BrokerCheck Report

CENTAURUS FINANCIAL, INC.

CRD# 30833

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our investor alert on imposters.

About BrokerCheck®

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

- **What is included in a BrokerCheck report?**
- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
- **Where did this information come from?**
- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
  - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
  - information that regulators report regarding disciplinary actions or allegations against firms or brokers.
- **How current is this information?**
- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.
- **What if I want to check the background of an investment adviser firm or investment adviser representative?**
- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at https://www.adviserinfo.sec.gov. In the alternative, you may search the IAPD website directly or contact your state securities regulator at http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414.
- **Are there other resources I can use to check the background of investment professionals?**
- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.
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Thank you for using FINRA BrokerCheck.

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

brokercheck.finra.org

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

CENTAURUS FINANCIAL, INC.

CRD# 30833

SEC# 8-45185

Main Office Location

2300 E. KATELLA AVENUE
SUITE #200
ANAHEIM, CA 92806
Regulated by FINRA Los Angeles Office

Mailing Address

2300 E. KATELLA AVENUE
SUITE #200
ANAHEIM, CA 92806

Business Telephone Number

714-456-1790

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

https://www.adviserinfo.sec.gov

Report Summary for this Firm

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

Firm Profile

This firm is classified as a corporation.

This firm was formed in California on 08/27/1992.

Its fiscal year ends in April.

Firm History

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

Firm Operations

This firm is registered with:

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

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

This firm conducts 16 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	17
Arbitration	8

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Firm Profile

This firm is classified as a corporation.

This firm was formed in California on 08/27/1992.

Its fiscal year ends in April.

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.

CENTAURUS FINANCIAL, INC.

Doing business as CENTAURUS FINANCIAL, INC.

CRD# 30833

SEC# 8-45185

Main Office Location

2300 E. KATELLA AVENUE
SUITE #200
ANAHEIM, CA 92806

Regulated by FINRA Los Angeles Office

Mailing Address

2300 E. KATELLA AVENUE
SUITE #200
ANAHEIM, CA 92806

Business Telephone Number

714-456-1790

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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):	FEDERATION OF FINANCIAL SERVICES
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	OWNER
Position Start Date	03/1993
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):	KREMER, STEPHEN MARK 1188829
Is this a domestic or foreign entity or an individual?	Individual
Position	OWNER
Position Start Date	06/1999
Percentage of Ownership	5% but less than 10%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	RUBINO, MICHAEL PETER 1188940
Is this a domestic or foreign entity or an individual?	Individual
Position	OWNER
Position Start Date	06/1999

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Firm Profile

Direct Owners and Executive Officers (continued)

Percentage of Ownership	5% but less than 10%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	ADAMS, JOHN GLENN 4410751
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR/SVP
Position Start Date	07/2015
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):	DUHOVIC, JEROME VICTOR 2123754
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER
Position Start Date	09/2017
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):	DUHOVIC, JEROME VICTOR

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Firm Profile

Direct Owners and Executive Officers (continued)

	2123754
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR/EVP/CHIEF ADMINISTRATIVE OFFICER/CHIEF OPERATIONS OFFICER
Position Start Date	10/2006
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):	KING, JAMES RONALD SR
	269927
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR/CHAIRMAN OF THE BOARD/CEO
Position Start Date	10/2007
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):	KING, PAUL J
	5017845
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR/GENERAL COUNSEL
Position Start Date	06/2012
Percentage of Ownership	Less than 5%

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Firm Profile

Direct Owners and Executive Officers (continued)

Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	KING, WESTLEY HAYES 2527676
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR/PRESIDENT/CMO
Position Start Date	11/2007
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):	LEJMAN, SHERI J
Is this a domestic or foreign entity or an individual?	Individual
Position	CFO/SVP/PRINCIPAL FINANCIAL OFFICER AND PRINCIPAL OPERATIONS OFFICER
Position Start Date	10/2014
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

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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):	KING, JAMES RONALD SR 269927
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	FEDERATION OF FINANCIAL SERVICES
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	12/1995
Percentage of Ownership	50% but less than 75%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	DUHOVIC, JEROME VICTOR 2123754
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	FEDERATION OF FINANCIAL SERVICES
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	08/2007
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

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Firm History

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

No information reported.

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Firm Operations

Registrations

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

This firm is currently registered with the SEC, 1 SRO and 53 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	01/21/1993

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	04/15/1993

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Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	12/03/1993
Alaska	Approved	11/09/1993
Arizona	Approved	11/09/1993
Arkansas	Approved	04/13/1994
California	Approved	04/22/1993
Colorado	Approved	06/02/1993
Connecticut	Approved	09/07/1993
Delaware	Approved	01/26/1994
District of Columbia	Approved	07/30/1993
Florida	Approved	08/18/1993
Georgia	Approved	10/13/1993
Hawaii	Approved	10/20/1993
Idaho	Approved	12/07/1993
Illinois	Approved	08/31/1993
Indiana	Approved	06/21/1993
Iowa	Approved	06/30/1993
Kansas	Approved	10/28/1993
Kentucky	Approved	07/02/1993
Louisiana	Approved	10/29/1993
Maine	Approved	01/31/1994
Maryland	Approved	06/29/1993
Massachusetts	Approved	10/22/1993
Michigan	Approved	06/02/1993
Minnesota	Approved	11/02/1993
Mississippi	Approved	09/08/1993
Missouri	Approved	10/25/1994
Montana	Approved	06/08/1993
Nebraska	Approved	01/01/1994
Nevada	Approved	11/05/1993
New Hampshire	Approved	11/15/1993
New Jersey	Approved	08/18/1993
New Mexico	Approved	11/10/1993
New York	Approved	10/28/1993

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	06/23/1993
North Dakota	Approved	03/07/1994
Ohio	Approved	10/20/1993
Oklahoma	Approved	07/07/1993
Oregon	Approved	07/21/1993
Pennsylvania	Approved	02/01/1994
Puerto Rico	Approved	09/13/2017
Rhode Island	Approved	09/02/1993
South Carolina	Approved	10/19/1993
South Dakota	Approved	10/20/1993
Tennessee	Approved	03/22/1995
Texas	Approved	08/13/1993
Utah	Approved	07/09/1993
Vermont	Approved	09/20/1993
Virgin Islands	Approved	11/20/2014
Virginia	Approved	10/21/1993
Washington	Approved	06/15/1993
West Virginia	Approved	07/06/1993
Wisconsin	Approved	06/11/1993
Wyoming	Approved	07/08/1993

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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 16 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Mutual fund retailer
U S. government securities broker
Municipal securities dealer
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Broker or dealer selling oil and gas interests
Put and call broker or dealer or option writer
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Broker or dealer selling tax shelters or limited partnerships in the secondary market
Non-exchange member arranging for transactions in listed securities by exchange member
Private placements of securities
Broker or dealer selling interests in mortgages or other receivables
Other - CENTAURUS FINANCIAL, INC. IS A MEMBER OF THE NATIONAL FUTURES ASSOCIATION TO SOLICIT FUND POOLS ON A BEST EFFORTS BASIS,INCLUDING COMMODITY POOLS, FUNDS OF FUNDS, AND MANAGED FUTURES.

Other Types of Business

This firm does effect transactions in commodities, commodity futures, or commodity options.
This firm does engage in other non-securities business.

Non-Securities Business Description: CENTAURUS FINANCIAL IS LICENSED WITH A MAJORITY OF STATE INSURANCE DEPARTMENTS, WHERE REQUIRED, TO SOLICIT NON-SECURITIES INSURANCE PRODUCTS. WE ARE ALSO LICENSED WITH VARIOUS SECRETARIES OF STATE AS A FORIEGN CORPORATION. CENTAURUS FINANCIAL IS ALSO A REGISTERED INVESTMENT ADVISOR WITH THE SEC.

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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:	04/22/1993
Description:	CENTAURUS HAS A CLEARING ARRANGEMENT WITH PERSHING, LLC

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Firm Operations

Industry Arrangements

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

Name:	CHARLES SCHWAB & CO., INC.
CRD #:	5393
Business Address:	2433 E. LINCOLN DRIVE PHOENIX, AZ 85016
Effective Date:	07/07/2011
Description:	CENTAURUS FINANCIAL, INC. IN ITS CAPACITY AS A REGISTERED INVESTMENT ADVISOR HAS ENTERED INTO AN INVESTMENT MANAGER SERVICE AGREEMENT WITH CHARLES SCHWAB & CO., INC.

Name:	TD AMERITRADE, INC.
CRD #:	7870
Business Address:	4075 SORRENTO VALLEY BLVD. SUITE A SAN DIEGO, CA 92121
Effective Date:	05/10/2010
Description:	CENTAURUS FINANCIAL, INC. IN ITS CAPACITY AS A REGISTERED INVESTMENT ADVISOR HAS A MASTER ACCOUNT ARRANGEMENT WITH TD AMERTITRADE, INC.

Name:	FIRST TRUST PORTFOLIOS L.P.
CRD #:	28519
Business Address:	120 E. LIBERTY DRIVE SUITE 400 WHEATON, IL 60187
Effective Date:	01/31/2007
Description:	CENTAURUS FINANCIAL, INC. HAS A CLEARING ARRANGEMENT WITH FIRST TRUST PORTFOLIOS L.P. ADVISOR DIRECT FOR UNIT INVESTMENT TRUST TRANSACTIONS.

Name:	PERSHING LLC
CRD #:	7560
Business Address:	ONE PERSHING PLAZA JERSEY CITY, NJ 07399

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Firm Operations

Industry Arrangements (continued)

Effective Date: 04/22/1993

Description: CENTAURUS HAS A CLEARING ARRANGEMENT WITH PERSHING, LLC

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

Name: CHARLES SCHWAB & CO., INC.

CRD #: 5393

Business Address: 2433 E. LINCOLN DRIVE
PHOENIX, AZ 85016

Effective Date: 07/07/2011

Description: CENTAURUS FINANCIAL, INC. IN ITS CAPACITY AS A REGISTERED INVESTMENT ADVISOR HAS ENTERED INTO AN INVESTMENT MANAGER SERVICE AGREEMENT WITH CHARLES SCHWAB & CO., INC.

Name: TD AMERITRADE, INC.

CRD #: 7870

Business Address: 4075 SORRENTO VALLEY BLVD.
SUITE A
SAN DIEGO, CA 92121

Effective Date: 05/20/2010

Description: CENTAURUS FINANCIAL, INC. IN ITS CAPACITY AS REGISTERED INVESTMENT ADVISOR HAS AN ADVISOR MASTER ACCOUNT WITH TD AMERITRADE, INC.

