

BrokerCheck Report

WOODBURY FINANCIAL SERVICES, INC.

CRD# 421

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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:

- 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.

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



WOODBURY FINANCIAL SERVICES, INC.

CRD# 421

SEC# 8-13846

Main Office Location

7755 3RD STREET NORTH
OAKDALE, MN 55128
Regulated by FINRA Kansas City Office

Mailing Address

7755 3RD STREET NORTH
OAKDALE, MN 55128

Business Telephone Number

(800) 800-2638

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

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

Report Summary for this Firm

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

Firm Profile

This firm is classified as a corporation.

This firm was formed in Minnesota on 03/15/1968.

Its fiscal year ends in December.

Firm History

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

Firm Operations

This 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 10 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 | 22 |
| Arbitration | 8 |
| Bond | 1 |



Firm Profile

This firm is classified as a corporation.

This firm was formed in Minnesota on 03/15/1968.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

WOODBURY FINANCIAL SERVICES, INC.

Doing business as WOODBURY FINANCIAL SERVICES, INC.

CRD# 421

SEC# 8-13846

Main Office Location

7755 3RD STREET NORTH
OAKDALE, MN 55128

Regulated by FINRA Kansas City Office

Mailing Address

7755 3RD STREET NORTH
OAKDALE, MN 55128

Business Telephone Number

(800) 800-2638



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): ADVISOR GROUP, INC.

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

Position SHAREHOLDER

Position Start Date 11/2012

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): CORNICK, GREGORY ALLEN
3132991

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

Position DIRECTOR

Position Start Date 01/2021

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): FERGESSEN, RICHARD DAVID
717938

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

Position CEO, PRESIDENT, DIRECTOR

Position Start Date 03/2014



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): FRANKOWSKA, DAGMARA K
3165855

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

Position INTERIM CHIEF COMPLIANCE OFFICER- IA

Position Start Date 04/2021

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): HAMEL, CYNTHIA ANN
3014361

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

Position EVP, CHIEF OPERATIONS OFFICER

Position Start Date 05/2017

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): HARBORT, AMY MARIE

Firm Profile



Direct Owners and Executive Officers (continued)

| | |
|---|------------------------------------|
| | 4119927 |
| Is this a domestic or foreign entity or an individual? | Individual |
| Position | CHIEF COMPLIANCE OFFICER |
| Position Start Date | 11/2018 |
| 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 |
| <hr/> | |
| Legal Name & CRD# (if any): | PRICE, JAMES DALE 1243224 |
| Is this a domestic or foreign entity or an individual? | Individual |
| Position | CHAIRMAN |
| Position Start Date | 11/2016 |
| 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 |
| <hr/> | |
| Legal Name & CRD# (if any): | SCHLUETER, MATTHEW ADAM 2627931 |
| Is this a domestic or foreign entity or an individual? | Individual |
| Position | EXECUTIVE VICE PRESIDENT, DIRECTOR |
| Position Start Date | 03/2019 |
| Percentage of Ownership | Less than 5% |



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): SCHMIDT, DAVID MARTIN
5675524

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

Position TREASURER, FINANCIAL AND OPERATIONS PRINCIPAL

Position Start Date 03/2017

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No



Firm Profile

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

Indirect Owners

| | |
|---|------------------------------|
| Legal Name & CRD# (if any): | ADVISOR GROUP HOLDINGS, INC. |
| Is this a domestic or foreign entity or an individual? | Domestic Entity |
| Company through which indirect ownership is established | ADVISOR GROUP, INC. |
| Relationship to Direct Owner | SHAREHOLDER |
| Relationship Established | 05/2016 |
| 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): | AG ARTEMIS HOLDINGS, L.P. |
| Is this a domestic or foreign entity or an individual? | Domestic Entity |
| Company through which indirect ownership is established | AG INTERMEDIATE CORPORATION |
| Relationship to Direct Owner | SHAREHOLDER |
| Relationship Established | 08/2019 |
| 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): | AG INTERMEDIATE CORPORATION |
| Is this a domestic or foreign entity or an individual? | Domestic Entity |



Firm Profile

Indirect Owners (continued)

Company through which indirect ownership is established LADENBURG THALMANN FINANCIAL SERVICES, INC.

Relationship to Direct Owner SHAREHOLDER

Relationship Established 05/2020

Percentage of Ownership 75% or more

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

Is this a public reporting company? No

Legal Name & CRD# (if any): AG PARENT CORPORATION

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

Company through which indirect ownership is established ADVISOR GROUP.HOLDINGS, INC

Relationship to Direct Owner SHAREHOLDER

Relationship Established 08/2019

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): LADENBURG THALMANN FINANCIAL SERVICES, INC.

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

Company through which indirect ownership is established AG PARENT CORPORATION

Relationship to Direct Owner SHAREHOLDER

Relationship Established 05/2020



Firm Profile

Indirect Owners (continued)

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): RCP ARTEMIS CO-INVEST, L.P.

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

Company through which indirect ownership is established AG ARTEMIS HOLDINGS, L.P.

Relationship to Direct Owner LIMITED PARTNER

Relationship Established 08/2019

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): RCP GENPAR HOLDCO LLC

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

Company through which indirect ownership is established RCP GENPAR LP

Relationship to Direct Owner LIMITED PARTNER

Relationship Established 08/2014

Percentage of Ownership 75% or more

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

Is this a public reporting company? No



Firm Profile

Indirect Owners (continued) company?

| | |
|---|------------------------|
| Legal Name & CRD# (if any): | RCP GENPAR LP |
| Is this a domestic or foreign entity or an individual? | Domestic Entity |
| Company through which indirect ownership is established | RCP OPP FUND II GP, LP |
| Relationship to Direct Owner | LIMITED PARTNER |
| Relationship Established | 01/2018 |
| 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): | RCP OPP FUND II GP, LP |
| Is this a domestic or foreign entity or an individual? | Domestic Entity |
| Company through which indirect ownership is established | RCP ARTEMIS CO-INVEST GP, LLC |
| Relationship to Direct Owner | LIMITED PARTNER |
| Relationship Established | 01/2018 |
| 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): | THE BERLINSKI FAMILY 2006 TRUST |
| Is this a domestic or foreign entity or an individual? | Domestic Entity |



Firm Profile

Indirect Owners (continued)

Company through which indirect ownership is established MRB ICBC LLC

Relationship to Direct Owner MEMBER

Relationship Established 08/2014

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): BERLINSKI, MILTON RALPH
1710939

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

Company through which indirect ownership is established RCP GENPAR HOLDCO LLC

Relationship to Direct Owner MEMBER

Relationship Established 08/2014

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

Legal Name & CRD# (if any): BERLINSKI, MILTON RALPH
1710939

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

Company through which indirect ownership is established THE BERLINSKI FAMILY 2006 TRUST



Firm Profile

Indirect Owners (continued)

| | |
|---|-----------------------|
| Relationship to Direct Owner | TRUSTEE |
| Relationship Established | 06/2006 |
| 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 |

| | |
|---|-----------------------|
| Legal Name & CRD# (if any): | MRB ICBC LLC |
| Is this a domestic or foreign entity or an individual? | Domestic Entity |
| Company through which indirect ownership is established | RCP GENPAR HOLDCO LLC |
| Relationship to Direct Owner | MEMBER |
| Relationship Established | 08/2014 |
| 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 |

| | |
|--|-----------------------------|
| Legal Name & CRD# (if any): | AG ARTEMIS HOLDINGS GP, LLC |
| Is this a domestic or foreign entity or an individual? | Domestic Entity |
| Company through which indirect ownership is established | AG ARTEMIS HOLDINGS, L.P. |
| Relationship to Direct Owner | GENERAL PARTNER |
| Relationship Established | 05/2019 |
| Percentage of Ownership | Other General Partners |
| Does this owner direct the management or policies of | Yes |



Firm Profile

Indirect Owners (continued) the firm?

Is this a public reporting company? No

Legal Name & CRD# (if any): BERLINSKI, MILTON RALPH
1710939

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

Company through which indirect ownership is established RCP GENPAR LP

Relationship to Direct Owner GENERAL PARTNER

Relationship Established 08/2014

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

Legal Name & CRD# (if any): BERLINSKI, MILTON RALPH
1710939

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

Company through which indirect ownership is established MRB ICBC LLC

Relationship to Direct Owner INVESTMENT MANAGER

Relationship Established 08/2014

Percentage of Ownership Other General Partners

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

Is this a public reporting company?

Firm Profile**Indirect Owners (continued)**

| | |
|---|------------------------------|
| Legal Name & CRD# (if any): | RCP ARTEMIS CO-INVEST GP LLC |
| Is this a domestic or foreign entity or an individual? | Domestic Entity |
| Company through which indirect ownership is established | RCP ARTEMIS CO-INVEST, L.P. |
| Relationship to Direct Owner | GENERAL PARTNER |
| Relationship Established | 05/2019 |
| 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 53 U.S. states and territories.

| Federal Regulator | Status | Date Effective |
|-------------------|----------|----------------|
| SEC | Approved | 04/26/1968 |

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 | 05/16/1968 |



Firm Operations

Registrations (continued)

| U.S. States & Territories | Status | Date Effective | U.S. States & Territories | Status | Date Effective |
|---------------------------|----------|----------------|---------------------------|----------|----------------|
| Alabama | Approved | 12/10/1981 | North Carolina | Approved | 07/15/1982 |
| Alaska | Approved | 10/30/1978 | North Dakota | Approved | 10/21/1981 |
| Arizona | Approved | 10/13/1966 | Ohio | Approved | 07/16/1982 |
| Arkansas | Approved | 02/10/1993 | Oklahoma | Approved | 08/18/1982 |
| California | Approved | 01/01/1970 | Oregon | Approved | 10/24/1981 |
| Colorado | Approved | 02/01/1983 | Pennsylvania | Approved | 05/13/1969 |
| Connecticut | Approved | 11/15/1978 | Puerto Rico | Approved | 08/07/2019 |
| Delaware | Approved | 10/06/1981 | Rhode Island | Approved | 02/01/1983 |
| District of Columbia | Approved | 10/16/1968 | South Carolina | Approved | 08/08/1977 |
| Florida | Approved | 05/01/1983 | South Dakota | Approved | 07/15/1982 |
| Georgia | Approved | 09/22/1981 | Tennessee | Approved | 08/17/1981 |
| Hawaii | Approved | 06/09/1978 | Texas | Approved | 08/15/1983 |
| Idaho | Approved | 02/21/1969 | Utah | Approved | 04/21/1983 |
| Illinois | Approved | 09/20/1978 | Vermont | Approved | 02/15/1984 |
| Indiana | Approved | 10/21/1981 | Virgin Islands | Approved | 01/12/2009 |
| Iowa | Approved | 07/15/1983 | Virginia | Approved | 09/23/1981 |
| Kansas | Approved | 07/09/1969 | Washington | Approved | 04/20/1983 |
| Kentucky | Approved | 07/16/1982 | West Virginia | Approved | 09/30/1981 |
| Louisiana | Approved | 06/27/1983 | Wisconsin | Approved | 10/29/1969 |
| Maine | Approved | 03/23/1984 | Wyoming | Approved | 08/20/1968 |
| Maryland | Approved | 10/03/1981 | | | |
| Massachusetts | Approved | 07/31/1981 | | | |
| Michigan | Approved | 02/03/1983 | | | |
| Minnesota | Approved | 07/15/1982 | | | |
| Mississippi | Approved | 10/14/1981 | | | |
| Missouri | Approved | 07/18/1983 | | | |
| Montana | Approved | 04/20/1983 | | | |
| Nebraska | Approved | 10/09/1981 | | | |
| Nevada | Approved | 07/15/1983 | | | |
| New Hampshire | Approved | 02/02/1983 | | | |
| New Jersey | Approved | 07/15/1983 | | | |
| New Mexico | Approved | 10/07/1981 | | | |
| New York | Approved | 02/26/1984 | | | |



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 10 types of businesses.

Types of Business

| |
|--|
| Broker or dealer retailing corporate equity securities over-the-counter |
| Mutual fund retailer |
| U S. government securities broker |
| Municipal securities broker |
| Broker or dealer selling variable life insurance or annuities |
| Put and call broker or dealer or option writer |
| Investment advisory services |
| Private placements of securities |
| Broker or dealer involved in a networking, kiosk or similar arrangement with a: insurance company or agency |
| Other - 10T UNIT INVESTMENT TRUSTS, MARGIN ACCOUNTS, CORPORATE DEBT SECURITIES, OIL AND GAS, MANAGED FUTURE FUNDS. |

Other Types of Business

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

This firm does engage in other non-securities business.

Non-Securities Business Description: FIXED INSURANCE PRODUCT SALES



Firm Operations

Clearing Arrangements

This firm does 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: NATIONAL FINANCIAL SERVICES LLC
CRD #: 13041
Business Address: 200 LIBERTY STREET
 MAILZONE NY4A
 NEW YORK, NY 10281
Effective Date: 11/19/2014
Description: APPLICANT MAINTAINS A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES LLC.

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
 JERSEY CITY, NJ 07399
Effective Date: 04/08/1994
Description: FULLY DISCLOSED CLEARING ARRANGEMENT WITH PERSHING, DIVISION OF DONALDSON, LUFKIN AND JENRETTE CORPORATION, ONE PERSHING PLAZA, JERSEY CITY, NJ, 07399.

