BrokerCheck Report

J.J.B. HILLIARD, W.L. LYONS, LLC

CRD# 453

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

Please contact FINRA with any concerns.

About BrokerCheck®

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

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

Thank you for using FINRA BrokerCheck.

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.

J.J.B. HILLIARD, W.L. LYONS, LLC

CRD# 453

SEC# 8-33133

Main Office Location

500 WEST JEFFERSON STREET
SUITE 700
LOUISVILLE, KY 40202-2517

Mailing Address

P.O. BOX 32760
LOUISVILLE, KY 40232-2760

Business Telephone Number

502-588-8400

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 limited liability company.

This firm was formed in Kentucky on 03/01/2008.

Its fiscal year ends in September.

Firm History

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

Firm Operations

This brokerage firm is no longer registered with FINRA or a national securities exchange.

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	36
Arbitration	31

Registration Withdrawal Information

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

Date firm ceased business:	10/19/2019
Does this brokerage firm owe any money or securities to any customer or brokerage firm?	No

Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Kentucky on 03/01/2008.

Its fiscal year ends in September.

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.

J.J.B. HILLIARD, W.L. LYONS, LLC

Doing business as J.J.B. HILLIARD, W.L. LYONS, LLC

CRD# 453

SEC# 8-33133

Main Office Location

500 WEST JEFFERSON STREET
SUITE 700
LOUISVILLE, KY 40202-2517

Mailing Address

P.O. BOX 32760
LOUISVILLE, KY 40232-2760

Business Telephone Number

502-588-8400

Other Names of this Firm

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

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):	HL FINANCIAL SERVICES, LLC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	MEMBER
Position Start Date	03/2008
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):	ALLEN, JAMES REID 1014622
Is this a domestic or foreign entity or an individual?	Individual
Position	CHAIRMAN OF THE BOARD, CEO
Position Start Date	01/2004
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):	AMATO, ANTHONY NICHOLAS JR 1329288
Is this a domestic or foreign entity or an individual?	Individual
Position	PRINCIPAL OPERATIONS OFFICER
Position Start Date	01/2019

Firm Profile

Direct Owners and Executive Officers (continued)

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

Legal Name & CRD# (if any):	ASFAHL, DONALD LEE 2824358
Is this a domestic or foreign entity or an individual?	Individual
Position	EXECUTIVE VICE PRESIDENT
Position Start Date	12/2005
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):	BOOTH, STEVEN GREGORY 2147388
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR
Position Start Date	04/2019
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	CUTSINGER, CHARLES JOSEPH JR.

Direct Owners and Executive Officers (continued)

	2065360
Is this a domestic or foreign entity or an individual?	Individual
Position	EXECUTIVE VICE PRESIDENT
Position Start Date	07/2017
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):	GRIMLEY, CHARLES MORRISON
	1121284
Is this a domestic or foreign entity or an individual?	Individual
Position	EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER
Position Start Date	02/2010
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):	KAPLAN, ELIZABETH C
	4619011
Is this a domestic or foreign entity or an individual?	Individual
Position	SENIOR VICE PRESIDENT, CHIEF COMPLIANCE OFFICER
Position Start Date	09/2005
Percentage of Ownership	Less than 5%

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):	KESSINGER, THOMAS BURKS III 2366538
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR, PRESIDENT
Position Start Date	06/2017
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):	MILLER, CARMELLA RASI 1879379
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF RISK OFFICER, EXECUTIVE VICE PRESIDENT
Position Start Date	01/2003
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):	NEWMAN, ALAN HAMBURG 719981

Firm Profile

Direct Owners and Executive Officers (continued)

Is this a domestic or foreign entity or an individual?	Individual
Position	EXECUTIVE VICE PRESIDENT
Position Start Date	07/2017
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):	PAPACHRISTOU, NICHOLAS 6464162
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF MARKETING OFFICER, EXECUTIVE VICE PRESIDENT
Position Start Date	04/2018
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	

Legal Name & CRD# (if any):	PURCELL, PAUL EDWARD 844873
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR
Position Start Date	04/2019
Percentage of Ownership	Less than 5%

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):	SCHROEDER, MICHAEL JOHN 1483012
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR
Position Start Date	04/2019
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	WHITE, JALEIGH JEFFERS 5950788
Is this a domestic or foreign entity or an individual?	Individual
Position	EXECUTIVE VICE PRESIDENT
Position Start Date	01/2012
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm Profile

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

Indirect Owners

Legal Name & CRD# (if any):	BAIRD FINANCIAL CORPORATION
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	HL FINANCIAL SERVICES, LLC
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	11/2018
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):	BAIRD FINANCIAL GROUP, INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	BAIRD HOLDING COMPANY
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	10/2012
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):	BAIRD HOLDING COMPANY
Is this a domestic or foreign entity or an individual?	Domestic Entity

Firm Profile

Indirect Owners (continued)

Company through which indirect ownership is established	BAIRD FINANCIAL CORPORATION
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	05/2001
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

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

This firm was previously:	J.J.B. HILLIARD, W.L. LYONS, INC.
Date of Succession:	03/01/2008
Predecessor CRD#:	453
Predecessor SEC#:	8-33133
Description	CONVERSION FROM A CORP TO LLC WAS MADE FOR TAX PURPOSES AND DID NOT IMPACT THE MANAGEMENT, SUPERVISORY STRUCTURE OR OPERATIONS OF THE COMPANY IN ANY MATERIAL MATTER. THE SUCCESSOR ASSUMED SUBSTANTIALLY ALL ASSETS & LIABILITIES OF THE PREDECESSOR. OWNERSHIP CHANGE WILL TAKE PLACE ON 3/31/08, BD AMEND WILL BE FILED THEN TO REFLECT THAT CHANGE.

This firm was previously:	J.J.B. HILLIARD, W.L. LYONS, INC.
Date of Succession:	03/01/2008
Predecessor CRD#:	453
Predecessor SEC#:	8-33133
Description	CONVERSION FROM A CORP TO LLC WAS MADE FOR TAX PURPOSES AND DID NOT IMPACT THE MANAGEMENT, SUPERVISORY STRUCTURE OR OPERATIONS OF THE COMPANY IN ANY MATERIAL MATTER. THE SUCCESSOR ASSUMED SUBSTANTIALLY ALL ASSETS & LIABILITIES OF THE PREDECESSOR. THERE WAS NO CHANGE IN OWNERSHIP/CONTROL AT THE TIME OF THE SUCCESSION.

This firm was previously:	J.J.B. HILLIARD, W.L. LYONS, INC.
Date of Succession:	03/01/2008
Predecessor CRD#:	453
Predecessor SEC#:	8-33133
Description	THE DETAILS OF THE NAME CHANGE ARE DETAILED IN FULL IN THE LETTER SUBMITTED TO FINRA ON JANUARY 25, 2008, ADDRESSED TO OUR EXAMINER, MR. GEORGE ROBINSON, CONCERNING A CHANGE IN OWNERSHIP OF THE COMPANY. THIS LETTER EXPLAINS THAT THE CONVERSION FROM A CORPORATION TO AN LLC WAS MADE FOR TAX PURPOSES ONLY AND HAS NOT IMPACTED THE MANAGEMENT, SUPERVISORY STRUCTURE AND BUSINESS OPERATIONS OF THE COMPANY IN ANY MATERIAL MANNER. THE CHANGE FROM CORPORATION TO LLC ALSO HAD NO MATERIAL EFFECT ON THE ASSETS OR LIAB

Firm Operations

Registrations

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

This firm is no longer registered.

The firm's registration was from 09/01/1936 to 12/23/2019.

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 15 types of businesses.

Types of Business
Exchange member engaged in exchange commission business other than floor activities
Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund underwriter or sponsor
Mutual fund retailer
U S. government securities dealer
U S. government securities broker
Municipal securities dealer
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Put and call broker or dealer or option writer
Investment advisory services
Trading securities for own account
Private placements of securities

Firm Operations

Clearing Arrangements

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

Introducing Arrangements

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

Name:	WELLS FARGO CLEARING SERVICES, LLC
CRD #:	19616
Business Address:	ONE NORTH JEFFERSON AVENUE ST. LOUIS, MO 63103
Effective Date:	02/15/2017
Description:	HILLIARD LYONS ENTERED INTO A FULLY-DISCLOSED CLEARING AGREEMENT WITH WELLS FARGO CLEARING SERVICES, LLC D/B/A FIRST CLEARING.

Firm Operations

Industry Arrangements

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

Name:	WELLS FARGO CLEARING SERVICES, LLC
CRD #:	19616
Business Address:	ONE NORTH JEFFERSON AVENUE ST. LOUIS, MO 63103
Effective Date:	02/15/2017
Description:	HILLIARD LYONS ENTERED INTO A FULLY-DISCLOSED CLEARING AGREEMENT WITH WELLS FARGO CLEARING SERVICES, LLC D/B/A FIRST CLEARING.

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

Name:	WELLS FARGO CLEARING SERVICES, LLC
CRD #:	19616
Business Address:	ONE NORTH JEFFERSON AVENUE ST. LOUIS, MO 19616
Effective Date:	02/15/2017
Description:	HILLIARD LYONS ENTERED INTO A FULLY-DISCLOSED CLEARING AGREEMENT WITH WELLS FARGO CLEARING SERVICES, LLC D/B/A FIRST CLEARING.

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

Name:	WELLS FARGO CLEARING SERVICES, LLC
CRD #:	19616
Business Address:	ONE NORTH JEFFERSON AVENUE ST. LOUIS, MO 63103
Effective Date:	02/15/2017
Description:	HILLIARD LYONS ENTERED INTO A FULLY-DISCLOSED CLEARING AGREEMENT WITH WELLS FARGO CLEARING SERVICES, LLC D/B/A FIRST CLEARING.

Control Persons/Financing

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

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

Firm Operations

Organization Affiliates

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

This firm is, directly or indirectly:

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

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

ROBERT W. BAIRD & CO. INCORPORATED is under common control with the firm.

CRD #:	8158
Business Address:	777 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202
Effective Date:	04/01/2019
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	J.J.B. HILLIARD, W.L. LYONS, LLC AND ROBERT W. BAIRD & CO. INCORPORATED ARE UNDER COMMON CONTROL.

ROBERT W. BAIRD LIMITED is under common control with the firm.

Business Address:	FINSBURY CIRCUS HOUSE 15 FINSBURY CIRCUS LONDON, UK EC2M 7EB
Effective Date:	04/01/2019
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. ROBERT W. BAIRD

Firm Operations

Organization Affiliates (continued)

	LIMITED IS A SUBIDIARY OF ROBERT W. BAIRD GROUP LIMITED, WHICH APPROXIMATELY 52% IS OWNED BY BAIRD FINANCIAL CORPORATION AND APPROXIMATELY 48% BY ROBERT W. BAIRD & CO. INCORPORATED.

BAIRD PRINCIPAL GROUP MANAGEMENT COMPANY II, LLC is under common control with the firm.

CRD #:	292786
Business Address:	777 EAST WISCONSIN AVE MILWAUKEE, WI 53202
Effective Date:	04/01/2019
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. ROBERT W. BAIRD CO. INCORPORATED CONTROLS BAIRD PRINCIPAL GROUP MANAGEMENT COMPANY II, LLC WHICH SERVES AS THE GENERAL PARTNER AND INVESTMENT ADVISER TO A LIMITED PARTNERSHIP ORGANIZED FOR THE PURPOSE OF MAKING PRIVATE EQUITY INVESTMENTS.

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

Business Address:	52 VANDERBILT AVENUE 8TH FLOOR NEW YORK, NY 10017
Effective Date:	04/01/2019
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS STRATEGAS MANAGEMENT LLC.

Firm Operations

Organization Affiliates (continued)

STRATEGAS SECURITIES, LLC DBA STRATEGAS RESEARCH PARTNERS is under common control with the firm.

CRD #:	149326
Business Address:	52 VANDERBILT AVENUE 8TH FLOOR NEW YORK, NY 10017
Effective Date:	04/01/2019
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS STRATEGAS SECURITIES LLC.

BAIRD CAPITAL GLOBAL FUND MANAGEMENT I LP is under common control with the firm.

CRD #:	283680
Business Address:	PO BOX 309 UGLAND HOUSE, GRAND CAYMAN ISLANDS KY1-9004
Effective Date:	04/01/2019
Foreign Entity:	Yes
Country:	GRAND CAYMAN ISLANDS
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. ROBERT W. BAIRD & CO. INCORPORATED OWNS APPROXIMATELY 100% OF BAIRD CAPITAL GLOBAL FUND MANAGEMENT I LP WHICH SERVES AS THE GENERAL PARTNER AND INVESTMENT ADVISER TO LIMITED PARTNERSHIPS ORGANIZED FOR THE PURPOSE OF MAKING PRIVATE EQUITY INVESTMENTS.

Firm Operations

Organization Affiliates (continued)

BAIRD PRINCIPAL GROUP MANAGEMENT COMPANY I, LLC is under common control with the firm.

CRD #:	269982
Business Address:	777 EAST WISCONSIN AVE MILWAUKEE, WI 53202
Effective Date:	04/01/2019
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. ROBERT W. BAIRD CO. INCORPORATED CONTROLS BAIRD PRINCIPAL GROUP MANAGEMENT COMPANY I. LLC WHICH SERVES AS THE GENERAL PARTNER AND INVESTMENT ADVISER TO A LIMITED PARTNERSHIP ORGANIZED FOR THE PURPOSE OF MAKING PRIVATE EQUITY INVESTMENTS.

TECHNOLOGY GROWTH FUND (GENERAL PARTNER) SLP is under common control with the firm.

Business Address:	FINSBURY CIRCUS HOUSE 15 FINSBURY CIRCUS LONDON, UK EC2M 7EB
Effective Date:	04/01/2019
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. TECHNOLOGY GROWTH FUND (GENERAL PARTNER) SLP IS CONTROLLED BY ROBERT W. BAIRD GROUP LIMITED WHICH APPROXIMATELY 52% IS OWNED BY BAIRD FINANCIAL CORPORATION AND APPROXIMATELY 48% BY ROBERT W. BAIRD & CO. INCORPORATED.

Firm Operations

Organization Affiliates (continued)

GREENHOUSE FUNDS LP is under common control with the firm.

Business Address:	521 FIFTH AVENUE SUITE 1810 NEW YORK, NY 10175
Effective Date:	04/01/2019
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BAIRD FINANCIAL GROUP, INC. OWNS BAIRD HOLDING COMPANY WHICH OWNS BAIRD FINANCIAL CORPORATION. BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC. HL FINANCIAL SERVICES, LLC WHOLLY OWNS APPLICANT. BAIRD FINANCIAL GROUP, INC. INDIRECTLY OWNS MORE THAN 25% OF THE EQITY INTEREST IN GREENHOUSE FUNDS LP.

BCPE II GENERAL PARTNER LLP is under common control with the firm.

Business Address:	FINSBURY CIRCUS HOUSE 15 FINSBURY CIRCUS LONDON, UK EC2M 7EB
Effective Date:	04/01/2019
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. BCPE II GENERAL PARTNER LLP IS CONTROLLED BY ROBERT W BAIRD GROUP LIMITED, OF WHICH APPROXIMATELY 52% IS OWNED BY BAIRD FINANCIAL CORPORATION AND APPROXIMATELY 48% IS OWNED BY ROBERT W. BAIRD & CO. INCORPORATED.

