

**BrokerCheck Report**

**CAMBRIDGE INVESTMENT RESEARCH, INC.**

CRD# 39543

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## 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](http://brokercheck.finra.org)



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

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

**CAMBRIDGE INVESTMENT RESEARCH, INC.**

CRD# 39543

SEC# 8-48740

**Main Office Location**

1776 PLEASANT PLAIN RD.  
FAIRFIELD, IA 52556-8757  
Regulated by FINRA Kansas City Office

**Mailing Address**

1776 PLEASANT PLAIN RD.  
FAIRFIELD, IA 52556-8757

**Business Telephone Number**

641-472-5100

**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 Iowa on 10/12/1995.

Its fiscal year ends in December.

**Firm History**

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

**Firm Operations****This firm is registered with:**

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

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

This firm conducts 18 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	7
Arbitration	4



## Firm Profile

This firm is classified as a corporation.

This firm was formed in Iowa on 10/12/1995.

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.

**CAMBRIDGE INVESTMENT RESEARCH, INC.**

**Doing business as CAMBRIDGE INVESTMENT RESEARCH, INC.**

**CRD#** 39543

**SEC#** 8-48740

### Main Office Location

1776 PLEASANT PLAIN RD.  
FAIRFIELD, IA 52556-8757

**Regulated by FINRA Kansas City Office**

### Mailing Address

1776 PLEASANT PLAIN RD.  
FAIRFIELD, IA 52556-8757

### Business Telephone Number

641-472-5100

## Other Names of this Firm

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

JORDAN CREEK FINANCIAL SERVICES

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



## Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

### Direct Owners and Executive Officers

<b>Legal Name &amp; CRD# (if any):</b>	CAMBRIDGE INVESTMENT GROUP, INC.
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Position</b>	SHAREHOLDER/HOLDING COMPANY
<b>Position Start Date</b>	06/1997
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	ALVAREZ, CATHERINE MEAGHAN
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF COMPLIANCE OFFICER/VICE PRESIDENT, COMPLIANCE
<b>Position Start Date</b>	10/2018
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	BELL, COLLEEN MCGUIRE 5077188
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	EXECUTIVE VICE PRESIDENT, FIDUCIARY SERVICES/OPERATIONS, CHIEF FIDUCIARY SERVICES OFFICER/DIRECTOR
<b>Position Start Date</b>	01/2019
<b>Percentage of Ownership</b>	Less than 5%



## Firm Profile

### Direct Owners and Executive Officers (continued)

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** BOYLES, RICHARD CHARLES  
2210763

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

**Position** EXECUTIVE VP, FINANCE AND HR/CHIEF FINANCIAL OFFICER/FINOP/PRINCIPAL OPERATIONS OFFICER/TREASURER/DIRECTOR

**Position Start Date** 01/2019

**Percentage of Ownership** Less than 5%

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** GRAHAM, NELSON MURPHY II  
6848993

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

**Position** SENIOR VICE PRESIDENT TECHNOLOGY/CHIEF TECHNOLOGY OFFICER

**Position Start Date** 01/2019

**Percentage of Ownership** Less than 5%

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** MILLER, SETH AARON

## Firm Profile



### Direct Owners and Executive Officers (continued)

	5495508
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	EXECUTIVE VICE PRESIDENT RISK MANAGEMENT/GENERAL COUNSEL/CHIEF RISK OFFICER/DIRECTOR
<b>Position Start Date</b>	01/2019
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No
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<b>Legal Name &amp; CRD# (if any):</b>	SCHWARTZ, ERIC 1203799
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	EXECUTIVE CHAIRMAN OF THE BOARD OF DIRECTORS
<b>Position Start Date</b>	09/2007
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No
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<b>Legal Name &amp; CRD# (if any):</b>	SELBERG, KYLE RUSSELL 1037140
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	EXECUTIVE VICE PRESIDENT/CHIEF BUSINESS DEVELOPMENT OFFICER/DIRECTOR
<b>Position Start Date</b>	01/2019





## Firm Profile

### Direct Owners and Executive Officers (continued)

**Percentage of Ownership** Less than 5%

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** VIVACQUA, JEFFREY FRANCIS  
2608892

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

**Position** EXECUTIVE VICE PRESIDENT/CHIEF MARKETING OFFICER/DIRECTOR

**Position Start Date** 01/2019

**Percentage of Ownership** Less than 5%

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** WEBBER, AMY LYNN  
1812670

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

**Position** PRESIDENT/CHIEF EXECUTIVE OFFICER/SECRETARY/DIRECTOR

**Position Start Date** 01/2017

**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



## Firm Profile

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

### Indirect Owners

<b>Legal Name &amp; CRD# (if any):</b>	SCHWARTZ FAMILY TRUST
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	CAMBRIDGE INVESTMENT GROUP
<b>Relationship to Direct Owner</b>	SHAREHOLDER
<b>Relationship Established</b>	06/2014
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No
<hr/>	
<b>Legal Name &amp; CRD# (if any):</b>	SCHWARTZ FAMILY FOUNDATION
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	CAMBRIDGE INVESTMENT GROUP, INC.
<b>Relationship to Direct Owner</b>	SHAREHOLDER
<b>Relationship Established</b>	12/2014
<b>Percentage of Ownership</b>	Other General Partners
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No
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<b>Legal Name &amp; CRD# (if any):</b>	SCHWARTZ, ERIC 1203799
<b>Is this a domestic or foreign</b>	Individual

## Firm Profile



### Indirect Owners (continued)

entity or an individual?