Firm Operations

Industry Arrangements



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

Name: ADVISORWEBSITES
Business Address: 311-1930 PANDORA STREET
 VANCOUVER, CANADA BC V5L 0C7
Effective Date: 09/23/2020
Description: APPROVED WEBSITE HOSTING VENDOR FOR FINANCIAL PROFESSIONALS

Name: TWENTY OVER TEN
Business Address: 2171 SANDY DRIVE
 SUITE # 200
 STATE COLLEGE, PA 16803
Effective Date: 09/23/2020
Description: APPROVED WEBSITE HOSTING VENDOR FOR FINANCIAL PROFESSIONALS

Name: LOGICGATE
Business Address: 320 W OHIO ST.
 FLOOR 5E
 CHICAGO, IL 60654
Effective Date: 01/01/2018
Description: REGULATORY INTERNAL TESTING RESULTS, SALES PRACTICE MANUALS, WSPS, AS WELL AS VARIOUS FIRM DISCLOSURE DOCUMENTS

Name: MICROSOFT OFFICE 365
Business Address: ONE MICROSOFT WAY
 REDMOND, WA 98052
Effective Date: 10/22/2018
Description: INTERNAL ELECTRONIC COMMUNICATIONS

Name: THETA LAKE
Business Address: 4 FAIROAKS COURT
 SAN MATEO, CA 93101
Effective Date: 07/20/2020

Firm Operations



Industry Arrangements (continued)

| | |
|--|---|
| Description: | ARCHIVING OF VIDEO COMMUNICATIONS |
| Name: | VERITAS (LIVEOFFICE) |
| Business Address: | 2780 SKYPARK DRIVE SUITE 300 TORRANCE, CA 90505 |
| Effective Date: | 09/01/2006 |
| Description: | E-MAIL ARCHIVING AND SUPERVISION |
| Name: | DOCUPACE |
| Business Address: | 2001 S. BARRINGTON AVE SUITE 215 LOS ANGELES, CA 90025 |
| Effective Date: | 08/08/2013 |
| Description: | ARCHIVING OF AUDIT RECORDS, CERTAIN CLIENT RECORDS |
| Name: | NATIONAL FINANCIAL SERVICES LLC |
| CRD #: | 13041 |
| Business Address: | 200 LIBERTY STREET MAILZONE NY4A NEW YORK, NY 10281 |
| Effective Date: | 11/19/2014 |
| Description: | APPLICANT MAINTAINS A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES LLC. |
| Name: | PERSHING LLC |
| CRD #: | 7560 |
| Business Address: | ONE PERSHING PLAZA JERSEY CITY, NJ 07399 |
| Effective Date: | 04/08/1994 |
| Description: | FULLY DISCLOSED CLEARING ARRANGEMENT WITH PERSHING, DIVISION OF DONALDSON, LUFKIN AND JENRETTE CORPORATION, ONE PERSHING PLAZA, JERSEY CITY, NJ, 07399. |
| This firm does have accounts, funds, or securities maintained by a third party. | |
| Name: | NATIONAL FINANCIAL SERVICES LLC |
| CRD #: | 13041 |

Firm Operations



Industry Arrangements (continued)

Business Address: 200 LIBERTY STREET
MAILZONE NY4A
NEW YORK, NY 10281

Effective Date: 11/19/2014

Description: APPLICANT MAINTAINS A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES LLC.

Name: PERSHING LLC

CRD #: 7560

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 04/08/1994

Description: FULLY DISCLOSED CLEARING ARRANGEMENT WITH PERSHING, DIVISION OF DONALDSON, LUFKIN AND JENRETTE CORPORATION, ONE PERSHING PLAZA, JERSEY CITY, NJ, 07399.

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

Name: NATIONAL FINANCIAL SERVICES LLC

CRD #: 13041

Business Address: 200 LIBERTY STREET
MAILZONE NY4A
NEW YORK, NY 10281

Effective Date: 11/19/2014

Description: APPLICANT MAINTAINS A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES LLC.

Name: PERSHING LLC

CRD #: 7560

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 04/08/1994

Description: FULLY DISCLOSED CLEARING ARRANGEMENT WITH PERSHING, DIVISION OF DONALDSON, LUFKIN AND JENRETTE CORPORATION, ONE PERSHING PLAZA, JERSEY CITY, NJ, 07399.

Control Persons/Financing

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

Firm Operations

Industry Arrangements (continued)

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.

LADENBURG THALMANN FINANCIAL SERVICES, INC controls the firm.

| | |
|--|--|
| Business Address: | 522 MADISON AVENUE 11TH FL NEW YORK, NY 10024 |
| Effective Date: | 05/26/2020 |
| Foreign Entity: | No |
| Country: | |
| Securities Activities: | Yes |
| Investment Advisory Activities: | No |
| Description: | LADENBURG THALMANN FINANCIAL SERVICES, INC. INDIRECTLY CONTROLS THE APPLICANT. |

TRIAD ADVISORS LLC is under common control with the firm.

| | |
|--|---|
| CRD #: | 25803 |
| Business Address: | 5185 PEACHTREE PARKWAY SUITE 2801 NORCROSS, GA 33092 |
| Effective Date: | 02/14/2020 |
| Foreign Entity: | No |
| Country: | |
| Securities Activities: | Yes |
| Investment Advisory Activities: | Yes |
| Description: | APPLICANT AND TRIAD ADVISORS LLC ARE UNDER COMMON CONTROL OF ADVISOR GROUP HOLDINGS, INC. |

Firm Operations**Organization Affiliates (continued)****LADENBURG THALMANN & CO. INC. is under common control with the firm.**

CRD #: 505

Business Address: 520 MADISON AVENUE
9TH FL
NEW YORK, NY 10023

Effective Date: 02/14/2020

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND LADENBURG THALMANN & CO. ARE UNDER COMMON CONTROL OF ADVISOR GROUP HOLDINGS, INC.

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

CRD #: 10205

Business Address: 12325 PORT GRACE BLVD
LA VISTA, NE 68128

Effective Date: 02/14/2020

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND SECURITIES AMERICA, INC ARE UNDER COMMON CONTROL OF ADVISOR GROUP HOLDINGS, INC.

SECURITIES AMERICA ADVISORS, INC. is under common control with the firm.

CRD #: 110518

Business Address: 12325 PORT GRACE BLVD
LA VISTA, NE 68128

Effective Date: 02/14/2020

Firm Operations**Organization Affiliates (continued)**

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: APPLICANT AND SECURITIES AMERICA ADVISORS INC, ARE UNDER COMMON CONTROL OF ADVISOR GROUP HOLDINGS, INC.

LADENBURG THALMANN ASSET MANAGEMENT INC is under common control with the firm.

CRD #: 108604

Business Address: 522 MADISON AVENUE
11TH FL
NEW YORK, NY 10024

Effective Date: 02/14/2020

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: APPLICANT AND LADENBURG THALMANN ASSET MANAGEMENT, INC ARE UNDER COMMON CONTROL OF ADVISOR GROUP HOLDINGS, INC.

AG ARTEMIS HOLDINGS GP LLC controls the firm.

Business Address: 20 EAST THOMAS RD
SUITE 2000
PHOENIX, AZ 85012

Effective Date: 02/14/2020

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: RCP ARTEMIS CO-INVEST GP LLC INDIRECTLY CONTROLS THE APPLICANT.

Firm Operations**Organization Affiliates (continued)**

TRIAD HYBRID SOLUTIONS, LLC is under common control with the firm.

CRD #: 171070

Business Address: 5155 PEACHTREE PARKWAY
SUITE 3230
NORCROSS, GA 33093

Effective Date: 02/14/2020

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: APPLICANT AND TRIAD HYBRID SOLUTIONS, LLC ARE UNDER COMMON CONTROL OF ADVISOR GROUP HOLDINGS, INC.

ARBOR POINT ADVISORS is under common control with the firm.

CRD #: 165127

Business Address: 12325 PORT GRACE BLVD
LA VISTA, NE 68128

Effective Date: 02/14/2020

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: APPLICANT AND ARBOR POINT ADVISORS, LLC ARE UNDER COMMON CONTROL OF ADVISOR GROUP HOLDINGS, INC.

AG PARENT CORPORATION controls the firm.

Business Address: 20 EAST THOMAS ROAD
SUITE 2000
PHOENIX, AZ 85012

Effective Date: 08/01/2019

Foreign Entity: No

Firm Operations**Organization Affiliates (continued)****Country:****Securities Activities:** Yes**Investment Advisory Activities:** No**Description:** AG PARENT CORPORATION INDIRECTLY CONTROLS THE APPLICANT.**AG INTERMEDIATE CORPORATION controls the firm.****Business Address:** 20 EAST THOMAS ROAD
SUITE 2000
PHOENIX, AZ 85012**Effective Date:** 08/01/2019**Foreign Entity:** No**Country:****Securities Activities:** Yes**Investment Advisory Activities:** No**Description:** AG INTERMEDIATE CORPORATION INDIRECTLY CONTROLS THE APPLICANT.**AG ARTEMIS HOLDINGS, L.P. controls the firm.****Business Address:** 20 EAST THOMAS ROAD
SUITE 2000
PHOENIX, AZ 85012**Effective Date:** 08/01/2019**Foreign Entity:** No**Country:****Securities Activities:** Yes**Investment Advisory Activities:** No**Description:** AG ARTEMIS HOLDINGS, L.P. INDERECTLY CONTROLS THE APPLICANT.**RCP ARTEMIS CO-INVEST, L.P. controls the firm.****Business Address:** UGLAND HOUSE, SOUTH CHURCH STREET
P O. BOX 309

Firm Operations**Organization Affiliates (continued)**

GRAND CAYMAN, CAYMAN ISLANDS KY1-1104

Effective Date: 07/31/2019

Foreign Entity: Yes

Country: CAYMAN ISLANDS

Securities Activities: No

Investment Advisory Activities: Yes

Description: RCP ARTEMIS CO-INVEST, L.P. INDERCTLY CONTROLS THE APPLICANT.

VISION2020 WEALTH MANAGEMENT CORP. is under common control with the firm.

CRD #: 154149

Business Address: 10 EXCHANGE PLACE
SUITE 1410
JERSEY CITY, NJ 07302

Effective Date: 10/12/2014

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: THE APPLICANT AND THE AFFILIATE ARE UNDER COMMON CONTROL OF RCP ARTEMIS CO-INVEST, L.P.

ROYAL ALLIANCE ASSOCIATES, INC. is under common control with the firm.

CRD #: 23131

Business Address: 10 EXCHANGE PLACE
SUITE 1410
JJERSEY CITY, NJ 07302

Effective Date: 01/01/2009

Foreign Entity: No

Country:

Securities Activities: Yes

Firm Operations**Organization Affiliates (continued)**

Investment Advisory Activities: Yes

Description: THE APPLICANT AND THE AFFILIATE ARE UNDER COMMON CONTROL OF RCP ARTEMIS CO-INVEST, L.P.

FSC SECURITIES CORPORATION is under common control with the firm.

CRD #: 7461

Business Address: 2300 WINDY RIDGE PARKWAY
SUITE 750N
ATLANTA, GA 30339

Effective Date: 01/01/1999

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: THE APPLICANT AND THE AFFILIATE ARE UNDER COMMON CONTROL OF RCP ARTEMIS CO-INVEST, L.P.

SAGEPOINT FINANCIAL, INC. is under common control with the firm.

CRD #: 133763

Business Address: 20 EAST THOMAS ROAD
SUITE 2000
PHOENIX, AZ 85012

Effective Date: 10/12/2014

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: THE APPLICANT AND THE AFFILIATE ARE UNDER COMMON CONTROL OF RCP ARTEMIS CO-INVEST, L.P.

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

Firm Operations



Organization Affiliates (continued)

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



Disclosure Events

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

| | Pending | Final | On Appeal |
|------------------|----------------|--------------|------------------|
| Regulatory Event | 0 | 22 | 0 |
| Arbitration | N/A | 8 | N/A |
| Bond | N/A | 1 | 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 22

Reporting Source: Firm

Current Status: Final



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|---|--|
| Allegations: | WOODBURY FINANCIAL SERVICES, INC. DID NOT PROVIDE NOTICE TO THE WASHINGTON OFFICE OF THE INSURANCE COMMISSIONER AND DID NOT CANCEL FINANCIAL PROFESSIONAL MR. HANNES' AFFILIATION TO ITS BUSINESS ENTITY INSURANCE PRODUCER LICENSE WITHIN 30 DAYS OF HIS TERMINATION FOR CAUSE DUE TO AN ADMINISTRATIVE ERROR. |
| Initiated By: | WASHINGTON OFFICE OF THE INSURANCE COMMISSIONER |
| Date Initiated: | 07/06/2021 |
| Docket/Case Number: | 21-0129 |
| 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: | 07/06/2021 |
| Sanctions Ordered: | Monetary/Fine \$1,500.00 |
| Other Sanctions Ordered: | |
| Sanction Details: | WOODBURY FINANCIAL SERVICES, INC. ENTERED A CONSENT ORDER ON JULY 6, 2021 WITH THE WASHINGTON OFFICE OF THE INSURANCE COMMISSIONER AND PAID A FINE OF \$1,500. |
| Firm Statement | WOODBURY FINANCIAL SERVICES, INC. PROVIDED WRITTEN NOTICE TO THE WASHINGTON OFFICE OF THE INSURANCE COMMISSIONER OF MR. HANNES' TERMINATION FOR CAUSE ON APRIL 1, 2020 AND CANCELED HIS AFFILIATION TO WOODBURY'S BUSINESS ENTITY INSURANCE PRODUCER LICENSE ON JANUARY 29, 2021 WHEN THE ADMINISTRATIVE ERROR WAS IDENTIFIED AND CORRECTED. WOODBURY ENTERED INTO A CONSENT ORDER JULY 6, 2021 WITH THE WASHINGTON OFFICE OF THE INSURANCE COMMISSIONER, PAID A FINE OF \$1,500 AND CONFIRMED EXISTING PROCEDURES ARE ADEQUATE TO ENSURE SIMILAR VIOLATIONS DO NOT OCCUR. |

Disclosure 2 of 22

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



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|---|--|
| Allegations: | WOODBURY FINANCIAL SERVICES, INC. FAILED TO REPORT TO THE SUPERINTENDENT OF THE NEW YORK DEPARTMENT OF FINANCIAL SERVICES WITHIN 30 DAYS OF THE FINAL DISPOSITION OF AN ADMINISTRATIVE ACTION TAKEN BY THE CALIFORNIA DEPARTMENT OF INSURANCE ON OR ABOUT DECEMBER 19, 2018 AND WOODBURY PROVIDED MATERIALLY INCORRECT AND UNTRUE INFORMATION IN ITS APPLICATION FOR A LIFE BROKERS LICENSES RECEIVED BY THE NEW YORK DEPARTMENT OF FINANCIAL SERVICES ON MAY 29, 2019 IN THAT WOODBURY FAILED TO DISCLOSURE CERTAIN MATTERS THAT HAD BEEN REPORTED TO THE NATIONAL INSURANCE PRODUCERS REGISTRY IN THE APPLICATION. |
| Initiated By: | NEW YORK DEPARTMENT OF FINANCIAL SERVICES |
| Date Initiated: | 01/03/2020 |
| Docket/Case Number: | 2019-0193-S |
| Principal Product Type: | No Product |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Civil and Administrative Penalt(ies) /Fine(s) |
| Other Sanction(s)/Relief Sought: | |
| Resolution: | Stipulation and Consent |
| Resolution Date: | 01/10/2020 |
| Sanctions Ordered: | Monetary/Fine \$4,500.00 |
| Other Sanctions Ordered: | |
| Sanction Details: | WOODBURY FINANCIAL SERVICES, INC. ENTERED A STIPULATION ON JANUARY 3, 2020 WITH THE NEW YORK DEPARTMENT OF FINANCIAL SERVICES AND PAID A FINE OF \$4,500. |
| Firm Statement | WOODBURY FINANCIAL SERVICES, INC. ENTERED INTO A STIPULATION ON JANUARY 3, 2020 WITH THE NEW YORK DEPARTMENT OF FINANCIAL SERVICES ADMITTING TO THE ALLEGATIONS ALLEGED, PAID A FINE OF \$4500 AND AGREED TO TAKE STEPS TO PREVENT THE RECURRENCE OF SIMILAR VIOLATIONS. |