GPEM UK (GENERAL PARTNERS) S.L.P. is under common control with the firm.

Firm Operations

Organization Affiliates (continued)

Business Address:	FINSBURY CIRCUS HOUSE 15 FINSBURY CIRCUS LONDON, UK EC2M 7EB
Effective Date:	04/01/2019
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. GPEM UK (GENERAL PARTNER) S.L.P. IS CONTROLLED BY ROBERT W. BAIRD GROUP LIMITED, WHICH APPROXIMATELY 52% IS OWNED BY BAIRD FINANCIAL CORPORATION AND APPROXIMATELY 48% BY ROBERT W. BAIRD & CO. INCORPORATED.

BAIRD VENTURE PARTNERS MANAGEMENT COMPANY IV, LLC is under common control with the firm.

CRD #:	168956
Business Address:	777 EAST WISCONSIN AVENUE MILWAUKE, WI 53202
Effective Date:	04/01/2019
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. ROBERT W. BAIRD & CO. INCORPORATED OWNS APPROXIMATELY 80% OF BAIRD VENTURE PARTNERS MANAGEMENT COMPANY IV, LLC, WHICH SERVES AS THE GENERAL PARTNER AND INVESTMENT ADVISER TO LIMITED PARTNERSHIPS ORGANIZED FOR THE PURPOSE OF MAKING PRIVATE EQUITY INVESTMENTS.

Firm Operations

Organization Affiliates (continued)

BAIRD INVESTMENT ADVISOR CO., LTD is under common control with the firm.

Business Address:	HANG SENG BANK TOWER, NO 1000 LUJIAZUE RING ROAD PUDONG, SHANGHAI, CHINA 200120
Effective Date:	04/01/2019
Foreign Entity:	Yes
Country:	CHINA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD ASIA LIMITED OWNS 100% OF BAIRD INVESTMENT ADVISOR CO., LTD. BAIRD FINANCIAL CORPORATION OWNS 100% OF BAIRD ASIA LIMITED.

BAIRD ASIA LIMITED is under common control with the firm.

Business Address:	LEVEL 28, THREE PACIFIC PLACE, 1 QUEEN'S ROAD EAST HONG KONG, CHINA
Effective Date:	04/01/2019
Foreign Entity:	Yes
Country:	HONG KONG
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION OWNS 100% OF BAIRD ASIA LIMITED.

BAIRD CAPITAL PARTNERS MANAGEMENT COMPANY V, LLC is under common control with the firm.

CRD #:	148519
Business Address:	777 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202-5391
Effective Date:	04/01/2019
Foreign Entity:	No

Firm Operations

Organization Affiliates (continued)

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. ROBERT W. BAIRD CO. INCORPORATED OWNS APPROXIMATELY 80% OF BAIRD CAPITAL PARTNERS MANAGEMENT COMPANY V, LLC WHICH SERVES AS THE GENERAL PARTNERS AND INVESTMENT ADVISERS TO LIMITED PARTNERSHIPS ORGANIZED FOR THE PURPOSE OF MAKING PRIVATE EQUITY INVESTMENTS.

BAIRD CAPITAL PARTNERS ASIA MANAGEMENT I LIMITED PARTNERSHIP is under common control with the firm.

CRD #: 147255

Business Address: 87 MARY STREET
GEORGE TOWN, CAYMAN ISLANDS KY1-9004

Effective Date: 04/01/2019

Foreign Entity: Yes

Country: CAYMAN ISLANDS

Securities Activities: No

Investment Advisory Activities: Yes

Description: BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. ROBERT W. BAIRD & CO. INCORPORATED OWNS APPROXIMATELY 80% OF BAIRD CAPITAL PARTNERS ASIA MANAGEMENT I LIMITED PARTNERSHIP, WHICH SERVES AS THE GENERAL PARTNERS AND INVESTMENT ADVISERS TO LIMITED PARTNERSHIPS ORGANIZED FOR THE PURPOSE OF MAKING PRIVATE EQUITY INVESTMENTS.

RIVERFRONT INVESTMENT GROUP, LLC is under common control with the firm.

CRD #: 146221

Business Address: 1214 EAST CARY STREET
RICHMOND, VA 23219

Firm Operations

Organization Affiliates (continued)

Effective Date:	04/01/2019
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL GROUP, INC. INDIRECTLY OWNS MORE THAN 25% OF THE EQUITY INTERESTS IN RIVERFRONT INVESTMENT GROUP, LLC.

BAIRD VENTURE PARTNERS MANAGEMENT COMPANY III, LLC is under common control with the firm.

CRD #:	145166
Business Address:	777 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202
Effective Date:	04/01/2019
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. ROBERT W. BAIRD, CO. INCORPORATED OWNS APPROXIMATELY 80% OF BAIRD VENTURE PARTNERS MANAGEMENT COMPANY III, LLC, WHICH SERVES AS THE GENERAL PARTNER AND INVESTMENT ADVISER TO LIMITED PARTNERSHIPS ORGANIZED FOR THE PURPOSE OF MAKING PRIVATE EQUITY INVESTMENTS.

GBCP VII GP LIMITED is under common control with the firm.

Business Address:	FINSBURY CIRCUS HOUSE 15 FINSBURY CIRCUS LONDON, UK EC2M 7EB
Effective Date:	04/01/2019

Firm Operations

Organization Affiliates (continued)

Foreign Entity: Yes

Country: UNITED KINGDOM

Securities Activities: No

Investment Advisory Activities: Yes

Description: BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. GBCP VII GP LIMITED IS CONTROLLED BY ROBERT W. BAIRD GROUP LIMITED, OF WHICH APPROXIMATELY 52% IS OWNED BY BAIRD FINANCIAL CORPORATION AND APPROXIMATELY 48% IS OWNED BY ROBERT W. BAIRD & CO. INCORPORATED.

ROBERT W. BAIRD GMBH is under common control with the firm.

Business Address: NEVE MAINZER STRASSE 28
FRANKFURT, GERMANY

Effective Date: 04/01/2019

Foreign Entity: Yes

Country: GERMANY

Securities Activities: No

Investment Advisory Activities: Yes

Description: BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. ROBERT W. BAIRD GMBH IS WHOLLY OWNED BY ROBERT W. BAIRD GROUP LIMITED, WHICH APPROXIMATELY 52% IS OWNED BY BAIRD FINANCIAL CORPORATION AND APPROXIMATELY 48% BY ROBERT BAIRD & CO. INCORPORATED.

GBCP VII (GENERAL PARTNERS) SLP is under common control with the firm.

Business Address: FINSBURY CIRCUS HOUSE
15 FINSBURY CIRCUS
LONDON, UK EC2M 7EB

Effective Date: 04/01/2019

Foreign Entity: Yes

Country: UNITED KINGDOM

Firm Operations

Organization Affiliates (continued)

Securities Activities: No

Investment Advisory Activities: Yes

Description: BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. GBCP VII (GENERAL PARTNERS) SLP IS CONTROLLED BY ROBERT W. BAIRD GROUP LIMITED, WHICH APPROXIMATELY 52% IS OWNED BY BAIRD FINANCIAL AND APPROXIMATELY 48% BY ROBERT W. BAIRD & CO. INCORPORATED.

BAIRD CAPITAL PARTNERS EUROPE LIMITED is under common control with the firm.

Business Address: FINSBURY CIRCUS HOUSE
15 FINSBURY CIRCUS
LONDON, UK EC2M 7EB

Effective Date: 04/01/2019

Foreign Entity: Yes

Country: UNITED KINGDOM

Securities Activities: No

Investment Advisory Activities: Yes

Description: BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. BAIRD CAPITAL PARTNERS EUROPE LIMITED IS CONTROLLED BY ROBERT W. BAIRD GROUP LIMITED, WHICH APPROXIMATELY 52% IS OWNED BY BAIRD FINANCIAL CORPORATION AND APPROXIMATELY 48% IS OWNED BY ROBERT W. BAIRD & CO. INCORPORATED.

BAIRD VENTURE PARTNERS MANAGEMENT COMPANY V, LLC is under common control with the firm.

CRD #: 298155

Business Address: 777 EAST WISCONSIN AVE
MILWAUKEE, WI 53202

Effective Date: 04/01/2019

Foreign Entity: No

Country:

Firm Operations

Organization Affiliates (continued)

Securities Activities: No

Investment Advisory Activities: Yes

Description: BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. ROBERT W. BAIRD & CO. INCORPORATED HAS THE ABILITY TO INDIRECTLY DIRECT THE MANAGEMENT OF BAIRD VENTURE PARTNERS MANAGEMENT COMPANY V, LLC, WHICH SERVES AS THE GENERAL PARTNER AND INVESTMENT ADVISER TO LIMITED PARTNERSHIPS ORGANIZED FOR THE PURPOSE OF MAKING PRIVATE EQUITY INVESTMENTS.

BAIRD VENTURE PARTNERS MANAGEMENT COMPANY I, L.L.C. is under common control with the firm.

CRD #: 109609

Business Address: 777 E. WISCONSIN AVE
MILWAUKEE, WI 53202

Effective Date: 04/01/2019

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES, LLC WHICH WHOLLY OWNS APPLICANT. BAIRD FINANCIAL CORPORATION ALSO OWNS ROBERT W. BAIRD & CO. INCORPORATED. ROBERT W. BAIRD & CO. INCORPORATED OWNS APPROXIMATELY 80% OF BAIRD VENTURE PARTNERS MANAGEMENT COMPANY I. LLC WHICH SERVES AS THE GENERAL PARTNER AND INVESTMENT ADVISER TO LIMITED PARTNERSHIPS ORGANIZED FOR THE PURPOSE OF MAKING PRIVATE EQUITY INVESTMENTS.

BAIRD HOLDING COMPANY controls the firm.

Business Address: 777 E. WISCONSIN AVE
MILWAUKEE, WI 53202

Effective Date: 04/01/2019

Foreign Entity: No

Firm Operations

Organization Affiliates (continued)

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: BAIRD HOLDING COMPANY OWNS INTEREST IN BAIRD FINANCIAL CORPORATION WHICH OWNS HL FINANCIAL SERVICES, LLC, PARENT COMPANY OF APPLICANT.

BAIRD FINANCIAL GROUP, INC controls the firm.

Business Address: 777 E. WISCONSIN AVE
MILWAUKEE, WI 53202

Effective Date: 04/01/2019

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: BAIRD FINANCIAL GROUP, INC. OWNS INTEREST IN BAIRD HOLDING COMPANY WHICH OWNS INTEREST IN BAIRD FINANCIAL CORPORATION. BAIRD FINANCIAL CORPORATION OWNS HL FINANCIAL SERVICES, LLC, PARENT COMPANY OF APPLICANT.

BAIRD FINANCIAL CORPORATION controls the firm.

Business Address: 777 E. WISCONSIN AVE
MILWAUKEE, WI 53202

Effective Date: 04/01/2019

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: BAIRD FINANCIAL CORPORATION OWNS INTEREST IN HL FINANCIAL SERVICES, LLC, PARENT COMPANY OF APPLICANT.

HILLIARD LYONS TRUST COMPANY, LLC is under common control with the firm.

Firm Operations

Organization Affiliates (continued)

Business Address:	500 WEST JEFFERSON STREET LOUISVILLE, KY
Effective Date:	04/01/2008
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	BAIRD FINANCIAL CORPORATION WHOLLY OWNS HL FINANCIAL SERVICES LLC WHICH IN TURN WHOLLY OWNS HILLIARD LYONS TRUST COMPANY, LLC. BAIRD FINANCIAL CORPORATION ALSO INDIRECTLY WHOLLY OWNS APPLICANT.

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

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

Disclosure Events

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

	Pending	Final	On Appeal
Regulatory Event	0	36	0
Arbitration	N/A	31	N/A

Disclosure Event Details

What you should know about reported disclosure events:

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

Regulatory - Final

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

Disclosure 1 of 36

Reporting Source:	Regulator
Current Status:	Final

Allegations:	THE FIRM EMPLOYED AN INDIVIDUAL NAMED THOMAS EIFLER (CRD #76398) WHO WAS OPERATING UNDER A CONDITIONAL REGISTRATION THAT STIPULATED HE COULD NOT ACT IN A SUPERVISORY AUTHORITY. AN EXAM OF MR. EIFLER'S OFFICE REVEALED THAT IN DECEMBER 2017 HE HAD ENTERED A CONTRACT TO OPERATE IN A SUPERVISORY ROLE. WHEN THIS WAS BROUGHT TO THE FIRM'S ATTENTION THE AGREEMENT WAS AMENDED.
Initiated By:	KENTUCKY
Date Initiated:	02/27/2019
Docket/Case Number:	2018-AH-00005
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	SUPERVISION ISSUES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	02/27/2019
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:	Monetary/Fine $2,000.00
Other Sanctions Ordered:	
Sanction Details:	FINE WAS PAID ON FEBRUARY 27, 2019.

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE STATE OF KENTUCKY MAINTAINS HILLIARD LYONS FAILED TO PROPERLY SUPERVISE A REGISTERED REPRESENTATIVE.
Initiated By:	KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS

Date Initiated:	02/27/2019
Docket/Case Number:	2019-AH-00005
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	02/27/2019
Sanctions Ordered:	Monetary/Fine $2,000.00
Other Sanctions Ordered:	
Sanction Details:	AGREED ORDER SIGNED 2/27/2019
Firm Statement	DURING A ROUTINE COMPLIANCE EXAMINATION, THE STATE OF KENTUCKY DISCOVERED THAT REGISTERED REP, WHO WAS SUBJECT TO A CONDITIONAL REGISTRATION, ENTERED INTO A CONTRACT THAT WAS A VIOLATION OF THE REQUIREMENT THAT HE NOT ACT AS A SUPERVISOR. HILLIARD LYONS PROMPTLY AMENDED THE CONTRACT AFTER THIS ISSUE WAS BROUGHT TO ITS ATTENTION

Disclosure 2 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	IA RELEASE 5146, 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 J.J.B. HILLIARD, W.L. LYONS, LLC ("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:	3-19049
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
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 $835,375.37 AND PREJUDGMENT INTEREST OF $89,647.86, AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT.
Regulator Statement	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. 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.

Reporting Source:	Firm
Current Status:	Final
Allegations:	IA RELEASE 5146, 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 J.J.B. HILLIARD, W.L. LYONS, LLC ("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:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	03/11/2019
Docket/Case Number:	3-19049
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other

Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	03/11/2019
Sanctions Ordered:	Censure Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	
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 $835,375.37 AND PREJUDGMENT INTEREST OF $89,647.86, AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT.
Firm Statement	HILLIARD LYONS, ALONG WITH MANY OTHER INVESTMENT ADVISORY FIRMS, VOLUNTARILY PARTICIPATED IN THE SEC'S SHARE CLASS SELECTION DISCLOSURE (OR SCSD) INITIATIVE. UNDER THE SCSD INITIATIVE, INVESTMENT ADVISORY FIRMS WERE OFFERED THE OPPORTUNITY TO VOLUNTARILY SELF-REPORT VIOLATIONS OF THE FEDERAL SECURITIES LAWS RELATING TO MUTUAL FUND SHARE CLASS SELECTION AND RELATED DISCLOSURE ISSUES AND AGREE TO STANDARDIZED SETTLEMENT TERMS IMPOSED BY THE SEC, INCLUDING RETURNING MONEY TO AFFECTED INVESTORS. HILLIARD LYONS DOES NOT CURRENTLY ACCEPT 12B-1 FEES WITH RESPECT TO ADVISORY ASSETS. THE SELF REPORT RELATED TO A SMALL SUBSET OF ADVISORY CLIENTS BETWEEN 2014-2017.