**Company through which indirect ownership is established** SCHWARTZ FAMILY TRUST

**Relationship to Direct Owner** TRUSTEE

**Relationship Established** 06/2003

**Percentage of Ownership** Other General Partners

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

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** SCHWARTZ, ERIC  
1203799

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

**Company through which indirect ownership is established** SCHWARTZ FAMILY FOUNDATION

**Relationship to Direct Owner** EXECUTIVE

**Relationship Established** 12/2014

**Percentage of Ownership** Other General Partners

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

**Is this a public reporting company?** No

## **Firm History**

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

No information reported.





## Firm Operations

### Registrations

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

**This firm is currently registered with the SEC, 1 SRO and 52 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	12/11/1995

### 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	12/11/1995



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	04/24/1997	North Carolina	Approved	01/11/1996
Alaska	Approved	01/13/1997	North Dakota	Approved	12/03/1997
Arizona	Approved	07/15/1996	Ohio	Approved	04/12/1996
Arkansas	Approved	02/04/1997	Oklahoma	Approved	04/21/1997
California	Approved	12/28/1995	Oregon	Approved	01/30/1996
Colorado	Approved	01/15/1997	Pennsylvania	Approved	02/21/1996
Connecticut	Approved	03/04/1997	Puerto Rico	Approved	11/12/2009
Delaware	Approved	03/18/1997	Rhode Island	Approved	11/25/1996
District of Columbia	Approved	02/28/1997	South Carolina	Approved	01/11/1996
Florida	Approved	04/16/1996	South Dakota	Approved	10/08/1996
Georgia	Approved	02/12/1996	Tennessee	Approved	06/25/1997
Hawaii	Approved	01/02/1997	Texas	Approved	05/07/1996
Idaho	Approved	08/13/1997	Utah	Approved	10/15/1996
Illinois	Approved	02/23/1996	Vermont	Approved	06/30/1997
Indiana	Approved	07/17/1996	Virginia	Approved	02/21/1996
Iowa	Approved	12/07/1995	Washington	Approved	12/19/1995
Kansas	Approved	02/12/1997	West Virginia	Approved	03/25/1998
Kentucky	Approved	10/23/1996	Wisconsin	Approved	01/23/1996
Louisiana	Approved	06/10/1997	Wyoming	Approved	03/20/1998
Maine	Approved	05/27/1997			
Maryland	Approved	06/24/1996			
Massachusetts	Approved	04/23/1997			
Michigan	Approved	01/17/1996			
Minnesota	Approved	02/06/1996			
Mississippi	Approved	10/03/1997			
Missouri	Approved	03/21/1997			
Montana	Approved	04/15/1998			
Nebraska	Approved	01/30/1996			
Nevada	Approved	01/23/1997			
New Hampshire	Approved	04/16/1997			
New Jersey	Approved	04/02/1996			
New Mexico	Approved	05/20/1997			
New York	Approved	01/02/1996			



## 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 18 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 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
Trading securities for own account
Private placements of securities
Broker or dealer selling interests in mortgages or other receivables
Broker or dealer involved in a networking, kiosk or similar arrangement with a: bank, savings bank or association, or credit union
Broker or dealer involved in a networking, kiosk or similar arrangement with a: insurance company or agency
Other - FIXED INSURANCE

#### Other Types of Business

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

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

Non-Securities Business Description:



## Firm Operations

### Clearing Arrangements

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

### Introducing Arrangements

This firm does 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:** 09/03/1998  
**Description:** CAMBRIDGE ALSO HAS A CLEARING AGREEMENT WITH PERSHING, LLC FOR GENERAL SECURITIES TRANSACTIONS.

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**Name:** NATIONAL FINANCIAL SERVICES LLC  
**CRD #:** 13041  
**Business Address:** 82 DEVONSHIRE STREET  
 BOSTON, MA 02110  
**Effective Date:** 10/11/2002  
**Description:** NATIONAL FINANCIAL SERVICES LLC WILL ACT AS ONE OF OUR CLEARING FIRMS FOR GENERAL SECURITIES TRANSACTIONS.

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## Firm Operations

### Industry Arrangements



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

**Name:** PERSHING LLC  
**CRD #:** 7560  
**Business Address:** ONE PERSHING PLAZA  
 JERSEY CITY, NJ 07399  
**Effective Date:** 09/03/1998  
**Description:** CAMBRIDGE ALSO HAS A CLEARING AGREEMENT WITH PERSHING, LLC FOR GENERAL SECURITIES TRANSACTIONS.