Name: PERSHING LLC

CRD #: 7560

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 04/23/1993

Description: CENTAURUS HAS A CLEARING ARRANGEMENT WITH PERSHING, LLC

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

Name: CHARLES SCHWAB & CO., INC.

CRD #: 5393

Business Address: 2433 E. LINCOLN DRIVE
PHOENIX, AZ 85016

Effective Date: 07/07/2011

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Firm Operations

Industry Arrangements (continued)

Description:	CENTAURUS FINANCIAL INC. IN ITS CAPACITY AS REGISTERED INVESTMENT ADVISOR HAS ENTERED INTO AN INVESTMENT MANAGER SERVICE AGREEMENT WITH CHARLES SCHWAB & CO., INC.
Name:	TD AMERITRADE, INC.
CRD #:	7870
Business Address:	4075 SORRENTO VALLEY BLVD. SUITE A SAN DIEGO, CA 92121
Effective Date:	05/10/2010
Description:	CENTAURUS FINANCIAL, INC. IN ITS CAPACITY AS REGISTERED INVESTMENT ADVISOR HAS A MASTER ACCOUNT ARRANGEMENT WITH TD AMERITRADE, INC.
Name:	FIRST TRUST PORTFOLIOS L.P.
CRD #:	28519
Business Address:	120 E. LIBERTY DRIVE SUITE 400 WHEATON, IL 60187
Effective Date:	01/31/2007
Description:	CENTAURUS FINANCIAL,INC. HAS A CLEARING ARRANGEMENT WITH FIRST TRUST PORTFOLIO, L.P. ADVISOR DIRECT FOR UNIT INVESTMENT TRUST TRANSACTIONS.
Name:	PERSHING LLC
CRD #:	7560
Business Address:	ONE PERSHING PLAZA JERSEY CITY, NJ 07399
Effective Date:	04/22/1993
Description:	CENTAURUS HAS A CLEARING ARRANGEMENT WITH PERSHING, LLC

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.

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Firm Operations

Organization Affiliates

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

This firm is, directly or indirectly:

- **in control of**
- **controlled by**
- **or under common control with**

the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

ALPHA CENTAURI WEALTH MANAGEMENT INC. is under common control with the firm.

CRD #:	132837
Business Address:	2300 E. KATELLA AVENUE SUITE 200 ANAHEIM, CA 92805
Effective Date:	06/01/2002
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	CENTAURUS FINANCIAL,INC. SHARES COMMON DIRECTORS AND COMMON INDIRECT OWNER(S) WITH ALPHA CENTAURI WEALTH MANAGEMENT INC. RON KING (CRD #269927)IS A COMMON DIRECTOR OF BOTH ALPHA CENTAURI AND CENTAURUS FINANCIAL.

PACIFIC POINT SECURITIES, LLC is under common control with the firm.

CRD #:	150272
Business Address:	2300 E. KATELLA AVENUE SUITE 275 ANAHEIM, CA 92806
Effective Date:	04/07/2009
Foreign Entity:	No
Country:	
Securities Activities:	Yes

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Firm Operations

Organization Affiliates (continued)

Investment Advisory Activities:	No
Description:	CENTAURUS FINANCIAL, INC. SHARES COMMON DIRECTORS AND COMMON INDIRECT OWNER(S) WITH PACIFIC POINT SECURITIES, LLC. JERRY DUHOVIC (2123754), WESTLEY KING (2527676), JAMES RON KING (269927) AND PAUL KING ARE COMMON DIRECTORS OF BOTH PACIFIC POINT AND CENTAURUS FINANCIAL.

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**

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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	17	0
Arbitration	N/A	8	N/A

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Disclosure Event Details

What you should know about reported disclosure events:

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

Regulatory - Final

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

Disclosure 1 of 17

Reporting Source:	Firm
Current Status:	Final

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Allegations:	THE SECURITIES COMMISSION OF SOUTH CAROLINA ("SCSC") ALLEGED THAT: DURING THE RELEVANT PERIOD, CFI AND CERTAIN SOUTH CAROLINA REGISTERED REPRESENTATIVES ("CFI RRS") RECOMMENDED STEEPENERS AND/OR CORPORATE BONDS TO CERTAIN CUSTOMERS WITHOUT REASONABLE GROUNDS TO BELIEVE THAT SUCH INVESTMENTS, IN THE AMOUNTS PURCHASED, WOULD BE SUITABLE FOR THOSE CUSTOMERS, IN VIOLATION OF S.C. CODE OF REGULATIONS § 13-501(A)(3); CENTAURUS FAILED TO REASONABLY SUPERVISE CERTAIN CFI RRS IN CONNECTION WITH CERTAIN STEEPENER TRANSACTIONS, IN VIOLATION OF S.C. CODE ANN. § 35-1-412(D)(9); CFI RRS MADE UNSUITABLE RECOMMENDATIONS TO CUSTOMERS BY RECOMMENDING STEEPENER TRADES IN CERTAIN CUSTOMERS' ACCOUNTS THAT EXCEEDED THE CONCENTRATION LIMITS OF THE SOUTH CAROLINA BRANCH OFFICE WSPS IN VIOLATION OF S.C. CODE OF REGULATIONS § 13-501(A)(3); CFI RRS CREATED AND DISTRIBUTED CUSTOM INCOME STATEMENTS AND PROJECTIONS, TO CERTAIN CUSTOMERS, IN VIOLATION OF S.C. CODE OF REGULATIONS § 13-501(C); CERTAIN BOOKS AND RECORDS, WERE OVERWRITTEN IN VIOLATION OF S.C. CODE OF REGULATIONS § 13-405(A)(1).
Initiated By:	SECURITIES COMMISSIONER OF SOUTH CAROLINA
Date Initiated:	02/06/2023
Docket/Case Number:	20191562
Principal Product Type:	Debt - Corporate
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	02/06/2023
Sanctions Ordered:	Censure Monetary/Fine $650,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	PAID A TOTAL OF $650,000; $425,000 CIVIL PENALTY AND $225,000 REIMBURSEMENT OF COSTS INCURRED BY THE DIVISION PAID 2/15/2023
Firm Statement	THE FIRM HAS UNDERTAKEN, AMONG OTHER THINGS, TO: 1)WITHDRAW THE WSPS FOR THE SOUTH CAROLINA BRANCH OFFICE

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2)RETAIN AN INDEPENDENT CONSULTANT TO REVIEW:(I) CFI'S POLICIES AND PROCEDURES DESIGNED TO PREVENT AND DETECT UNSUITABLE RECOMMENDATIONS OF STRUCTURED PRODUCTS(II) CFI'S SYSTEMS OF INTERNAL CONTROLS TO IMPLEMENT THE POLICIES AND PROCEDURES DESIGNED TO PREVENT AND DETECT UNSUITABLE RECOMMENDATIONS OF STRUCTURED PRODUCTS; AND (III) CFI'S BRANCH OFFICE OF SUPERVISORY JURISDICTION'S MAINTENANCE AND PRESERVATION OF RECORDS.
3)ADOPT, IMPLEMENT, AND MAINTAIN ALL POLICIES, PROCEDURES, AND PRACTICES RECOMMENDED IN THE REPORT OF THE INDEPENDENT CONSULTANT.
4)DESIGN AND IMPLEMENT POLICIES AND PROCEDURES WITH RESPECT TO STRUCTURED PRODUCTS
5)PAY A TOTAL OF $650,000 TO THE DIVISION, OF WHICH $425,000 IS DESIGNATED AS A CIVIL PENALTY AND $225,000 IS DESIGNATED AS THE REIMBURSEMENT OF COSTS INCURRED BY THE DIVISION IN ITS INVESTIGATION OF THE MATTERS DETAILED ABOVE.

Disclosure 2 of 17

Reporting Source: Regulator

Current Status: Final

Allegations: THE SEC DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED AGAINST CENTAURUS FINANCIAL, INC. ("CENTAURUS" OR "CFI"), RICKY A. MANTEI, AND ATUL MAKHARIA (COLLECTIVELY "RESPONDENTS"). IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENTS HAVE SUBMITTED OFFERS OF SETTLEMENT (THE "OFFERS") WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER THEM AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, AND EXCEPT AS PROVIDED HEREIN, RESPONDENTS CONSENT TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER ("ORDER"). ON THE BASIS OF THIS ORDER AND RESPONDENTS' OFFERS, THE COMMISSION FINDS THAT MAKHARIA AND OTHER REGISTERED REPRESENTATIVES FROM CFI'S LEXINGTON, SOUTH CAROLINA BRANCH OFFICE (THE "CFI RRS") RECOMMENDED VRSPS TO RETAIL CUSTOMERS FOR WHOM SUCH INVESTMENTS WERE UNSUITABLE IN LIGHT OF EACH OF THE SPECIFIC CUSTOMERS' FINANCIAL SITUATIONS