Disclosure 3 of 36

Reporting Source:	Firm
Current Status:	Final
Allegations:	DURING RELEVANT PERIOD, SOLE RESPONDENT (HILLIARD LYONS) ALLEGEDLY FAILED TO REASONABLY SUPERVISE ONE SOUTH CAROLINA AGENT WHO VIOLATED REGULATIONS BY ENGAGING IN DISHONEST AND UNETHCIAL PRACTICES IN VIOLATION OF S.C. CODE ANN. 35-1-412(D)(13), IN PARTICULAR, S.C. CODE OF REGUALTIONS 13-501(B)(6)-BY TRADING IN CUSTOMERS ACCOUNTS WHICH WAS EXCESSIVE IN SIZE OR FREQUENCY IN VIEW OF THE FINANCIAL RESOURCES AND CHARACTER OF THE ACCOUNTS. THE RESPONDENT'S FAILURE TO REASONBLY SUPERVISE ITS AGENT WHO VIOLATED THE ACT PROVIDES THE BASIS FOR THE TOTAL

	$15,000 FINE.
Initiated By:	SECURITIES DIVISION OF SOUTH CAROLINA
Date Initiated:	08/28/2018
Docket/Case Number:	20172047
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CONSENT ORDER
Resolution:	Consent
Resolution Date:	08/28/2018
Sanctions Ordered:	Monetary/Fine $15,000.00
Other Sanctions Ordered:	
Sanction Details:	A CHECK ($15,000) FOR FULL AMOUNT OF THE FINE WAS SENT SEPTEMBER 5, 2018.
Firm Statement	HILLIARD LYONS COOPERATED WITH THE DIVISION'S INQUIRY.

Disclosure 4 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION CUSTOMERS THAT WERE ELIGIBLE TO PURCHASE CLASS A SHARES IN CERTAIN MUTUAL FUNDS WITHOUT A FRONT-END SALES CHARGE. THE FINDINGS STATED THAT THESE ELIGIBLE CUSTOMERS WERE INSTEAD SOLD CLASS A SHARES WITH A FRONT-END SALES CHARGE OR CLASS B OR C SHARES WITH BACK-END SALES CHARGES AND HIGHER ONGOING FEES AND EXPENSES. THESE SALES DISADVANTAGED ELIGIBLE CUSTOMERS BY CAUSING SUCH CUSTOMERS TO PAY HIGHER FEES THAN THEY WERE ACTUALLY REQUIRED TO PAY. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REASONABLY SUPERVISE THE APPLICATION OF SALES-CHARGE WAIVERS TO ELIGIBLE MUTUAL FUND SALES. THE FIRM RELIED ON ITS FINANCIAL ADVISORS TO

DETERMINE THE APPLICABILITY OF SALES-CHARGE WAIVERS, BUT FAILED TO MAINTAIN ADEQUATE WRITTEN POLICIES OR PROCEDURES TO ASSIST FINANCIAL ADVISORS IN MAKING THIS DETERMINATION. IN ADDITION, THE FIRM FAILED TO ADEQUATELY NOTIFY AND TRAIN ITS FINANCIAL ADVISORS REGARDING THE AVAILABILITY OF MUTUAL FUND SALES-CHARGE WAIVERS FOR ELIGIBLE CUSTOMERS. THE FIRM ALSO FAILED TO ADOPT ADEQUATE CONTROLS TO DETECT INSTANCES IN WHICH THEY DID NOT PROVIDE SALES-CHARGE WAIVERS TO ELIGIBLE CUSTOMERS IN CONNECTION WITH THEIR MUTUAL FUND PURCHASES. AS A RESULT OF THE FIRM'S FAILURE TO APPLY AVAILABLE SALES-CHARGE WAIVERS, THE FIRM ESTIMATES THAT ELIGIBLE CUSTOMERS WERE OVERCHARGED BY APPROXIMATELY $716,015.00 FOR MUTUAL FUND PURCHASES MADE SINCE JULY 1, 2009.

Initiated By:	FINRA
Date Initiated:	09/07/2016
Docket/Case Number:	2015048307001
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/07/2016
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 Disgorgement/Restitution
Other Sanctions Ordered:	INTEREST
Sanction Details:	THE FIRM WAS CENSURED AND ORDERED TO PROVIDE REMEDIATION TO ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, APPLICABLE MUTUAL FUND SALES-CHARGE WAIVERS IN THE AMOUNT OF $812,596.00 (THE AMOUNT ELIGIBLE CUSTOMERS WERE OVERCHARGED, INCLUSIVE OF INTEREST).

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

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 DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION CUSTOMERS THAT WERE ELIGIBLE TO PURCHASE CLASS A SHARES IN CERTAIN MUTUAL FUNDS WITHOUT A FRONT-END SALES CHARGE. THE FINDINGS STATED THAT THESE ELIGIBLE CUSTOMERS WERE INSTEAD SOLD CLASS A SHARES WITH A FRONT-END SALES CHARGE OR CLASS B OR C SHARES WITH BACK-END SALES CHARGES AND HIGHER ONGOING FEES AND EXPENSES. THESE SALES DISADVANTAGED ELIGIBLE CUSTOMERS BY CAUSING SUCH CUSTOMERS TO PAY HIGHER FEES THAN THEY WERE ACTUALLY REQUIRED TO PAY. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REASONABLY SUPERVISE THE APPLICATION OF SALES-CHARGE WAIVERS TO ELIGIBLE MUTUAL FUND SALES. THE FIRM RELIED ON ITS FINANCIAL ADVISORS TO DETERMINE THE APPLICABILITY OF SALES-CHARGE WAIVERS, BUT FAILED TO MAINTAIN ADEQUATE WRITTEN POLICIES OR PROCEDURES TO ASSIST FINANCIAL ADVISORS IN MAKING THIS DETERMINATION. IN ADDITION, THE FIRM FAILED TO ADEQUATELY NOTIFY AND TRAIN ITS FINANCIAL ADVISORS REGARDING THE AVAILABILITY OF MUTUAL FUND SALES-CHARGE WAIVERS FOR ELIGIBLE CUSTOMERS. THE FIRM ALSO FAILED TO ADOPT ADEQUATE CONTROLS TO DETECT INSTANCES IN WHICH THEY DID NOT PROVIDE SALES-CHARGE WAIVERS TO ELIGIBLE CUSTOMERS IN CONNECTION WITH THEIR MUTUAL FUND PURCHASES. AS A RESULT OF THE FIRM'S FAILURE TO APPLY AVAILABLE SALES-CHARGE WAIVERS, THE FIRM ESTIMATES THAT ELIGIBLE CUSTOMERS WERE OVERCHARGED BY APPROXIMATELY $716,015.00 FOR MUTUAL FUND PURCHASES MADE SINCE JULY 1, 2009.

Initiated By:	FINRA
Date Initiated:	09/07/2016
Docket/Case Number:	2015048307001
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/07/2016
Sanctions Ordered:	Censure Disgorgement/Restitution
Other Sanctions Ordered:	INTEREST
Sanction Details:	THE FIRM WAS CENSURED AND ORDERED TO PROVIDE REMEDIATION TO ELIGIBLE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, APPLICABLE MUTUAL FUND SALES-CHARGE WAIVERS IN THE AMOUNT OF $812,596.00 (THE AMOUNT ELIGIBLE CUSTOMERS WERE OVERCHARGED, INCLUSIVE OF INTEREST).
Firm Statement	IN RESOLVING THIS MATTER, FINRA HAS RECOGNIZED THE EXTRAORDINARY COOPERATION OF THE FIRM FOR HAVING: (1) INITIATED, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, AN INVESTIGATION TO IDENTIFY WHETHER ELIGIBLE CUSTOMERS RECEIVED SALES-CHARGE WAIVERS DURING THE RELEVANT PERIOD; (2) PROMPTLY ESTABLISHED A PLAN OF REMEDIATION FOR ELIGIBLE CUSTOMERS WHO DID NOT RECEIVE APPROPRIATE SALES-CHARGE WAIVERS; (3) PROMPTLY SELF-REPORTED TO FINRA; (4) PROMPTLY TAKEN ACTION AND REMEDIAL STEPS TO CORRECT THE VIOLATIVE CONDUCT; AND (5) EMPLOYED SUBSEQUENT CORRECTIVE MEASURES, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, TO REVISE ITS PROCEDURES TO AVOID RECURRENCE OF THE MISCONDUCT.

Disclosure 5 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	IA RELEASE 40-4502 / AUGUST 25, 2016: THE SECURITIES AND EXCHANGE

COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE THAT CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AGAINST RESPONDENT J.J.B. HILLIARD, W.L. LYONS, LLC ("RESPONDENT" OR "HILLIARD LYONS").

ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT THIS MATTER ARISES FROM MISSTATEMENTS MADE BY THE RESPONDENT, A REGISTERED INVESTMENT ADVISER, TO CERTAIN OF ITS ADVISORY CLIENTS, INCLUDING CLIENTS WITH SEPARATELY MANAGED ACCOUNTS INVESTED IN A STRATEGY OFFERED BY F-SQUARED INVESTMENTS, INC. ("F-SQUARED"). THE RESPONDENT ADVERTISED THE STRATEGY BY NEGLIGENTLY RELYING ON F-SQUARED'S MATERIALLY INFLATED, AND HYPOTHETICAL AND BACK-TESTED, PERFORMANCE TRACK RECORD THAT F-SQUARED MISREPRESENTED.

ALPHASECTOR IS A SECTOR ROTATION STRATEGY BASED ON AN ALGORITHM THAT YIELDS A SIGNAL INDICATING WHETHER TO BUY OR SELL NINE INDUSTRY EXCHANGE-TRADED FUNDS ("ETFS") THAT TOGETHER MADE UP THE INDUSTRIES IN THE S&P 500 INDEX. BETWEEN DECEMBER 2011 AND SEPTEMBER 2013, THE RESPONDENT OFFERED THE ALPHASECTOR STRATEGY TO ITS CLIENTS.

FROM NOVEMBER 2011 TO OCTOBER 1, 2013, IN RELIANCE ON F-SQUARED'S FALSE STATEMENTS, HILLIARD LYONS'S ALPHASECTOR ADVERTISEMENTS FALSELY STATED THAT THE TRACK RECORD HAD SIGNIFICANTLY OUTPERFORMED THE S&P 500 INDEX FROM APRIL 2001 TO SEPTEMBER 2008. IN FACT, F-SQUARED MISCALCULATED THE HISTORICAL PERFORMANCE OF ALPHASECTOR FROM APRIL 2001 TO SEPTEMBER 2008 BY INCORRECTLY IMPLEMENTING SIGNALS IN ADVANCE OF WHEN SUCH SIGNALS ACTUALLY COULD HAVE OCCURRED. HILLIARD LYONS TOOK INSUFFICIENT STEPS TO CONFIRM THE ACCURACY OF F-SQUARED'S HISTORICAL DATA AND OTHER INFORMATION CONTAINED IN THE MATERIALS. IN ADDITION, HILLIARD LYONS DID NOT OBTAIN SUFFICIENT DOCUMENTATION THAT SUBSTANTIATED F-SQUARED'S ADVERTISING CLAIMS IN THE MATERIALS. AS A RESULT OF THIS INACCURATE COMPILATION OF HISTORICAL DATA BY F-SQUARED, HILLIARD LYONS ADVERTISED THE ALPHASECTOR STRATEGY BY USING HYPOTHETICAL AND BACK-TESTED HISTORICAL PERFORMANCE THAT WAS INFLATED SUBSTANTIALLY OVER WHAT PERFORMANCE WOULD HAVE BEEN IF F-SQUARED HAD APPLIED THE SIGNALS ACCURATELY.

AS A RESULT, THE RESPONDENT VIOLATED SECTION 206(4) OF THE ADVISERS ACT AND RULE 206(4)-1(A)(5) THEREUNDER. THE RESPONDENT ALSO VIOLATED SECTION 204(A) OF THE ADVISERS ACT AND RULE 204-

	2(A)(16) THEREUNDER.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	08/25/2016
Docket/Case Number:	3-17498
Principal Product Type:	Other
Other Product Type(s):	EXCHANGE-TRADED FUNDS
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	08/25/2016
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 $200,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 204(A) AND 206(4) OF THE ADVISERS ACT AND RULES 204-2(A)(16), AND 206(4)-1(A)(5) THEREUNDER. RESPONDENT SHALL WITHIN 10 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY OF $200,000 TO THE SECURITIES AND EXCHANGE COMMISSION FOR TRANSFER TO THE GENERAL FUND OF THE UNITED STATES TREASURY.
Regulator Statement	IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT 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 HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER RESPONDENT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS

PURSUANT TO SECTION 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE TO IMPOSE THE SANCTIONS AGREED TO IN RESPONDENT'S OFFER. ACCORDINGLY, IT IS HEREBY ORDERED THAT: PURSUANT TO SECTION 203(K) OF THE ADVISERS ACT, RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 204(A) AND 206(4) OF THE ADVISERS ACT AND RULES 204-2(A)(16), AND 206(4)-1(A)(5) THEREUNDER. RESPONDENT SHALL WITHIN 10 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY OF $200,000 TO THE SECURITIES AND EXCHANGE COMMISSION FOR TRANSFER TO THE GENERAL FUND OF THE UNITED STATES TREASURY.