**Name:** NATIONAL FINANCIAL SERVICES LLC  
**CRD #:** 13041  
**Business Address:** 82 DEVONSHIRE STREET  
 BOSTON, MA 02110  
**Effective Date:** 10/11/2002  
**Description:** NATIONAL FINANCIAL SERVICES LLC WILL ACT AS ONE OF OUR CLEARING FIRMS FOR GENERAL SECURITIES TRANSACTIONS.

**This firm does have 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:** 09/03/1998  
**Description:** CAMBRIDGE ALSO HAS A CLEARING AGREEMENT WITH PERSHING, LLC FOR GENERAL SECURITIES TRANSACTIONS.

**Name:** NATIONAL FINANCIAL SERVICES LLC  
**CRD #:** 13041  
**Business Address:** 82 DEVONSHIRE STREET  
 BOSTON, MA 02110  
**Effective Date:** 10/11/2002  
**Description:** NATIONAL FINANCIAL SERVICES LLC WILL ACT AS ONE OF OUR CLEARING FIRMS FOR GENERAL SECURITIES TRANSACTIONS.



## Firm Operations

### Industry Arrangements (continued)

**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:** 09/03/1998  
**Description:** CAMBRIDGE ALSO HAS A CLEARING AGREEMENT WITH PERSHING, LLC FOR GENERAL SECURITIES TRANSACTIONS.

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**Name:** NATIONAL FINANCIAL SERVICES LLC  
**CRD #:** 13041  
**Business Address:** 82 DEVONSHIRE STREET  
BOSTON, MA 02110  
**Effective Date:** 10/11/2002  
**Description:** NATIONAL FINANCIAL SERVICES LLC WILL ACT AS ONE OF OUR CLEARING FIRMS FOR GENERAL SECURITIES TRANSACTIONS.

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### Control Persons/Financing

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

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



## Firm Operations

### Organization Affiliates

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

**This firm is, directly or indirectly:**

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

**CAMBRIDGE INVESTMENT RESEARCH ADVISORS, INC. is under common control with the firm.**

<b>CRD #:</b>	134139
<b>Business Address:</b>	1776 PLEASANT PLAIN RD. FAIRFIELD, IA 52556-8757
<b>Effective Date:</b>	02/03/2005
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	CAMBRIDGE INVESTMENT RESEARCH, INC. (CAMBRIDGE) & CAMBRIDGE INVESTMENT RESEARCH ADVISORS, INC. (CIRA) ARE UNDER COMMON CONTROL OF CAMBRIDGE INVESTMENT GROUP, INC. (CIG). INDIVIDUALS CONTROLLING CIG ARE ERIC SCHWARTZ, EXECUTIVE CHAIRMAN OF THE BOARD/DIRECTOR; AMY WEBBER, PRESIDENT/SECRETARY/DIRECTOR; J DANIEL SULLIVAN, EXECUTIVE VICE PRESIDENT/DIRECTOR; RICHARD BOYLES TREASURER/DIRECTOR; AND DIRECTORS KYLE SELBERG, JEFFREY VIVACQUA & SETH MILLER. THESE PERSONS ARE ALSO OFFICERS/DIRECTORS OF CAMBRIDGE & CIRA.

**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.

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	0	7	0
Arbitration	N/A	4	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 7