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AND NEEDS (THE "SPECIFIED CUSTOMERS"). MAKHARIA AND THE OTHER CFI RRS MADE THESE RECOMMENDATIONS EVEN THOUGH THEY KNEW, OR REASONABLY SHOULD HAVE KNOWN, AMONG OTHER FACTORS, THAT THE SPECIFIED CUSTOMERS TO WHOM THESE VRSPS WERE RECOMMENDED: WERE AT OR APPROACHING RETIREMENT AGE; HAD AN ANNUAL INCOME OF LESS THAN $100,000; IN MOST CASES, HAD A NET WORTH OF LESS THAN $500,000; HAD A LOW OR MODERATE RISK TOLERANCE; HAD INVESTMENT OBJECTIVES THAT INCLUDED, OR WERE LIMITED TO, "INCOME" AND SOUGHT PERIODIC INTEREST PAYMENTS; HAD MODERATE OR HIGH LIQUIDITY NEEDS; HAD AN INVESTMENT TIME HORIZON OF LESS THAN FIFTEEN YEARS; AND WERE UNWILLING TO RISK LOSING ALL OR SOME OF THEIR PRINCIPAL INVESTED IN THE VRSPS. BY MAKING UNSUITABLE RECOMMENDATIONS OF VRSPS TO THE SPECIFIED CUSTOMERS, MAKHARIA AND CFI VIOLATED SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT. RESPONDENT MANTEI, THE BRANCH MANAGER AND OWNER OF CFI'S LEXINGTON BRANCH, CAUSED THESE VIOLATIONS. CFI AND MANTEI ALSO FAILED REASONABLY TO SUPERVISE THE CFI RRS WITH A VIEW TO PREVENTING AND DETECTING THEIR VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT ARISING FROM THE UNSUITABLE RECOMMENDATIONS OF VRSPS TO THE SPECIFIED CUSTOMERS. CFI FAILED REASONABLY TO IMPLEMENT ITS CUSTOMER-SPECIFIC SUITABILITY PROCEDURES TO DETERMINE WHETHER THE CFI RRS WERE MAKING THE REQUIRED SUITABILITY DETERMINATIONS PRIOR TO RECOMMENDING VRSPS TO THE SPECIFIED CUSTOMERS AND THAT MANTEI WAS FOLLOWING THE PROCEDURES. FOR HIS PART, MANTEI FAILED REASONABLY TO FOLLOW CFI'S THEN EXISTING CUSTOMER-SPECIFIC SUITABILITY REVIEW PROCEDURES. ADDITIONALLY, CFI FAILED TO MAKE AND KEEP CERTAIN REQUIRED RECORDS RELATING TO CERTAIN CUSTOMER ACCOUNTS. IN SOME INSTANCES, CFI, HOWEVER, FAILED TO MAINTAIN AND PRESERVE THIS INFORMATION FOR AT LEAST SIX YEARS IN VIOLATION OF EXCHANGE ACT SECTION 17(A) AND RULES 17A-4(E)(5) THEREUNDER, AND IN A NONREWRITABLE AND NON-ERASABLE FORMAT IN VIOLATION OF EXCHANGE ACT SECTION 17(A) AND RULE 17A4(F)(2) THEREUNDER. FURTHER, CFI FAILED TO MAKE AND KEEP CURRENT A RECORD INDICATING THAT, FOR EACH CHANGE IN A CUSTOMER'S ACCOUNT INVESTMENT OBJECTIVES, CFI FURNISHED THE CUSTOMER WITH A COPY OF THE UPDATED ACCOUNT RECORD OR ALTERNATIVE DOCUMENT CONTAINING THE INFORMATION REQUIRED BY RULE 17A-3(A)(17) WITHIN THIRTY DAYS OF CFI RECEIVING NOTICE OF ANY CHANGE, IN VIOLATION OF EXCHANGE ACT SECTION 17(A) AND RULE 17A-3(A)(17)(I)(B)(3) THEREUNDER.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 02/06/2023

Docket/Case Number: 3-21295

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Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	02/06/2023
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine $750,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	PREJUDGMENT INTEREST ON DISGORGEMENT; UNDERTAKINGS
Sanction Details:	THE FIRM SHALL CEASE AND DESIST; IS CENSURED; SHALL, WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY DISGORGEMENT OF $4,876 PLUS PREJUDGMENT INTEREST OF $623 AND A CIVIL MONEY PENALTY OF $750,000 TO THE COMMISSION; AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER.
Regulator Statement	IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN RESPONDENT'S OFFER. ACCORDINGLY, PURSUANT TO SECTION 8A OF THE SECURITIES ACT, SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT, AND SECTIONS 203(E) AND 203(F) OF THE ADVISERS ACT, IT IS HEREBY ORDERED THAT RESPONDENT CFI SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT AND SECTION 17(A) OF THE EXCHANGE ACT AND RULES 17A-4(E)(5), 17A-4(F)(2), AND 17A-3(A)(17)(I)(B)(3) THEREUNDER; IS CENSURED; SHALL, WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY DISGORGEMENT OF $4,876 PLUS PREJUDGMENT INTEREST OF $623 AND A CIVIL MONEY PENALTY OF $750,000 TO THE COMMISSION; AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE SEC ALLEGED THAT: CERTAIN REGISTERED REPRESENTATIVES FROM A BRANCH OFFICE (THE "CFI RRS") RECOMMENDED VARIABLE INTEREST RATE STRUCTURED PRODUCTS ("VRSPS") TO CERTAIN RETAIL CUSTOMERS FOR WHOM SUCH INVESTMENTS WERE UNSUITABLE IN LIGHT OF EACH OF THE SPECIFIC CUSTOMERS' FINANCIAL SITUATIONS AND NEEDS (THE "SPECIFIED CUSTOMERS"); BY MAKING UNSUITABLE RECOMMENDATIONS OF VRSPS TO THE SPECIFIED CUSTOMERS, THE CFI RRS AND CENTAURUS VIOLATED SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT; CENTAURUS AND THE BRANCH MANAGER/REGISTERED PRINCIPAL OF CFI RRS FAILED TO REASONABLY SUPERVISE THE CFI RRS WITH A VIEW TOWARD PREVENTING AND DETECTING THEIR VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT; CENTAURUS FAILED TO REASONABLY IMPLEMENT ITS CUSTOMER-SPECIFIC SUITABILITY PROCEDURES TO DETERMINE WHETHER THE CFI RRS WERE MAKING THE REQUIRED SUITABILITY DETERMINATIONS PRIOR TO RECOMMENDING VRSPS TO THE SPECIFIED CUSTOMERS AND THAT THE BRANCH MANAGER/REGISTERED PRINCIPAL WAS FOLLOWING THE PROCEDURES; CENTAURUS FAILED TO MAKE AND KEEP CERTAIN REQUIRED RECORDS RELATING TO CERTAIN CUSTOMER ACCOUNTS; IN SOME INSTANCES, CFI FAILED TO MAINTAIN AND PRESERVE THIS INFORMATION FOR AT LEAST SIX YEARS IN VIOLATION OF EXCHANGE ACT SECTION 17(A) AND RULES 17A-4(E)(5) THEREUNDER, AND IN A NONREWRITABLE AND NON-ERASABLE FORMAT IN VIOLATION OF EXCHANGE ACT SECTION 17(A) AND RULE 17A4(F)(2) THEREUNDER; CENTAURUS FAILED TO MAKE AND KEEP CURRENT A RECORD INDICATING THAT, FOR EACH CHANGE IN A CUSTOMER'S ACCOUNT INVESTMENT OBJECTIVES, CENTAURUS FURNISHED THE CUSTOMER WITH A COPY OF THE UPDATED ACCOUNT RECORD OR ALTERNATIVE DOCUMENT CONTAINING THE INFORMATION REQUIRED BY RULE 17A-3(A)(17) WITHIN THIRTY DAYS OF CFI RECEIVING NOTICE OF ANY CHANGE, IN VIOLATION OF EXCHANGE ACT SECTION 17(A) AND RULE 17A-3(A)(17)(I)(B)(3) THEREUNDER.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	02/06/2023
Docket/Case Number:	3-21295
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES

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Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	02/06/2023
Sanctions Ordered:	Censure Monetary/Fine $750,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	DISGORGEMENT OF $4,876, PREJUDGMENT INTEREST OF $623, CIVIL PENALTY OF $750,000 PAID 2/14/2023.
Firm Statement	THE FIRM HAS UNDERTAKEN TO: 1)RETAIN AN INDEPENDENT CONSULTANT TO REVIEW:(I) CFI'S POLICIES AND PROCEDURES DESIGNED TO PREVENT AND DETECT UNSUITABLE RECOMMENDATIONS OF STRUCTURED PRODUCTS(II) CFI'S SYSTEMS OF INTERNAL CONTROLS TO IMPLEMENT THE POLICIES AND PROCEDURES DESIGNED TO PREVENT AND DETECT UNSUITABLE RECOMMENDATIONS OF STRUCTURED PRODUCTS; AND (III) CFI'S BRANCH OFFICE OF SUPERVISORY JURISDICTION'S MAINTENANCE AND PRESERVATION OF RECORDS. 2)ADOPT, IMPLEMENT, AND MAINTAIN ALL POLICIES, PROCEDURES, AND PRACTICES RECOMMENDED IN THE REPORT OF THE INDEPENDENT CONSULTANT; 3)CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT AND SECTION 17(A) OF THE EXCHANGE ACT AND RULES 17A-4(E)(5), 17A-4(F)(2), AND 17A-3(A)(17)(I)(B)(3) THEREUNDER; 4)PAY DISGORGEMENT OF $4,876 PLUS PREJUDGMENT INTEREST OF $623 AND A CIVIL MONEY PENALTY OF $750,000 TO THE SECURITIES AND EXCHANGE COMMISSION.

Disclosure 3 of 17

Reporting Source:	Regulator
Current Status:	Final
Allegations:	THE FIRM WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT THE FIRM FAILED TO REASONABLY SUPERVISE A REGISTERED REPRESENTATIVE'S RECOMMENDATIONS OF UNIT INVESTMENT TRUSTS

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(UITS) AND ALTERNATIVE INVESTMENTS. IN VIOLATION OF THE FIRM'S SUPERVISORY PROCEDURES, A SUPERVISOR AT THE FIRM FAILED TO CONDUCT ANY SUITABILITY REVIEW TO DETERMINE IF THE REGISTERED REPRESENTATIVE'S RECOMMENDATIONS OF STANDARD VERSION UITS TO HIS CUSTOMERS WERE SUITABLE IN LIGHT OF THE FACT THAT IDENTICAL, LOWER COST FEE-BASED UITS WERE AVAILABLE. SIMILARLY, THE SUPERVISOR DID NOT REVIEW WHETHER THE REGISTERED REPRESENTATIVE'S RECOMMENDATIONS TO PURCHASE ALTERNATIVE INVESTMENTS THROUGH THE FIRM WERE SUITABLE WHERE INVESTMENT ADVISORY CUSTOMERS WERE ELIGIBLE TO PURCHASE THOSE INVESTMENTS WITHOUT A COMMISSION. THE SUPERVISOR'S SUPERVISORY FAILURE CONTINUED DURING THE PERIOD WHEN THE SUPERVISOR WAS RESPONSIBLE FOR IMPLEMENTING THE REGISTERED REPRESENTATIVE'S HEIGHTENED SUPERVISION PROGRAM. NOT ONLY DID THE FIRM FAIL TO ENSURE THAT THE SUPERVISOR WAS CONDUCTING A SUITABILITY REVIEW OF THE REGISTERED REPRESENTATIVE'S RECOMMENDATIONS, BUT THE FIRM'S TRADING PRINCIPAL ALSO DID NOT PERFORM ANY SUITABILITY REVIEW TO DETERMINE IF THE REGISTERED REPRESENTATIVE'S RECOMMENDATIONS OF UITS WERE SUITABLE, AS REQUIRED BY THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS). THE FIRM ALSO FAILED TO ENSURE THAT THE REGIONAL COMPLIANCE SUPERVISOR'S REVIEW OF THE REGISTERED REPRESENTATIVE'S ALTERNATIVE INVESTMENT RECOMMENDATIONS INCLUDED A CONSIDERATION OF THE COSTS THAT THE CUSTOMERS INCURRED IN PURCHASING ALTERNATIVE INVESTMENTS THROUGH THE FIRM WHEN IDENTICAL, LOWER COST ALTERNATIVES OF THE SAME SECURITIES WERE AVAILABLE.