Reporting Source: Firm

Current Status: Final

Allegations: ON DECEMBER 2014, THE SECURITIES AND EXCHANGE COMMISSION INSTITUTED A SETTLED FRAUD ACTION AGAINST F SQUARED INVESTMENTS, INC., AN INVESTMENT ADVISER UNAFFILIATED WITH HILLIARD LYONS, IN WHICH F SQUARED ADMITTED TO MAKING MATERIALLY FALSE CLAIMS THAT (A) THE SIGNALS THAT FORMED THE BASIS OF THE ALPHASECTOR INDEX RETURNS HAD BEEN USED TO MANAGE CLIENT ASSETS FROM APRIL 2001 TO SEPTEMBER 2008; AND (B) THE SIGNALS RESULTED IN A TRACK RECORD THAT SIGNIFICANTLY OUTPERFORMED THE S&P 500 INDEX FROM APRIL 2001 TO SEPTEMBER 2008. ON AUGUST 25, 2016, WITHOUT ADMITTING OR DENYING THE SEC'S FINDINGS, HILLIARD LYONS CONSENTED TO THE ENTRY OF AN ORDER PROVIDING THAT IT CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 204(A) AND 206(4) OF THE ADVISERS ACT AND RULES 204-2(A)(16), AND 206(4)-1(A)(5) THEREUNDER AND AGREED TO A PENALTY OF $200,000. ACCORDING TO THE ORDER, HILLIARD LYONS, IN CONNECTION WITH ITS SEPARATELY MANAGED ACCOUNTS PROGRAM: (1) DISSEMINATED F SQUARED'S PERFORMANCE NUMBERS, (2) FAILED TO HAVE A REASONABLE BASIS TO BELIEVE THE ACCURACY OF F SQUARED'S PERFORMANCE CLAIMS AND (3) FAILED TO KEEP ADEQUATE BOOKS AND RECORDS NECESSARY TO DEMONSTRATE THE CALCULATION OF THE PERFORMANCE. AS PART OF THE SAME ENFORCEMENT SWEEP, THE SEC ANNOUNCED PENALTIES AGAINST 13 INVESTMENT ADVISERS.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 08/25/2016

Docket/Case Number:	3-17498
Principal Product Type:	Other
Other Product Type(s):	U.S. EQUITY ETF'S
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CIVIL MONEY PENALTY OF $200,000.
Resolution:	Order
Resolution Date:	08/25/2016
Sanctions Ordered:	Monetary/Fine $200,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	$200,000 PAID ON AUGUST 30, 2016

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO IDENTIFY AND APPLY SALES CHARGE DISCOUNTS TO CERTAIN CUSTOMERS' ELIGIBLE PURCHASES OF UNIT INVESTMENT TRUSTS (UITS). THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM FAILED TO APPLY SALES CHARGE DISCOUNTS TO ELIGIBLE UIT PURCHASES RESULTING IN CUSTOMERS PAYING EXCESSIVE SALES CHARGES OF $328,491. 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 REASONABLY DESIGNED TO ENSURE THAT CUSTOMERS RECEIVED SALES CHARGE DISCOUNTS ON ALL ELIGIBLE UIT PURCHASES. THE FIRM RELIED PRIMARILY ON ITS REGISTERED REPRESENTATIVES TO ENSURE THAT CUSTOMERS RECEIVED APPROPRIATE UIT SALES CHARGE DISCOUNTS DESPITE THE FACT THAT THE FIRM DID NOT EFFECTIVELY INFORM AND TRAIN REPRESENTATIVES AND THEIR SUPERVISORS TO IDENTIFY AND APPLY SUCH SALES CHARGE DISCOUNT.
Initiated By:	FINRA
Date Initiated:	02/10/2016

Docket/Case Number:	2014042544401
Principal Product Type:	Other
Other Product Type(s):	UNIT INVESTMENT TRUSTS (UITS)
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	02/10/2016
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine $175,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED, FINED $175,000, AND ORDERED TO PAY $328,491 IN RESTITUTION TO AFFECTED CUSTOMERS. THE FIRM PAID FULL RESTITUTION AND PROVIDED PROOF OF PAYMENT TO FINRA. FINE PAID IN FULL ON FEBRUARY 29, 2016.

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). THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM FAILED TO APPLY SALES CHARGE DISCOUNTS TO ELIGIBLE UIT PURCHASES RESULTING IN CUSTOMERS PAYING EXCESSIVE SALES CHARGES OF $328,491. 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 REASONABLY DESIGNED TO ENSURE THAT CUSTOMERS RECEIVED SALES CHARGE DISCOUNTS ON ALL ELIGIBLE UIT PURCHASES. THE FIRM RELIED PRIMARILY ON ITS REGISTERED REPRESENTATIVES TO ENSURE THAT CUSTOMERS RECEIVED APPROPRIATE UIT SALES CHARGE DISCOUNTS DESPITE THE FACT THAT THE FIRM DID NOT EFFECTIVELY INFORM AND TRAIN REPRESENTATIVES AND THEIR SUPERVISORS TO IDENTIFY AND APPLY SUCH SALES CHARGE DISCOUNT.

Initiated By:	FINRA
Date Initiated:	02/10/2016
Docket/Case Number:	2014042544401
Principal Product Type:	Unit Investment Trust(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	MONETARY FINE OF $175,000 AND RESTITUTION PAID IN FULL IN THE AMOUNT OF $328,491.
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	02/10/2016
Sanctions Ordered:	Censure Monetary/Fine $175,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED, FINED $175,000, AND ORDERED TO PAY $328,491 IN RESTITUTION TO AFFECTED CUSTOMERS. THE FIRM PAID FULL RESTITUTION AND PROVIDED PROOF OF PAYMENT TO FINRA.
Firm Statement	AS A RESULT OF THE GROWTH AND PREVIOUSLY IDENTIFIED SALES CHARGE ISSUES, THE UIT DEPARTMENT IMPLEMENTED "UNIT", A UIT TRADING SYSTEM FROM THE VENDOR CRC. THIS SYSTEM WAS DESIGNED TO ASSIST WITH ENSURING SALES CHARGE DISCOUNTS ARE APPLIED CORRECTLY. IN ADDITION, SEVERAL NEW DAILY MONITORING REPORTS HAVE BEEN IMPLEMENTED TO DETECT POTENTIAL SALES PRACTICE VIOLATIONS AND TO MONITOR "UNIT".

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Reporting Source:	Regulator

Current Status:	Final
Allegations:	SEC ADMIN RELEASES 33-9943; 34-76040; SEPTEMBER 30, 2015: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED AGAINST J.J.B. HILLIARD, W.L. LYONS, LLC (RESPONDENT). RESPONDENT WILLFULLY VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT. THIS MATTER INVOLVES VIOLATIONS OF AN ANTIFRAUD PROVISION OF THE FEDERAL SECURITIES LAWS IN CONNECTION WITH RESPONDENT'S UNDERWRITING OF CERTAIN MUNICIPAL SECURITIES OFFERINGS. RESPONDENT, A REGISTERED BROKER-DEALER, CONDUCTED INADEQUATE DUE DILIGENCE IN CERTAIN OFFERINGS AND AS A RESULT, FAILED TO FORM A REASONABLE BASIS FOR BELIEVING THE TRUTHFULNESS OF CERTAIN MATERIAL REPRESENTATIONS IN OFFICIAL STATEMENTS ISSUED IN CONNECTION WITH THOSE OFFERINGS. THIS RESULTED IN RESPONDENT OFFERING AND SELLING MUNICIPAL SECURITIES ON THE BASIS OF MATERIALLY MISLEADING DISCLOSURE DOCUMENTS. THE VIOLATIONS WERE SELF-REPORTED BY RESPONDENT TO THE COMMISSION PURSUANT TO THE DIVISION OF ENFORCEMENT'S (THE DIVISION) MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION (MCDC) INITIATIVE.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	09/30/2015
Docket/Case Number:	3-16855
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	09/30/2015
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 $420,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	THE RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2)OF THE SECURITIES ACT, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF $420,000 AND COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT.
Regulator Statement	IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT 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 IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN RESPONDENT'S OFFER. ACCORDINGLY, IT IS HEREBY ORDERED THAT RESPONDENT SHALL, CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF 17(A)(2)OF THE SECURITIES ACT; WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF $420,000 TO THE SECURITIES AND EXCHANGE COMMISSION; AND RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A REVIEW OF RESPONDENT'S POLICIES AND PROCEDURES AS THEY RELATE TO MUNICIPAL SECURITIES UNDERWRITING DUE DILIGENCE.

Reporting Source:	Firm
Current Status:	Final
Allegations:	SEC ADMIN RELEASES 33-9943; 34-76040; SEPTEMBER 30, 2015: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED AGAINST J.J.B. HILLIARD, W.L. LYONS, LLC (RESPONDENT). RESPONDENT WILLFULLY VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT. THIS MATTER

	INVOLVES VIOLATIONS OF AN ANTIFRAUD PROVISION OF THE FEDERAL SECURITIES LAWS IN CONNECTION WITH RESPONDENT'S UNDERWRITING OF CERTAIN MUNICIPAL SECURITIES OFFERINGS. RESPONDENT, A REGISTERED BROKER-DEALER, CONDUCTED INADEQUATE DUE DILIGENCE IN CERTAIN OFFERINGS AND AS A RESULT, FAILED TO FORM A REASONABLE BASIS FOR BELIEVING THE TRUTHFULNESS OF CERTAIN MATERIAL REPRESENTATIONS IN OFFICIAL STATEMENTS ISSUED IN CONNECTION WITH THOSE OFFERINGS. THIS RESULTED IN RESPONDENT OFFERING AND SELLING MUNICIPAL SECURITIES ON THE BASIS OF MATERIALLY MISLEADING DISCLOSURE DOCUMENTS. THE VIOLATIONS WERE SELF-REPORTED BY RESPONDENT TO THE COMMISSION PURSUANT TO THE DIVISION OF ENFORCEMENT'S (THE DIVISION) MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION (MCDC) INITIATIVE.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	09/30/2015
Docket/Case Number:	3-16855
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	09/30/2015
Sanctions Ordered:	Monetary/Fine $420,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	THE RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2)OF THE SECURITIES ACT, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF $420,000 AND COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT.
Firm Statement	IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT 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 IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN RESPONDENT'S OFFER. ACCORDINGLY, IT IS HEREBY ORDERED THAT RESPONDENT SHALL, CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF 17(A)(2)OF THE SECURITIES ACT; WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF $420,000 TO THE SECURITIES AND EXCHANGE COMMISSION; AND RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A REVIEW OF RESPONDENT'S POLICIES AND PROCEDURES AS THEY RELATE TO MUNICIPAL SECURITIES UNDERWRITING DUE DILIGENCE.

Disclosure 8 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	MSRB RULES G-17, G-30(A) - J.J.B. HILLIARD, W.L. LYONS, LLC PURCHASED MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM CUSTOMERS AND/OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO CUSTOMERS AT AN AGGREGATE PRICE (INCLUDING ANY MARKDOWN OR MARKUP) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE TRANSACTION AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER, OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTION.
Initiated By:	FINRA
Date Initiated:	11/21/2012
Docket/Case Number:	2009018102801
Principal Product Type:	Debt - Municipal

Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/21/2012
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine $35,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED $35,000 FOR MSRB RULE VIOLATIONS AND ORDERED TO PAY $23,874.99, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS. A REGISTERED FIRM PRINCIPAL SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED. $35,000.00 FINE PAID IN FULL ON 12/14/12.

Reporting Source:	Firm
Current Status:	Final
Allegations:	MSRB RULES G-17, G-30(A) - J.J.B. HILLIARD, W.L. LYONS, LLC PURCHASED MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM CUSTOMERS AND/OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO CUSTOMERS AT AN AGGREGATE PRICE (INCLUDING ANY MARKDOWN OR MARKUP) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER

	AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE TRANSACTION AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER, OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTION.
Initiated By:	FINRA
Date Initiated:	11/21/2012
Docket/Case Number:	2009018102801
Principal Product Type:	Debt - Municipal
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/21/2012
Sanctions Ordered:	Censure Monetary/Fine $35,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED $35,000 FOR MSRB RULE VIOLATIONS AND ORDERED TO PAY $23,874.99, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS. A REGISTERED FIRM PRINCIPAL SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED.
Firm Statement	J.J.B. HILLIARD, W.L. LYONS, LLC SIGNED AN ADMISSION, WAIVER AND CONSENT ON NOVEMBER 2, 2012, WITHOUT ADMITTING OR DENYING THAT IT VIOLATED MUNICIPAL SECURITIES RULEMAKING BOARD RULES APPLICABLE TO THE FIRM'S PRICING OF MUNICIPAL SECURITIES TRANSACTIONS DURING THE PERIOD OF OCTOBER 1, 2008 THROUGH

DECEMBER 31, 2008. THE FIRM WAS CENSURED, FINED $35,000 AND ORDERED TO PROVIDE RESTITUTION TO CLIENTS IN THE AMOUNT OF $23,874.99.

Disclosure 9 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	RULES 203 AND 204 OF REGULATION SHO UNDER THE SECURITIES EXCHANGE ACT OF 1934, FINRA RULE 2010, NASD RULES 2110, 3010: THE FIRM ACCEPTED FOUR ORDERS FOR SHORT SALES WITHOUT EITHER BORROWING OR ENTERING INTO AN ARRANGEMENT TO BORROW THE SHARES, OR HAVING REASONABLE GROUNDS TO BELIEVE THAT IT COULD BORROW SHARES SO THAT THEY COULD BE DELIVERED BY SETTLEMENT DATE. THE FIRM ACCEPTED A SHORT SALE ORDER FOR SHARES OF A STOCK WITHOUT HAVING FIRST BORROWED OR ENTERED INTO AN ARRANGEMENT TO BORROW THE SHARES, OR WITHOUT LOCATING THE SHARES TO GIVE THE FIRM A REASONABLE BASIS THAT THE SHARES COULD BE BORROWED BY SETTLEMENT DATE. THE FIRM FAILED TO OBTAIN A LOCATE PRIOR TO ENTERING AN ORDER FOR A SHORT SALE OF SHARES OF A STOCK. THE FIRM ACKNOWLEDGED THAT THE ORDER DID NOT QUALIFY FOR AN EXCEPTION TO REGULATION SHO (REG SHO) RULE 203'S BORROW AND LOCATE REQUIREMENTS, NOR WAS THE SECURITY ON THE FIRM'S EASY TO BORROW LIST ON THE DAY THE ORDER WAS ENTERED. THE FIRM FAILED TO OBTAIN A LOCATE PRIOR TO ENTERING ANOTHER ORDER FOR A SHORT SALE OF SHARES. THE FIRM ACKNOWLEDGED THAT THE ORDER DID NOT QUALIFY FOR AN EXCEPTION TO REG SHO RULE 203'S BORROW AND LOCATE REQUIREMENTS, NOR WAS THE SECURITY ON THE FIRM'S EASY TO BORROW LIST ON THE DATE THE ORDER WAS ENTERED. THE FIRM ENTERED AN ORDER FOR A SHORT SALE OF SHARES AND WHILE THE FIRM OBTAINED A LOCATE, THE LOCATE WAS FOR ONLY A PORTION OF THE SHARES AND THE FIRM HAD NO REASONABLE GROUNDS TO BELIEVE THAT IT COULD BORROW THE ADDITIONAL SHARES SO THAT THEY COULD BE DELIVERED BY SETTLEMENT DATE. THE FIRM FAILED TO DOCUMENT ITS COMPLIANCE WITH REG SHO RULE 203'S BORROWING AND LOCATE REQUIREMENTS WITH RESPECT TO TWO ADDITIONAL SHORT SALES SUCH THAT THE FIRM COULD NOT DEMONSTRATE THAT THE FIRM ENTERED THE SHORT SALE ORDERS ONLY AFTER IT HAD REASONABLE BASIS TO BELIEVE THE SHARES COULD BE DELIVERED BY SETTLEMENT DATE. THE FIRM DID NOT COMPLY WITH REG SHO RULE 204'S CLOSE-OUT REQUIREMENTS WITH RESPECT TO THE FOLLOWING TWO FAIL TO DELIVER POSITIONS: ON JULY 2, 2009, THE FIRM EXECUTED A SHORT SALE OF SHARES THAT CREATED A 60,924 FAIL TO DELIVER POSITION AT CONTINUOUS NET SETTLEMENT