**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 ESTABLISH, MAINTAIN, AND ENFORCE A REASONABLY-DESIGNED SUPERVISORY SYSTEM AND PROCEDURES REGARDING REDEMPTIONS OF VARIABLE ANNUITIES AND NON-TRADITIONAL ETFS. THE FINDINGS STATED THAT ON APPROXIMATELY ONE HUNDRED OCCASIONS THE FIRM'S CUSTOMERS REDEEMED VARIABLE ANNUITIES AND TRANSFERRED THE PROCEEDS TO AN ADVISORY ACCOUNT. THE FIRM'S ASSOCIATED PERSONS WERE INVOLVED WITH AND RECOMMENDED SOME OF THOSE TRANSACTIONS. THE FIRM DID NOT SYSTEMATICALLY SUPERVISE OR RECORD THOSE REDEMPTIONS OR HAVE WRITTEN PROCEDURES FOR DOING SO. NOR DID THE FIRM ASCERTAIN WHICH OF THOSE TRANSACTIONS WERE RECOMMENDED BY THE FIRM'S ASSOCIATED PERSONS AND THUS WERE SUBJECT TO FINRA'S SUITABILITY REQUIREMENTS. THE FIRM'S SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES (WSPS) WERE NOT REASONABLY DESIGNED TO COMPLY WITH APPLICABLE SUPERVISION AND RECORDKEEPING REQUIREMENTS WITH RESPECT TO REDEMPTIONS OF VARIABLE ANNUITIES, AND THE FIRM DID NOT RECORD THOSE TRANSACTIONS. THE FINDINGS ALSO STATED THAT 84 FIRM REGISTERED REPRESENTATIVES TRADED NON-TRADITIONAL ETFS IN RETAIL CUSTOMER ACCOUNTS. THESE REGISTERED REPRESENTATIVES EXECUTED 4,773 TRANSACTIONS TOTALING APPROXIMATELY \$127 MILLION. THE FIRM ESTABLISHED WSPS FOR NON-TRADITIONAL ETFS THAT REQUIRED REGISTERED REPRESENTATIVES WHO WANTED TO TRADE NON-TRADITIONAL ETFS TO COMPLETE A FORTY-FIVE-MINUTE TRAINING SESSION AND SIGN A "LEVERAGED/INVERSE LIT REP/ADVISOR ATTESTATION FORM" (THE ATTESTATION FORM). THE FIRM FAILED TO ENFORCE ITS WSPS REGARDING NON-TRADITIONAL ETFS IN SEVERAL RESPECTS. FIRST, THE FIRM ALLOWED REPRESENTATIVES TO EXECUTE NON-TRADITIONAL ETF TRADES BEFORE SIGNING THE ATTESTATION FORM. ALL EIGHTY-FOUR REPRESENTATIVES WHO EXECUTED NON-TRADITIONAL ETF TRANSACTIONS EXECUTED AT LEAST ONE SUCH TRANSACTION BEFORE SIGNING THE ATTESTATION FORM. SECOND, THE FIRM ALLOWED MANY CUSTOMERS TO PURCHASE NON-TRADITIONAL ETFS BEFORE SUBMITTING THE REQUIRED DISCLOSURE FORM. THE FINDINGS ALSO INCLUDED THAT THE FIRM DID NOT ESTABLISH AN ADEQUATE SUPERVISORY SYSTEM TO EFFECTIVELY MONITOR HOLDING PERIODS FOR NON-TRADITIONAL ETFS. A PRIMARY RISK WITH NON-TRADITIONAL ETFS IS THAT THEIR PERFORMANCE OVER LONGER PERIODS OF TIME CAN DIFFER SIGNIFICANTLY FROM THE PERFORMANCE OF THEIR UNDERLYING INDEX OR BENCHMARK, PARTICULARLY IN VOLATILE MARKETS. THE FIRM'S PROCEDURES REQUIRED THE COMPLIANCE DEPARTMENT TO REVIEW CUSTOMER ACCOUNTS THAT HELD NON-TRADITIONAL ETF POSITIONS AND IDENTIFY ANY ACCOUNTS THAT WERE



HOLDING THESE POSITIONS FOR MORE THAN TEN DAYS AND, IF NECESSARY, FOLLOW UP WITH THE RESPONSIBLE REGISTERED REPRESENTATIVE. THE FIRM, HOWEVER, FAILED TO ENFORCE THESE PROCEDURES. THE FIRM'S FAILURE TO ADEQUATELY MONITOR CUSTOMERS' NON-TRADITIONAL HOLDING PERIODS RESULTED IN CUSTOMERS HOLDING NON-TRADITIONAL ETF POSITIONS FOR LENGTHY PERIODS OF TIME. THERE WERE NUMEROUS NON-TRADITIONAL ETF POSITIONS THAT WERE SOLD BY THE FIRM'S CUSTOMERS THAT WERE HELD FOR LONGER THAN SEVEN DAYS.

**Initiated By:** FINRA

**Date Initiated:** 05/03/2018

**Docket/Case Number:** [2016048934301](#)

**Principal Product Type:** Other

**Other Product Type(s):** LEVERAGED, INVERSE, AND INVERSE-LEVERAGED EXCHANGE-TRADED FUNDS (NON-TRADITIONAL ETFS)

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

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

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/03/2018

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

**Sanctions Ordered:** Censure  
Monetary/Fine \$150,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$150,000. FINES PAID IN FULL ON MAY 15, 2018.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED





TO THE SANCTIONS AND ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO SUPERVISE THE REDEMPTION OF VARIABLE ANNUITIES AND THE SALE OF NON-TRADITIONAL ETFs.

**Initiated By:** FINRA

**Date Initiated:** 05/03/2018

**Docket/Case Number:** [2016048934301](#)

**Principal Product Type:** Annuity(ies) - Variable

**Other Product Type(s):** NON-TRADITIONAL ETFs

**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:** 05/03/2018

**Sanctions Ordered:** Censure  
Monetary/Fine \$150,000.00

**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 WAS CENSURED AND FINED \$150,000.

**Firm Statement** THE FIRM HAS REVISED AND ENHANCED ITS POLICIES AND PROCEDURES REGARDING THE REDEMPTION OF VARIABLE ANNUITIES AND THE SALE OF NON-TRADITIONAL ETFs.

#### Disclosure 2 of 7

**Reporting Source:** Firm

**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 TIMELY REPORT AN ADMINISTRATIVE ACTION IMPOSED UPON THE FIRM TO THE STATE OF WASHINGTON INSURANCE COMMISSIONER.