Initiated By:	FINRA
Date Initiated:	09/27/2022
Docket/Case Number:	2018057298701
Principal Product Type:	Unit Investment Trust(s)
Other Product Type(s):	ALTERNATIVE INVESTMENTS
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	05/05/2023

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Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine $50,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED, FINED $50,000, AND ORDERED TO PAY $388,962.13, JOINTLY AND SEVERALLY, IN RESTITUTION TO CUSTOMERS. FINE PAID IN FULL ON JUNE 6, 2023.
Regulator Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REASONABLY SUPERVISE A REGISTERED REPRESENTATIVE'S RECOMMENDATIONS. THE FINDINGS STATED THAT THE REGISTERED REPRESENTATIVE'S DIRECT SUPERVISOR FAILED TO CONDUCT ANY SUITABILITY REVIEW TO DETERMINE IF HIS RECOMMENDATIONS OF STANDARD VERSION UITS TO HIS CUSTOMERS WERE SUITABLE IN LIGHT OF THE FACT THAT IDENTICAL, LOWER COST FEE-BASED UITS WERE AVAILABLE. SIMILARLY, THE SUPERVISOR DID NOT REVIEW WHETHER THE REGISTERED REPRESENTATIVE'S RECOMMENDATIONS TO PURCHASE ALTERNATIVE INVESTMENTS THROUGH THE FIRM WERE SUITABLE WHERE INVESTMENT ADVISORY CUSTOMERS WERE ELIGIBLE TO PURCHASE THOSE INVESTMENTS WITHOUT A COMMISSION. THE SUPERVISOR'S SUPERVISORY FAILURE CONTINUED DURING THE PERIOD WHEN THE SUPERVISOR WAS RESPONSIBLE FOR IMPLEMENTING THE REGISTERED REPRESENTATIVE'S HEIGHTENED SUPERVISION. THE FIRM FAILED TO ENFORCE ITS SUPERVISORY PROCEDURES IN MULTIPLE WAYS. NOT ONLY DID IT FAIL TO ENSURE THAT THE SUPERVISOR WAS CONDUCTING A SUITABILITY REVIEW OF THE REGISTERED REPRESENTATIVE'S RECOMMENDATIONS, BUT THE FIRM'S TRADING PRINCIPAL ALSO DID NOT PERFORM ANY SUITABILITY REVIEW TO DETERMINE IF THE REGISTERED REPRESENTATIVE'S RECOMMENDATIONS OF UITS WERE SUITABLE, AS REQUIRED BY THE FIRM'S WSPS. THE FIRM ALSO FAILED TO ENSURE THAT THE REGIONAL COMPLIANCE SUPERVISOR'S REVIEW OF THE REGISTERED REPRESENTATIVE'S ALTERNATIVE INVESTMENT RECOMMENDATIONS INCLUDED A CONSIDERATION OF THE COSTS THAT THE CUSTOMERS INCURRED IN PURCHASING THESE INVESTMENTS THROUGH THE FIRM WHEN IDENTICAL, LOWER COST ALTERNATIVES OF THE SAME SECURITIES WERE AVAILABLE.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA ALLEGES THAT BETWEEN SEPTEMBER 2016 THROUGH SEPTEMBER 2018, CENTAURUS FAILED TO REASONABLY SUPERVISE A REGISTERED REPRESENTATIVE'S RECOMMENDATIONS OF UITS, A PREFERRED STOCK AND A BDC IN VIOLATION OF FINRA RULES 3110(A) AND (B) AND 2010.
Initiated By:	FINRA
Date Initiated:	09/27/2022
Docket/Case Number:	2018057298701
Principal Product Type:	Unit Investment Trust(s)
Other Product Type(s):	PREFERRED STOCK, BDC
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	05/05/2023
Sanctions Ordered:	Censure Monetary/Fine $50,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	$50,000 FINE. RESTITUTION IN THE AMOUNT OF $388,962.13 TO CUSTOMERS IDENTIFIED BY FINRA, TO BE PAID JOINTLY AND SEVERALLY WITH THE REGISTERED REPRESENTATIVE.
Firm Statement	ON MAY 5, 2023, AN OFFER OF SETTLEMENT WAS FINALIZED WITH FINRA REGARDING THIS MATTER. CENTAURUS, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OF THE COMPLAINT, AGREED TO A $50,000 FINE. CENTAURUS ALSO AGREED TO RESTITUTION IN THE AMOUNT OF $388,962.13 FOR CUSTOMERS IDENTIFIED BY FINRA, TO BE PAID JOINTLY AND SEVERALLY WITH THE REGISTERED REPRESENTATIVE.

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Reporting Source:	Regulator

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Current Status:	Final
Allegations:	THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AND SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AGAINST CENTAURUS FINANCIAL, INC. ("CFI" OR "RESPONDENT"). ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT: THESE PROCEEDINGS ARISE OUT OF BREACHES OF FIDUCIARY DUTY BY CFI, A DUALLY-REGISTERED INVESTMENT ADVISER AND BROKER-DEALER, IN CONNECTION WITH ITS RECEIPT OF THIRD-PARTY COMPENSATION FROM CLIENT INVESTMENTS WITHOUT FULLY AND FAIRLY DISCLOSING ITS CONFLICTS OF INTEREST. IN PARTICULAR, CFI INVESTED CLIENTS IN: MUTUAL FUND SHARE CLASSES THAT PAID CFI FEES PURSUANT TO RULE 12B-1 UNDER THE INVESTMENT COMPANY ACT OF 1940 ("12B-1 FEES"); CERTAIN MUTUAL FUNDS THAT ALSO GENERATED NO-TRANSACTION FEE ("NTF") REVENUE FOR THE FIRM; AND (3) CASH SWEEP PRODUCTS THAT LIKEWISE RESULTED IN CFI RECEIVING REVENUE SHARING. IN SPITE OF THESE FINANCIAL ARRANGEMENTS, CFI PROVIDED NO DISCLOSURE OR INADEQUATE DISCLOSURE OF THE MULTIPLE CONFLICTS OF INTEREST ARISING FROM THE FIRM'S RECEIPT OF THIS COMPENSATION. CFI, ALTHOUGH ELIGIBLE TO DO SO, DID NOT SELF-REPORT TO THE COMMISSION PURSUANT TO THE DIVISION OF ENFORCEMENT'S (THE "DIVISION") SHARE CLASS SELECTION DISCLOSURE INITIATIVE ("SCSD INITIATIVE"). AT ALL RELEVANT TIMES, CFI ALSO FAILED TO ADOPT AND IMPLEMENT WRITTEN COMPLIANCE POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT VIOLATIONS OF THE ADVISERS ACT AND THE RULES THEREUNDER IN CONNECTION WITH ITS MUTUAL FUND SHARE CLASS SELECTION PRACTICES, CASH SWEEP REVENUE SHARING, AND NTF REVENUE SHARING. AS A RESULT OF ITS CONDUCT, CFI WILLFULLY VIOLATED SECTIONS 206(2) AND 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	06/02/2021
Docket/Case Number:	3-20357
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist

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Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	06/02/2021
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Sanctions Ordered:	Censure Monetary/Fine $250,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	PREJUDGMENT INTEREST; UNDERTAKINGS
Sanction Details:	THE FIRM WAS CENSURED, FINED $250,000, ORDERED TO PAY DISGORGEMENT OF $907,377, PLUS PREJUDGMENT INTEREST OF $124,019, SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(2) AND 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE ORDER.
Regulator Statement	RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. AS A RESULT OF ITS CONDUCT, THE FIRM WILLFULLY VIOLATED SECTIONS 206(2) AND 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER. ACCORDINGLY, IT IS HEREBY ORDERED THAT: THE FIRM CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(2) AND 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER; IS CENSURED; SHALL PAY DISGORGEMENT OF $907,377 AND PREJUDGMENT INTEREST OF $124,019; SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF $250,000; AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE ORDER. A FAIR FUND IS CREATED FOR THE PENALTIES, DISGORGEMENT, AND PREJUDGMENT INTEREST DESCRIBED ABOVE FOR DISTRIBUTION TO AFFECTED INVESTORS.

Reporting Source:	Firm
Current Status:	Final
Allegations:	SEC ALLEGES BREACH OF FIDUCIARY DUTY BY CFI, A DUALLY-

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	REGISTERED INVESTMENT ADVISER AND BROKER/DEALER, IN CONNECTION WITH ITS RECEIPT OF THIRD-PARTY COMPENSATION FROM CLIENT INVESTMENTS WITHOUT FULLY AND FAIRLY DISCLOSING ITS CONFLICTS OF INTEREST. IN PARTICULAR, SINCE AT LEAST 2014 CFI INVESTED CLIENTS IN: (1) MUTUAL FUND SHARE CLASSES THAT PAID CFI FEES PURSUANT TO RULE 12B-1 UNDER THE INVESTMENT COMPANY ACT OF 1940 ("12B-1 FEES"); (2) CERTAIN MUTUAL FUNDS THAT ALSO GENERATED SERVICE FEE REVENUE FOR THE FIRM; AND (3) CASH SWEEP PRODUCTS THAT LIKEWISE RESULTED IN CFI RECEIVING REVENUE SHARING. IN SPITE OF THESE FINANCIAL ARRANGEMENTS, CFI PROVIDED NO DISCLOSURE OR INADEQUATE DISCLOSURE OF THE MULTIPLE CONFLICTS OF INTEREST ARISING FROM THE FIRM'S RECEIPT OF THIS COMPENSATION.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	12/04/2018
Docket/Case Number:	3-20357
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	MONEY MARKET FUND(S)
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	06/02/2021
Sanctions Ordered:	Censure Monetary/Fine $250,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	CFI WAS REQUIRED TO PAY DISGORGEMENT OF $907,377, PREJUDGMENT INTEREST OF $124,019 AND A CIVIL MONETARY PENALTY OF $250,000. THESE AMOUNTS WERE PAID ON JUNE 11, 2021, THROUGH CONTRIBUTION TO A QUALIFIED SETTLEMENT FUND ESCROW ACCOUNT KNOWN AS AN SEC FAIR FUND.
Firm Statement	ON JUNE 2, 2021, A SETTLEMENT WAS FINALZIED WITH THE SEC REGARDING THIS MATTER. CFI AGREED, WITHOUT ADMITTING OR DENYING THE FINDINGS OF THE SEC, TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS

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	OF SECTIONS 206(2) AND 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER. CFI WAS CENSURED AND PAID DISGORGEMENT OF $907,377, PREJUDGMENT INTEREST OF $124,019 AND A CIVIL MONETARY PENALTY OF $250,000. THE AMOUNTS WERE PAID ON JUNE 11, 2021, THROUGH CONTRIBUTION TO A QUALIFIED SETTLEMENT FUND ESCROW ACCOUNT KNOWN AS AN SEC FAIR FUND. CFI HAS ALSO AGREED TO COMPLY WITH NOTIFICATION REQUIREMENTS AND CERTAIN UNDERTAKINGS RELATING TO SUPERVISION, DISCLOSURE AND COMPLIANCE PROGRAMS RELATED TO MUTUAL FUND SHARE CLASS SELECTION, CASH SWEEP PROGRAMS AND NO TRANSACTION FEE MUTUAL FUNDS.