SYSTEM (CNS). THE FIRM DID NOT CLOSE-OUT THE FAIL POSITION ON JULY 6, 2009 (T+4). THE FIRM CLOSED OUT THE POSITION OF JULY 7, 2009. ON SEPTEMBER 24, 2008, THE FIRM CREATED A 240 SHARE CNS FAIL TO DELIVER POSITION IN A CORPORATION FROM BONA FIDE MARKET MAKING ACTIVITY. THE FIRM DID NOT CLOSE-OUT THE FAIL POSITION ON SEPTEMBER 29, 2008 (T+6). THE FIRM CLOSED OUT THE FAIL TO DELIVER POSITION ON OCTOBER 9, 2008. IN THE MONTH FOLLOWING THE FAIL TO DELIVER POSITION, THE FIRM CONDUCTED NO FURTHER TRADING IN THE CORPORATION. THE FIRM DID NOT HAVE ADEQUATE PROCEDURES IN PLACE TO ENSURE THAT THE FIRM COMPLIED WITH THE LOCATE PROVISIONS OF REG SHO RULE 203 OR THE CLOSEOUT PROVISIONS OF REG SHO RULE 204. WHILE THE FIRM MADE SEVERAL REVISIONS TO ITS PROCEDURES, THE REVISIONS WERE NOT ADEQUATE TO BRING THE FIRM INTO COMPLIANCE WITH THE REG SHO RULES. THE FIRM UPDATED ITS PROCEDURES IN AN EFFORT TO ENSURE THAT ORDERS FOR SHORT SALES WOULD NO LONGER BE ACCEPTED BEFORE OBTAINING A LOCATE. IN ADDITION TO REQUIRING ITS REGISTERED REPRESENTATIVES TO CONTACT THE SETTLEMENTS DEPARTMENT SO THAT A LOCATE COULD BE PERFORMED, THE FIRM CREATED A SPREADSHEET TO TRACK AND MONITOR THE LOCATES OBTAINED. THE FIRM, HOWEVER, HAD NO SYSTEMATIC CONTROLS TO PREVENT A REPRESENTATIVE FROM ELECTRONICALLY ENTERING A SHORT SALE ORDER INTO THE FIRM'S SYSTEM WITHOUT A LOCATE. AS SUCH, THE FIRM CONTINUED TO ACCEPT CERTAIN SHORT SALE ORDERS WITHOUT FIRST OBTAINING A LOCATE. THE FIRM DEVELOPED A SYSTEM UNDER WHICH IT REVIEWED ALL SHORT SALES ON A T+1 BASIS TO DETERMINE WHETHER A LOCATE HAD BEEN OBTAINED PRIOR TO THE ORDER BEING ENTERED INTO THE FIRM'S SYSTEMS. ANY SHORT SALES THAT WERE ENTERED ON THE SYSTEM THAT DID NOT HAVE AN APPROVED LOCATE WERE IMMEDIATELY CLOSED OUT ON THE SYSTEM. [CONTINUED IN COMMENT}

Initiated By:	FINRA
Date Initiated:	08/04/2011
Docket/Case Number:	2010023303101
Principal Product Type:	Equity Listed (Common & Preferred Stock)
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 $30,000.00
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 $30,000.
Regulator Statement	[CONTINUED FROM ALLEGATIONS]: THE T+1 REVIEW, HOWEVER, WAS NOT IN COMPLIANCE WITH REG SHO RULE 203, WHICH REQUIRES BROKER-DEALERS TO HAVE REASONABLE GROUNDS TO BELIEVE A SECURITY CAN BE BORROWED PRIOR TO THE ACCEPTANCE OF A SHORT SALE ORDER. WITH RESPECT TO THE CLOSE OUT PROVISIONS OF RULE 204, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES IN 2009 DID NOT ADDRESS THE RESOLUTION OF FAIL TO DELIVER POSITIONS RELATED TO LONG AND SHORT SALES.

Reporting Source:	Firm
Current Status:	Final
Allegations:	RULES 203 AND 204 OF REGULATION SHO UNDER THE SECURITIES EXCHANGE ACT OF 1934, FINRA RULE 2010, NASD RULES 2110, 3010: THE FIRM ACCEPTED FOUR ORDERS FOR SHORT SALES WITHOUT EITHER BORROWING OR ENTERING INTO AN ARRANGEMENT TO BORROW THE SHARES, OR HAVING REASONABLE GROUNDS TO BELIEVE THAT IT COULD BORROW SHARES SO THAT THEY COULD BE DELIVERED BY SETTLEMENT DATE. THE FIRM ACCEPTED A SHORT SALE ORDER FOR SHARES OF A STOCK WITHOUT HAVING FIRST BORROWED OR ENTERED INTO AN ARRANGEMENT TO BORROW THE SHARES, OR WITHOUT LOCATING THE SHARES TO GIVE THE FIRM A REASONABLE BASIS THAT THE SHARES COULD BE BORROWED BY SETTLEMENT DATE. THE FIRM FAILED TO OBTAIN A LOCATE PRIOR TO ENTERING AN ORDER FOR A SHORT SALE OF SHARES OF A STOCK. THE FIRM FAILED TO OBTAIN A LOCATE PRIOR TO ENTERING ANOTHER ORDER FOR A SHORT SALE OF SHARES. THE FIRM ENTERED AN ORDER FOR A SHORT SALE OF SHARES AND WHILE THE FIRM OBTAINED A LOCATE, THE LOCATE WAS FOR ONLY A PORTION OF

THE SHARES AND THE FIRM HAD NO REASONABLE GROUNDS TO BELIEVE THAT IT COULD BORROW THE ADDITIONAL SHARES SO THAT THEY COULD BE DELIVERED BY SETTLEMENT DATE. THE FIRM FAILED TO DOCUMENT ITS COMPLIANCE WITH REG SHO RULE 203'S BORROWING AND LOCATE REQUIREMENTS WITH RESPECT TO TWO ADDITIONAL SHORT SALES SUCH THAT THE FIRM COULD NOT DEMONSTRATE THAT THE FIRM ENTERED THE SHORT SALE ORDERS ONLY AFTER IT HAD REASONABLE BASIS TO BELIEVE THE SHARES COULD BE DELIVERED BY SETTLEMENT DATE. THE FIRM DID NOT COMPLY WITH REG SHO RULE 204'S CLOSE-OUT REQUIREMENTS WITH RESPECT TO FAIL TO DELIVER POSITIONS. THE FIRM DID NOT HAVE ADEQUATE PROCEDURES IN PLACE TO ENSURE THAT THE FIRM COMPLIED WITH THE LOCATE PROVISIONS OF REG SHO RULE 203 OR THE CLOSEOUT PROVISIONS OF REG SHO RULE 204. WHILE THE FIRM MADE SEVERAL REVISIONS TO ITS PROCEDURES, THE REVISIONS WERE NOT ADEQUATE TO BRING THE FIRM INTO COMPLIANCE WITH THE REG SHO RULES. THE FIRMHAD NO SYSTEMATIC CONTROLS TO PREVENT A REPRESENTATIVE FROM ELECTRONICALLY ENTERING A SHORT SALE ORDER INTO THE FIRM'S SYSTEM WITHOUT A LOCATE. AS SUCH, THE FIRM CONTINUED TO ACCEPT CERTAIN SHORT SALE ORDERS WITHOUT FIRST OBTAINING A LOCATE. THE FIRM DEVELOPED A SYSTEM UNDER WHICH IT REVIEWED ALL SHORT SALES ON A T+1 BASIS TO DETERMINE WHETHER A LOCATE HAD BEEN OBTAINED PRIOR TO THE ORDER BEING ENTERED INTO THE FIRM'S SYSTEMS. ANY SHORT SALES THAT WERE ENTERED ON THE SYSTEM THAT DID NOT HAVE AN APPROVED LOCATE WERE IMMEDIATELY CLOSED OUT ON THE SYSTEM. THE T+1 REVIEW, HOWEVER, WAS NOT IN COMPLIANCE WITH REG SHO RULE 203, WHICH REQUIRES BROKER-DEALERS TO HAVE REASONABLE GROUNDS TO BELIEVE A SECURITY CAN BE BORROWED PRIOR TO THE ACCEPTANCE OF A SHORT SALE ORDER. WITH RESPECT TO THE CLOSE OUT PROVISIONS OF RULE 204, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES IN 2009 DID NOT ADDRESS THE RESOLUTION OF FAIL TO DELIVER POSITIONS RELATED TO LONG AND SHORT SALES.

Initiated By:	FINRA
Date Initiated:	08/04/2011
Docket/Case Number:	STAR# 2010023303101
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	MONETARY FINE OF $30,000

Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/04/2011
Sanctions Ordered:	Censure Monetary/Fine $30,000.00
Other Sanctions Ordered:	NONE
Sanction Details:	FINE PAID IN FULL.
Firm Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, MEMBER WAS CENSURED AND AGREED TO PAY THE FINE OF $30,000 RELATED TO REGULATION SHO 203 & 204 VIOLATIONS. THE FIRM WOULD LIKE TO EMPHASIZE THAT WE HAVE VIRTUALLY ELIMINATED THE POSSIBILITY OF PRE-LOCATE VIOLATIONS THROUGH THE REMOVAL OF OUR FINANCIAL CONSULTANT'S ABILITY TO ENTER SHORT SALES INTO OUR SYSTEMS. GOING FORWARD, IN ORDER FOR A FINANCIAL CONSULTANT TO AFFECT A SHORT SALE, THEY FIRST MUST OBTAIN LOCATE APPROVAL FROM THE FIRM'S SETTLEMENT DEPARTMENT AND THEN MUST FOWARD THIS APPROVAL ALONG WITH ORDER INSTRUCTION TO THE FIRM'S TRADING DESK. THE TRADING DESK WILL VERIFY THAT LOCATE APPROVAL FOR THE ORDER HAS BEEN OBTAINED AND WILL THEN INPUT THE ORDER INTO THE SYSTEM.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	BUREAU OF LICENSING DETERMINED GROUNDS EXISTED TO DENY NON-RESIDENT INSURANCE AGENCY LICENSE APPLICATION BASED ON PRIOR ADMINISTRATIVE ACTIONS REPORTED BY THE APPLICANT. APPLICANT DID NOT CONCEDE GROUNDS FOR DENIAL EXISTED BUT ENTERED SETTLEMENT STIPULATION AND CONSENT ORDER TO AVOID FORMAL LITIGATION.
Initiated By:	FLORIDA DEPARTMENT OF FINANCIAL SERVICES
Date Initiated:	12/20/2010
Docket/Case Number:	113664-10-AG
Principal Product Type:	Insurance
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:	2 YEAR PROBATION
Resolution:	Stipulation and Consent
Resolution Date:	01/14/2011
Sanctions Ordered:	Monetary/Fine $15,000.00
Other Sanctions Ordered:	PROBATION FOR TWO YEAR PERIOD. AS A CONDITION OF PROBATION, APPLICANT SHALL STRICTLY ADHERE TO ALL PROVISIONS OF THE FLORIDA INSURANCE CODE AND RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER AND OTHER LAWS OF THE STATE OF FLORIDA.
Sanction Details:	DATE FINE PAID: 1/24/2011
Firm Statement	CONSENT ORDER ENTERED 1/14/2011 BUREAU OF LICENSING DETERMINED GROUNDS EXISTED TO DENY NON-RESIDENT INSURANCE AGENCY LICENSE APPLICATION BASED ON PRIOR ADMINISTRATIVE ACTIONS REPORTED BY THE APPLICANT. APPLICANT DID NOT CONCEDE GROUNDS FOR DENIAL EXISTED BUT ENTERED SETTLEMENT STIPULATION AND CONSENT ORDER TO AVOID FORMAL LITIGATION. ISSUANCE OF FIRM'S LICENSE WAS AUTHORIZED CONDITIONAL ON PAYMENT OF FINE WITHIN 30DAYS OF ORDER AND ADHERING TO TERMS OF PROBATION EXPLAINED IN 12B ABOVE. FIRM SHALL NOTIFY DEPT WITHIN 30 DAYS OF ANY CIVIL, ADMINISTRATIVE OR REGULATORY ACTIONS OR ANY ACTIONS AGAINST IT BY STATE OR FEDERAL AGENCY INCLUDING SRO OR EXCHANGE.

Disclosure 11 of 36

Reporting Source:	Firm
Current Status:	Final
Allegations:	INVESTIGATION OF SALES PRACTICE PROCEDURES
Initiated By:	SECRETARY OF STATE, STATE OF INDIANA SECURITIES DIVISION
Date Initiated:	03/26/2010
Docket/Case Number:	201881
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:	FINE OF $79,750.00 AND REIMBURSEMENT OF $7,500.00 FOR INVESTIGATION COSTS. USE BEST EFFORTS TO MAKE NO-NET-COST LOANS TO ELIGIBLE INVESTORS AND REPURCHASE APPLICABLE AUCTION RATE SECURITIES BY MARCH 31, 2014, IF NOT ALREADY REDEEMED, VALUED AT $175,000.00 AS OF 5/17/2011.
Resolution:	Consent
Resolution Date:	05/17/2011
Sanctions Ordered:	Monetary/Fine $87,250.00
Other Sanctions Ordered:	FINE OF $79,750.00 AND REIMBURSEMENT OF $7,500.00 FOR INVESTIGATION COSTS. USE BEST EFFORTS TO MAKE NO-NET-COST LOANS TO ELIGIBLE INVESTORS AND REPURCHASE APPLICABLE AUCTION RATE SECURITIES BY MARCH 31, 2014, IF NOT ALREADY REDEEMED, VALUED AT $175,000.00 AS OF 5/17/2011.
Sanction Details:	FINE OF $79,750.00 AND REIMBURSEMENT OF $7,500.00 FOR INVESTIGATION COSTS. USE BEST EFFORTS TO MAKE NO-NET-COST LOANS TO ELIGIBLE INVESTORS AND REPURCHASE APPLICABLE AUCTION RATE SECURITIES BY MARCH 31, 2014, IF NOT ALREADY REDEEMED, VALUED AT $175,000.00 AS OF 5/17/2011.
Firm Statement	STATE OF INDIANA INVESTIGATED SALES PRACTICE PROCEDURES RELATED TO AUCTION RATE SECURITIES AND DETERMINED INDIANA CODE 23-21-11(A)(14)(2007) HAD BEEN VIOLATED BY THE FIRM'S FAILURE TO FULLY TRAIN IT'S REGISTERED AGENTS REGARDING SUBJECT SECURITIES.

Disclosure 12 of 36

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED THAT JJB HILLIARD WL LYONS LLC PROVIDED UNTRUE & INCORRECT INFORMATION ON FOUR APPLICATIONS WITH THE DEPARTMENT BY FAILING TO DISCLOSE REGULATORY ITEMS & ARBITRATION PROCEEDINGS ON APPLICATIONS DURING 2005, 2007 & 2009, ALL OF WHICH WERE PREVIOUSLY FULLY DISCLOSED ON THE FIRM'S BD
Initiated By:	STATE OF NEW YORK INSURANCE DEPARTMENT
Date Initiated:	11/18/2010
Docket/Case Number:	STIPULATION NUMBER 2011-0049-S
Principal Product Type:	Insurance

Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	FINE 24,500
Resolution:	Stipulation and Consent
Resolution Date:	03/02/2011
Sanctions Ordered:	Monetary/Fine $24,500.00
Other Sanctions Ordered:	NONE
Sanction Details:	RESOLVED BY AGREED STIPULATION, IN LIEU OF ANY OTHER DISCIPLINARY ACTION, THAT APPLICANT PROVIDED MATERIALLY INCORRECT AND UNTRUE INFORMATION WITHIN THE MEANING OF NY STATUTE SECTIONS 2100 AND 2103. FINE PAID, EFFECTIVE 3/2/2011
Firm Statement	RESOLVED BY AGREED STIPULATION, IN LIEU OF ANY OTHER DISCIPLINARY ACTION; THAT APPLICANT PROVIDED MATERIALLY INCORRECT AND UNTRUE INFORMATION WITHIN THE MEANING OF NY STATUTE SECTIONS 2100 AND 2103; EFFECTIVE 3/2/2011

Disclosure 13 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASDAQ RULE 6955(A) - J.J.B. HILLIARD, W.L. LYONS, LLC TRANSMITTED REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT FAILED TO INCLUDE THE DESK RECEIVED TIMES FOR THE ORDERS.
Initiated By:	NASDAQ STOCK MARKET
Date Initiated:	08/27/2010
Docket/Case Number:	2007010996701
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:	08/27/2010
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine $7,500.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED $7,500.