**Initiated By:** STATE OF WASHINGTON OFFICE OF THE INSURANCE COMMISSIONER

**Date Initiated:** 09/29/2017



**Docket/Case Number:** 17-0289

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Consent

**Resolution Date:** 10/31/2017

**Sanctions Ordered:** Monetary/Fine \$250.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS FINED \$250.00.

**Firm Statement** THE FIRM PROPERLY REPORTED THE ADMINISTRATIVE ACTION ON ITS FORM BD AND DID NOT INTEND TO CIRCUMVENT ITS REPORTING REQUIREMENTS TO THE STATE OF WASHINGTON.

### Disclosure 3 of 7

**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 REPORT 50 TRANSACTIONS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE SECURITIZED PRODUCTS WITHIN THE TIME PERMITTED TO TRACE.

**Initiated By:** FINRA

**Date Initiated:** 06/19/2017

**Docket/Case Number:** [2016049834901](#)

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

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

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



**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 06/19/2017  
**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:**  
**Sanction Details:** THE FIRM WAS FINED \$5,000. FINES PAID IN FULL ON JULY 7, 2017.

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**Reporting Source:** Firm  
**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 REPORT 50 TRANSACTIONS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE SECURITIZED PRODUCTS WITHIN THE TIME PERMITTED TO TRACE.  
**Initiated By:** FINRA  
**Date Initiated:** 06/19/2017  
**Docket/Case Number:** [2016049834901](#)  
**Principal Product Type:** Other  
**Other Product Type(s):** SECURITIZED PRODUCTS  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 06/19/2017  
**Sanctions Ordered:** Monetary/Fine \$5,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** THE FIRM WAS FINED \$5,000.

**Firm Statement**

IT SHOULD BE NOTED THAT NO CLIENT ACCOUNTS OR TRANSACTIONS WERE ADVERSELY AFFECTED AS A RESULT OF THE STATED ALLEGATIONS.

**Disclosure 4 of 7****Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION CUSTOMERS THAT WERE ELIGIBLE TO PURCHASE CLASS A SHARES IN CERTAIN MUTUAL FUNDS WITHOUT A FRONT-END SALES CHARGE. THE FINDINGS STATED THAT THESE ELIGIBLE CUSTOMERS WERE INSTEAD SOLD CLASS A SHARES WITH A FRONT-END SALES CHARGE OR CLASS B OR C SHARES WITH BACK-END SALES CHARGES AND HIGHER ONGOING FEES AND EXPENSES. THESE SALES DISADVANTAGED ELIGIBLE CUSTOMERS BY CAUSING SUCH CUSTOMERS TO PAY HIGHER FEES THAN THEY WERE ACTUALLY REQUIRED TO PAY. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REASONABLY SUPERVISE THE APPLICATION OF SALES-CHARGE WAIVERS TO ELIGIBLE MUTUAL FUND SALES. THE FIRM RELIED ON ITS FINANCIAL ADVISORS TO DETERMINE THE APPLICABILITY OF SALES-CHARGE WAIVERS, BUT FAILED TO MAINTAIN ADEQUATE WRITTEN POLICIES OR PROCEDURES TO ASSIST FINANCIAL ADVISORS IN MAKING THIS DETERMINATION. IN ADDITION, THE FIRM FAILED TO ADEQUATELY NOTIFY AND TRAIN ITS FINANCIAL ADVISORS REGARDING THE AVAILABILITY OF MUTUAL FUND SALES-CHARGE WAIVERS FOR ELIGIBLE CUSTOMERS. THE FIRM ALSO FAILED TO ADOPT ADEQUATE CONTROLS TO DETECT INSTANCES IN WHICH THEY DID NOT PROVIDE SALES-CHARGE WAIVERS TO ELIGIBLE CUSTOMERS IN CONNECTION WITH THEIR MUTUAL FUND PURCHASES. AS A RESULT OF THE FIRM'S FAILURE TO APPLY AVAILABLE SALES-CHARGE WAIVERS, THE FIRM ESTIMATES THAT ELIGIBLE CUSTOMERS WERE OVERCHARGED BY APPROXIMATELY \$182,259 FOR MUTUAL FUND PURCHASES MADE SINCE JULY 1, 2009.

**Initiated By:**

FINRA

**Date Initiated:**

12/15/2016

**Docket/Case Number:**[2015046952401](#)**Principal Product Type:**

Mutual Fund(s)