Disclosure 5 of 17

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE LDI ALLEGED THAT THE FIRM DID NOT DISCLOSE AN ADMINISTRATIVE ACTION ON THREE LICENSING RENEWAL APPLICATIONS AND UNTIMELY REPORTED TWO ADMINISTRATIVE ACTIONS IN VIOLATION OF LA. R.S. 22:1554 (A)(2) AND LA. R.S. 22:1563 (A).
Initiated By:	LOUISIANA DEPARTMENT OF INSURANCE
Date Initiated:	09/21/2020
Docket/Case Number:	N/A
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	10/15/2020
Sanctions Ordered:	Monetary/Fine $500.00
Other Sanctions Ordered:	
Sanction Details:	$500 FINE.
Firm Statement	WITHOUT ADMITTING OR DENYING ANY OF THE FACTS AND/OR CONCLUSIONS OF LAW CONTAINED IN THE ADMINISTRATIVE ACTION,

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CENTAURUS WAS SUBJECT TO THE ENTRY OF AN ADMINISTRATIVE ACTION AND $500 FINE.

IT SHOULD BE NOTED THAT THE FIRM DID NOT INTENTIONALLY FAIL TO REPORT OR DISCLOSE ANY INFORMATION THAT IS THE SUBJECT OF THIS DRP NOR DID IT INTENTIONALLY VIOLATE ANY REPORTING OR DISCLOSURE RULES. THE INFORMATION REFERENCED IN THE ABOVE PARAGRAPH WAS APPROPRIATELY AND TIMELY DISCLOSED ON THE FIRM'S FORM BD, THE CENTRAL REGISTRATION DEPOSITORY AND FINRA'S BROKERCHECK.

Disclosure 6 of 17

Reporting Source:	Regulator
Current Status:	Final
Allegations:	THE DIVISION ALLEGES THAT THE FIRM FAILED TO SUPERVISE REGISTERED REPRESENTATIVES IN VIOLATION OF SECTION 11-51-410(L)(I), C.R.S.; THE FIRM VIOLATED RULE 51-4.7(G)(2) BY FAILING TO COMPLY WITH THE FAIR PRACTICE OR ETHICAL STANDARDS CONTAINED IN FINRA RULE 2010; AND THE FIRM FAILED TO MAKE, MAINTAIN, AND PRESERVE CERTAIN DOCUMENTS THAT ARE PART OF THE RECORDS IT IS REQUIRED TO MAKE, MAINTAIN AND PRESERVE PURSUANT TO COLORADO RULE 51-4.5 AND IN VIOLATION OF SECTION 11-51-410(B), C. R. S.
Initiated By:	COLORADO DIVISION OF SECURITIES
Date Initiated:	09/25/2019
Docket/Case Number:	2019-CDS-016
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	STRUCTURED PRODUCTS
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	LICENSING AND PRODUCT RESTRICTIONS
Resolution:	Order
Resolution Date:	04/22/2020

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Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	
Other Sanctions Ordered:	1. NOT SEEK TO LICENSE ANY PERSONS AS LICENSED SALES REPRESENTATIVES IN COLORADO WHO HAVE A REGULATORY ACTION IN THE LAST FIVE (5) YEARS AS IDENTIFIED IN ANY PART OF FINRA REV. FORM U4 (05/2009) ITEM 14C, D, E, OR F, OR MORE THAN THREE (3) CUSTOMER COMPLAINTS IN THE LAST FIVE (5) YEARS AS IDENTIFIED IN FINRA REV. FORM U4 (05/2009) ITEM 141; 2. NOT ALLOW ANYONE TO SUPERVISE ANY PERSONS AS LICENSED SALES REPRESENTATIVES IN COLORADO IF THAT SUPERVISOR HAS REGULATORY ACTION IN THE LAST FIVE (5) YEARS AS IDENTIFIED IN ANY PART OF FINRA REV. FORM U4 (05/2009) ITEM 14C, D, E, OR FOR MOTE THAN THREE (3) CUSTOMER COMPLAINTS IN THE LAST FIVE (5) YEARS AS IDENTIFIED IN FINRA REV. FORM U4 (05/2009) ITEM 141; AND 3. CEASE THE SALE OF STRUCTURED PRODUCTS (DEFINED AS PRINCIPAL PROTECTED NOTES, PARTIALLY PRINCIPAL PROTECTED NOTES, MARKET LINKED CERTIFICATES OF DEPOSIT, CALLABLE YIELD NOTES, ENHANCED YIELD NOTES, LEVERAGED NOTES AND REVERSE CONVERTIBLE NOTES) TO COLORADO CUSTOMERS.
Sanction Details:	1. NOT SEEK TO LICENSE ANY PERSONS AS LICENSED SALES REPRESENTATIVES IN COLORADO WHO HAVE A REGULATORY ACTION IN THE LAST FIVE (5) YEARS AS IDENTIFIED IN ANY PART OF FINRA REV. FORM U4 (05/2009) ITEM 14C, D, E, OR F, OR MORE THAN THREE (3) CUSTOMER COMPLAINTS IN THE LAST FIVE (5) YEARS AS IDENTIFIED IN FINRA REV. FORM U4 (05/2009) ITEM 141; 2. NOT ALLOW ANYONE TO SUPERVISE ANY PERSONS AS LICENSED SALES REPRESENTATIVES IN COLORADO IF THAT SUPERVISOR HAS REGULATORY ACTION IN THE LAST FIVE (5) YEARS AS IDENTIFIED IN ANY PART OF FINRA REV. FORM U4 (05/2009) ITEM 14C, D, E, OR FOR MOTE THAN THREE (3) CUSTOMER COMPLAINTS IN THE LAST FIVE (5) YEARS AS IDENTIFIED IN FINRA REV. FORM U4 (05/2009) ITEM 141; AND

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3. CEASE THE SALE OF STRUCTURED PRODUCTS (DEFINED AS PRINCIPAL PROTECTED NOTES, PARTIALLY PRINCIPAL PROTECTED NOTES, MARKET LINKED CERTIFICATES OF DEPOSIT, CALLABLE YIELD NOTES, ENHANCED YIELD NOTES, LEVERAGED NOTES AND REVERSE CONVERTIBLE NOTES) TO COLORADO CUSTOMERS.

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE STATE ALLEGED POTENTIAL VIOLATIONS OF §§ 11-51-410 (1)(B), (G), AND (I), C.R.S.; 3 CCR 704-1 AND COMMISSIONER RULES 51-4.5 AND 51-4. 7(B), (G)(2); AND FINRA RULES 3110(A)(1), (A)(6) AND (B)(1).
Initiated By:	STATE OF COLORADO
Date Initiated:	09/25/2019
Docket/Case Number:	2019-CDS-016
Principal Product Type:	Other
Other Product Type(s):	STRUCTURED CDS/NOTES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Stipulation and Consent
Resolution Date:	04/22/2020
Sanctions Ordered:	
Other Sanctions Ordered:	THE FIRM AGREED TO A NEGOTIATED STIPULATED AGREEMENT THAT WAS ENTERED INTO ON 4/22/2020. THE FOLLOWING CONDITIONS WERE AGREED TO BY THE PARTIES: I.CFI WILL NOT SEEK TO LICENSE ANY PERSONS AS REGISTERED REPRESENTATIVES IN COLORADO WHO HAVE A REGULATORY ACTION IN THE LAST FIVE (5) YEARS AS IDENTIFIED IN ANY PART OF FINRA REV. FORM U4 (05/2009) ITEM 14C, D, E, OR F, OR MORE THAN THREE (3) CUSTOMER COMPLAINTS IN THE LAST FIVE (5) YEARS AS IDENTIFIED IN FINRA REV. FORM U4 (05/2009) ITEM14I; II.CFI WILL NOT ALLOW ANYONE TO SUPERVISE ANY PERSONS AS LICENSED REGISTERED REPRESENTATIVES IN COLORADO IF THAT SUPERVISOR HAS A REGULATORY ACTION IN THE LAST FIVE (5) YEARS AS

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	IDENTIFIED IN ANY PART OF FINRA REV. FORM U4 (05/2009) ITEM 14C, D, E, OR F OR MORE THAN THREE (3) CUSTOMER COMPLAINTS IN THE LAST FIVE (5) YEARS AS IDENTIFIED IN FINRA REV. FORM U4 (05/2009) ITEM14I; AND III.CFI WILL CEASE THE SALE OF STRUCTURED PRODUCTS (DEFINED AS PRINCIPAL PROTECTED NOTES, PARTIALLY PRINCIPAL PROTECTED NOTES, MARKET LINKED CERTIFICATES OF DEPOSIT, CALLABLE YIELD NOTES, ENHANCED YIELD NOTES, LEVERAGED NOTES AND REVERSE CONVERTIBLE NOTES) TO COLORADO CLIENTS.
Sanction Details:	SEE 12B ABOVE.

Disclosure 7 of 17

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE FIRM PROVIDED INCOMPLETE INFORMATION ON A NON-RESIDENT INSURANCE RENEWAL APPLICATION DATED JULY 22, 2016.
Initiated By:	STATE OF OKLAHOMA-INSURANCE DEPARTMENT
Date Initiated:	08/11/2016
Docket/Case Number:	16-0741-DEN
Principal Product Type:	Insurance
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	11/10/2016
Sanctions Ordered:	Monetary/Fine $500.00
Other Sanctions Ordered:	$625 HEARING COST.
Sanction Details:	$500 FINE PAID SEPTEMBER 20, 2016. $625 HEARING COST PAID NOVEMBER 14, 2016.
Firm Statement	THE FIRM WAS FOUND TO HAVE PROVIDED INCOMPLETE INFORMATION ON A RENEWAL APPLICATION DATED JULY 22, 2016. WHILE THE HEARING EXAMINER DID NOT FIND THAT THE FIRM INTENTIONALLY VIOLATED ANY

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RULES, IT DID FAIL TO MAKE A DISCLOSURE WITHIN THE STATUTORY TIME FRAME.