Disclosure 3 of 22

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 ITS SYSTEM FOR SUPERVISING ADDITIONS TO EXISTING VARIABLE ANNUITIES WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND FINRA RULES, INCLUDING THOSE GOVERNING SUITABILITY. THE FINDINGS STATED THAT THE FIRM DID NOT REVIEW ADDITIONS RESULTING FROM RECOMMENDATIONS TO INVEST ADDITIONAL FUNDS IN EXISTING VARIABLE ANNUITY CONTRACTS, EITHER BEFORE OR AFTER THE TRANSACTION, UNLESS THE ADDITION WAS FUNDED FROM THE PROCEEDS OF AN EXCHANGE. THE FIRM ALSO DID NOT USE SURVEILLANCE TOOLS, SUCH AS EXCEPTION REPORTS, TO MONITOR ADDITIONS TO VARIABLE ANNUITIES AND PROVIDE ITSELF WITH INFORMATION ABOUT POTENTIALLY UNSUITABLE TRANSACTIONS. NEITHER THE FIRM'S BRANCH AUDIT PROCESS NOR THE LARGE COMMISSION REVIEW PROCESS WERE REASONABLY DESIGNED TO PROVIDE SUFFICIENT INFORMATION ABOUT POTENTIALLY UNSUITABLE ADDITIONS. ACCORDINGLY, THE FIRM'S SYSTEM FOR SUPERVISING ADDITIONS TO EXISTING VARIABLE ANNUITY CONTRACTS WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND RULES, INCLUDING THOSE GOVERNING SUITABILITY. AS DESIGNED, THE FIRM'S REVIEW SYSTEM DID NOT PROVIDE ITSELF WITH SUFFICIENT INFORMATION TO PERMIT IT TO FOCUS ON AREAS OF VARIABLE ANNUITY ADDITIONS OR PATTERNS OF ADDITIONS AT THE FIRM THAT POSED THE GREATEST NUMBERS AND RISKS OF POTENTIAL SUITABILITY VIOLATIONS, INCLUDING ADDITIONS RESULTING IN CUSTOMERS INVESTING A HIGH CONCENTRATION OF THEIR NET WORTH IN VARIABLE ANNUITIES.

Initiated By: FINRA

Date Initiated: 05/13/2019

Docket/Case Number: [2017053596502](#)

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: 05/13/2019



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 \$225,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$225,000. FINES PAID IN FULL ON MAY 29, 2019

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS THE FIRM CONSENTED TO THE SANCTIONS AND ENTRY OF FINDINGS THAT BETWEEN JUNE 2013 AND JUNE 2015. THE FIRM'S SYSTEM FOR SUPERVISING ADDITIONAL INVESTMENTS INTO EXISTING VARIABLE ANNUITIES, WHICH WERE NOT PROCEEDS FROM AN EXCHANGE WAS NOT REASONABLY DESIGNED TO REVIEW FOR SUITABILITY AND CONCENTRATION.

Initiated By: FINRA

Date Initiated: 05/13/2019

Docket/Case Number: [2017053596502](#)

Principal Product Type: Annuity(ies) - Variable

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: 05/13/2019

Sanctions Ordered: Censure
Monetary/Fine \$225,000.00

Other Sanctions Ordered:



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|--------------------------|---|
| Sanction Details: | THE \$225,000 FINE WAS PAID IN FULL ON MAY 22,2019. |
| Firm Statement | BY JUNE 2015 THE FIRM IMPLEMENTED NEW SUPERVISORY SYSTEM PROCESSES AND SURVEILLANCE TOOLS TO ENHANCE ITS SUPERVISION OF ADDITIONAL INVESTMENTS MADE INTO EXISTING VARIABLE ANNUITY CONTRACTS. |

Disclosure 4 of 22

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|---|---|
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | IA RELEASE 40-5174, MARCH 11, 2019: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE INSTITUTED AGAINST WOODBURY FINANCIAL SERVICES, INC. ("RESPONDENT"). ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT THESE PROCEEDINGS ARISE OUT OF BREACHES OF FIDUCIARY DUTY AND INADEQUATE DISCLOSURES BY THE RESPONDENT IN CONNECTION WITH ITS MUTUAL FUND SHARE CLASS SELECTION PRACTICES AND THE FEES IT RECEIVED. AT TIMES DURING THE RELEVANT PERIOD, RESPONDENT PURCHASED, RECOMMENDED, OR HELD FOR ADVISORY CLIENTS MUTUAL FUND SHARE CLASSES THAT CHARGED 12B-1 FEES INSTEAD OF LOWER-COST SHARE CLASSES OF THE SAME FUNDS FOR WHICH THE CLIENTS WERE ELIGIBLE. RESPONDENT RECEIVED 12B-1 FEES IN CONNECTION WITH THESE INVESTMENTS. RESPONDENT FAILED TO DISCLOSE IN ITS FORM ADV OR OTHERWISE THE CONFLICTS OF INTEREST RELATED TO (A) ITS RECEIPT OF 12B-1 FEES, AND/OR (B) ITS SELECTION OF MUTUAL FUND SHARE CLASSES THAT PAY SUCH FEES. DURING THE RELEVANT PERIOD, RESPONDENT RECEIVED 12B-1 FEES FOR ADVISING CLIENTS TO INVEST IN OR HOLD SUCH MUTUAL FUND SHARE CLASSES. AS A RESULT OF THE CONDUCT, RESPONDENT WILLFULLY VIOLATED SECTIONS 206(2) AND 207 OF THE ADVISERS ACT. |
| Initiated By: | UNITED STATES SECURITIES AND EXCHANGE COMMISSION |
| Date Initiated: | 03/11/2019 |
| Docket/Case Number: | 3-19077 |
| Principal Product Type: | Mutual Fund(s) |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Other |



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| Other Sanction(s)/Relief Sought: | N/A |
| Resolution: | Order |
| Resolution Date: | 03/11/2019 |
| 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 Disgorgement/Restitution Cease and Desist/Injunction |
| Other Sanctions Ordered: | UNDERTAKINGS AND PREJUDGMENT INTEREST |
| Sanction Details: | THE RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(2) AND 207 OF THE ADVISERS ACT. RESPONDENT IS CENSURED, SHALL PAY DISGORGEMENT OF \$1,028,218.50 AND PREJUDGMENT INTEREST OF \$142,809.81, AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT. |
| Regulator Statement | <p>RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN THE RESPONDENT'S OFFER.</p> <p>RESPONDENT SELF-REPORTED TO THE COMMISSION THE VIOLATIONS DISCUSSED IN THIS ORDER PURSUANT TO THE DIVISION OF ENFORCEMENT'S SHARE CLASS SELECTION DISCLOSURE INITIATIVE ("SCSD INITIATIVE"). ACCORDINGLY, THIS ORDER AND RESPONDENT'S OFFER ARE BASED ON THE INFORMATION SELF-REPORTED BY RESPONDENT.</p> |
| Reporting Source: | Firm |
| Current Status: | Final |
| Allegations: | SELF REPORTED UNDER THE SEC SHARE CLASS SELECTION DISCLOSURE INITIATIVE INVOLVING BREACH OF FIDUCIARY DUTY AND INADEQUATE DISCLOSURE IN CONNECTION WITH MUTUAL FUND SHARE CLASS SELECTION PRACTICES AND FEES RECEIVED PURSUANT TO RULE 12B-1. |



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|---|---|
| Initiated By: | SEC |
| Date Initiated: | 06/12/2018 |
| Docket/Case Number: | 3-19077 |
| Principal Product Type: | Mutual Fund(s) |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Cease and Desist |
| Other Sanction(s)/Relief Sought: | DISGORGEMENT |
| Resolution: | Order |
| Resolution Date: | 03/11/2019 |
| Sanctions Ordered: | Censure Disgorgement/Restitution Cease and Desist/Injunction |
| Other Sanctions Ordered: | |
| Sanction Details: | DISGORGEMENT AND PREJUDGMENT INTEREST, IN THE AMOUNT OF \$1,171,082.31 SHALL BE PAID TO AFFECTED INVESTORS. |
| Firm Statement | ALL VIOLATIONS OF SECTION 206(2) AND 207 OF THE ADVISERS ACT SHALL CEASE AND DESIST, DISGORGEMENT SHALL BE PAID AND CERTAIN CERTIFICATIONS SHALL BE MADE TO THE SEC REGARDING COMPLETING THE PROCESS. |

Disclosure 5 of 22

| | |
|--------------------------|---|
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM, AS ONE OF THE RESPONDENTS WITH OTHER MEMBER FIRMS, CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THESE FIRMS EACH FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES (WSPS) REASONABLY DESIGNED TO SUPERVISE REPRESENTATIVES' SALE OF MULTI-SHARE CLASS VARIABLE ANNUITIES (VAS). THE FINDINGS STATED THAT THE FIRMS' PROCEDURES DID NOT SPECIFICALLY ADDRESS THE SUITABILITY ISSUES RELATED TO THE DIFFERENT SURRENDER PERIODS, FEES AND COSTS OF THE DIFFERENT VA SHARE CLASSES. SIMILARLY, THE FIRM'S PROCEDURES DID NOT SPECIFICALLY ADDRESS THE SUITABILITY |



CONCERNS RAISED BY THE SALE OF AN L-SHARE CONTRACT WHEN COMBINED WITH A LONG-TERM INCOME RIDER OR TO A CUSTOMER WITH A LONG-TERM INVESTMENT TIME HORIZON. THE FIRMS' WSPS ALSO FAILED TO ADDRESS WHEN ADDITIONAL SCRUTINY MAY BE WARRANTED DURING THE REQUIRED PRINCIPAL REVIEW AND APPROVAL PROCESS BECAUSE OF SUITABILITY CONCERNS ABOUT THE VA SHARE CLASS THAT WAS SELECTED FOR THE TRANSACTION. NEVERTHELESS, WOODBURY'S WSPS FAILED TO ADDRESS VA SHARE CLASSES AT ALL. THE RESPONDENT FIRMS ALSO FAILED TO PROVIDE SUFFICIENT TRAINING TO THEIR REGISTERED REPRESENTATIVES AND REVIEWING PRINCIPALS TO ENSURE THAT THEY UNDERSTOOD THE MATERIAL FEATURES OF VAS. DESPITE THE SIGNIFICANT ROLE THAT VARIABLE ANNUITY SALES PLAYED IN THE FIRMS' OVERALL BUSINESS, THEY FAILED TO IMPLEMENT A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ENSURE SUITABILITY IN MULTI-SHARE CLASS VA SALES, INCLUDING L-SHARE CONTRACTS. AT EACH OF THE FIRMS, A SIGNIFICANT NUMBER OF THE L-SHARE CONTRACTS WERE SOLD WITH LONG-TERM RIDERS. MANY OF THE CUSTOMERS PURCHASING L-SHARES INDICATED THEY HAD A LONG-TERM INVESTMENT HORIZON.

Initiated By: FINRA

Date Initiated: 07/24/2018

Docket/Case Number: [2016047636601](#)

Principal Product Type: Other

Other Product Type(s): MULTI-SHARE CLASS VARIABLE ANNUITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/24/2018

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 \$250,000.00

Other Sanctions Ordered: UNDERTAKING

**Sanction Details:**

THE FIRM WAS CENSURED, FINED \$250,000 AND REQUIRED TO REVIEW AND REVISE, AS NECESSARY, ITS SYSTEMS, POLICIES AND PROCEDURES (WRITTEN AND OTHERWISE) AND TRAINING WITH RESPECT TO THE AREAS DESCRIBED WITHIN THE AWC. THE FIRM SHALL CERTIFY TO FINRA THAT THAT IT HAS ENGAGED IN THE REVIEW AND AS OF THE DATE OF THE CERTIFICATION, IT HAS ESTABLISHED AND IMPLEMENTED SYSTEMS, POLICIES, AND PROCEDURES (WRITTEN OR OTHERWISE) THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE FINRA AND NASD RULES. FINES PAID IN FULL ON AUGUST 7, 2018.

Reporting Source:

Firm

Current Status:

Final

Allegations:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES (WSPS) REASONABLY DESIGNED TO SUPERVISE REPRESENTATIVES' SALE OF MULTI-SHARE CLASS VARIABLE ANNUITIES (VAS). THE FIRM'S PROCEDURES FOR PRINCIPALS DID EXPLAIN BASIC DIFFERENCES IN THE SURRENDER PERIOD FOR VA SHARE CLASSES, AND NOTED THAT REVIEWING PRINCIPALS SHOULD ATTEMPT TO GET A RATIONALE ADDRESSING THE CUSTOMER'S DECISION TO PAY THE INCREASED ANNUAL FEE FOR AN L-SHARE CONTRACT. THE FIRM ALSO FAILED TO PROVIDE SUFFICIENT TRAINING TO THEIR REGISTERED REPRESENTATIVES AND REVIEWING PRINCIPALS TO ENSURE THAT THEY UNDERSTOOD THE MATERIAL FEATURES OF VAS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO SUPERVISE VA EXCHANGES. MOREOVER, THE FIRM'S WSPS DID NOT INCLUDE ANY "SURVEILLANCE PROCEDURES" DESIGNED TO DETERMINE IF REPRESENTATIVES HAD PROBLEMATIC RATES OF VA EXCHANGES.

Initiated By:

FINRA

Date Initiated:

07/24/2018

Docket/Case Number:[2016047636601](#)**Principal Product Type:**

Annuity(ies) - Variable

Other Product Type(s):

MULTI-SHARE CLASS VARIABLE ANNUITIES

Principal Sanction(s)/Relief Sought:


Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/24/2018

Sanctions Ordered: Censure
Monetary/Fine \$250,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$250,000.00 AND REQUIRED TO REVIEW AND REVISE, AS NECESSARY, ITS SYSTEMS, POLICIES AND PROCEDURES AND TRAINING WITH RESPECT TO THE AREAS DESCRIBED WITHIN THE AWC. THE FIRM WILL CERTIFY TO FINRA THAT THAT IT HAS ENGAGED IN THE REVIEW AND HAS ESTABLISHED AND IMPLEMENTED SYSTEMS, POLICIES, AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE FINRA AND NASD RULES.