**Other Product Type(s):**



<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/15/2016
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Disgorgement/Restitution
<b>Other Sanctions Ordered:</b>	INTEREST
<b>Sanction Details:</b>	THE FIRM WAS CENSURED AND REQUIRED TO PROVIDE FINRA WITH A REMEDIATION PLAN TO REMEDIATE ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE MUTUAL FUND SALES-CHARGE WAIVER. AS PART OF THIS SETTLEMENT, THE FIRM AGREES TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS, WHICH IS ESTIMATED TO TOTAL \$211,979 (THE AMOUNT ELIGIBLE CUSTOMERS WERE OVERCHARGED, INCLUSIVE OF INTEREST).
<b>Regulator Statement</b>	IN RESOLVING THIS MATTER, FINRA HAS RECOGNIZED THE EXTRAORDINARY COOPERATION OF THE FIRM FOR HAVING: (1) INITIATED, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, AN INVESTIGATION TO IDENTIFY WHETHER ELIGIBLE CUSTOMERS RECEIVED SALES-CHARGE WAIVERS DURING THE RELEVANT PERIOD; (2) PROMPTLY ESTABLISHED A PLAN OF REMEDIATION FOR ELIGIBLE CUSTOMERS WHO DID NOT RECEIVE APPROPRIATE SALES-CHARGE WAIVERS; (3) PROMPTLY SELF-REPORTED TO FINRA; (4) PROMPTLY TAKEN ACTION AND REMEDIAL STEPS TO CORRECT THE VIOLATIVE CONDUCT; AND (5) EMPLOYED SUBSEQUENT CORRECTIVE MEASURES, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, TO REVISE ITS PROCEDURES TO AVOID RECURRENCE OF THE MISCONDUCT.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT



DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION CUSTOMERS THAT WERE ELIGIBLE TO PURCHASE CLASS A SHARES IN CERTAIN MUTUAL FUNDS WITHOUT A FRONT-END SALES CHARGE. THE FINDINGS STATED THAT THE CUSTOMERS WERE INSTEAD SOLD CLASS A SHARES WITH A FRONT-END SALES CHARGE OR CLASS B OR C SHARES WITH BACK-END SALES CHARGES AND HIGHER ONGOING FEES AND EXPENSES. THE FIRM CONDUCTED AN INTERNAL REVIEW AND BASED ON THIS REVIEW SELF-REPORTED TO FINRA THAT CERTAIN CUSTOMERS HAD NOT RECEIVED AVAILABLE SALES CHARGE WAIVERS. THE FINDINGS ALSO STATED THAT THE FIRM DID NOT ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ENSURE THAT CUSTOMERS WHO PURCHASED MUTUAL FUND SHARES RECEIVED THE BENEFIT OF APPLICABLE SALES CHARGE WAIVERS. THE FINDINGS FURTHER STATED THE FIRM DID NOT ADOPT ADEQUATE CONTROLS TO DETECT INSTANCES IN WHICH IT DID NOT PROVIDE SALES CHARGE WAIVERS TO CUSTOMERS IN CONNECTION WITH THEIR MUTUAL FUND PURCHASES.

**Initiated By:** FINRA

**Date Initiated:** 12/15/2016

**Docket/Case Number:** [2015046952401](#)

**Principal Product Type:** Mutual Fund(s)

**Other Product Type(s):**

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

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

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/15/2016

**Sanctions Ordered:** Censure  
Disgorgement/Restitution

**Other Sanctions Ordered:** INTEREST

**Sanction Details:** THE FIRM WAS CENSURED AND REQUIRED TO PROVIDE FINRA WITH A REMEDIATION PLAN TO REMEDIATE ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVED, THE APPLICABLE MUTUAL FUNDS SALES CHARGE WAIVER. AS PART OF THIS SETTLEMENT, THE FIRM AGREES TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS. THE FIRM ESTIMATES RESTITUTION OF APPROXIMATELY \$182,259 FOR OVERCHARGES PLUS INTEREST, FOR A TOTAL AMOUNT OF \$211,979.

**Firm Statement**

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

**Disclosure 5 of 7****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 "ROLLOVER" AND EXCHANGE DISCOUNTS TO CERTAIN CUSTOMERS WITH ELIGIBLE PURCHASES OF UNIT INVESTMENT TRUSTS (UIT) RESULTING IN THOSE CUSTOMERS PAYING EXCESSIVE SALES CHARGES OF \$423,774.27. THE FINDINGS STATED THAT 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 WRITTEN SUPERVISORY PROCEDURES (WSPS) REASONABLY DESIGNED TO ENSURE THAT CUSTOMERS RECEIVED SALES CHARGE DISCOUNTS ON ALL ELIGIBLE UIT PURCHASES. THE FIRM RELIED PRIMARILY ON ITS REGISTERED REPRESENTATIVES TO ENSURE THAT CUSTOMERS RECEIVED APPROPRIATE UIT SALES CHARGE DISCOUNTS, DESPITE THE FACT THAT THE FIRM DID NOT EFFECTIVELY INFORM AND TRAIN REPRESENTATIVES AND THEIR SUPERVISORS TO IDENTIFY AND APPLY SUCH SALES CHARGE DISCOUNTS.