Reporting Source:	Firm
Current Status:	Final
Allegations:	DURING THE REVIEW PERIOD, THE FIRM TRANSMITTED TO OATS 262 REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA. SPECIFICALLY, THE REPORTS FAILED TO INCLUDE THE DESK RECEIVED TIME FOR THESE ORDERS.
Initiated By:	NASDAQ STOCK MARKET
Date Initiated:	08/27/2010
Docket/Case Number:	2007010996701
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	08/27/2010
Sanctions Ordered:	Censure Monetary/Fine $7,500.00
Other Sanctions Ordered:	

Sanction Details:	FIRM IS TO PAY $7500.00 FINE. FINE PAID WITH CHECK NUMBER 316526 ON 12/17/2010. NASDAQ INVOICE NUMBER 1210NTS590566.
Firm Statement	DISPOSED OF THROUGH AWC AND CORRECTIVE ACTION TAKEN BY THE FIRM.

Disclosure 14 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SECTIONS 15 AND 17 OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 15C3-1, 15C3-1(C)(2)(IV), 15C3-3 AND 17A-3(A)(1) THEREUNDER, RULE 501(A) OF REGULATION AC, NASD RULES 2110, 2210(D)(1)(A), 2340, 2711(H)(1)(A), 2711(H)(9), 2711(H)(10), 2711(H)(12), 2711(I), 3010 AND 3110 AND NYSE RULE 472(1): RESPONDENT J.J.B. HILLIARD, W.L. LYONS, LLC HAD INADEQUATE PROCEDURES RELATED TO ITS RECEIPT OF FUNDS FROM CUSTOMERS OF ITS AFFILIATED INTRODUCING BROKER. AS A RESULT, THE FIRM DID NOT PROPERLY AND TIMELY IDENTIFY CUSTOMER CHECKS DEPOSITED AT AFFILIATED BANK BRANCHES AND ENSURE THAT ALL CUSTOMER CHECK DEPOSITS WERE DULY CREDITED TO THE APPROPRIATE CUSTOMER ACCOUNTS. WHEN THE FIRM WAS UNABLE TO IDENTIFY THE PROPER CUSTOMER ACCOUNTS IN WHICH TO CREDIT CUSTOMER DEPOSITS WITHIN 60 DAYS, THE FIRM MOVED THE FUNDS INTO AN ABANDONED PROPERTY ACCOUNT WHILE THE FIRM CONTINUED ITS EFFORTS TO IDENTIFY THE PROPER CUSTOMERS. APPROXIMATELY $133,616.65 OF CUSTOMER DEPOSITS WERE NEVER PROPERLY IDENTIFIED AND CREDITED TO THE APPROPRIATE CUSTOMER ACCOUNT. AS A RESULT OF THE UNIDENTIFIED CUSTOMER CHECK DEPOSITS, THE FIRM FAILED TO MAKE AND KEEP ACCURATE DAILY RECORDS OF ALL RECEIPTS AND DISBURSEMENTS OF CASH AND ALL OTHER DEBITS AND CREDITS IN ITS BOOKS AND RECORDS, UNDERSTATED ITS NET CAPITAL CHARGES, INCORRECTLY CALCULATED ITS CUSTOMER RESERVE FORMULA, PRODUCED INACCURATE MONTH-END CUSTOMER ACCOUNT STATEMENTS, INCORRECTLY LIQUIDATED CERTAIN CUSTOMER FULLY PAID SECURITIES, AND FAILED TO SEGREGATE CUSTOMER FULLY PAID SECURITIES, WHICH RESULTED IN INTRA-DAY POSSESSION OR CONTROL DEFICITS. THE FIRM DID NOT HAVE ADEQUATE PROCEDURES AND FAILED TO PREPARE CERTAIN INTER-COMPANY ACCOUNT RECONCILIATIONS, FAILED TO PROPERLY RECORD CERTAIN AGED UNFAVORABLE RECONCILIATION DIFFERENCES AND RECORD THE APPLICABLE NET CAPITAL CHARGES, AND FAILED TO CONDUCT SUPERVISORY REVIEWS OF CERTAIN RECONCILIATIONS AND ACCOUNTS. THE FIRM'S SUPERVISORY PROCEDURES DID NOT ADEQUATELY ENSURE THAT ITS RESEARCH ANALYSTS RECEIVED SPECIFIC APPROVAL FROM A DESIGNATED

SUPERVISOR PRIOR TO PARTICIPATION IN PUBLIC APPEARANCES; ALWAYS IDENTIFIED THE DISCLOSURES PROVIDED TO THE MEDIA OUTLET; AND IDENTIFIED TO THE MEDIA OUTLET THE NATURE OF ANY FINANCIAL INTEREST IN THE SUBJECT COMPANY THAT THEY HELD FOR THEMSELVES AND THEIR HOUSEHOLD MEMBERS. IN ADDITION, THE FIRM ISSUED CERTAIN RESEARCH REPORTS THAT CONTAINED INDEFINITE "MAY" LANGUAGE REGARDING FUTURE INVESTMENT BANKING SERVICES THAT THE FIRM EXPECTED TO PROVIDE; DID NOT INCLUDE ANALYST CERTIFICATIONS ON THE FRONT PAGE; CONTAINED FRONT PAGES THAT DID NOT SPECIFY THE PAGE OR PAGES IN THE RESEARCH REPORT ON WHICH THE ANALYST CERTIFICATIONS WERE TO BE FOUND; AND INCORRECTLY INCLUDED THE ANALYST CERTIFICATION INFORMATION AS PART OF THE IMPORTANT DISCLOSURES.

Initiated By:	FINRA
Date Initiated:	11/16/2009
Docket/Case Number:	2007009463801
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/16/2009
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 $200,000.00
Other Sanctions Ordered:	A REQUIREMENT THAT $133,817 BE PLACED INTO A SEGREGATED INTEREST-BEARING ACCOUNT FOR A PERIOD OF FIVE (5) YEARS.
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED $200,000 AND REQUIRED TO PLACE AN AMOUNT OF $133,817 INTO A SEGREGATED INTEREST-BEARING

ACCOUNT FOR A PERIOD OF FIVE (5) YEARS.

Regulator Statement	THE FUNDS PLACED IN THE SEGREGATED ACCOUNT MUST BE USED TO REIMBURSE CUSTOMERS WHO CAN REASONABLY DEMONSTRATE THAT THEY MADE DEPOSITS TO THEIR FIRM ACCOUNTS AT A BANK BRANCH AND THAT THE FIRM FAILED TO PROPERLY CREDIT THE DEPOSITS TO THEIR ACCOUNTS. THE FIRM MUST ESTABLISH A CLAIMS PROCESS THAT PROVIDES A REASONABLY OPPORTUNITY FOR SUCH CUSTOMERS TO DEMONSTRATE THAT THEY MADE DEPOSITS THAT WERE NOT CREDITED TO THEIR ACCOUNTS. ANY PAYMENTS TO THESE CUSTOMERS MUST INCLUDE ALL ACCRUED INTEREST FROM THE DATE OF THE INITIAL ATTEMPTED DEPOSIT WITH THE FIRM TO THE DATE THAT THE FIRM REIMBURSES THE CUSTOMERS. DURING THE ENTIRE REIMBURSEMENT PERIOD, THE FIRM MUST PLACE A NOTICE ON THE MAIN PAGE OF ITS WEBSITE ANNOUNCING THAT CERTAIN CUSTOMER DEPOSITS MADE AT BANK BRANCHES DURING THE PERIOD APRIL 21, 1999 THROUGH DECEMBER 31, 2005 WERE NOT PROPERLY CREDITED TO THE APPROPRIATE CUSTOMER ACCOUNTS. THE WEBSITE NOTICE MUST ALSO INCLUDE A TOLL-FREE NUMBER TO BE USED BY CUSTOMERS WHO WISH TO SUBMIT CLAIMS TO THE FIRM RELATED TO THE FAILURE TO PROPERLY CREDIT DEPOSITS TO THEIR ACCOUNT, ALONG WITH INSTRUCTIONS FOR CUSTOMERS TO SUBMIT CLAIMS THAT PROVIDE A REASONABLY OPPORTUNITY FOR SUCH CUSTOMERS TO SEE REIMBURSEMENT FROM THE FIRM. THE REIMBURSEMENT PERIOD SHALL COMMENCE NO LATER THAN 30 DAYS AFTER THE FIRM RECEIVES NOTICE THAT THIS AWC HAS BEEN ACCEPTED BY FINRA. AT THE END OF THE REIMBURSEMENT PERIOD, THE FIRM SHALL REGAIN POSSESSION AND CONTROL OVER ANY REMAINING FUNDS (INCLUDING INTEREST EARNED ON THE FUNDS DEPOSITED IN THE SEGREGATED ACCOUNT) THAT HAVE NOT BEEN CLAIMED BY CUSTOMERS.

Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA ALLEGED THAT SECTIONS 15 AND 17 OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 15C3-1, 15C3-1(C)(2)(IV), 15C3-3 AND 17A-3(A)(1) THEREUNDER, RULE 501(A) OF REGULATION AC, NASD RULES 2110, 2210(D)(1)(A), 2340, 2711(H)(1)(A), 2711(H)(9), 2711(H)(10), 2711(H)(12), 2711(I), 3010 AND 3110 AND NYSE RULE 472(1): RESPONDENT J.J.B. HILLIARD, W.L. LYONS, LLC HAD INADEQUATE PROCEDURES RELATED TO ITS RECEIPT OF FUNDS FROM CUSTOMERS OF ITS AFFILIATED INTRODUCING BROKER. AS A RESULT, THE FIRM DID NOT PROPERLY AND TIMELY IDENTIFY CUSTOMER CHECKS DEPOSITED AT AFFILIATED BANK BRANCHES AND ENSURE THAT ALL CUSTOMER CHECK DEPOSITS WERE

DULY CREDITED TO THE APPROPRIATE CUSTOMER ACCOUNTS. WHEN THE FIRM WAS UNABLE TO IDENTIFY THE PROPER CUSTOMER ACCOUNTS IN WHICH TO CREDIT CUSTOMER DEPOSITS WITHIN 60 DAYS, THE FIRM MOVED THE FUNDS INTO AN ABANDONED PROPERTY ACCOUNT WHILE THE FIRM CONTINUED ITS EFFORTS TO IDENTIFY THE PROPER CUSTOMERS. APPROXIMATELY $133,616.65 OF CUSTOMER DEPOSITS WERE NEVER PROPERLY IDENTIFIED AND CREDITED TO THE APPROPRIATE CUSTOMER ACCOUNT. AS A RESULT OF THE UNIDENTIFIED CUSTOMER CHECK DEPOSITS, THE FIRM FAILED TO MAKE AND KEEP ACCURATE DAILY RECORDS OF ALL RECEIPTS AND DISBURSEMENTS OF CASH AND ALL OTHER DEBITS AND CREDITS IN ITS BOOKS AND RECORDS, UNDERSTATED ITS NET CAPITAL CHARGES, INCORRECTLY CALCULATED ITS CUSTOMER RESERVE FORMULA, PRODUCED INACCURATE MONTH-END CUSTOMER ACCOUNT STATEMENTS, INCORRECTLY LIQUIDATED CERTAIN CUSTOMER FULLY PAID SECURITIES, AND FAILED TO SEGREGATE CUSTOMER FULLY PAID SECURITIES, WHICH RESULTED IN INTRA-DAY POSSESSION OR CONTROL DEFICITS. THE FIRM DID NOT HAVE ADEQUATE PROCEDURES AND FAILED TO PREPARE CERTAIN INTER-COMPANY ACCOUNT RECONCILIATIONS, FAILED TO PROPERLY RECORD CERTAIN AGED UNFAVORABLE RECONCILIATION DIFFERENCES AND RECORD THE APPLICABLE NET CAPITAL CHARGES, AND FAILED TO CONDUCT SUPERVISORY REVIEWS OF CERTAIN RECONCILIATIONS AND ACCOUNTS. THE FIRM'S SUPERVISORY PROCEDURES DID NOT ADEQUATELY ENSURE THAT ITS RESEARCH ANALYSTS RECEIVED SPECIFIC APPROVAL FROM A DESIGNATED SUPERVISOR PRIOR TO PARTICIPATION IN PUBLIC APPEARANCES; ALWAYS IDENTIFIED THE DISCLOSURES PROVIDED TO THE MEDIA OUTLET; AND IDENTIFIED TO THE MEDIA OUTLET THE NATURE OF ANY FINANCIAL INTEREST IN THE SUBJECT COMPANY THAT THEY HELD FOR THEMSELVES AND THEIR HOUSEHOLD MEMBERS. IN ADDITION, THE FIRM ISSUED CERTAIN RESEARCH REPORTS THAT CONTAINED INDEFINITE "MAY" LANGUAGE REGARDING FUTURE INVESTMENT BANKING SERVICES THAT THE FIRM EXPECTED TO PROVIDE; DID NOT INCLUDE ANALYST CERTIFICATIONS ON THE FRONT PAGE; CONTAINED FRONT PAGES THAT DID NOT SPECIFY THE PAGE OR PAGES IN THE RESEARCH REPORT ON WHICH THE ANALYST CERTIFICATIONS WERE TO BE FOUND; AND INCORRECTLY INCLUDED THE ANALYST CERTIFICATION INFORMATION AS PART OF THE IMPORTANT DISCLOSURES.