Disclosure 8 of 17

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO IDENTIFY AND APPLY SALES CHARGE DISCOUNTS TO CERTAIN CUSTOMERS' ELIGIBLE PURCHASES OF UNIT INVESTMENT TRUSTS (UITS). THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM FAILED TO APPLY SALES CHARGE DISCOUNTS TO ELIGIBLE UIT PURCHASES RESULTING IN CUSTOMERS PAYING EXCESSIVE SALES CHARGES OF APPROXIMATELY $85,281.62. THE FIRM HAS PAID RESTITUTION TO ALL AFFECTED CUSTOMERS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND WSPS REASONABLY DESIGNED TO ENSURE CUSTOMERS RECEIVED SALES CHARGE DISCOUNTS ON ALL ELIGIBLE UIT PURCHASES. THE FIRM RELIED PRIMARILY ON ITS REGISTERED REPRESENTATIVES TO APPLY APPROPRIATE UIT SALES CHARGE DISCOUNTS TO CUSTOMER PURCHASES, BUT DID NOT ENSURE THAT THE SALES CHARGE DISCOUNTS WERE IDENTIFIED AND CALCULATED ACCURATELY.
Initiated By:	FINRA
Date Initiated:	06/23/2016
Docket/Case Number:	2014041676601
Principal Product Type:	Unit Investment Trust(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/23/2016

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Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine $100,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED, FINED $100,000, AND REQUIRED TO PAY $85,281.62 IN RESTITUTION TO CUSTOMERS. THE FIRM HAS PAID RESTITUTION TO ALL AFFECTED CUSTOMERS. FINE PAID IN FULL ON AUGUST 31, 2016.

Reporting Source:	Firm
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO AN ACCEPTANCE, WAIVER & CONSENT ASSERTING THAT IT FAILED TO IDENTIFY AND APPLY SALES CHARGE DISCOUNTS TO CERTAIN CUSTOMERS' PURCHASES OF UNIT INVESTMENT TRUSTS (UITS) AND THAT IT FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND WSPS REASONABLY DESIGNED TO ENSURE CUSTOMERS RECEIVED SALES CHARGE DISCOUNTS. THE FIRM RELIED PRIMARILY ON ITS REGISTERED REPRESENTATIVES TO APPLY APPROPRIATE UIT SALES CHARGE DISCOUNTS.
Initiated By:	FINRA
Date Initiated:	07/01/2016
Docket/Case Number:	2014041676601
Principal Product Type:	Unit Investment Trust(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)

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Resolution Date:	06/23/2016
Sanctions Ordered:	Censure Monetary/Fine $100,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED, FINED $100,000 AND PAID $85,281.62 IN RESTITUTION TO CUSTOMERS. IS SHOULD BE NOTED THE FIRM REIMBURSED CLIENTS UNILATERALLY LONG BEFORE REQUIRED TO DO SO BY FINRA.

Disclosure 9 of 17

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC RULE 17A-4(B)(4), FINRA RULE 2010, NASD RULES 2210, 2211, 3010, 3010(A) AND (D)(3), 3110(A): FIVE OF THE FIRM'S REGISTERED REPRESENTATIVES (WHOLESALE REPRESENTATIVES) FUNCTIONED AS WHOLESALERS FOR AN UNAFFILIATED INVESTMENT MANAGEMENT FIRM. ALTHOUGH THE FIRM CONTRACTED TO PROVIDE EXCLUSIVE AUTHORITY AND CONTROL OVER THE DIRECTION AND SUPERVISION OF THE REPRESENTATIVES IN CONNECTION WITH WHOLESALING FIVE OF THE INVESTMENT MANAGEMENT FIRM'S FUND PRIVATE PLACEMENTS, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) DID NOT ADDRESS THE SUPERVISION OF WHOLESALING ACTIVITIES AND THE FIRM DID NOT SUPERVISE THE WHOLESALING ACTIVITIES OF THE WHOLESALE REPRESENTATIVES. THE WHOLESALE REPRESENTATIVES DID NOT USE THEIR FIRM'S EMAILS FOR THEIR WHOLESALING ACTIVITIES AND INSTEAD TYPICALLY USED THE INVESTMENT MANAGEMENT FIRM'S EMAIL DOMAIN TO SEND COMMUNICATIONS RELATED TO WHOLESALING THE FUNDS. HOWEVER, THE FIRM DID NOT REVIEW OR RETAIN THOSE EMAILS. THE WHOLESALE REPRESENTATIVES DISTRIBUTED COMMUNICATIONS RELATED TO THE PRIVATE PLACEMENTS AND THE INVESTMENT MANAGEMENT FIRM (INCLUDING BROKER-USE ONLY MATERIALS) TO OTHER FINRA MEMBER FIRMS. SEVERAL OF THE COMMUNICATIONS FAILED ADEQUATELY TO DISCLOSE INVESTING RISKS AND WERE MISLEADING, WHILE MANY ALSO MADE UNWARRANTED PERFORMANCE CLAIMS AND HAD OTHER SALES MATERIAL CONTENT DEFICIENCIES.
Initiated By:	FINRA
Date Initiated:	01/28/2014
Docket/Case Number:	2011026915002

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Principal Product Type:	Other
Other Product Type(s):	PRIVATE PLACEMENTS
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/28/2014
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine $25,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED $25,000. FINE PAID IN FULL 02/27/2014.

Reporting Source:	Firm
Current Status:	Final
Allegations:	SEC RULE 17A-4(B)(4), FINRA RULE 2010, NASD RULES 2210, 2211, 3010, 3010(A) AND (D)(3), 3110(A): FIVE OF THE FIRM'S REGISTERED REPRESENTATIVES (WHOLESALE REPRESENTATIVES) FUNCTIONED AS WHOLESALERS FOR AN UNAFFILIATED INVESTMENT MANAGEMENT FIRM. ALTHOUGH THE FIRM CONTRACTED TO PROVIDE EXCLUSIVE AUTHORITY AND CONTROL OVER THE DIRECTION AND SUPERVISION OF THE REPRESENTATIVES IN CONNECTION WITH WHOLESALING FIVE OF THE INVESTMENT MANAGEMENT FIRM'S FUND PRIVATE PLACEMENTS, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) DID NOT ADDRESS THE SUPERVISION OF WHOLESALING ACTIVITIES AND THE FIRM DID NOT SUPERVISE THE WHOLESALING ACTIVITIES OF THE WHOLESALE REPRESENTATIVES. THE WHOLESALE REPRESENTATIVES DID NOT USE THEIR FIRM'S EMAILS FOR THEIR WHOLESALING ACTIVITIES AND INSTEAD TYPICALLY USED THE INVESTMENT MANAGEMENT FIRM'S EMAIL DOMAIN

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TO SEND COMMUNICATIONS RELATED TO WHOLESALING THE FUNDS. HOWEVER, THE FIRM DID NOT REVIEW OR RETAIN THOSE EMAILS. THE WHOLESALE REPRESENTATIVES DISTRIBUTED COMMUNICATIONS RELATED TO THE PRIVATE PLACEMENTS AND THE INVESTMENT MANAGEMENT FIRM (INCLUDING BROKER-USE ONLY MATERIALS) TO OTHER FINRA MEMBER FIRMS. SEVERAL OF THE COMMUNICATIONS FAILED ADEQUATELY TO DISCLOSE INVESTING RISKS AND WERE MISLEADING, WHILE MANY ALSO MADE UNWARRANTED PERFORMANCE CLAIMS AND HAD OTHER SALES MATERIAL CONTENT DEFICIENCIES.

THE FIRM OFFERS THE FOLLOWING TO FURTHER CLARIFY THE FACTS AND CIRCUMSTANCES WITH RESPECT TO THIS MATTER. THE WHOLESALING ACTIVITY IN QUESTION TOOK PLACE OVER A SHORT PERIOD OF TIME, SPECIFICALLY FROM FEBRUARY 2009 TO JANUARY 2010. IT INVOLVED FIVE (5) OF THE FIRM'S APPROXIMATELY SIX HUNDRED FIFTY (650) REGISTERED REPRESENTATIVES, EACH OF WHOM WERE REGISTERED AT THE FIRM AT DIFFERENT TIMES, WITH NO MORE THAN 3 REGISTERED AT ANY ONE TIME. IN THEIR CAPACITY AS WHOLESALERS FOR THIS UNAFFILIATED INVESTMENT FIRM, THESE REPRESENTATIVES DISTRIBUTED COMMUNICATIONS RELATED TO THE PRIVATE PLACEMENTS AND THE INVESTMENT FIRM (INCLUDING BROKER-USE ONLY MATERIALS) TO OTHER FINRA MEMBER FIRMS. THE NUMBER AND SPECIFIC COMMUNICATIONS DISTRIBUTED, IF ANY, IS UNKNOWN. FURTHERMORE, THERE WAS NO INDICATION THAT ANY OF THESE WRITTEN MATERIALS REACHED ANY MEMBER OF THE INVESTING PUBLIC. FINALLY, IT SHOULD BE NOTED THAT THESE OTHER FINRA MEMBER FIRMS HAD AN OBLIGATION TO REVIEW AND APPROVE SUCH COMMUNICATION, AS WAS PRESCRIBED/REQUIRED BY FINRA AND/OR ANY OTHER REGULATORY AGENCIES PRIOR TO DISTRIBUTION.

Initiated By:	FINANCIAL INDUSTRY REGULATORY AUTHORITY
Date Initiated:	01/28/2014
Docket/Case Number:	2011026915002
Principal Product Type:	Other
Other Product Type(s):	PRIVATE PLACEMENTS
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)

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Resolution Date:	01/28/2014
Sanctions Ordered:	Censure Monetary/Fine $25,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. IN SO DOING, THE FIRM IS CENSURED AND FINED $25,000.

Disclosure 10 of 17

Reporting Source:	Regulator
Current Status:	Final
Allegations:	STAFF OF THE INDIANA SECURITIES DIVISION HAVE COMMENCED ADMINISTRATIVE PROCEEDINGS CONCERNING THE ALLEGED FAILURE TO SUPERVISE BY CENTAURUS OVER THE ACTIONS OF ITS AGENTS -- NAMELY AGENTS SUPPLYING FALSE INFORMATION TO THE INDIANA SECURITIES DIVISION. UPDATE 1/15/13-THIS MATTER HAS BEEN DISMISSED.
Initiated By:	INDIANA
Date Initiated:	05/09/2012
Docket/Case Number:	12-0168 CD
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Dismissed
Resolution Date:	12/31/2013
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE STATE OF INDIANA BELIEVED THAT THE FIRM DID NOT FULFILL ITS SUPERVISORY OBLIGATION WHEN ONE REGISTERED REPRESENTATIVE FILED AN ERRONEOUS RESIDENTIAL ADDRESS ON HER FORM U4. THIS MATTER HAS SINCE BEEN DISMISSED.
Initiated By:	STATE OF INDIANA, SECURITIES DIVISION
Date Initiated:	03/21/2013
Docket/Case Number:	12-0168
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Dismissed
Resolution Date:	12/31/2013
Firm Statement	THE STATE OF INDIANA TOOK EXCEPTION TO ONE REGISTERED REPRESENTATIVE DENOTING A BUSINESS ADDRESS AS A HOME ADDRESS ON HER FORM U4 WHILE TRANSITIONING HER PERSONAL RESIDENCE. THIS REGISTERED REPRESENTATIVE HAS BEEN TERMINATED BY THE FIRM. THE FIRM BELIEVES IT HAD/HAS THE APPROPRIATE SUPERVISORY PROCEDURES AND SYSTEMS IN PLACE TO ENSURE ACCURACY ON REGISTERED REPRESENTATIVES FORMS U4. THE STATE OF INDIANA HAS DISMISSED CENTAURUS FROM THIS MATTER.