Disclosure 6 of 22

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 NOTWITHSTANDING THE AVAILABILITY OF THE WAIVERS, THE FIRM FAILED TO APPLY THE WAIVERS TO MUTUAL FUND PURCHASES MADE BY ELIGIBLE CUSTOMERS AND INSTEAD SOLD THESE ELIGIBLE CUSTOMERS 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 THE CUSTOMERS TO PAY HIGHER FEES THAN THEY WERE ACTUALLY REQUIRED TO PAY. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO SUPERVISE REASONABLY 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. FOR INSTANCE, THE FIRM FAILED TO ESTABLISH AND MAINTAIN WRITTEN PROCEDURES TO IDENTIFY APPLICABLE SALES CHARGE WAIVERS IN FUND PROSPECTUSES FOR ELIGIBLE CUSTOMERS.



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. BECAUSE OF THE FIRM'S FAILURE TO APPLY AVAILABLE SALES-CHARGE WAIVERS, THE FIRM ESTIMATES THAT IT OVERCHARGED ELIGIBLE CUSTOMERS BY APPROXIMATELY \$114,063 FOR MUTUAL FUND PURCHASES MADE SINCE JANUARY 1, 2011.

Initiated By: FINRA

Date Initiated: 12/20/2017

Docket/Case Number: [2016049976501](#)

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/20/2017

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: Censure
Monetary/Fine \$75,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$75,000, AND REQUIRED TO PROVIDE A REMEDIATION PLAN TO FINRA TO REMEDIATE ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, AN APPLICABLE MUTUAL FUND SALES-CHARGE WAIVER. AS PART OF THIS SETTLEMENT, THE FIRM AGREED TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS, ESTIMATED TO TOTAL \$128,583 (THE AMOUNT IT OVERCHARGED ELIGIBLE CUSTOMERS, INCLUSIVE OF INTEREST). FINES PAID IN FULL ON JANUARY 8, 2018.



Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED 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 ALSO STATED THAT THE FIRM FAILED TO SUPERVISE REASONABLY 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 DID NOT 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.

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Initiated By: FINRA

Date Initiated: 12/20/2017

Docket/Case Number: [2016049976501](#)

Principal Product Type: Money Market Fund(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE
RESTITUTION
UNDERTAKING

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/20/2017

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

Other Sanctions Ordered:



Sanction Details: THE FIRM AGREED TO A CENSURE AND A FINE OF \$75,000.00. IT FURTHER AGREED TO PROVIDE A REMEDIATION PLAN TO FINRA TO REMEDIATE ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, AN APPLICABLE MUTUAL FUND SALES-CHARGE WAIVER. AS PART OF THIS SETTLEMENT, THE FIRM AGREED TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS ESTIMATED TO TOTAL \$128,583.

Firm Statement THE FIRM AGREED TO A CENSURE AND A FINE OF \$75,000.00. IT FURTHER AGREED TO PROVIDE A REMEDIATION PLAN TO FINRA TO REMEDIATE ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, AN APPLICABLE MUTUAL FUND SALES-CHARGE WAIVER. AS PART OF THIS SETTLEMENT, THE FIRM AGREED TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS ESTIMATED TO TOTAL \$128,583.

Disclosure 7 of 22

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 APPLIED AN INACCURATE ACCOUNTING AND NET CAPITAL TREATMENT OF INVESTMENT ADVISORY FEES. THE FINDINGS STATED THAT THE FIRM FAILED TO PREPARE AND MAINTAIN ACCURATE FINANCIAL RECORDS, INCLUDING GENERAL LEDGERS, BALANCE SHEETS AND TRIAL BALANCES, AND NET CAPITAL COMPUTATIONS. THE FIRM ALSO FILED INACCURATE MONTHLY FOCUS REPORTS CORRESPONDING TO THESE MONTHLY REPORTING PERIODS.

Initiated By: FINRA

Date Initiated: 05/03/2017

Docket/Case Number: [2016049751001](#)

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: 05/03/2017

Does the order constitute a No



final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

Sanctions Ordered: Censure
Monetary/Fine \$65,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM IS CENSURED AND FINED \$65,000. FINES PAID IN FULL ON MAY 16, 2017.

Regulator Statement IN DETERMINING THE APPROPRIATE SANCTIONS IN THIS MATTER, FINRA CONSIDERED THE FIRM'S SELF-REPORTING OF THE CONDUCT, THE FIRM'S RETENTION OF A NEW FINANCIAL AND OPERATIONS PRINCIPAL (FINOP), AND CERTAIN SUBSEQUENT REMEDIAL MEASURES, INCLUDING THAT THE FIRM FILED A SATISFACTORY SUBORDINATED LOAN AGREEMENT WITH FINRA THE DAY AFTER FINRA NOTIFIED THE FIRM THAT THEIR PRIOR ACCOUNTING TREATMENT WAS INCORRECT.

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 APPLIED AN INACCURATE ACCOUNTING AND NET CAPITAL TREATMENT OF INVESTMENT ADVISORY FEES.

THE FINDINGS STATED THAT THE FIRM FAILED TO PREPARE AND MAINTAIN ACCURATE FINANCIAL RECORDS, INCLUDING GENERAL LEDGERS, BALANCE SHEETS AND TRIAL BALANCES, AND NET CAPITAL COMPUTATIONS. THE FIRM ALSO FILED INACCURATE MONTHLY FOCUS REPORTS CORRESPONDING TO THESE MONTHLY REPORTING PERIODS.

Initiated By: FINRA

Date Initiated: 05/03/2017

Docket/Case Number: [2016049751001](#)

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: 05/03/2017

Sanctions Ordered: Censure
Monetary/Fine \$65,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED.

Firm Statement IN DETERMINING THE APPROPRIATE SANCTIONS IN THIS MATTER, FINRA CONSIDERED THE FIRM'S PROMPT SELF-REPORTING OF THE CONDUCT, THE FIRM'S RETENTION OF A NEW FINANCIAL AND OPERATIONS PRICIPAL (FINOP) AND CERTAIN SUBSEQUENT REMEDIAL MEASURES, INCLUDING THAT THE FIRM FILED A SATISFACTORY SUBORDINATED LOAN AGREEMENT WITH FINRA THE DAY AFTER FINRA NOTIFIED THE FIRM THAT THEIR PRIOR ACCOUNTING TREATMENT WAS INCORRECT.

Disclosure 8 of 22

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) RESULTING IN CUSTOMERS PAYING EXCESSIVE SALES CHARGES OF APPROXIMATELY 98,937.31. 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 WSPS REASONABLY DESIGNED TO ENSURE THAT CUSTOMERS RECEIVED SALES CHARGE DISCOUNTS ON ALL ELIGIBLE UIT PURCHASES.

Initiated By: FINRA

Date Initiated: 11/24/2015

Docket/Case Number: [2014041842001](#)

Principal Product Type: Unit Investment Trust(s)

Other Product Type(s):



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| Principal Sanction(s)/Relief Sought: | Other |
| Other Sanction(s)/Relief Sought: | N/A |
| Resolution: | Acceptance, Waiver & Consent(AWC) |
| Resolution Date: | 11/24/2015 |
| 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 |
| Other Sanctions Ordered: | REQUIRED TO SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION. |
| Sanction Details: | THE FIRM WAS CENSURED, FINED \$100,000, AND REQUIRED TO SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION TO AFFECTED CUSTOMERS, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION. FINE PAID IN FULL ON DECEMBER 16, 2015. |
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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 IDENTIFY AND APPLY SALES CHARGE DISCOUNTS TO CERTAIN CUSTOMERS' ELIGIBLE PURCHASES OF UNIT INVESTMENT TRUSTS (UITs) RESULTING IN CUSTOMERS PAYING EXCESSIVE SALES CHARGES OF APPROXIMATELY \$98,937.31. 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 WSPS REASONABLY DESIGNED TO ENSURE THAT CUSTOMERS RECEIVED SALES CHARGE DISCOUNTS ON ALL ELIGIBLE UIT PURCHASES. |
| Initiated By: | FINRA |
| Date Initiated: | 11/24/2015 |



Docket/Case Number: [2014041842001](#)

Principal Product Type: Unit Investment Trust(s)

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: 11/24/2015

Sanctions Ordered: Censure
Monetary/Fine \$100,000.00

Other Sanctions Ordered:

Sanction Details: THE FINE WAS PAID ON 12/16/2015.

Firm Statement THE FIRM HAS ENHANCED ITS POLICIES AND PROCEDURES RELATED TO IDENTIFYING AND APPLYING SALES CHARGE DISCOUNTS FOR ALL ELIGIBLE PURCHASES OF UITs. THE FIRM HAS PAID RESTITUTION TO AFFECTED CUSTOMERS FOR APPROXIMATELY \$98,937.31. FINALLY, THE FIRM WIRED PAYMENTS OF THE \$100,000 FINE ON DECEMBER 16, 2015.

Disclosure 9 of 22

Reporting Source: Firm

Current Status: Final

Allegations: FOR REGULATORY ACTIONS THAT OCCURRED BETWEEN DECEMBER 2008 AND OCTOBER 2012, THE DEPARTMENT ALLEGED THAT THE FIRM FAILED TO DISCLOSE ITS REGULATORY ACTIONS WITHIN 30 DAYS OF FINAL DISPOSITION AND THAT THE FIRM FAILED TO ACCURATELY REFLECT THOSE MATTERS ON ITS LICENSE RENEWAL APPLICATIONS.

Initiated By: NEW YORK DEPARTMENT OF FINANCIAL SERVICES

Date Initiated: 05/29/2015

Docket/Case Number: 2015-0055-S

Principal Product Type: No Product

Other Product Type(s):

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


Other Sanction(s)/Relief Sought:

Resolution: Stipulation and Consent
Resolution Date: 06/08/2015
Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: MONETARY FINE \$5,000

Firm Statement

THE FIRM HAS ENHANCED ITS POLICIES AND PROCEDURES FOR THE DISCLOSURE OF REGULATORY ACTIONS IN ITS LICENSE RENEWAL APPLICATION PROCESS. FURTHER, PURSANT TO THE SITPULATION ORDER, THE FIRM WIRED PAYMENT ON MAY 12,2015.

Disclosure 10 of 22

Reporting Source: Regulator
Current Status: Final
Allegations: VIOLATION OF SECTION 409.4-412, RSMO. (CUM. SUPP. 2012) BY FAILING TO SUPERVISE REGISTERED AGENT GOULD'S ACTIVITIES IN VIOLATION OF SECTION 409.4-412(D)(13), RSMO. (CUM. SUPP. 2012).
Initiated By: MISSOURI
Date Initiated: 06/25/2014
Docket/Case Number: AP-14-08
URL for Regulatory Action:
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought: MONETARY PAYMENT TO MO SECRETARY OF STATE'S INVESTOR EDUCATION AND PROTECTION FUND; COSTS
Resolution: Consent
Resolution Date: 06/25/2014



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 \$150,000.00

Other Sanctions Ordered: COSTS TOTALING 20,000.00

Sanction Details: PAYMENT OF MONETARY PENALTY TO INVESTOR EDUCATION AND PROTECTION FUND

Regulator Statement WOODBURY REPRESENTS THAT WOODBURY HAS SETTLED WITH CLIENTS REGARDING FUNDS IMPROPERLY RECEIVED BY GOULD, AND HAS COMPENSATED 22 INDIVIDUALS IMPACTED BY GOULD'S ACTIONS IN THE AMOUNT OF APPROXIMATELY \$1,900,000.00 TO DATE.

Reporting Source: Firm

Current Status: Final

Allegations: THE FIRM WAS ALLEGED TO HAVE FAILED TO DETECT A SCHEME PERPETRATED BY ONE OF ITS REPRESENTATIVES WHO CIRCUMVENTEED FIRM POLICIES RELATED TO THIRD-PARTY WIRE TRANSACTIONS. THE REPRESENTATIVE CONVERTED FUNDS FROM FIRM CUSTOMERS BY HAVING FUNDS WIRED FROM THEIR ACCOUNTS TO A BANK ACCOUNT THAT HE CONTROLLED. UPON DISCOVERY OF THE ACTIVITY, THE FIRM TERMINATED THE REPRESENTATIVE AND REPORTED THE REPRESENTATIVE'S CONDUCT TO ALL APPROPRIATE REGULATORY AND ENFORCEMENT AGENCIES.

Initiated By: STATE OF MISSOURI SECURITIES DIVISION

Date Initiated: 06/25/2014

Docket/Case Number: CASE NO. AP-14-08

Principal Product Type: Other

Other Product Type(s): BROKERAGE ACCOUNTS AND PRIVATE SECURITIES TRANSACTIONS/PROMISSORY NOTES

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: THE FIRM PAID THE MISSOURI SECRETARY OF STATE'S INVESTOR EDUCATION AND PROTECTION FUND \$150,000 AND PAID \$20,000 FOR



INVESTIGATION COSTS.

