 18

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: NASD

Case Initiated: 06/25/1991

Case Number: [91-01848](#)

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

Sum of All Relief Requested: \$256,356.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 04/06/1992

Sum of All Relief Awarded: \$155,207.00

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

Disclosure 8 of 18

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:	07/02/1991
Case Number:	91-01849
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS
Sum of All Relief Requested:	\$98,728.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	04/06/1992
Sum of All Relief Awarded:	\$61,149.00

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 18

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:	NASD
Case Initiated:	07/12/1991
Case Number:	91-01988
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS
Sum of All Relief Requested:	\$164,752.58
Disposition:	AWARD AGAINST PARTY
Disposition Date:	08/05/1992
Sum of All Relief Awarded:	\$22,000.00

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

Disclosure 10 of 18



Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 08/22/1991

Case Number: [91-02280](#)

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

Sum of All Relief Requested: \$415,290.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 04/28/1992

Sum of All Relief Awarded: \$87,500.00

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

Disclosure 11 of 18

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 08/25/1992

Case Number: [92-02817](#)

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

Sum of All Relief Requested: \$6,545.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 02/16/1993

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 12 of 18**

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	11/24/1992
Case Number:	92-03463
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; LIMITED PARTNERSHIPS; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	\$200,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	10/22/1993
Sum of All Relief Awarded:	\$75,000.00

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

Disclosure 13 of 18

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:	03/10/1993
Case Number:	93-00723
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$116,400.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	04/18/1994



Sum of All Relief Awarded: \$12,100.00

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 18

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: NASD

Case Initiated: 03/25/1993

Case Number: [93-00882](#)

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

Sum of All Relief Requested: \$66,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 11/05/1993

Sum of All Relief Awarded: \$8,545.00

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 18

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-SUITABILITY; NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 06/17/1993

Case Number: [93-01872](#)

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

Sum of All Relief Requested: \$48,524.36

Disposition: AWARD AGAINST PARTY



Disposition Date: 03/28/1994

Sum of All Relief Awarded: \$48,524.36

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 18

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 03/10/1995

Case Number: [95-00711](#)

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

Sum of All Relief Requested: \$4,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 04/25/1996

Sum of All Relief Awarded: \$1,069.25

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 18

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 10/02/1995

Case Number: [95-04311](#)

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

Sum of All Relief Requested: \$140,000.00



Disposition: AWARD AGAINST PARTY
Disposition Date: 06/07/1996
Sum of All Relief Awarded: \$60,000.00

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

Disclosure 18 of 18

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-OTHER;
NO OTHER CONTROVERSY INVOLVED
Arbitration Forum: NASD
Case Initiated: 02/01/1999
Case Number: [98-04298](#)
Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; OPTIONS
Sum of All Relief Requested: \$6,045.93
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/14/2000
Sum of All Relief Awarded: \$6,045.93

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

End of Report



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