Disclosure 11 of 17

Reporting Source:	Regulator
Current Status:	Final
Allegations:	RESPONDENT VIOLATED A PROVISION OF A SPECIAL SUPERVISION AGREEMENT, ENTERED INTO FOR ONE OF ITS REPRESNETATIVES, BY FAILING TO NOTIFY THE DIVISION OF A CHANGE IN SUPERVISORS OF THE REGISTERED REPRESENTATIVE

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Initiated By:	NEVADA
Date Initiated:	02/10/2011
Docket/Case Number:	I10-057 BLM
URL for Regulatory Action:	
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:	FOR INSPECTION OF RECORDS
Resolution:	Consent
Resolution Date:	02/10/2011
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Monetary/Fine $5,000.00
Other Sanctions Ordered:	FOR INSPECTION OF RECORDS - $1,000
Sanction Details:	PENALTIES, FINES AND FEES PAID IN FULL
Regulator Statement	WITHOUT ADMITTING OR DENYING THE STATEMENT OF FACTS AND CONCLUSIONS OF LAW CONTAINED IN THIS ORDER, RESPONDENT CONSENTED TO THE ENTRY OF THIS ORDER. CONTACT THE DIVISION WITH ANY QUESTIONS

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE NEVADA SECURITIES DIVISION ALLEGED THAT CENTAURUS DID NOT COMPLY WITH ONE OF THE PROVISIONS OF AN AGREEMENT IT ENTERED INTO REGARDING THE SUPERVISION OF ONE OF ITS REGISTERED REPRESENTATIVES BY NOT NOTIFYING THE DIVISION, IN WRITING, WITHIN TEN CALENDAR DAYS, OF A CHANGE IN THE REPRESENTATIVE'S SUPERVISOR.
Initiated By:	STATE OF NEVADA,

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	DIVISION OF SECURITIES, OFFICE OF THE SECRETARY OF STATE
Date Initiated:	02/10/2011
Docket/Case Number:	I10-057 BLM
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	CONSENT ORDER AND FINE
Resolution:	Consent
Resolution Date:	02/10/2011
Sanctions Ordered:	Monetary/Fine $5,000.00
Other Sanctions Ordered:	REIMBURSEMENT FOR COST OF INSPECTION - $1,000.
Sanction Details:	THE AMOUNT OF THE FINE WAS $5,000,IT WAS PAID ON 2/10/11 AND NO PORTION OF THE PENALTY WAS WAIVED.
Firm Statement	WITHOUT ADMITTING OR DENYING THE STATEMENT OF FACTS AND CONCLUSIONS OF LAW CONTAINED IN THE ADMINISTRATIVE ORDER, CENTAURUS CONSENTED TO THE ENTRY OF THE ORDER AND PAID A $5,000 FINE TO SETTLE A MATTER IN WHICH IT WAS ALLEGED THAT IT VIOLATED ONE PROVISION OF AN AGREEMENT IT ENTERED INTO REGARDING THE SUPERVISION OF ONE OF ITS REGISTERED REPRESENTATIVES BY FAILING TO NOTIFY THE NEVADA SECURITIES DIVISION, IN WRITING, WITHIN TEN CALENDAR DAYS, OF A CHANGE IN THE REPRESENTATIVE'S SUPERVISOR.

Disclosure 12 of 17

Reporting Source:	Regulator
Current Status:	Final
Allegations:	MSRB RULES G-14, G-27 - CENTAURUS FINANCIAL, INC. FAILED TO REPORT THE CORRECT TIME OF TRADE TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) IN REPORTS OF TRANSACTIONS IN MUNICIPAL SECURITIES. THE FIRM FAILED TO REPORT INFORMATION REGARDING PURCHASE AND SALE TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES TO THE RTRS IN THE MANNER PRESCRIBED BY RULE G-14 RTRS PROCEDURES AND THE RTRS USERS MANUAL; THE FIRM

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	FAILED TO REPORT INFORMATION ABOUT THE TRANSACTIONS WITHIN 15 MINUTES OF TIME OF TRADE TO AN RTRS PORTAL. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND MSRB RULES CONCERNING TRANSACTION REPORTING IN MUNICIPAL SECURITIES.
Initiated By:	FINRA
Date Initiated:	08/25/2010
Docket/Case Number:	2009017096901
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/25/2010
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine $10,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED $10,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING TRANSACTION REPORTING IN MUNICIPAL SECURITIES WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Reporting Source:	Firm
Current Status:	Final
Allegations:	DURING THE REVIEW PERIOD, THE FIRM DID NOT REPORT THE CORRECT

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	TIME OF TRADE TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) FOR CERTAIN MUNICIPAL SECURITIES TRANSACTIONS AND ALSO DID NOT REPORT CERTAIN TRANSACTIONS TO THE RTRS WITHIN 15 MINUTES OF THE TIME OF TRADE AS REQUIRED BY MSRB RULE G-14. AS SUCH, THE FIRM'S SUPERVISORY PROCEDURES WERE DEEMED NOT TO PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH MSRB RULES CONCERNING REPORTING MUNICIPAL SECURITIES TRANSACTIONS.
Initiated By:	FINRA
Date Initiated:	08/25/2010
Docket/Case Number:	AWC 20090170969-01
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE OF $10,000.00
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/25/2010
Sanctions Ordered:	Censure Monetary/Fine $10,000.00
Other Sanctions Ordered:	
Sanction Details:	CENSURE AND FINE OF $10000.00. REVISE WRITTEN PROCEDURES TO ADDRESS THE FINDINGS NOTED.

Disclosure 13 of 17

Reporting Source:	Firm
Current Status:	Final
Allegations:	DURING THE APPROXIMATE PERIOD JULY 2009 THROUGH AUGUST 2009 CENTAURUS TRANSACTED INSURANCE BUSINESS WITH A LAPSED LICENSE.
Initiated By:	STATE OF NEW YORK INSURANCE DEPARTMENT
Date Initiated:	07/24/2009
Docket/Case Number:	2009-0348-S

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Principal Product Type:	Insurance
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	NONE
Resolution:	Stipulation and Consent
Resolution Date:	12/21/2009
Sanctions Ordered:	Monetary/Fine $750.00
Other Sanctions Ordered:	
Sanction Details:	FINE OF 750.00 WAS LEVIED AND PAID ON DECEMBER 11, 2009.
Firm Statement	THE FIRM HAS BEEN LICENSED AND COMPLIANT FOR INSURANCE IN THE STATE OF NEW YORK SINCE 1993. UNFORTUNATELY WE DID NOT RECECEIVE OUR APPLICATION FOR RENEWAL WHICH WAS DUE ON JUNE 30, 2009. UPON DISCOVERY THAT OUR LICENSE HAD LAPSED, REININSTATEMENT OF SAID APPLICATION WAS SUBMITTED TO THE DEPARTMENT ON JULY 24, 2009. CENTAURUS RECEIVED A REINSTATED LICENSE EFFECTIVE AUGUST 13, 2009.

Disclosure 14 of 17

Reporting Source:	Regulator
Current Status:	Final
Allegations:	RULE 30 OF REGULATION S-P, NASD RULES 2110, 2210, 2211 AND 3010: RESPONDENT CENTAURUS FINANCIAL, INC. FAILED TO PROTECT CERTAIN CONFIDENTIAL CUSTOMER RECORDS AND INFORMATION BY USING AN IMPROPERLY CONFIGURED COMPUTER FIREWALL AND EMPLOYING AN INEFFECTIVE USERNAME AND PASSWORD ON ITS COMPUTER FAX SERVER. CENTAURUS' FAILURES PERMITTED UNAUTHORIZED PERSONS TO ACCESS STORED IMAGES OF FAXES RECEIVED BY CENTAURUS, WHICH INCLUDED CUSTOMERS' SENSITIVE, PERSONAL AND CONFIDENTIAL DATA. CENTAURUS' FAILURE TO ADEQUATELY PROTECT ITS COMPUTER FAX SYSTEM ALSO PERMITTED AN UNKNOWN INDIVIDUAL TO CONDUCT A PHISHING SCAM. WHEN CENTAURUS BECAME AWARE OF THE PHISHING SCAM, IT CONDUCTED AN INADEQUATE INVESTIGATION AND SENT A MISLEADING NOTIFICATION LETTER TO AFFECTED CUSTOMERS AND THEIR BROKERS, TELLING THEM THAT ONLY ONE BENEVOLENT PERSON HAD OBTAINED ACCESS TO ITS COMPUTER FAX SERVER. CENTAURUS ALSO FAILED TO MAINTAIN A SUPERVISORY

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	SYSTEM AND PROCEDURES THAT WERE REASONABLY DESIGNED TO COMPLY WITH REGULATION S-P.
Initiated By:	FINRA
Date Initiated:	04/28/2009
Docket/Case Number:	2007009780901
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/28/2009
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine $175,000.00
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, CENTAURUS FINANCIAL, INC. CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED $175,000 AND REQUIRED TO UNDERTAKE TO PROVIDE CORRECTED NOTIFICATIONS OF THE UNAUTHORIZED ACCESSES TO ALL PREVIOUSLY NOTIFIED CUSTOMERS AND BROKERS WITHIN 30 DAYS OF NOTICE OF THE ACCEPTED AWC; OFFER THESE CUSTOMERS ONE YEAR OF FREE CREDIT MONITORING; AND CERTIFY TO FINRA WITHIN 90 DAYS OF NOTICE OF THE ACCEPTED AWC THAT ITS PROCEDURES AND SYSTEMS ARE IN COMPLIANCE WITH PRIVACY REQUIREMENTS.