**Initiated By:**

FINRA

**Date Initiated:**

03/31/2015

**Docket/Case Number:**[2013038730901](#)**Principal Product Type:**

Unit Investment Trust(s)

**Other Product Type(s):**



<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	03/31/2015
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE FIRM WAS CENSURED AND FINED \$250,000. 4/17/2015 FINE PAID IN FULL.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA RULE 2010, NASD RULE 2110: FINRA ALLEGED THE FOLLOWING: THE FIRM DID NOT APPLY SALES CHARGE DISCOUNTS TO CERTAIN CUSTOMERS WITH ELIGIBLE PURCHASES OF UNIT INVESTMENT TRUSTS. FINRA RULE 2010, NASD RULES 3010 AND 2110: FINRA ALLEGED THE FOLLOWING: THE FIRM DID NOT ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ENSURE CUSTOMERS RECEIVED SALES CHARGE DISCOUNTS ON ALL ELIGIBLE UIT PURCHASES. THE FIRM NEITHER ADMITS NOR DENIES THE ALLEGATIONS.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	03/27/2014
<b>Docket/Case Number:</b>	<a href="#">2013038730901</a>
<b>Principal Product Type:</b>	Unit Investment Trust(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)





<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	03/31/2015
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM WAS CENSURED AND FINED \$250,000.
<b>Firm Statement</b>	IT SHOULD BE NOTED THAT THE FIRM HAS PROVIDED REIMBURSEMENT TO ALL CLIENTS WHO DID NOT RECEIVE SALES CHARGE DISCOUNTS. ADDITIONALLY, THE FIRM HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES WITH REGARD TO THE APPLICATION OF SALES CHARGE DISCOUNTS TO ELIGIBLE UIT PURCHASES.

#### Disclosure 6 of 7

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA RULE 2010, NASD RULE 3010(D): THE FIRM FAILED TO ENSURE THAT IT PRESERVED, MAINTAINED AND REVIEWED THE BUSINESS EMAILS OF TWO OF ITS REGISTERED REPRESENTATIVES. THE FIRM'S PROCEDURES DID NOT EFFECTIVELY ENSURE THAT THE REPRESENTATIVES ACTUALLY FORWARDED ALL BUSINESS-RELATED EMAILS TO A DEDICATED EMAIL ADDRESS AS REQUIRED BY THE FIRM'S PROCEDURES. MOREOVER, THE FIRM'S CORRESPONDENCE TRANSMITTAL FORM ONLY REQUIRED THE BRANCH OFFICE TO SEND INCOMING AND OUTGOING SECURITIES RELATED CLIENT CORRESPONDENCE TO ITS HOME OFFICE. THE FORM WAS FLAWED BECAUSE NASD RULE 3010(D) REQUIRES FIRMS TO REVIEW AND RETAIN ALL COMMUNICATIONS WITH THE PUBLIC RELATING TO THE FIRM'S SECURITIES BUSINESS, NOT JUST COMMUNICATIONS WITH CLIENTS. DUE TO THE DEFICIENCIES IN ITS PROCEDURES, THE FIRM FAILED TO DETECT THE OUTSIDE BUSINESS ACTIVITIES AND PRIVATE SECURITIES TRANSACTIONS OF TWO OF ITS REGISTERED REPRESENTATIVES.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	12/31/2013



<b>Docket/Case Number:</b>	<a href="#">2010023826301</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/31/2013
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$12,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	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 \$12,500. FINE PAID IN FULL ON JANUARY 23, 2014.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA RULE 2010, NASD RULE 3010(D): FINRA ALLEGED THE FOLLOWING: THE FIRM FAILED TO ENSURE THAT IT PRESERVED, MAINTAINED AND REVIEWED THE BUSINESS EMAILS OF TWO OF ITS REGISTERED REPRESENTATIVES; THE FIRM'S PROCEDURES DID NOT EFFECTIVELY ENSURE THAT THE REPRESENTATIVES ACTUALLY FORWARDED ALL BUSINESS-RELATED EMAILS TO A DEDICATED EMAIL ADDRESS AS REQUIRED BY THE FIRM'S PROCEDURES; THE FIRM'S CORRESPONDENCE TRANSMITTAL FORM ONLY REQUIRED THE BRANCH OFFICE TO SEND INCOMING AND OUTGOING SECURITIES RELATED CLIENT CORRESPONDENCE TO ITS HOME OFFICE; AND THE FORM WAS FLAWED BECAUSE NASD RULE 3010(D) REQUIRES FIRMS TO REVIEW AND RETAIN ALL COMMUNICATIONS WITH THE PUBLIC RELATING TO THE FIRM'S



SECURITIES BUSINESS, NOT JUST COMMUNICATIONS WITH CLIENTS. THE FIRM NEITHER ADMITS NOR DENIES THE ALLEGATIONS.