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| Resolution: | Order |
| Resolution Date: | 06/25/2014 |
| Sanctions Ordered: | Censure Monetary/Fine \$150,000.00 |
| Other Sanctions Ordered: | THE FIRM PAID \$150,000 TO THE MISSOURI SECRETARY OF STATE'S INVESTOR EDUCATION AND PROTECTION FUND AND PAID \$20,000 IN INVESTIGATION COSTS. |
| Sanction Details: | THE FIRM WIRED THE REQUIRED PAYMENT TO THE STATE OF MISSOURI ON JULY 8, 2014. |
| Firm Statement | THE FIRM HAS ENHANCED ITS POLICIES AND PROCEDURES SURROUNDING THIRD PARTY TRANSACTIONS. FURTHER, THE FIRM HAS RESOLVED THE ISSUE WITH ALL OF THE CUSTOMERS IMPACTED BY THE FORMER REPRESENTATIVE'S ACTIONS. PURSUANT TO THE CONSENT ORDER, THE FIRM WIRED THE REQUIRED PAYMENT TO THE STATE OF MISSOURI ON JULY 8, 2014. |

Disclosure 11 of 22

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|--------------------------|---|
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934; RULE 17A-4(B)(4); FINRA RULES 2010 AND 4511; NASD RULES 2110 AND 3110: THE FIRM FAILED TO RETAIN CERTAIN BUSINESS-RELATED ELECTRONIC COMMUNICATIONS FOR A SMALL SUBSET OF ITS ASSOCIATED PERSONS. THE FIRM USED A SYSTEM OFFERED BY A COMMERCIAL VENDOR TO COMPLY WITH THE FIRM'S REGULATORY OBLIGATIONS PERTAINING TO ARCHIVING, PRESERVING AND SUPERVISING THE BUSINESS-RELATED EMAILS OF ITS ASSOCIATED PERSONS. MOST OF THE FIRM'S REPRESENTATIVES USED EMAIL ADDRESSES HOSTED BY THE VENDOR'S SERVER. A SMALL SUBSET OF REPRESENTATIVES WERE APPROVED TO HOST THEIR EMAIL ADDRESSES FOR THE FIRM'S BUSINESS-RELATED EMAILS UTILIZING AN EMAIL SERVER OUTSIDE OF THE VENDOR PROVIDED THAT THEY WORKED WITH THE VENDOR TO IMPLEMENT AN AVAILABLE JOURNALING FUNCTION WHEREBY THEIR EMAILS WOULD BE AUTOMATICALLY TRANSMITTED FROM THE OUTSIDE SERVER TO THE VENDOR'S SYSTEM FOR RETENTION BY THE FIRM. HOWEVER, VARIOUS DISRUPTIONS OR FAILURES NOT CAUSED BY THE FIRM OCCURRED IN THE JOURNALING PROCESS OR FUNCTION THAT AFFECTED OUTSIDE SERVERS IMPACTING CERTAIN BUSINESS-RELATED |



EMAILS OF THE FIRM'S REPRESENTATIVES, INCLUDING REPRESENTATIVES WHO HAD LEFT THE FIRM. DURING THIS PERIOD OF THE JOURNALING DISRUPTIONS, EMAILS WERE NOT JOURNALED FROM THE AFFECTED SERVERS TO THE VENDOR'S SYSTEM AND ACCORDINGLY CERTAIN EMAILS WERE NOT RETAINED IN THE VENDOR'S SYSTEM. UPON IDENTIFICATION OF THE ISSUE, THE FIRM CORRECTED THE JOURNALING ISSUE AND RETRIEVED A MAJORITY OF THE AFFECTED EMAILS, SUBJECTING THEM TO THE FIRM'S EMAIL REVIEW PROTOCOL WITH THE EXCEPTION OF EMAILS OF FORMER FIRM REPRESENTATIVES, WHICH WERE NOT RECOVERED.

Initiated By: FINRA

Date Initiated: 12/12/2013

Docket/Case Number: [2011025484001](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/12/2013

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

Sanctions Ordered: Censure
Monetary/Fine \$60,000.00

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 IT IS CENSURED AND FINED \$60,000.

Reporting Source: Firm

Current Status: Final



Allegations: FINRA CLAIMS THE FIRM FAILED TO RETAIN CERTAIN BUSINESS-RELATED COMMUNICATIONS DURING A SPECIFIC PERIOD OF TIME FOR A SMALL SUBSET OF ASSOCIATED PERSONS.

Initiated By: FINRA

Date Initiated: 12/12/2013

Docket/Case Number: 201102548-4001

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: \$60,000 FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/12/2013

Sanctions Ordered: Censure
Monetary/Fine \$60,000.00

Other Sanctions Ordered:

Sanction Details: PAYMENT OF THE \$60,000 FINE WAS COMPLETED BY WIRE TRANSFER TO FINRA ON DECEMBER 23, 2013.

Firm Statement ON DECEMBER 12, 2013, WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO AN ACCEPTANCE, WAIVER AND CONSENT REGARDING THE FIRM'S FAILURE TO RETAIN CERTAIN BUSINESS-RELATED ELECTRONIC COMMUNICATIONS BETWEEN JULY 2007 AND DECEMBER 2011 FOR A SMALL SUBSET OF ASSOCIATED PERSONS. THE PAYMENT OF THE \$60,000 FINE WAS COMPLETED ON DECEMBER 23, 2013. THE FINRA CASE NUMBER ASSOCIATED WITH THIS ACTION IS 2011025484001.

Disclosure 12 of 22

Reporting Source: Regulator

Current Status: Final

Allegations: FINRA RULE 2010, NASD RULES 2110, 3010: THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE AN ADEQUATE SYSTEM TO REVIEW EQUITY TRADES FOR EXCESSIVE TRADING. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES REQUIRED EQUITY TRADES TO BE



REVIEWED FOR APPROPRIATENESS OF COMMISSIONS, EXCESSIVE TRADING AND SUITABILITY WHERE TRADES WERE SOLICITED. THE FIRM PRIMARILY RELIED UPON ITS TRADE DESK TO IDENTIFY EXCESSIVE TRADING BY REVIEWING THE FIRM'S DAILY TRADE COMMISSION REPORT. THE TRADE REPORT DID NOT INCLUDE THE NUMBER OF SHARES PURCHASED OR SOLD, THE TOTAL COST OF THE TRANSACTION, THE ACCOUNT NAME, OR THE AGE, INVESTMENT EXPERIENCE OR RISK TOLERANCE OF THE ACCOUNT HOLDER. IN ADDITION, THE FIRM DID NOT UTILIZE ANY EXCEPTION REPORTS OR SYSTEMS THAT DELINEATED THE AVERAGE HOLDING PERIODS, COMMISSION VERSUS EQUITY RATIO, OR THE TURNOVER RATIO IN CUSTOMER ACCOUNTS. AS A RESULT, THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SYSTEM OF FOLLOW-UP AND REVIEW FOR THE FIRM TO DETERMINE WHETHER ITS REGISTERED REPRESENTATIVES WERE ENGAGED IN EXCESSIVE AND THEREFORE UNSUITABLE EQUITY TRADES. THE FIRM IDENTIFIED UNUSUAL TRADING ACTIVITY IN A CUSTOMER'S ACCOUNT, WHICH WAS HANDLED BY A REGISTERED REPRESENTATIVE OF THE FIRM. THE FIRM SUBSEQUENTLY REVIEWED THE ACTIVITY AND FORWARDED THE MATTER TO ITS COMPLIANCE DEPARTMENT. THE FIRM ALSO REVIEWED THE TRADE ACTIVITY IN OTHER ACCOUNTS ASSIGNED TO REPRESENTATIVE AND FOUND SIMILAR TRADING ACTIVITY IN SOME ADDITIONAL CUSTOMER ACCOUNTS. THESE MATTERS WERE ALSO REFERRED TO THE FIRM'S COMPLIANCE DEPARTMENT. THE FIRM CONDUCTED A REVIEW OF THE FIRST CUSTOMER'S ACCOUNT AND IDENTIFIED UNUSUAL TRADING ACTIVITY. AFTER SPEAKING WITH THE CUSTOMER, THE FIRM DETERMINED THAT THE REPRESENTATIVE HAD ENGAGED IN DISCRETIONARY TRADING WITHOUT WRITTEN AUTHORIZATION IN VIOLATION OF THE FIRM'S POLICIES AND PROCEDURES. THE FIRM TERMINATED THE REPRESENTATIVE'S REGISTRATION FOR FAILING TO COOPERATE WITH THE FIRM'S INVESTIGATION. ALTHOUGH THE FIRM IDENTIFIED UNUSUAL TRADING ACTIVITY IN OTHER ACCOUNTS, THE FIRM DID NOT INVESTIGATE FURTHER OR IMMEDIATELY CONTACT THESE CUSTOMERS. OVER A YEAR AFTER THE FIRM INITIALLY CONTACTED THE FIRST CUSTOMER, AND AFTER FINRA SENT THE FIRM A RULE 8210 REQUEST, THEN DID THE FIRM REVIEWED ONE OF THE OTHER CUSTOMERS' ACCOUNT ACTIVITY AND PRELIMINARILY CONCLUDED THAT THE REPRESENTATIVE EXCESSIVELY TRADED THE CUSTOMER'S ACCOUNT BASED ON A TURNOVER CALCULATION.

Initiated By: FINRA
Date Initiated: 01/19/2012
Docket/Case Number: [2009018045802](#)
Principal Product Type: Other



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|---|---|
| Other Product Type(s): | EQUITY SECURITIES |
| Principal Sanction(s)/Relief Sought: | Other |
| Other Sanction(s)/Relief Sought: | N/A |
| Resolution: | Acceptance, Waiver & Consent(AWC) |
| Resolution Date: | 01/19/2012 |
| Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? | No |
| Sanctions Ordered: | Censure Monetary/Fine \$45,000.00 |
| 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 \$45,000. FINE PAID IN FULL JANUARY 25, 2012. |
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| Reporting Source: | Firm |
| Current Status: | Final |
| Allegations: | BASED ON FINRA RULE 2010, NASD RULES 2110 AND 3010, FINRA ALLEGES THAT BETWEEN JANUARY 2008 AND MAY 2009 THE FIRM DID NOT HAVE AN ADEQUATE SYSTEM IN PLACE TO REVIEW EQUITY TRADES FOR EXCESSIVE TRADING. AS A RESULT, THE FIRM DID NOT DETECT A REGISTERED REPRESENTATIVE WHO ENTERED EXCESSIVE AND DISCRETIONARY TRADES IN TWO CUSTOMER ACCOUNTS. |
| Initiated By: | FINRA |
| Date Initiated: | 01/19/2012 |
| Docket/Case Number: | 2009018045802 |
| Principal Product Type: | Other |
| Other Product Type(s): | EQUITY SECURITIES |



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|---|---|
| Principal Sanction(s)/Relief Sought: | Other |
| Other Sanction(s)/Relief Sought: | N/A |
| Resolution: | Acceptance, Waiver & Consent(AWC) |
| Resolution Date: | 01/19/2012 |
| Sanctions Ordered: | Censure Monetary/Fine \$45,000.00 |
| 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 \$45,000. THE FINE WAS PAID IN FULL BY THE FIRM ON JANUARY 25, 2012. |
| Firm Statement | PURSUANT TO THE LANGUAGE OF THE AWC, THE FIRM PAID THE FINE OF \$45,000 BY WIRE ON JANUARY 25, 2012. |

Disclosure 13 of 22

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| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | <p>FINRA RULE 2010, NASD RULES 2110, 3010, 3012(A)(2)(B)(I): A REGISTERED REPRESENTATIVE OF THE FIRM CONVERTED APPROXIMATELY \$990,000 FROM THE FIRM'S CUSTOMERS, THROUGH SEVERAL SEPARATE WIRE REQUESTS; THESE WIRE REQUESTS DIRECTED THAT FUNDS BE WITHDRAWN FROM THE FIRM'S CUSTOMER ACCOUNTS THAT THE REGISTERED REPRESENTATIVE SERVICED, AND WIRED TO A BANK ACCOUNT THAT THE REGISTERED REPRESENTATIVE CONTROLLED. THE FIRM'S SUPERVISORY CONTROL SYSTEM IN THIS AREA FAILED TO INCLUDE A POLICY OR PROCEDURE REQUIRING A REVIEW TO DETECT OR PREVENT MULTIPLE WIRES, FROM ONE OR NUMEROUS CUSTOMERS, GOING TO THE SAME THIRD-PARTY ACCOUNT. THE FIRM'S SYSTEM FAILED TO INCLUDE EXCEPTION REPORTS THAT WOULD HAVE IDENTIFIED MULTIPLE CUSTOMER WIRES GOING TO THE SAME THIRD-PARTY ACCOUNT.</p> <p>THE FIRM FAILED TO DETECT THAT THE REGISTERED REPRESENTATIVE HAD SUBMITTED SEVERAL SEPARATE WIRE REQUESTS, FROM DIFFERENT CUSTOMERS OF THE FIRM, RESULTING IN THE TRANSMITTAL OF APPROXIMATELY \$990,000 OF THOSE CUSTOMERS' FUNDS TO A BANK ACCOUNT THAT HE CONTROLLED. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM THAT WAS</p> |



REASONABLY DESIGNED TO ADEQUATELY REVIEW AND MONITOR ALL TRANSMITTALS OF FUNDS FROM THE ACCOUNTS OF CUSTOMERS TO THIRD-PARTY ACCOUNTS AND OUTSIDE ENTITIES.

Initiated By: FINRA

Date Initiated: 08/04/2011

Docket/Case Number: [2010024996801](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/04/2011

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: Censure
Monetary/Fine \$75,000.00

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 \$75,000.

Reporting Source: Firm

Current Status: Final

Allegations: DURING THE PERIOD FROM NOVEMBER 1, 2008 THROUGH SEPTEMBER 30, 2010, THE FIRM'S SUPERVISORY CONTROL SYSTEM FAILED TO ADEQUATELY REVIEW AND MONITOR TRANSMITTAL OF FUNDS FROM THE ACCOUNTS OF CUSTOMERS TO THIRD-PARTY ACCOUNTS, IN VIOLATION OF NASD CONDUCT RULES 3010, 3012(A)(2)(B)(I) AND 2110, AND FINRA RULE 2010. AS A RESULT, THE FIRM FAILED TO DETECT A SCHEME PERPETRATED BY ONE OF ITS REPRESENTATIVES WHO CONVERTED



FUNDS FROM WOODBURY'S CUSTOMERS BY HAVING FUNDS WIRED FROM THE CUSTOMERS' WOODBURY ACCOUNT TO A BANK ACCOUNT THAT HE CONTROLLED. UPON DISCOVERY OF THE ACTIVITY, THE FIRM TERMINATED THE REPRESENTATIVE AND REPORTED THE REPRESENTATIVE'S UNLAWFUL ACTION TO ALL APPROPRIATE REGULATORY AND ENFORCEMENT AGENCIES.

Initiated By: FINRA

Date Initiated: 08/04/2011

Docket/Case Number: [2010024996801](#)

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: MONETARY/FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/04/2011

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND ENTRY OF FINDINGS. PAYMENT OF \$75,000 WILL BE MADE UPON RECEIPT OF FINRA'S PAYMENT INSTRUCTIONS.

Firm Statement THIS MATTER RESOLVED ON AUGUST 4, 2011 UPON EXECUTION OF THE AWC. AFTER RECEIVING FINRA'S INVOICE DATED AUGUST 26, 2011, THE FIRM PAID THE \$75,000 FINE VIA A WIRE TRANSFER ON AUGUST 30, 2011.

Disclosure 14 of 22

Reporting Source: Regulator

Current Status: Final

Allegations: FAILURE TO ADEQUATELY SUPERVISE.