Reporting Source:	Firm
Current Status:	Final
Allegations:	FAILURE TO: ADEQUATELY SAFEGUARD CERTAIN CUSTOMER

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	INFORMATION ON A COMPUTER FAX SERVER; ADEQUATELY RESPOND TO INFORMATION THAT UNAUTHORIZED USERS HAD ACCESSED THE SYSTEM; ADEQUATELY INVESTIGATE THE SCOPE OF THE UNAUTHORIZED ACCESS. SENT INACCURATE NOTIFICATIONS OF THE ACCESS TO AFFECTED CUSTOMERS AND REPRESENTATIVES. THUS, FAILURE TO COMPLY WITH REG S-P AND FINRA RULES 2010,2211,2110 AND 3010.
Initiated By:	FINRA
Date Initiated:	04/28/2009
Docket/Case Number:	2007009780901
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CENSURE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/28/2009
Sanctions Ordered:	Censure Monetary/Fine $175,000.00
Other Sanctions Ordered:	TO PROVIDE CORRECTED NOTIFICATIONS OF THE UNAUTHORIZED ACCESSES TO ALL PREVIOUSLY NOTIFIED CUSTOMERS AND BROKERS WITHIN 30 DAYS OF NOTICE OF THE ACCEPTED AWC; OFFER THESE CUSTOMERS ONE YEAR OF FREE CREDIT MONITORING; AND CERTIFY TO FINRA WITHIN 90 DAYS OF NOTICE OF THE ACCEPTED AWC THAT ITS PROCEDURES AND SYSTEMS ARE IN COMPLIANCE WITH PRIVACY REQUIREMENTS.
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM WAS FINED $175,000.00, CENSURED AND REQUIRED TO EFFECT THE UNDERTAKINGS DESCRIBED IN 12B. ABOVE.
Firm Statement	IN ADDITION TO THE ITEMS DESCRIBED IN THE CORRECTIVE ACTION STATEMENT SUBMITTED BY CENTAURUS WITH THE AWC, CENTAURUS HAS IMPLEMENTED THE CORRECTIVE ACTIONS INCLUDED IN THE SANCTIONS DESCRIBED ABOVE.

Disclosure 15 of 17

Reporting Source:	Regulator

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Current Status:	Final
Allegations:	NASD RULES 1031, 3010, 2110, AND INTERPRETIVE MATERIAL 8310-1; RESPONDENT PAID COMMISSIONS IN CONNECTION WITH CUSTOMER EQUITY TRANSACTIONS DURING THE SUSPENSION PERIOD OF AN INDIVIDUAL ASSOCIATED WITH THE FIRM. IT'S SUSPERVISORY SYSTEM FAILED TO PROVIDE FOR REASONABLE FOLLOW-UP AND REVIEW TO ENSURE THAT AN INDIVIDUAL DID NOT RECEIVE COMPENSATION FOR CUSTOMER EQUITY TRANSACTIONS DURING THE PERIOD OF HIS SUSPENSION.
Initiated By:	NASD
Date Initiated:	05/02/2006
Docket/Case Number:	E022004017602
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/02/2006
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine $15,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED $15,000.

Reporting Source:	Firm
Current Status:	Final

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Allegations:	FIRM MISTAKENLY PERMITTED A REPRESSENTATIVE, SUSPENDED FROM ASSOCIATING WITH THE FIRM, TO BE PAID A COMMISSION.
Initiated By:	NASD
Date Initiated:	05/02/2006
Docket/Case Number:	AWC E022004017602
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CENSURE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/02/2006
Sanctions Ordered:	Censure Monetary/Fine $15,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIRM WAS CENSURED AND FINED $15,000.00.

Disclosure 16 of 17

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD CONDUCT RULE 3070 - RESPONDENT MEMBER CENTAURUS FINANCIAL, INC., ACTING THROUGH AN INDIVIDUAL, FAILED TO TIMELY FILE A REPORT REGARDING FOUR EVENTS REQUIRED TO BE DISCLOSED PURSUANT TO NASD CONDUCT RULE 3070(B); AND FAILED TO TIMELY FILE A REPORT CONCERNING STATISTICAL AND SUMMARY INFORMATION RELATING TO EIGHTEEN CUSTOMER COMPLAINTS, PURSUANT TO NASD CONDUCT RULE 3070(C).
Initiated By:	NASD
Date Initiated:	08/16/2004
Docket/Case Number:	C02040029
Principal Product Type:	No Product

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Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/16/2004
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine $10,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT MEMBER CONSENTED TO THE FINDING OF THE ALLEGATIONS AND TO THE FOLLOWING SANCTIONS: CENSURED AND FINED $10,000.00, OF WHICH $5,000.00 IS JOINTLY AND SEVERALLY.

Reporting Source:	Firm
Current Status:	Final
Allegations:	FAILURE TO TIMELY FILE CERTAIN REPORTABLE EVENTS AS REQUIRED BY NASD CONDUCT RULE 3070(B) AND CERTAIN REPORTABLE STATISTICAL AND SUMMARY INFORMATION AS IS REQUIRED BY NASD CONDUCT RULE 3070(C)
Initiated By:	NASD
Date Initiated:	08/16/2004
Docket/Case Number:	AWC C02040029
Principal Product Type:	Other
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)

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Other Sanction(s)/Relief Sought:	CENSURE AS TO THE FIRM ONLY.
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/16/2004
Sanctions Ordered:	Censure Monetary/Fine $10,000.00
Other Sanctions Ordered:	
Sanction Details:	$10,000.00 FINE, OF WHICH $5000.00 IS JOINT AND SEVERAL WITH KEILLY. CENSURE AS TO THE FIRM.
Firm Statement	FINE PAID ON AUGUST 24, 2004

Disclosure 17 of 17

Reporting Source:	Regulator
Current Status:	Final
Allegations:	7/21/99GS: ON JUNE 29, 1999, DISTRICT NO. 2 NOTIFIED RESPONDENTS CENTAURUS FINANCIAL, INC. AND LAUREN LEE GEMMRIG THAT THE LETTER OF ACCEPTANCE, WAIVER, AND CONSENT NO. C02990036 WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED $5,000, JOINTLY AND SEVERALLY - (NASD RULES 2110 AND 3070 - (RESPONDENT MEMBER, ACTING UNDER THE DIRECTION AND CONTROL OF RESPONDENT GEMMRIG, FAILED TO REPORT TO THE NASD TWO CUSTOMER COMPLAINTS, TWO SECURITIES-RELATED CIVIL LITIGATIONS, AND TWO SECURITIES-RELATED ARBITRATIONS WHICH WERE DISPOSED OF BY SETTLEMENT IN THE AMOUNTS EXCEEDING $25,000).
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	06/29/1999
Docket/Case Number:	C02990036
Principal Product Type:	Other
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	

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Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/29/1999
Sanctions Ordered:	Censure Monetary/Fine $5,000.00
Other Sanctions Ordered:	
Sanction Details:	FINED
Regulator Statement	10-27-99, $5,000 PAID J&S ON 7/13/99, INVOICE #99-02-586

Reporting Source:	Firm
Current Status:	Final
Allegations:	VIOLATION OF NASD CONDUCT RULES 2110 AND 3070
Initiated By:	NASD
Date Initiated:	04/01/1999
Docket/Case Number:	AWC # C02990036
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	06/29/1999
Sanctions Ordered:	Monetary/Fine $5,000.00
Other Sanctions Ordered:	
Sanction Details:	CENSURE AND JOINT AND SEVERAL FINED IN THE AMOUNT OF $5,000.00 WHICH WAS PAID IN FULL 4/28/1999
Firm Statement	THE SUBJECT VIOLATION RESULTED FROM THE (FORMER) CONTROL AFFILIATE, LAUREN GEMMRIG'S FAILURE TO ELECTRONICALLY REPORT CERTAIN OCCURENCES IN A TIMELY MANNER DUE TO GLITCHES WITH NEWLY PURCHASED SOFTWARE, OUTSOURCING TO THIRD PARTIES AND

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ISSUANCE OF CONFUSING ELECTRONIC REPORTING REQUIREMENTS BY THE NASD. HOWEVER, ALL OCCURENCES HAD BEEN PREVIOUSLY DISCLOSED TO THE NASD BY OTHER MEANS.

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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 8

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum:	NASD
Case Initiated:	02/20/2004
Case Number:	04-01051
Disputed Product Type:	ANNUITIES; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	$3,000,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	02/11/2005
Sum of All Relief Awarded:	$719,279.32

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 8

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER
Arbitration Forum:	FINRA

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Case Initiated:	02/12/2010
Case Number:	10-00536
Disputed Product Type:	OTHER TYPES OF SECURITIES
Sum of All Relief Requested:	$435,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	01/07/2011
Sum of All Relief Awarded:	$213,485.86

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 8

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	02/26/2010
Case Number:	10-00847
Disputed Product Type:	COMMON STOCK
Sum of All Relief Requested:	$199,658.82
Disposition:	AWARD AGAINST PARTY
Disposition Date:	08/02/2011
Sum of All Relief Awarded:	$40,000.01

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 8

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY

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Arbitration Forum:	FINRA
Case Initiated:	11/11/2010
Case Number:	10-05023
Disputed Product Type:	ANNUITIES
Sum of All Relief Requested:	$129,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	09/19/2011
Sum of All Relief Awarded:	$42,477.01

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

Disclosure 5 of 8

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	12/06/2011
Case Number:	11-04428
Disputed Product Type:	COMMON STOCK
Sum of All Relief Requested:	Unspecified Damages
Disposition:	AWARD AGAINST PARTY
Disposition Date:	03/01/2013
Sum of All Relief Awarded:	$186,544.05

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 8

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

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	MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER
Arbitration Forum:	FINRA
Case Initiated:	05/14/2012
Case Number:	12-01649
Disputed Product Type:	
Sum of All Relief Requested:	$900,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	07/16/2013
Sum of All Relief Awarded:	$817,116.01

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 8

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER
Arbitration Forum:	FINRA
Case Initiated:	10/10/2013
Case Number:	13-02924
Disputed Product Type:	REAL ESTATE INVESTMENT TRUST
Sum of All Relief Requested:	$1,000,862.01
Disposition:	AWARD AGAINST PARTY
Disposition Date:	05/26/2015
Sum of All Relief Awarded:	$915,249.05

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

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

Disclosure 8 of 8

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	08/08/2014
Case Number:	14-02450
Disputed Product Type:	ANNUITIES; HEDGE FUND; LIMITED PARTNERSHIPS; PRIVATE EQUITIES; REAL ESTATE INVESTMENT TRUST; VARIABLE ANNUITIES
Sum of All Relief Requested:	$1,500,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	06/03/2016
Sum of All Relief Awarded:	$150,600.01

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

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