**Initiated By:** FINRA

**Date Initiated:** 12/31/2013

**Docket/Case Number:** [2010023826301](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/31/2013

**Sanctions Ordered:** Censure  
Monetary/Fine \$12,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$12,500.

**Firm Statement**

IT SHOULD BE NOTED THAT THE FIRM PROACTIVELY UPGRADED ITS EMAIL MONITORING AND ARCHIVING SYSTEM IN 2009. THE NEW SYSTEM ENSURES ALL BUSINESS-RELATED EMAIL IS PROPERLY PRESERVED, MAINTAINED AND REVIEWED. ADDITIONALLY, THE FIRM HAS REVISED ITS CORRESPONDENCE TRANSMITTAL FORM AND ITS WRITTEN SUPERVISORY PROCEDURES WITH REGARD TO WHAT COMMUNICATIONS CONSTITUTE CORRESPONDENCE WHICH MUST BE PRESERVED, MAINTAINED AND REVIEWED BY THE FIRM.

**Disclosure 7 of 7**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 2110, 3010, 6230(A), 6230(C)(8), 6230(E) - RESPONDENT MEMBER FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES EXECUTED ON A BUSINESS DAY DURING TRACE SYSTEM HOURS WITHIN 45 MINUTES OF THE TIME OF EXECUTION. THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT TO TRACE THE



CORRECT TIME OF TRADE EXECUTION FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES AND REPORTED TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES THAT IT WAS NOT REQUIRED TO REPORT. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING TRACE REPORTING.

**Initiated By:** NASD

**Date Initiated:** 06/08/2007

**Docket/Case Number:** [2005000178601](#)

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED TYPE OF SECURITIES

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

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

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 06/08/2007

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

**Sanctions Ordered:** Censure  
Monetary/Fine \$12,500.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, CAMBRIDGE INVESTMENT RESEARCH, INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM WAS CENSURED, FINED \$12,500 AND WITHIN 30 DAYS REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES CONCERNING TRACE REPORTING.

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**Reporting Source:** Firm

**Current Status:** Final



**Allegations:** 1) RULE 5230(A)- FAILED TO REPORT TRACE-ELIGIBLE SECURITIES EXECUTED ON A BUSINESS DAY DURING TRACE SYSTEM HOURS WITHIN THE REQUIRED TIME FRAME. 2) RULE 6230(C)(8) - FAILED TO REPORT TO TRACE THE CORRECT TIME OF TRADE EXECUTION. 3) RULE 6230(E) - REPORTED TRACE-ELIGIBLE SECURITIES THAT IT WAS NOT REQUIRED TO REPORT. 4) RULES 2110 AND 3010 - SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF THE NASD, CONCERNING TRACE REPORTING.

**Initiated By:** NASD

**Date Initiated:** 05/03/2007

**Docket/Case Number:** 20050001786-01

**Principal Product Type:** Other

**Other Product Type(s):** BONDS

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

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

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 06/08/2007

**Sanctions Ordered:** Censure  
Monetary/Fine \$12,500.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. THE FIRM WAS CENSURED, FINED AND PAID \$12,500, AND WAS REQUIRED TO PROVIDE A SIGNED REPRESENTATION THAT DESCRIBES THE STEPS THE FIRM TOOK TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES

**Firm Statement** IT SHOULD BE NOTED THAT NO CLIENT ACCOUNTS OR TRANSACTIONS WERE AFFECTED IN ANY WAY AS A RESULT OF THE STATED ALLEGATIONS. THE FIRM HAS REVISED THE WRITTEN SUPERVISORY PROCEDURES WITH REGARD TO ACCURATE AND TIMELY REPORTING OF BOND TRADES ON THE TRACE SYSTEM AND SUBSEQUENTLY HAS MEET OR EXCEEDED THE MONTHLY AVERAGE TRADE PERCENTAGE ON TRACE ELIGIBLE TRANSACTIONS.

## 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](http://www.finra.org/awardsonline).

### Disclosure 1 of 4

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	01/04/2013
<b>Case Number:</b>	<a href="#">12-04087</a>
<b>Disputed Product Type:</b>	ANNUITIES; COMMON STOCK; MUNICIPAL BONDS; MUTUAL FUNDS
<b>Sum of All Relief Requested:</b>	Unspecified Damages
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	07/30/2014
<b>Sum of All Relief Awarded:</b>	\$243,506.74

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 4

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-OTHER
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	11/05/2014
<b>Case Number:</b>	<a href="#">14-03103</a>
<b>Disputed Product Type:</b>	



**Sum of All Relief Requested:** \$1,000,000.01  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 11/04/2015  
**Sum of All Relief Awarded:** \$170,600.01

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 4

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-VIOLATE OF BLUE SKY LWS; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE  
**Arbitration Forum:** FINRA  
**Case Initiated:** 08/01/2017  
**Case Number:** [17-01975](#)  
**Disputed Product Type:** COMMON STOCK  
**Sum of All Relief Requested:** Unspecified Damages  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 10/03/2018  
**Sum of All Relief Awarded:** \$210,375.00

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 4

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY  
**Arbitration Forum:** FINRA



**Case Initiated:** 04/18/2018  
**Case Number:** [18-01327](#)  
**Disputed Product Type:** 401(K); COMMON STOCK  
**Sum of All Relief Requested:** \$41,870.44  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 09/26/2018  
**Sum of All Relief Awarded:** \$41,570.45

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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