Initiated By: VERMONT SECURITIES DIVISION

Date Initiated: 06/23/2009



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|---|--|
| Docket/Case Number: | 09-068-S |
| URL for Regulatory Action: | |
| Principal Product Type: | Annuity(ies) - Variable |
| 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: | 06/23/2009 |
| Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? | No |
| Sanctions Ordered: | Monetary/Fine \$12,000.00 |
| Other Sanctions Ordered: | COSTS OF ENFORCEMENT \$ 3,000.00 |
| Sanction Details: | RESPONDENT SAHLL SUBMIT WRITTEN REPORT WITHIN 6 MONTHS OF THIS ORDER DETAILING THE REVIEW OF THEIR SUPERVISORY PROCEDURES WITH RESPECT TO SUBACCOUNT ALLOCATIONS. RESPONDENT SHALL REPORT ON THE EFFORTS OF THE AGENT TO REVIEW AND DISCUSS WITH EACH IDENTIFIED CUSTOMER, THE SUITABILITY OF THE SUBACCOUNT INVESTMENT ALLOCATIONS. |
| Regulator Statement | FAILURE TO ADEQUATELY SUPERVISE 2 AGENTS WHO ENGAGED IN SALES ACTIVITY WHEREIN THEY RECOMMENDED IDENTIAL SUBACCOUNT ALLOCATIONS TO NUMEROUS CLIENTS IN CONNECTION WITH THE SALE OF VARIABLE ANNUITY CONTRACTS. SUBACCOUNT ALLOCATIONS MAY HAVE BEEN UNSUITABLE FOR ONE OR MORE CUSTOMERS. RESPONDENT'S COMPLIANCE PROCEDURES WERE NOT SUFFICIENT TO ADEQUATELY REVIEW VARIABLE ANNUITY SUBACCOUNT ALLOCATIONS. |
| <hr/> | |
| Reporting Source: | Firm |
| Current Status: | Final |
| Allegations: | WOODBURY FINANCIAL SERVICES, INC. ("WOODBURY") IS RESPONSIBLE FOR SUPERVISING TWO REGISTERED REPRESENTATIVES THAT ENGAGED IN CERTAIN SALES ACTIVITY WHEREIN THEY RECOMMENDED IDENTICAL |



SUBACCOUNT ALLOCATIONS TO NUMEROUS CLIENTS IN CONNECTION WITH THE SALE OF VARIABLE ANNUITY PRODUCTS. THOSE ALLOCATIONS MAY HAVE BEEN UNSUITABLE FOR ONE OR MORE OF THOSE CUSTOMERS BASED ON THE CUSTOMERS' CIRCUMSTANCES. WOODBURY'S COMPLIANCE PROCEDURES WERE NOT SUFFICIENT TO ADEQUATELY REVIEW VARIABLE ANNUITY SUBACCOUNT ALLOCATIONS. AS A RESULT WOODBURY FAILED TO ADEQUATELY SUPERVISE THE REGISTERED REPRESENTATIVES.

Initiated By: VERMONT SECURITIES DIVISION

Date Initiated: 06/23/2009

Docket/Case Number: 09-068-S

Principal Product Type: Annuity(ies) - Variable

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: WOODBURY FINANCIAL SERVICES, INC. SHALL PAY COSTS OF ENFORCEMENT IN THE AMOUNT OF \$3,000.00.

Resolution: Order

Resolution Date: 06/23/2009

Sanctions Ordered: Monetary/Fine \$12,000.00

Other Sanctions Ordered: WOODBURY FINANCIAL SERVICES, INC. SHALL PAY COSTS OF ENFORCEMENT IN THE AMOUNT OF \$3,000.00.

Sanction Details: WITHIN TEN DAYS OF THE DATE THIS ORDER IS EXECUTED, (JULY 2, 2009) WOODBURY SHALL TENDER A CHECK MADE PAYABLE TO THE VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION ("BISHCA") FOR A TOTAL AMOUNT OF \$15,000 (ADMINISTRATIVE PENALTY PLUS ENFORCEMENT COSTS). WITHIN SIX MONTHS OF JULY 2, 2009, WOODBURY SHALL SUBMIT A WRITTEN REPORT TO VERMONT DETAILING ITS REVIEW OF ITS SUPERVISORY PROCEDURES WITH RESPECT TO SURVEILLANCE OF SUBACCOUNT ALLOCATIONS FOR VARIABLE PRODUCTS, ANY CHANGES RECOMMENDED AS A RESULT OF THE REVIEW AND REMEDIAL CHANGES IT HAS MADE TO ADDRESS THE RECOMMENDATIONS AND ISSUES NOTED IN THE ORDER. IN ADDITION, WITHIN SIX MONTHS OF JULY 2, 2009, WOODBURY SHALL SUBMIT A SECOND WRITTEN REPORT TO VERMONT DETAILING THE EFFORTS OF ITS AGENT, STUART G. HUNT, TO REVIEW AND DISCUSS WITH EACH OF HIS CUSTOMERS ON A LIST PROVIDED BY BISHCA, THE SUITABILITY OF THE SUBACCOUNT INVESTMENT ALLOCATIONS FOR THEIR VARIABLE



PRODUCTS. .

Firm Statement

ON JULY 7, 2009, WOODBURY SENT A CHECK IN THE AMOUNT OF \$15,000 AND MADE PAYABLE TO BISHCA. ON OR BEFORE JANUARY 2, 2010, WOODBURY WILL SUBMIT TWO WRITTEN REPORTS TO BISHCA AS DIRECTED IN THE ORDER. ONE REPORT WILL DETAIL WOODBURY'S REVIEW OF ITS SUPERVISORY PROCEDURES REGARDING THE SURVEILLANCE OF SUBACCOUNT ALLOCATIONS FOR VARIABLE PRODUCTS AND ANY FINDINGS. THE SECOND REPORT WILL DETAIL WOODBURY'S REGISTERED REP, STUART G. HUNT'S EFFORTS IN 2009 TO REVIEW AND DISCUSS WITH EACH OF HIS CUSTOMERS ON A LIST BY PROVIDED BISHCA, THE SUITABILITY OF THEIR SUBACCOUNT INVESTMENT ALLOCATIONS FOR THEIR VARIABLE PRODUCTS.

Disclosure 15 of 22

Reporting Source: Firm

Current Status: Final

Allegations: THE COMMISSION CLAIMS THAT WOODBURY FINANCIAL SERVICES, INC. ("WOODBURY"), FAILED TO REASONABLY SUPERVISE MAYRA ANGULO AND MARK ISLAS PURSUANT TO A.R.S. § 44-1961 (A)(12). WOODBURY HAD COMPLIANCE RULES PROHIBITING REGISTERED REPRESENTATIVES FROM CHANGING CUSTOMER BROKERAGE ACCOUNTS TO POST OFFICE BOXES WITHOUT PROPER DOCUMENTATION, BUT WOODBURY DID NOT DISCOVER THE FRAUDULENT CONDUCT OF ANGULO/ISLAS UNTIL AFTER A CUSTOMER CONTACTED WOODBURY SEEKING A NEW REGISTERED REPRESENTATIVE. WOODBURY PROMPTLY INITIATED AN INVESTIGATION AND DISCOVERED THE USE OF PO BOXES TO DEFRAUD CUSTOMERS. WOODBURY DID NOT DISCOVER UNAUTHORIZED AND FRAUDULENT USE OF PO BOXES SO AS TO PREVENT LOSSES TO CUSTOMERS. ALTHOUGH WOODBURY CONDUCTED ANNUAL OFFICE AUDITS, THEY FAILED TO DISCOVER THAT CUSTOMERS WERE PAYING FUNDS DIRECTLY TO IFS, THE DBA USED BY ANGULO/ISLAS, AND THAT THEY WERE MISAPPROPRIATING FUNDS INTENDED FOR PREMIUM PAYMENTS TO HARTFORD AND MONEY MARKET FUNDS.

Initiated By: ARIZONA CORPORATION COMMISSION, SECURITIES DIVISION

Date Initiated: 05/21/2009

Docket/Case Number: S-20671A-09-0191

Principal Product Type: Insurance

Other Product Type(s): VARIABLE ANNUITIES, MONEY MARKET ACCOUNTS, BROKERAGE ACCOUNTS



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| Principal Sanction(s)/Relief Sought: | Civil and Administrative Penalt(ies) /Fine(s) |
| Other Sanction(s)/Relief Sought: | RESTITUTION AND UNDERTAKINGS |
| Resolution: | Order |
| Resolution Date: | 05/21/2009 |
| Sanctions Ordered: | Monetary/Fine \$250,000.00 Disgorgement/Restitution |
| Other Sanctions Ordered: | UNDERTAKINGS |
| Sanction Details: | IT IS ORDERED THAT WOODBURY COMPLY WITH THE CONSENT TO ENTRY OF ORDER. WOODBURY WILL CONTINUE TO PROVIDE THE DIVISION WITH QUARTERLY STATUS REPORTS REGARDING ONGOING CLAIMS, INQUIRIES, NEGOTIATIONS AND SETTLEMENTS OF CLAIMS BY FORMER CUSTOMERS OF ANGULO AND ISLAS UNTIL ALL CLAIMS HAVE BEEN SUBSTANTIALLY RESOLVED OR UNTIL THE COMMISSION DETERMINES OTHERWISE. WOODBURY SHALL PAY AN ADMINISTRATIVE PENALTY IN THE AMOUNT OF \$250,000. ON MAY 20, 2009, MARK SIDES, THE CHIEF LEGAL OFFICER OF WOODBURY HAND DELIVERED A CHECK IN THE AMOUNT OF \$250,000 AND MADE PAYABLE TO THE "STATE OF ARIZONA". |
| Firm Statement | ON OR ABOUT OCTOBER 17, 2007, WOODBURY RECEIVED A CUSTOMER REQUEST THAT LED THEM TO INITIATE AN INTERNAL INVESTIGATION OF ANGULO AND ISLAS. ON NOVEMBER 6, 2007, A MEMBER OF THE HARTFORD'S SPECIAL INVESTIGATIONS UNIT WAS SENT TO ARIZONA TO INTERVIEW ANGULO/ISLAS AND CONFISCATE ALL CUSTOMER FILES AND OTHER RECORDS BELONGING TO WOODBURY. ANGULO/ISLAS WERE TERMINATED ON NOVEMBER 8, 2007. ALSO ON OR ABOUT NOVEMBER 8, 2007, WOODBURY REPORTED THE MISCONDUCT OF ANGULO/ISLAS TO THE STATE OF ARIZONA. ON JANUARY 9, 2008, WOODBURY MADE ITS FIRST PAYMENTS TO FULLY REIMBURSE LOSSES INCURRED BY CLIENTS OF ANGULO/ISLAS. AT THE TIME THE ORDER WAS SIGNED, WOODBURY HAD PROVIDED COMPENSATION TO APPROXIMATELY 32 VICTIMS HOLDING SECURITIES PRODUCTS TOTALING APPROXIMATELY \$2,037,617.00. IN ADDITION, WOODBURY HAS PROVIDED THE SECURITIES DIVISION A WRITTEN ASSURANCE OF UNDERTAKING TO CONTINUE ITS COMPENSATION OF ALL PRINCIPAL LOSSES TO CLIENTS OF ANGULO/ISLAS DUE TO FRAUDULENT CONDUCT DURING THE TIME THAT ANGULO/ISLAS WERE REGISTERED WITH WOODBURY. WOODBURY HAS TAKEN REMEDIAL MEASURES SUCH AS MODIFYING ITS PROCEDURES WITH RESPECT TO POST OFFICE BOXES AND ADDRESS CHANGES. IT HAS CREATED AN ADDRESS COMPARISON REPORT AND ON JANUARY 1, 2009, WOODBURY IMPLEMENTED A PROGRAM UNDER WHICH IT WILL BE |



COMPLETING ANNUAL BACKGROUND CHECKS OF ITS REGISTERED REPRESENTATIVES. ALSO IN 2009, WOODBURY BEGAN SEEKING FINANCIAL INFORMATION FOR PURPOSES OF REVIEW FROM ITS REPRESENTATIVES WHO HAVE SIGNIFICANT OUTSIDE BUSINESS ACTIVITIES. WOODBURY HAS ALSO COMMITTED TO INCREASING THE NUMBER OF UNANNOUNCED AUDITS IN 2009. WOODBURY SIGNED THE CONSENT TO ENTRY OF ORDER ON APRIL 27, 2009. PURSUANT TO THE FINAL ORDER DOCKETED ON MAY 21, 2009, WOODBURY HAS PAID THE ADMINISTRATIVE PENALTY IN THE AMOUNT OF \$250,000. WOODBURY WILL CONTINUE TO PROVIDE THE DIVISION WITH QUARTERLY STATUS REPORTS AS STATED IN THE FINAL ORDER.

Disclosure 16 of 22

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|---|---|
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | SEC ADMINISTRATIVE RELEASE 34-59740, APRIL 9, 2009: 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 SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AGAINST WOODBURY FINANCIAL SERVICES, INC. FOR WILLFULLY VIOLATING REGULATION S-P RULE 10 BY ALLOWING, AND ON CERTAIN OCCASIONS, ASSISTING NEWLY-RECRUITED REGISTERED REPRESENTATIVES IN PROVIDING CUSTOMER NONPUBLIC PERSONAL INFORMATION TO WOODBURY PRIOR TO THE RECRUITED REPRESENTATIVE LEAVING THEIR CURRENT BROKER-DEALER IN ORDER FOR WOODBURY TO PREPOPULATE ACCOUNT TRANSFER AND NEW ACCOUNT FORMS WITH CERTAIN CUSTOMER INFORMATION, AND FOR WILLFULLY VIOLATING REGULATION S-P RULES 4 AND 6 BY NOT INFORMING ITS CUSTOMERS THAT IT WOULD ALLOW A DEPARTING REGISTERED REPRESENTATIVE TO TAKE NONPUBLIC CUSTOMER INFORMATION WHEN LEAVING WOODBURY FOR A NONAFFILIATED BROKER-DEALER. |
| Initiated By: | UNITED STATES SECURITIES AND EXCHANGE COMMISSION |
| Date Initiated: | 04/09/2009 |
| Docket/Case Number: | 3-13437 |
| Principal Product Type: | No Product |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | |



Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 04/09/2009

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 \$65,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: RESPONDENT WOODBURY HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") 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, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER WOODBURY AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, WOODBURY CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS. ACCORDINGLY, PURSUANT TO SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT, WOODBURY IS ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULES 4, 6 AND 10 OF REGULATION S-P; CENSURED; AND FINED \$65,000, WHICH IS DUE WITHIN 10 BUSINESS DAYS OF THE ENTRY OF THIS ORDER. IN ADDITION, WOODBURY SHALL UNDERTAKE TO REVISE ITS PRACTICES, POLICIES AND PROCEDURES WITH RESPECT TO ACCEPTING CUSTOMER NONPUBLIC PERSONAL INFORMATION FROM RECRUITS WHO HAVE NOT YET ASSOCIATED WITH WOODBURY TO COMPLY WITH REGULATION S-P AS PRESENTLY WRITTEN OR AS IT MAY BE AMENDED IN THE FUTURE; AND REVISE ITS PRACTICES, POLICIES AND PROCEDURES AND/OR PRIVACY POLICY WITH RESPECT TO ALLOWING DEPARTING WOODBURY REGISTERED REPRESENTATIVES TO TAKE CUSTOMER NONPUBLIC PERSONAL INFORMATION WITH THEM TO THEIR NEW BROKER-DEALER TO COMPLY WITH REGULATIONS S-P AS PRESENTLY WRITTEN OR AS IT MAY BE AMENDED IN THE FUTURE.



Reporting Source: Firm

Current Status: Final

Allegations: WOODBURY FINANCIAL SERVICES, INC. ALLEGEDLY VIOLATED REGULATION S-P RULE 10 BY ALLOWING REGISTERED REPRESENTATIVES TO TAKE NONPUBLIC CUSTOMER INFORMATION TO NONAFFILIATED BROKER-DEALERS WHEN LEAVING WOODBURY. FURTHER, WOODBURY ALLEGEDLY VIOLATED REGULATION S-P RULES 4 AND 6 BY NOT INFORMING CUSTOMERS THAT IT WOULD ALLOW A DEPARTING REGISTERED REPRESENTATIVE TO TAKE NONPUBLIC CUSTOMER INFORMATION WHEN LEAVING WOODBURY FOR A NONAFFILIATED BROKER DEALER.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 04/09/2009

Docket/Case Number: FILE NO. 3-13437

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE AND CIVIL MONEY PENALTY IN THE AMOUNT OF \$65,000 TO BE PAID TO THE UNITED STATES TREASURY.

Resolution: Order

Resolution Date: 04/09/2009

Sanctions Ordered: Censure
Monetary/Fine \$65,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: WOODBURY FINANCIAL SERVICES, INC. SUBMITTED AN OFFER OF SETTLEMENT TO THE SECURITIES AND EXCHANGE COMMISSION AND THE COMMISSION ACCEPTED. IT WAS ORDERED THAT WOODBURY FINANCIAL SERVICES, INC. CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULES 4, 6, AND 10 OF REGULATION S-P; BE CENSURED; AND SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$65,000 TO THE UNITED STATES TREASURY. IN ADDITION, WOODBURY SHALL UNDERTAKE TO REVISE ITS PRACTICES, POLICIES AND PROCEDURES WITH RESPECT TO ACCEPTING CUSTOMER NONPUBLIC PERSONAL INFORMATION FROM RECRUITS WHO HAVE NOT



YET ASSOCIATED WITH WOODBURY TO COMPLY WITH REGULATION S-P AS PRESENTLY WRITTEN OR AS IT MAY BE AMENDED IN THE FUTURE; AND REVISE ITS PRACTICES, POLICIES AND PROCEDURES AND/OR PRIVACY POLICY WITH RESPECT TO ALLOWING DEPARTING WOODBURY REGISTERED REPRESENTATIVES TO TAKE CUSTOMER NONPUBLIC PERSONAL INFORMATION WITH THEM TO THEIR NEW BROKER-DEALER TO COMPLY WITH REGULATION S-P AS PRESENTLY WRITTEN OR AS IT MAYBE AMENDED IN FUTURE.

Firm Statement

WOODBURY FINANCIAL SERVICES, INC. SUBMITTED AN OFFER OF SETTLEMENT TO THE SECURITIES AND EXCHANGE COMMISSION AND THE COMMISSION ACCEPTED. IN DETERMINING TO ACCEPT THE OFFER, THE COMMISSION CONSIDERED REMEDIAL ACTS PROMPTLY UNDERTAKEN BY WOODBURY AND COOPERATION AFFORDED THE COMMISSION STAFF. THE ORDER WAS RELEASED BY THE COMMISSION ON APRIL 9, 2009. ON APRIL 13, 2009, IN COMPLIANCE WITH THE ORDER, WOODBURY FORWARDED A CHECK IN THE AMOUNT OF \$65,000 AND MADE PAYABLE TO THE SEC AS DIRECTED IN THE ORDER.

Disclosure 17 of 22

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|---|---|
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | WHILE TRANSACTING BUSINESS IN THE STATE OF MISSOURI AS A FEDERAL-COVERED INVESTMENT ADVISER, WOODBURY ENGAGED IN ACTIVITY IN VIOLATION OF THE MISSOURI SECURITIES ACT OF 2003 BY FAILING TO DISCLOSE TO ITS CLIENTS THAT TWO OF ITS INVESTMENT ADVISER REPRESENTATIVES WERE NOT PROPERLY REGISTERED WITH THE STATE OF MISSOURI. |
| Initiated By: | MISSOURI |
| Date Initiated: | 01/07/2009 |
| Docket/Case Number: | AP-08-25 |
| URL for Regulatory Action: | |
| Principal Product Type: | No Product |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Other |
| Other Sanction(s)/Relief Sought: | CONSENT ORDER |
| Resolution: | Consent |



Resolution Date: 01/07/2009

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? Yes

Sanctions Ordered: Monetary/Fine \$6,000.00

Other Sanctions Ordered: WOODBURY IS PROHIBITED FROM ENGAGING IN ACTIVITY IN THE STATE OF MISSOURI WHICH WOULD VIOLATE THE MISSOURI SECURITIES ACT OF 2003, AND WOODBURY SHALL DELIVER A CASHIER'S CHECK TO THE SECURITIES DIVISION IN THE AMOUNT OF SIX THOUSAND DOLLARS (\$6,000) MADE PAYABLE TO THE MISSOURI SECRETARY OF STATE'S INVESTOR EDUCATION AND PROTECTION FUND.

Sanction Details: WOODBURY IS PROHIBITED FROM ENGAGING IN ACTIVITY IN THE STATE OF MISSOURI WHICH WOULD VIOLATE THE MISSOURI SECURITIES ACT OF 2003, AND WOODBURY SHALL DELIVER A CASHIER'S CHECK TO THE SECURITIES DIVISION IN THE AMOUNT OF SIX THOUSAND DOLLARS (\$6,000) MADE PAYABLE TO THE MISSOURI SECRETARY OF STATE'S INVESTOR EDUCATION AND PROTECTION FUND.

Reporting Source: Firm

Current Status: Final

Allegations: WOODBURY FINANCIAL SERVICES, INC. WAS ALLEGED TO BE IN VIOLATION OF THE MISSOURI SECURITIES ACT OF 2003. DUE TO A TECHNICAL FILING ERROR, WOODBURY ASSOCIATED WITH TWO UNREGISTERED INVESTMENT ADVISERS. IMMEDIATELY UPON IDENTIFYING THE TECHNICAL FILING ERROR, WOODBURY NOTIFIED THE MISSOURI SECURITIES DIVISION IN ORDER TO TAKE CORRECTIVE ACTION.

Initiated By: OFFICE OF THE SECRETARY OF STATE, STATE OF MISSOURI - MISSOURI SECURITIES DIVISION

Date Initiated: 01/07/2009

Docket/Case Number: CASE NO. AP-08-25

Principal Product Type: No Product

Other Product Type(s):

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



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| Other Sanction(s)/Relief Sought: | CIVIL AND ADMINISTRATIVE FINE OF \$6,000 |
| Resolution: | Consent |
| Resolution Date: | 01/07/2009 |
| Sanctions Ordered: | Monetary/Fine \$6,000.00 Cease and Desist/Injunction |
| Other Sanctions Ordered: | |
| Sanction Details: | WOODBURY FINANCIAL SERVICES, INC. PROVIDED A CASHIER'S CHECK TO THE SECURITIES DIVISION IN THE AMOUNT OF \$6,000 ON DECEMBER 31, 2008. |
| Firm Statement | WOODBURY FINANCIAL SERVICES, INC. SIGNED THE CONSENT ORDER ON DECEMBER 30, 2008 AND FORWARDED A CHECK IN THE AMOUNT OF \$6,000 TO THE MISSOURI SECURITIES DIVISION ON DECEMBER 31, 2008. DUE TO A TECHNICAL FILING ERROR, WOODBURY ASSOCIATED WITH TWO UNREGISTERED INVESTMENT ADVISERS. BOTH OF THESE INDIVIDUALS PASSED THE SERIES 65 LICENSING EXAMINATIONS WHICH WOULD HAVE QUALIFIED THEM FOR REGISTRATION WITH THE STATE OF MISSOURI BUT FOR WOODBURY'S TECHNICAL FILING ERROR. UPON RECEIPT OF AN EXECUTED CONSENT ORDER FROM MISSOURI, WOODBURY'S APPLICATION TO REGISTER THE TWO INVESTMENT ADVISER REPRESENTATIVES IN MISSOURI WILL BE PROCESSED. |

Disclosure 18 of 22

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|--------------------------------|---|
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | NASD RULES 2110, 3010(A) AND 3010(B): RESPONDENT FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND WRITTEN PROCEDURES RELATING TO THE FIRM'S VARIABLE LIFE INSURANCE BUSINESS THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FEDERAL SECURITIES LAWS AND REGULATIONS AND NASD CONDUCT RULES. |
| Initiated By: | FINRA |
| Date Initiated: | 12/17/2008 |
| Docket/Case Number: | 2006006901101 |
| Principal Product Type: | Insurance |
| Other Product Type(s): | |



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/17/2008

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

Sanctions Ordered: Censure
Monetary/Fine \$50,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, RESPONDENT IS CENSURED AND FINED \$50,000.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THAT FROM DECEMBER 2002 THROUGH MAY 2005, WOODBURY FINANCIAL SERVICES, INC. FAILED TO ESTABLISH AN ADEQUATE SUPERVISORY SYSTEM AND SUPERVISORY PROCEDURES TO REVIEW THE SUITABILITY OF VARIABLE LIFE INSURANCE APPLICATIONS. FINRA ALSO ALLEGED THAT THESE FAILURES RESULTED IN A VIOLATION OF NASD CONDUCT RULES 3010 (A) AND (B) AND RULE 2110.

Initiated By: FINRA

Date Initiated: 12/17/2008

Docket/Case Number: [2006006901101](#)

Principal Product Type: Insurance

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure



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|---|---|
| Other Sanction(s)/Relief Sought: | CIVIL AND ADMINISTRATIVE FINE OF \$50,000 |
| Resolution: | Acceptance, Waiver & Consent(AWC) |
| Resolution Date: | 12/17/2008 |
| Sanctions Ordered: | Censure Monetary/Fine \$50,000.00 |
| Other Sanctions Ordered: | |
| Sanction Details: | CENSURE AND A FINE OF \$50,000. WOODBURY FINANCIAL SERVICES, INC. WIRED \$50,000 TO FINRA ON DECEMBER 24, 2008. |
| Firm Statement | WOODBURY FINANCIAL SERVICES, INC. SIGNED THE FINRA LETTER OF ACCEPTANCE, WAIVER AND CONSENT ON NOVEMBER 25, 2008 CONSENTING TO THE ABOVE DESCRIBED SANCTIONS WITHOUT ADMITTING OR DENYING FINRA'S FINDINGS. WOODBURY ALSO SIGNED AND SUBMITTED A CORRECTIVE ACTION STATEMENT ON NOVEMBER 25, 2008 DETAILING THE STEPS TAKEN BY WOODBURY TO ENHANCE ITS SUPERVISORY SYSTEM AND PROCEDURES FOR REVIEWING THE SUITABILITY OF VARIABLE LIFE INSURANCE APPLICATIONS. FINRA SIGNED THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT ON DECEMBER 17, 2008. |

Disclosure 19 of 22

| | |
|--------------------------|---|
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | RESPONDENT IS CONDUCTING SECURITIES SALES-RELATED ACTIVITY AT NINETY-FIVE (95) LOCATIONS ("UNREGISTERED OFFICES" NOT REGISTERED AS BRANCH OFFICES WITH THE SECURITIES COMMISSIONER. RESPONDENT'S FAILURE TO REGISTER EACH BRANCH OFFICE CONSTITUTES A VIOLATION OF SECTION 115.1(B)(1) OF THE BOARD RULES. RESPONDENT'S SECURITIES SALES-RELATED ACTIVITY AT UNREGISTERD BRANCH OFFICES CONSTITUTES A VIOLATION OF SECTION 115.2(C) OF THE BOARD RULES. RESPONDENT, BY AND THROUGH AN AUTHORIZED SIGNATORY, ACKNOWLEDGED ON THE FORM U-4S FILED WITH THE SECURITIES COMMISSIONER THAT THE AUTHORIZED SIGNATORY HAD TAKEN APPROPRIATE STEPS TO VERIFY THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN AND WITH AGENTS' FORM U-4 FILINGS. HOWEVER, THE AUTHORIZED SIGNATORY FAILED TO TAKE APPROPRIATE STEPS TO VERIFY THE ACCURACY AND COMPLETENESS OF THE AGENTS' FORM U-4 FILINGS BECAUSE THE OFFICE OF EMPLOYMENT ADDRESS WAS NOT PROPERLY COMPLETED ON |



THE AGENTS' FORM U-4S. RESPONDENT'S REPRESENTATION THAT RESPONDENT'S AUTHORIZED SIGNATORY HAD TAKEN APPROPRIATE STEPS TO VERIFY THE ACCURACY AND COMPLETENESS OF THE AGENTS' FORM U-4S CONSTITUTES A MATERIAL MISREPRESENTATION TO THE SECURITIES COMMISSIONER IN CONNECTION WITH INFORMATION DEEMED NECESSARY BY THE SECURITIES COMMISSIONER TO DETERMINE A DEALER'S BUSINESS REPUTE OR QUALIFICATIONS.

Initiated By: TEXAS

Date Initiated: 03/25/2004

Docket/Case Number: IC04-FIN-05

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): BROKER DEALER / INVESTMENT ADVISOR

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

Other Sanction(s)/Relief Sought: REPRIMANDED / COMPLIANCE WITH THE UNDERTAKING

Resolution: Order

Resolution Date: 03/25/2004

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? Yes

Sanctions Ordered: Monetary/Fine \$12,500.00

Other Sanctions Ordered: REPRIMANDED / COMPLIANCE WITH TERMS OF THE UNDERTAKING

Sanction Details: 12500.00 / ADMINISTRATIVE FINE PAID CONTEMPORANEOUSLY WITH DELIVERY OF ORDER.

Reporting Source: Firm

Current Status: Final

Allegations: RESPONDENT IS CONDUCTING SECURITIES SALES-RELATED ACTIVITY AT NINETY-FIVE (95) LOCATIONS ("UNREGISTERED OFFICES") NOT REGISTERED AS BRANCH OFFICES WITH THE SECURITIES COMMISSIONER. RESPONDENT'S FAILURE TO REGISTER EACH BRANCH



OFFICE CONSTITUTES A VIOLATION OF SECTION 115.1(B)(1) OF THE BOARD RULES. RESPONDENT'S SECURITIES SALES-RELATED ACTIVITIES AT UNREGISTERED BRANCH OFFICES CONSTITUTES A VIOLATION OF SECTION 115.2(C) OF THE BOARD RULES. RESPONDENT, BY AND THROUGH AN AUTHORIZED SIGNATORY, ACKNOWLEDGED ON THE FORM U-4S FILED WITH THE SECURITIES COMMISSIONER THAT THE AUTHORIZED SIGNATORY HAD TAKEN APPROPRIATE STEPS TO VERIFY THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN AND WITH AGENTS' FORM U-4 FILINGS. HOWEVER, THE AUTHORIZED SIGNATORY FAILED TO TAKE APPROPRIATE STEPS TO VERIFY THE ACCURACY AND COMPLETENESS OF THE AGENTS' FORM U-4 FILINGS BECAUSE THE OFFICE OF EMPLOYMENT ADDRESS WAS NOT PROPERLY COMPLETED ON THE AGENTS' FORM U-4S. RESPONDENT'S REPRESENTATION THAT RESPONDENT'S AUTHORIZED SIGNATORY HAD TAKEN APPROPRIATE STEPS TO VERIFY THE ACCURACY AND COMPLETENESS OF THE AGENTS' FORM U-4S CONSTITUTE A MATERIAL MISREPRESENTATION TO THE SECURITIES COMMISSIONER IN CONNECTION WITH INFORMATION DEEMED NECESSARY BY THE SECURITIES COMMISSIONER TO DETERMINE A DEALER'S BUSINESS REPUTE OR QUALIFICATIONS.

| | |
|---|---|
| Initiated By: | TEXAS |
| Date Initiated: | 03/25/2004 |
| Docket/Case Number: | IC04-FIN-05 |
| Principal Product Type: | No Product |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Reprimand |
| Other Sanction(s)/Relief Sought: | ADMINISTRATIVE FINE OF \$12500.00. |
| Resolution: | Order |
| Resolution Date: | 03/25/2004 |
| Sanctions Ordered: | Monetary/Fine \$12,500.00 |
| Other Sanctions Ordered: | REPRIMANDED / COMPLIANCE WITH TERMS OF THE UNDERTAKING. |
| Sanction Details: | 12500.00 / ADMINISTRATIVE FINE PAID CONTEMPORANEOUSLY WITH DELIVERY OF ORDER. |



Reporting Source: Firm

Current Status: Final

Allegations: IMPERIAL FINANCIAL SERVICES, INC. ("IFS") [NOW NAMED FORTIS INVESTORS, INC. FORMERLY AMEV INVESTORS, INC.] CHARGED WITH VIOLATING SECTION 17(A) OF SECURITIES ACT OF 1933 AND SECTION 10(B) AND 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES THEREUNDER.

Initiated By: SEC

Date Initiated: 01/01/1964

Docket/Case Number: N/A

Principal Product Type: Mutual Fund(s)

Other Product Type(s): VARIABLE ANNUITIES INSURANCE

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: NONE. SEE ITEM 13.

Resolution: Other

Resolution Date: 08/26/1965

Sanctions Ordered: Censure

Other Sanctions Ordered: NONE

Sanction Details: NONE.

Firm Statement IN SECURITIES ACT RELEASE NO. 7684 DATED AUGUST 26, 1965, SEC HELD THAT UNDER ALL OF THE CIRCUMSTANCES IT WAS "NOT NECESSARY" IN THE PUBLIC INTEREST OR FOR THE PROTECTION OF INVESTORS THAT IFS'S REGISTRATION AS A BROKER-DEALER BE REVOKED, NOR THAT IFS BE SUSPENDED OR EXPELLED FROM MEMBERSHIP IN THE NASD.

Disclosure 21 of 22

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 02/16/1996



Docket/Case Number: C04950052

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/16/1996

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

Other Sanctions Ordered:

Sanction Details:

Regulator Statement ON FEBRUARY 16, 1996, DISTRICT NO. 4 NOTIFIED RESPONDENTS FORTIS INVESTORS, INC. AND CAROL M. HOUGHTBY THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C04950052 WAS ACCEPTED; THEREFORE, THEY ARE CENSURED AND FINED \$2,500, JOINTLY AND SEVERALLY - (ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE - RESPONDENT MEMBER, ACTING THROUGH RESPONDENT HOUGHTBY, UTILIZED THE INSTRUMENTALITIES OF INTERSTATE COMMERCE TO CONDUCT A SECURITIES BUSINESS WHILE FAILING TO MAINTAIN ADEQUATE MINIMUM REQUIRED NET CAPITAL).

\$2,500.00 PAID J&S ON 03/05/96, INVOICE # 96-04-132

Reporting Source: Firm

Current Status: Final

Allegations: THE APPLICANT AND ITS FINANCIAL OPERATION'S PRINCIPAL WERE BOTH CENSURED AND ASSESSED A JOINT AND SEVERAL FINE OF \$2,500 FOR PERMITTING THE FIRM TO OPERATE WITH INSUFFICIENT NET CAPITAL.

Initiated By: NASD'S NATIONAL BUSINESS CONDUCT COMMITTEE

Date Initiated: 01/02/1995

Docket/Case Number: N/A



| | |
|---|--|
| Principal Product Type: | No Product |
| Other Product Type(s): | |
| Principal Sanction(s)/Relief Sought: | Censure |
| Other Sanction(s)/Relief Sought: | THE APPLICANT AND ITS FINANCIAL OPERATION'S PRINCIPAL WERE BOTH CENSURED AND ASSESSED A JOINT AND SEVERAL FINE OF \$2,500 FOR PERMITTING THE FIRM TO OPERATE WITH INSUFFICIENT NET CAPITAL. |
| Resolution: | Settled |
| Resolution Date: | 02/02/1996 |
| Sanctions Ordered: | Censure Monetary/Fine \$2,500.00 |
| Other Sanctions Ordered: | THE APPLICANT AND ITS FINANCIAL OPERATION'S PRINCIPAL WERE BOTH CENSURED AND ASSESSED A JOINT AND SEVERAL FINE OF \$2,500 FOR PERMITTING THE FIRM TO OPERATE WITH INSUFFICIENT NET CAPITAL. |
| Sanction Details: | THE APPLICANT AND ITS FINANCIAL OPERATION'S PRINCIPAL WERE BOTH CENSURED AND ASSESSED A JOINT AND SEVERAL FINE OF \$2,500 BY THE NASD'S NATIONAL BUSINESS CONDUCT COMMITTEE FOR PERMITTING THE FIRM TO OPERATE WITH INSUFFICIENT NET CAPITAL IN VIOLATION OF SEC RULE 15C 3-1. THE VIOLATION WAS CAUSED BY AN INADVERTENT MISCLASSIFICATION OF CERTAIN RECEIVABLES FOR AFFILIATED COMPANIES. THE VIOLATION WAS UNINTENTIONAL, HIGHLY TECHNICAL IN NATURE AND WAS IMMEDIATELY REMEDIED ONCE THE ERROR WAS DISCOVERED. THE SOLVENCY OF THE FIRM WAS NEVER IN QUESTION. |
| Firm Statement | THE APPLICANT AND ITS FINANCIAL OPERATION'S PRINCIPAL WERE BOTH CENSURED AND ASSESSED A JOINT AND SEVERAL FINE OF \$2,500 FOR PERMITTING THE FIRM TO OPERATE WITH INSUFFICIENT NET CAPITAL. |

Disclosure 22 of 22

| | |
|-----------------------------------|----------------------------|
| Reporting Source: | Regulator |
| Current Status: | Final |
| Allegations: | Employing unlicensed agent |
| Initiated By: | WI SEC |
| Date Initiated: | 02/01/1993 |
| Docket/Case Number: | X-92096(L) |
| URL for Regulatory Action: | |



Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 02/01/1993

Sanctions Ordered: Monetary/Fine \$3,000.00

Other Sanctions Ordered:

Sanction Details: CONSENT ORDER OF ASSESSMENT (\$3,000)

Regulator Statement RANDALL K. HANSON (CRD #2155950), WHILE EMPLOYED BY FORTIS INVESTORS, INC. AND WHILE SUPERVISED BY PAUL JOSEPH WALKER (CRD #1525578), SOLD MUTUAL FUNDS TO WISCONSIN RESIDENTS, BETWEEN AUGUST 1991 AND MAY 1992, WHILE HE WAS NOT LICENSED IN WISCONSIN TO DO SO. WALKER WAS CENSURED, HANSON WAS ORDERED TO PAY AN ASSESSMENT TO THE COMMISSIONER OF SECURITIES OF \$2,000 AND FORTIS INVESTORS, INC. WAS ORDERED TO PAY AN ASSESSEMENT OF \$3,000. HE IS NOW PROPERLY LICENSED TO TRANSACT SECURITIES BUSINESS IN WISCONSIN.

Reporting Source: Firm

Current Status: Final

Allegations: EMPLOYING UNLICENSED AGENT.

Initiated By: WISCONSIN SECURITIES DEPT.

Date Initiated: 02/01/1993

Docket/Case Number: X-92096 (L)

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: SEE ITEM 7.



Resolution: Consent

Resolution Date: 02/01/1993

Sanctions Ordered: Monetary/Fine \$3,000.00

Other Sanctions Ordered:

Sanction Details: CONSENT ORDER OF ADMINISTRATIVE ASSESSMENT (\$3,000.00).

Firm Statement RANDALL K. HANSON (CRD #2155950), WHILE EMPLOYED BY FORTIS INVESTORS, INC. AND WHILE SUPERVISED BY PAUL JOSEPH WALKER (CRD #1525578), SOLD MUTUAL FUNDS TO WISCONSIN RESIDENTS, BETWEEN AUGUST 1991 AND MAY 1992, WHILE HE WAS NOT LICENSED IN WISCONSIN TO DO SO. WALKER WAS CENSURED, HANSON WAS ORDERED TO PAY AN ASSESSMENT TO THE COMMISSIONER OF SECURITIES OF \$2,000 AND FORTIS INVESTORS, INC. WAS ORDERED TO PAY AN ASSESSMENT OF \$3,000. HE IS NOW PROPERLY LICENSED TO TRANSACT SECURITIES BUSINESS IN WISCONSIN.

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 RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER |
| Arbitration Forum: | NASD |
| Case Initiated: | 11/30/2000 |
| Case Number: | 00-05078 |
| Disputed Product Type: | NO OTHER TYPE OF SEC INVOLVE; OTHER TYPES OF SECURITIES |
| Sum of All Relief Requested: | \$66,000.00 |
| Disposition: | AWARD AGAINST PARTY |
| Disposition Date: | 10/29/2001 |
| Sum of All Relief Awarded: | \$171,736.01 |

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-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE |
| Arbitration Forum: | NASD |
| Case Initiated: | 11/20/2001 |
| Case Number: | 01-06167 |



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

Sum of All Relief Requested: \$91,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 07/11/2003

Sum of All Relief Awarded: \$111,341.68

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 RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD

Case Initiated: 03/14/2005

Case Number: [05-01238](#)

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

Sum of All Relief Requested: \$146,015.78

Disposition: AWARD AGAINST PARTY

Disposition Date: 08/02/2006

Sum of All Relief Awarded: \$122,300.00

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

Disclosure 4 of 8

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations:

Arbitration Forum: FINRA

Case Initiated: 10/05/2009



Case Number: [09-05396](#)

Disputed Product Type:

Sum of All Relief Requested: \$834,167.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 04/13/2011

Sum of All Relief Awarded: \$605,850.05

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-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-MARGIN CALLS; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 06/11/2010

Case Number: [10-02280](#)

Disputed Product Type: COMMON STOCK; OPTIONS

Sum of All Relief Requested: \$244,956.21

Disposition: AWARD AGAINST PARTY

Disposition Date: 06/05/2012

Sum of All Relief Awarded: \$171,469.36

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-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 04/02/2014

Case Number: [14-00808](#)

Disputed Product Type:

Sum of All Relief Requested: \$38,600.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/03/2014

Sum of All Relief Awarded: \$9,600.00

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

Disclosure 7 of 8

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE

Arbitration Forum: FINRA

Case Initiated: 04/14/2017

Case Number: [17-00857](#)

Disputed Product Type: MUTUAL FUNDS; OTHER TYPES OF SECURITIES; VARIABLE ANNUITIES

Sum of All Relief Requested: Unspecified Damages

Disposition: AWARD AGAINST PARTY

Disposition Date: 06/25/2018

Sum of All Relief Awarded: \$1,091,575.23

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

**Disclosure 8 of 8**

| | |
|-------------------------------------|--|
| Reporting Source: | Regulator |
| Type of Event: | ARBITRATION |
| Allegations: | ACCOUNT ACTIVITY-ELDER ABUSE; ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE |
| Arbitration Forum: | FINRA |
| Case Initiated: | 08/21/2019 |
| Case Number: | 19-02405 |
| Disputed Product Type: | MUTUAL FUNDS |
| Sum of All Relief Requested: | \$282,000.01 |
| Disposition: | AWARD AGAINST PARTY |
| Disposition Date: | 08/11/2021 |
| Sum of All Relief Awarded: | \$100,000.00 |

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



Civil Bond

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

Disclosure 1 of 1

| | |
|------------------------------|---|
| Reporting Source: | Firm |
| Policy Holder: | WOODBURY FINANCIAL SERVICES, INC. |
| Bonding Company Name: | ST. PAUL FIRE & MARINE INSURANCE COMPANY |
| Disposition: | Payout |
| Disposition Date: | 04/15/2013 |
| Payout Details: | PAYOUT AMOUNT: \$466,253.54. PAYOUT RECEIVED FROM BONDING COMPANY ON APRIL 15, 2013. |
| Firm Statement | TWO FORMER REGISTERED REPRESENTATIVES BASED IN ARIZONA ALLEGEDLY ENGAGED IN FRAUDULENT ACTIVITY BY CHANGING CUSTOMER ACCOUNT ADDRESSES TO POST OFFICE BOXES, IN CONTRAVENTION OF WOODBURY COMPLIANCE RULES, AND IMPROPERLY ACCESSING AND CONVERTING CUSTOMER FUNDS. FURTHERMORE, THE REPRESENTATIVES ALLEGEDLY MISAPPROPRIATED FUNDS INTENDED FOR INSURANCE POLICY PREMIUM PAYMENTS AND MONEY MARKET FUNDS. |

End of Report



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