Initiated By:	FINRA
Date Initiated:	11/16/2009
Docket/Case Number:	2007009463801
Principal Product Type:	No Product

Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE OF $200,000.00, RESTITUTION
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/16/2009
Sanctions Ordered:	Censure Monetary/Fine $200,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	THE FIRM IS CENSURED, FINED $200,000 AND REQUIRED TO PLACE AN AMOUNT OF $133,817 INTO A SEGREGATED INTEREST-BEARING ACCOUNT FOR A PERIOD OF FIVE (5) YEARS. THE FUNDS PLACED IN THE SEGREGATED ACCOUNT MUST BE USED TO REIMBURSE CUSTOMERS WHO CAN REASONABLY DEMONSTRATE THAT THEY MADE DEPOSITS TO THEIR FIRM ACCOUNTS AT A BANK BRANCH AND THAT THE FIRM FAILED TO PROPERLY CREDIT THE DEPOSITS TO THEIR ACCOUNTS. THE FIRM MUST ESTABLISH A CLAIMS PROCESS THAT PROVIDES A REASONABLY OPPORTUNITY FOR SUCH CUSTOMERS TO DEMONSTRATE THAT THEY MADE DEPOSITS THAT WERE NOT CREDITED TO THEIR ACCOUNTS. ANY PAYMENTS TO THESE CUSTOMERS MUST INCLUDE ALL ACCRUED INTEREST FROM THE DATE OF THE INITIAL ATTEMPTED DEPOSIT WITH THE FIRM TO THE DATE THAT THE FIRM REIMBURSES THE CUSTOMERS. DURING THE ENTIRE REIMBURSEMENT PERIOD, THE FIRM MUST PLACE A NOTICE ON THE MAIN PAGE OF ITS WEBSITE ANNOUNCING THAT CERTAIN CUSTOMER DEPOSITS MADE AT BANK BRANCHES DURING THE PERIOD APRIL 21, 1999 THROUGH DECEMBER 31, 2005 WERE NOT PROPERLY CREDITED TO THE APPROPRIATE CUSTOMER ACCOUNTS. THE WEBSITE NOTICE MUST ALSO INCLUDE A TOLL-FREE NUMBER TO BE USED BY CUSTOMERS WHO WISH TO SUBMIT CLAIMS TO THE FIRM RELATED TO THE FAILURE TO PROPERLY CREDIT DEPOSITS TO THEIR ACCOUNT, ALONG WITH INSTRUCTIONS FOR CUSTOMERS TO SUBMIT CLAIMS THAT PROVIDE A REASONABLY OPPORTUNITY FOR SUCH CUSTOMERS TO SEE REIMBURSEMENT FROM THE FIRM. THE REIMBURSEMENT PERIOD SHALL COMMENCE NO LATER THAN 30 DAYS AFTER THE FIRM RECEIVES NOTICE THAT THIS AWC HAS BEEN ACCEPTED BY FINRA. AT THE END OF THE REIMBURSEMENT PERIOD, THE FIRM SHALL REGAIN POSSESSION AND CONTROL OVER ANY REMAINING FUNDS (INCLUDING INTEREST EARNED ON THE FUNDS DEPOSITED IN THE SEGREGATED ACCOUNT) THAT HAVE NOT BEEN CLAIMED BY CUSTOMERS.FINE PAID ON 11/19/2009 CHECK #

	297332. THE $133,817 INTO A SEGREGATED INTEREST-BEARING ACCOUNT AND THE CUSTOMER 800# ON THE FIRM WEBSITE WILL BE IN PLACE WITHIN 30 DAYS OF THE AWC BEING FILED.
Firm Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. FINE PAID ON 11/19/2009 CHECK # 297332. THE $133,817 WAS PLACED INTO A SEGREGATED INTEREST-BEARING ACCOUNT ON 11/24/2009. THE CUSTOMER 800# ON THE FIRM WEBSITE WILL BE IN PLACE WITHIN 30 DAYS OF THE AWC BEING FILED AND ACCEPTED BY FINRA.

Disclosure 15 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULE 2110 - - THE BREAKPOINT SELF-ASSESSMENT FOLLOW-UP REVIEW CONDUCTED FOR J.J.B. HILLIARD, W.L. LYONS, INC. FOUND THAT THE FIRM FAILED TO ACCURATELY COMPLETE THE SELF-ASSESSMENT OF BREAKPOINT COMPLIANCE REQUIRED BY FINRA OF CERTAIN MEMBER FIRMS THAT SOLD FRONT-END LOAD MUTUAL FUNDS. FINRA FOUND THAT THE FIRM'S SELF-ASSESSMENT UNDERREPORTED THE NUMBER OF TRANSACTIONS WITH MISSED BREAKPOINTS. HAD THE FIRM ACCURATELY COMPLETED ITS SELF-ASSESSMENT, FINRA WOULD HAVE DIRECTED THE FIRM TO UNDERTAKE ADDITIONAL REMEDIAL STEPS.
Initiated By:	FINRA
Date Initiated:	03/23/2009
Docket/Case Number:	2005001162401
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:	03/23/2009

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:	Censure Monetary/Fine $500,000.00
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 $500,000.

Reporting Source:	Firm
Current Status:	Final
Allegations:	NASD RULE 2110 - - THE BREAKPOINT SELF-ASSESSMENT FOLLOW-UP REVIEW CONDUCTED FOR J.J.B. HILLIARD, W.L. LYONS, INC. FOUND THAT THE FIRM FAILED TO ACCURATELY COMPLETE THE SELF-ASSESSMENT OF BREAKPOINT COMPLIANCE REQUIRED BY FINRA OF CERTAIN MEMBER FIRMS THAT SOLD FRONT-END LOAD MUTUAL FUNDS. FINRA FOUND THAT THE FIRM'S SELF-ASSESSMENT UNDERREPORTED THE NUMBER OF TRANSACTIONS WITH MISSED BREAKPOINTS. HAD THE FIRM ACCURATELY COMPLETED ITS SELF-ASSESSMENT, FINRA WOULD HAVE DIRECTED THE FIRM TO UNDERTAKE ADDITIONAL REMEDIAL STEPS.
Initiated By:	FINRA- FINANCIAL INDUSTRY REGULATORY AUTHORITY
Date Initiated:	03/23/2009
Docket/Case Number:	2005001162401
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:	03/23/2009
Sanctions Ordered:	Censure

	Monetary/Fine $500,000.00
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 $500,000.
Firm Statement	THE BREAKPOINT SELF-ASSESSMENT FOLLOW-UP REVIEW CONDUCTED FOR J.J.B. HILLIARD, W.L. LYONS, INC. FOUND THAT THE FIRM FAILED TO ACCURATELY COMPLETE THE SELF-ASSESSMENT OF BREAKPOINT COMPLIANCE REQUIRED BY FINRA OF CERTAIN MEMBER FIRMS THAT SOLD FRONT-END LOAD MUTUAL FUNDS. FINRA FOUND THAT THE FIRM'S SELF-ASSESSMENT UNDERREPORTED THE NUMBER OF TRANSACTIONS WITH MISSED BREAKPOINTS. HAD THE FIRM ACCURATELY COMPLETED ITS SELF-ASSESSMENT, FINRA WOULD HAVE DIRECTED THE FIRM TO UNDERTAKE ADDITIONAL REMEDIAL STEPS. 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 $500,000.

Disclosure 16 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 2440, NASD INTERPRETATIVE MATERIAL 2440 - J.J.B. HILLIARD, W.L. LYONS, LLC SOLD OR BOUGHT CORPORATE BONDS TO OR FROM CUSTOMERS AND FAILED TO SELL OR BUY SUCH BONDS AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO EACH BOND AT THE TIME OF THE TRANSACTION, THE EXPENSE INVOLVED AND THAT THE FIRM WAS ENTITLED TO A PROFIT.
Initiated By:	FINRA
Date Initiated:	02/17/2009
Docket/Case Number:	2006004293901
Principal Product Type:	Debt - Corporate
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	

Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	02/17/2009
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 $25,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED $25,000 AND ORDERED TO PAY $5,987, PLUS INTEREST, IN RESTITUTION TO INVESTORS. A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED.

Reporting Source:	Firm
Current Status:	Final
Allegations:	NASD RULES 2110, 2440, NASD INTERPRETATIVE MATERIAL 2440 - J.J.B. HILLIARD, W.L. LYONS, LLC SOLD OR BOUGHT CORPORATE BONDS TO OR FROM CUSTOMERS AND FAILED TO SELL OR BUY SUCH BONDS AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO EACH BOND AT THE TIME OF THE TRANSACTION, THE EXPENSE INVOLVED AND THAT THE FIRM WAS ENTITLED TO A PROFIT.
Initiated By:	FINRA
Date Initiated:	02/17/2009
Docket/Case Number:	2006004293901
Principal Product Type:	Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/17/2009

Sanctions Ordered: Censure
Monetary/Fine $25,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED $25,000 AND ORDERED TO PAY $5,987, PLUS INTEREST, IN RESTITUTION TO INVESTORS. A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED.

Disclosure 17 of 36

Reporting Source: Regulator

Current Status: Final

Allegations: **5/16/07**DECISION 07-68 ISSUED BY NYSE HEARING BOARD DECISION:1.VIOLATED NYSE RULE 476(A)(6) BY ENGAGING IN CONDUCT INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE IN THAT IT:A)VIOLATED SECTION 5 OF THE SECURITIES ACT OF 1933 BY ENGAGING IN THE OFFER AND SALE OF AN NREGISTERED SECURITY THROUGH A PRIVATE PLACEMENT SECURITY OFFERING THAT DID NOT QUALIFY FOR AN EXEMPTION FROM REGISTRATION;B) OFFERED AND SOLD A SECURITY THROUGH THE USE OF OFFERING DOCUMENTS THAT CONTAINED MATERIAL MISREPRESENTATIONS AND/OR OMISSIONS OF FACT;C)OFFERED AND SOLD A SECURITY TO FIRM CUSTOMERS FOR WHOM THE INVESTMENT WAS UNSUITABLE;D)POOLED FIRM CUSTOMER FUNDS INTO A CORPORATE ACCOUNT TO MEET THE MINIMUM

INVESTMENT REQUIREMENT FOR A PRIVATE PLACEMENT SECURITY OFFERING;E)FAILED TO COMPLY WITH ITS WRITTEN POLICY BY PERMITTING AN EMPLOYEE, WHO REFERRED A PRIVATE PLACEMENT OFFERING TO THE FIRM'S INVESTMENT BANKING DEPARTMENT, TO SOLICIT THE OFFER AND SALE OF THE PRIVATE PLACEMENT SECURITY TO FIRM CUSTOMERS.2.VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULES 17A-3 AND 17A-4 THEREUNDER, AND NYSE RULE 440, IN THAT IT FAILED TO MAKE AND PRESERVE RECORDS REFLECTING PURCHASES BY CUSTOMERS OF, OR RECEIPT OF FUNDS FOR, PRIVATE PLACEMENT SECURITIES OFFERED AND SOLD BY THE FIRM.3.VIOLATED SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934, AND RULE 10B-10 THEREUNDER,IN PROVIDE FIRM CUSTOMERS WITH CONFIRMATIONS FOR EACH TRANSACTION WHERE IT SOLD A PRIVATE PLACEMENT SECURITY OFFERING.4.VIOLATED SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934, AND RULE 10B-9 THEREUNDER, IN THAT THE FIRM, IN CONNECTION WITH OFFER AND SALE OF A PRIVATE PLACEMENT SECURITY, FAILED TO OFFER TO REFUND TO THE PURCHASER THE CONSIDERATION PAID FOR SUCH SECURITY WHEN THE OFFERING PERIOD FOR THE SECURITY WAS EXTENDED,THE PURCHASE PRICE WAS LOWERED, AND THE MINIMUM AMOUNT OF PROCEEDS NECESSARY TO RELEASE THE PROCEEDS FROM ESCROW WAS REDUCED.
5.VIOLATED SECTION 15(C) OF THE SECURITIES **CONT IN 13C

Initiated By:	NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT
Date Initiated:	04/05/2007
Docket/Case Number:	HPD#07-68
Principal Product Type:	Other
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Decision
Resolution Date:	06/12/2007
Sanctions Ordered:	Censure Monetary/Fine $1,000,000.00
Other Sanctions Ordered:	
Sanction Details:	**CONT FROM 7**EXCHANGE ACT OF 1934, AND RULE 15C2-4(B)

THEREUNDER, IN THAT THE FIRM RELEASED THE PROCEEDS OF A PRIVATE PLACEMENT SECURITY OFFERING FROM ESCROW TO THE ISSUER BEFORE THE MINIMUM AMOUNT NECESSARY TO RELEASE PROCEEDS IN ESCROW WAS RECEIVED.6.VIOLATED NYSE RULE 351(A)(8) BY FAILING TO PROMPTLY REPORT TO THE NYSE TWO CLAIMS FOR DAMAGES BY CUSTOMERS SETTLED IN AMOUNTS EXCEEDING $25,000.7.VIOLATED NYSE RULE 342 IN THAT IT FAILED TO REASONABLY SUPERVISE AND CONTROL THE ACTIONS OF ITS EMPLOYEES,AND ESTABLISH AND MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION AND CONTROL, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, FOR COMPLIANCE WITH NYSE RULES AND THE FEDERAL SECURITIES LAWS, WITH RESPECT TO:A)THE BUSINESS ACTIVITIES OF FIRM EMPLOYEES ENGAGED IN THE OFFER AND SALE OF PRIVATE PLACEMENT SECURITY OFFERINGS;B)COMPLIANCE WITH SECTION 5 OF THE SECURITIES ACT OF 1933 IN THAT THE FIRM PERMITTED THE SALE OF AN UNREGISTERED SECURITY THAT WAS NOT EXEMPT FROM REGISTRATION;C)THE REPORTING TO THE NYSE OF EVENTS AND DISCLOSURES REQUIRED BY NYSE 351(A)(8); AND D)FAILING TO HAVE ADEQUATE SUPERVISORY PROCEDURES, INCLUDING ADEQUATE WRITTEN PROCEDURES, TO PREVENT THE OREGOING VIOLATIONS.THE HEARING BOARD IMPOSED THE SANCTION OF A CENSURE, A FINE OF $1,000,000, AND AN UNDERTAKING TO:
1)MAKE RESTITUTION TO CUSTOMERS IN AN AMOUNT NOT TO EXCEED $3,575,108 IN ACCORDANCE WITH THE FOLLOWING CONDITIONS: (A) THE FIRM SHALL MAKE RESTITUTION WITHIN 30-DAYS OF THE NYSE HEARING BOARD DECISION BECOMING FINAL IN THIS MATTER, AND IN A MANNER NOT UNACCEPTABLE TO ENFORCEMENT, IN ACCORDANCE WITH INFORMATION PRODUCED BY THE FIRM TO ENFORCEMENT IDENTIFYING EACH CUSTOMER INVESTMENT AND THE AMOUNT THE FIRM WILL REIMBURSE TO MAKE EACH CUSTOMER WHOLE; AND (B) CONCURRENTLY WITH THE ISSUANCE OF THE RESTITUTION PAYMENT TO EACH CUSTOMER, THE FIRM AGREES TO SEND WRITTEN NOTIFICATION TO EACH CUSTOMER ADVISING THAT RESTITUTION HAS BEEN MADE BY THE FIRM AS A RESULT OF A **CONT.14**

Regulator Statement	**6/12/07**DECISION BECAME FINAL AS OF THE CLOSE OF BUSINESS ON JUNE 11, 2007. CONTACT: PEGGY GERMINO 212-656-8450

Reporting Source:	Firm
Current Status:	Final
Allegations:	DURING THE PERIOD JULY 2000 THROUGH MARCH 2001, HILLIARD LYONS: 1.VIOLATED NYSE RULE 476(A)6)BY ENGAGING IN CONDUCT

INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE IN THAT IT:A)VIOLATED SECTION 5 OF THE '33 ACT BY ENGAGING IN THE OFFER AND SALE OF AN UNREGISTERED SECURITY THROUGH A PRIVATE PLACEMENT SECURITY OFFERING THAT DID NOT QUALIFY FOR AN EXEMPTION FROM REGISTRATION;B) OFFERED AND SOLD A SECURITY THROUGH THE USE OF OFFERING DOCUMENTS THAT CONTAINED MATERIAL MISREPRESENTATIONS AND/OR OMISSIONS OF FACT; C)OFFERED AND SOLD A SECURITY TO CUSTOMERS FOR WHOM THE INVESTMENT WAS UNSUITABLE;D) POOLED CUSTOMER FUNDS INTO A CORPORATE ACCOUNT TO MEET THE MIN. INVESTMENT REQUIREMENT FOR A PRIVATE PLACEMENT; E)FAILED TO COMPLY WITH ITS POLICY BY PERMITTING AN EMPLOYEE, WHO REFERRED A PRIVATE PLACEMENT OFFERING TO THE FIRM'S INVESTMENT BANKING DEPARTMENT, TO SOLICIT THE OFFER AND SALE OF THE PRIVATE PLACEMENT SECURITY TO FIRM CUSTOMERS. 2.VIOLATED SECTION 17(A) OF THE '34 ACT, RULES 17A-3 AND 17A-4 THEREUNDER AND NYSE RULE 440, IN THAT IT FAILED TO MAKE AND PRESERVE RECORDS REFLECTING PURCHASES BY CUSTOMERS OF, OR RECEIPT OF FUNDS FOR, PRIVATE PLACEMENT SECURITIES. 3.VIOLATED SECTION 10(B) OF THE '34 ACT, AND RULE 10B-10 THEREUNDER, IN THAT IT FAILED TO PROVIDE CUSTOMERS WITH CONFIRMATIONS FOR EACH TRANSACTION WHERE IT SOLD A PRIVATE PLACEMENT. 4.VIOLATED SECTION 10(B) OF THE '34 ACT, AND RULE 10B-9 THEREUNDER, IN THAT THE FIRM,FAILED TO OFFER A REFUND TO THE PURCHASER OF THE CONSIDERATION PAID WHEN THE OFFERING PERIOD FOR THE SECURITY WAS EXTENDED, THE PURCHASE PRICE WAS LOWERED, AND THE MINIMUM AMOUNT OF PROCEEDS NECESSARY TO RELEASE THE PROCEEDS FROM ESCROW WAS REDUCED. 5. VIOLATED SECTION 15(C)OF THE'34 ACT,AND RULE 15C2-4(B) THEREUNDER,IN THAT THE FIRM RELEASED THE PROCEEDS OF A PRIVATE PLACEMENT SECURITY OFFERING FROM ESCROW TO THE ISSUER BEFORE THE MINIMUM AMOUNT NECESSARY TO RELEASE PROCEEDS IN ESCROW WAS RECEIVED. CONTINUED IN 13 BELOW

Initiated By:	NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT
Date Initiated:	04/04/2007
Docket/Case Number:	HPD#07-68
Principal Product Type:	Other
Other Product Type(s):	PRIVATE PLACEMENT
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	CENSURE AND FINE

Resolution:	Decision
Resolution Date:	06/11/2007
Sanctions Ordered:	Censure Monetary/Fine $1,000,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	RESTITUTION TO CUSTOMERS IN AN AMOUNT NOT TO EXCEED $3,575,108 IN ACCORDANCE WITH THE FOLLOWING CONDITIONS: (A) THE FIRM SHALL MAKE RESTITUTION WITHIN 30-DAYS OF THE NYSE HEARING BOARD DECISION BECOMING FINAL IN THIS MATTER, AND IN A MANNER NOT UNACCEPTABLE TO ENFORCEMENT, IN ACCORDANCE WITH INFORMATION PRODUCED BY THE FIRM TO ENFORCEMENT IDENTIFYING EACH CUSTOMER INVESTMENT AND THE AMOUNT THE FIRM WILL REIMBURSE TO MAKE EACH CUSTOMER WHOLE; AND (B) CONCURRENTLY WITH THE ISSUANCE OF THE RESTITUTION PAYMENT TO EACH CUSTOMER, THE FIRM AGREES TO SEND WRITTEN NOTIFICATION TO EACH CUSTOMER ADVISING THAT RESTITUTION HAS BEEN MADE BY THE FIRM AS A RESULT OF A REGULATORY SETTLEMENT WITH ENFORCEMENT. THE FIRM MAY SUBTRACT ANY LITIGATION SETTLEMENT PAYMENT PREVIOUSLY MADE TO A CUSTOMER OR MADE SUBSEQUENT TO EXECUTION OF THIS STIPULATION AND CONSENT,BUT PRIOR TO THE HEARING BOARD DECISION BECOMING FINAL, WHICH MAY REDUCE THE AMOUNT OF THE RESTITUTION PAYMENT FOR PARTICULAR CUSTOMERS, PROVIDED THAT EACH CUSTOMER RECEIVES REIMBURSEMENT OF A SUM EQUAL TO THE TOTAL AMOUNT INVESTED IN THE SUBJECT PRIVATE PLACEMENT OFFERINGS. CONTINUED IN C BELOW
Sanction Details:	2)IN THE EVENT THE FIRM DETERMINES TO RE-ENTER THE BUSINESS OF ACTING AS LEAD UNDERWRITER OR PLACEMENT AGENT ON BEHALF OF ISSUERS ATTEMPTING TO RAISE EQUITY OR CONVERTIBLE DEBT CAPITAL THROUGH THE ISSUANCE OF SECURITIES WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933 ("THE PRIVATE PLACEMENT BUSINESS"), THE FIRM AGREES TO NOTIFY ENFORCEMENT THREE MONTHS PRIOR TO THE TIME WHEN IT INTENDS TO RE-ENTER THE PRIVATE PLACEMENT BUSINESS AND PRESENT ENFORCEMENT A WRITTEN STATEMENT AT THAT TIME OUTLINING ALL SYSTEMS, CONTROLS, AND POLICIES AND PROCEDURES TO BE EMPLOYED BY THE FIRM FOR COMPLIANCE WITH NYSE RULES AND FEDERAL SECURITIES LAWS. THE FIRM FURTHER AGREES TO SUBMIT TO ENFORCEMENT TWO MONTHS PRIOR TO RE-ENTERING THE PRIVATE PLACEMENT BUSINESS A WRITTEN CERTIFICATION SIGNED BY THE FIRM'S CHIEF EXECUTIVE OFFICER STATING THAT THE FIRM HAS IMPLEMENTED THE SUPERVISORY SYSTEM, CONTROLS, AND POLICIES AND PROCEDURES SO PRESENTED TO ENFORCEMENT.
Firm Statement	CONTINUED FROM #7 ABOVE 6.VIOLATED NYSE RULE 351(A)(8) BY

FAILING TO PROMPTLY REPORT TO THE NYSE TWO CLAIMS FOR DAMAGES BY CUSTOMERS SETTLED IN AMOUNTS EXCEEDING $25,000.7.VIOLATED NYSE RULE 342 IN THAT IT FAILED TO REASONABLY SUPERVISE AND CONTROL THE ACTIONS OF ITS EMPLOYEES,AND ESTABLISH AND MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION AND CONTROL, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, FOR COMPLIANCE WITH NYSE RULES AND THE FEDERAL SECURITIES LAWS, WITH RESPECT TO:A)THE BUSINESS ACTIVITIES OF FIRM EMPLOYEES ENGAGED IN THE OFFER AND SALE OF PRIVATE PLACEMENT SECURITY OFFERINGS;B)COMPLIANCE WITH SECTION 5 OF THE SECURITIES ACT OF 1933 IN THAT THE FIRM PERMITTED THE SALE OF AN UNREGISTERED SECURITY THAT WAS NOT EXEMPT FROM REGISTRATION;C)THE REPORTING TO THE NYSE OF EVENTS AND DISCLOSURES REQUIRED BY NYSE 351(A)(8); AND D)FAILING TO HAVE ADEQUATE SUPERVISORY PROCEDURES, INCLUDING ADEQUATE WRITTEN PROCEDURES, TO PREVENT THE ONGOING VIOLATIONS.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	ARTICLE V, SECTIONS 2(C) AND 3(B) OF NASD'S BY-LAWS, NASD RULES 2110, 3010 - J.J.B. HILLIARD, W.L. LYONS, INC. FILED AT LEAST 120 LATE AMENDMENTS TO FORMS U4 AND U5, REPRESENTING APPROXIMATELY 62% OF THE REQUIRED AMENDMENTS RELATING TO REPORTABLE CUSTOMER COMPLAINTS, TERMINATIONS, REGULATORY ACTIONS, AND CRIMINAL DISCLOSURES. THE FIRM'S SUPERVISORY SYSTEM AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS ARTICLE V REPORTING OBLIGATIONS.
Initiated By:	NASD
Date Initiated:	11/30/2004
Docket/Case Number:	CAF040108
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)

Resolution Date:	11/30/2004
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine $125,000.00
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, J.J.B. HILLIARD, W.L. LYONS, INC. CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED, FINED $125,000 WHICH SHALL BE PAID WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF THIS AWC. PROMPTLY FOLLOWING NOTICE OF ACCEPTANCE OF THIS AWC, THE FIRM'S INTERNAL AUDIT DEPT. OR PERSONNEL NOT DIRECTLY RESPONSIBLE FOR THE FIRM'S ARTICLE V REPORTING OBLIGATIONS AND THEIR IMMEDIATE SUPERVISORS SHALL CONDUCT AN AUDIT FOR THE PERIOD JANUARY 1, 2004 THROUGH SEPTEMBER 30, 2004 TO ASSESS THE EFFECTIVENESS OF ITS SYSTEM AND PROCEDURES FOR ENSURING TIMELY FILING OF FORM U4 AND U5 AMENDMENTS AND SHALL PREPARE A WRITTEN REPORT SUMMARIZING FINDINGS AND RECOMMENDATIONS AND SHALL FOR THE NEXT FOUR CALENDAR QUARTERS BEGINNING FOURTH QUARTER 2004, CONDUCT A SIMILAR AUDIT AND PREPARE A SIMILAR WRITTEN AUDIT REPORT. NO LATER THAN 90 DAYS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED AND THE OFFICER HAS REVIEWED THE CURRENT AUDIT REPORT. NO LATER THAN 60 DAYS AFTER THE DATE OF THE REPORT, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS IMPLEMENTED, OR HAS BEGUN TO IMPLEMENT, ANY RECOMMENDATIONS WITHIN A SPECIFIED TIME PERIOD. NO LATER THAN 60 DAYS AFTER THE LAST DAY OF THE NEXT FOUR QUARTERS, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED, THE CURRENT AUDIT REPORT WAS REVIEWED, AND RECOMMENDATIONS IMPLEMENTED, OR BEGUN TO BE IMPLEMENTED. NO LATER THAN SIX MONTHS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS REVIEWED ITS SYSTEM AND PROCEDURES FOR COMPLYING WITH ITS ARTICLE V REPORTING OBLIGATIONS AND HAS ESTABLISHED A SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REPORTING REQUIREMENTS SET FORTH THEREIN.

Reporting Source:	Firm
Current Status:	Final
Allegations:	ARTICLE V, SECTIONS 2(C) AND 3(B) OF NASD'S BY-LAWS, NASD RULES 2110, 3010 - THE FIRM CONSENTED TO AN NASD ACTION FINDING THAT HILLIARD LYONS DID NOT FILE CERTAIN AMENDMENTS TO FORMS U4 AND U5 PERTAINING TO CUSTOMER COMPLAINTS, REGULATORY ACTIONS, AND CRIMINAL DISCLOSURES. THE AWC STATED THAT THE FIRMS SUPERVISORY SYSTEM AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS ARTICLE V REPORTING OBLIGATIONS.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated:	11/30/2004
Docket/Case Number:	CAF040108
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	MONETARY FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	11/30/2004
Sanctions Ordered:	Censure Monetary/Fine $125,000.00
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	IN ADDITION TO THE CENSURE AND FINE, THE FIRM MUST PERFORM AN INTERNAL AUDIT TO ASSESS THE AFFECTIVENESS OF ITS' U4/U5 DISCLOSURE REPORTING PROCESSES AND PROCEDURES FOR THE PERIOD OF JAN. 1, 2004 TO SEPT. 30, 2004. THE FIRM MUST ALSO CONDUCT A U4/U5 DISCLOSURE REPORTING AUDIT FOR THE NEXT 4 CALENDAR QUARTERS, BEGINNING WITH THE 4TH QUARTER 2004. AN OFFICER OF THE FIRM WILL ATTEST TO THE NASD THAT THE AUDITS HAVE BEEN COMPLETED AND ANY RECOMMENDATIONS TO ENHANCE THE PROCESSES OR PROCEDURES WILL BE IMPLEMENTED WITHIN A REASONABLE PERIOD OF TIME.
Firm Statement	FROM JANUARY 2002 TO MARCH 2004, THE NASD REVIEWED THE FIRM'S

FORM U4 AND FORM U5 DISCLOSURE FILINGS AND FOUND THAT MANY AMENDMENTS WERE NOT TIMELY FILED. ALSO, THE NASD FOUND THAT THE FIRM'S SUPERVISORY SYSTEM AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ENSURE TIMELY FILING. AS A RESULT, THE FIRM WAS CENSURED, FINED $125,000, AND REQUIRED TO CONDUCT INTERNAL AUDITS UNTIL SEPTEMBER 2005 TO MONITOR DISCLOSURE REPORTING.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD CONDUCT RULE 2110 AND 3010 - RESPONDENT MEMBER SUBMITTED TO OATS 300 REPORTS WITH RESPECT TO EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET THAT WERE NOT IN THE ELECTRONIC FORM PRESCRIBED BY NASD AND WERE REPAIRABLE. RESPONDENT MEMBER FAILED TO CORRECT OR REPLACE THE REPORTS. RESPONDENT MEMBER SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD, CONCERNING OATS.
Initiated By:	NASD
Date Initiated:	03/26/2004
Docket/Case Number:	CMS040041
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:	03/26/2004
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No

Sanctions Ordered:	Censure Monetary/Fine $10,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, J.J.B. HILLIARD, W.L. LYONS, INC. CONSENTED TO THE FINDING OF THE ALLEGATIONS AND TO THE FOLLOWING SANCTIONS: CENSURED AND FINED $10,000.000 (COMPOSED OF A $5,000 FINE FOR THE OATS VIOLATIONS AND A $5,000 FINE FOR THE SUPERVISION VIOLATION) AND AN UNDERTAKING THAT THE FIRM REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO PROCEDURES PROVIDING FOR IDENTIFICATION OF THE PERSON(S) RESPONSIBLE FOR SUPERVISION WITH RESPECT TO THE APPLICABLE RULES.

Reporting Source:	Firm
Current Status:	Final
Allegations:	NASD CONDUCT RULE 2110 AND 3010- RESPONDENT MEMBER SUBMITTED OATS 300 REPORTS WITH RESPECT TO EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET THAT WERE NOT IN THE ELECTRONIC FROM PRESCRIBED BY NASD AND WERE REPAIRABLE. RESPONDENT MEMBER FAILED TO CORRECT OR REPLACE THE REPORTS. THE RESPONDENT MEMBER SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD, CONCERNING OATS.
Initiated By:	NASD
Date Initiated:	03/26/2004
Docket/Case Number:	CMS040041 AWC
Principal Product Type:	Equity - OTC
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/26/2004
Sanctions Ordered:	Censure

	Monetary/Fine $10,000.00
Other Sanctions Ordered:	UNDERTAKING; THE FIRM REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO PROCEDURES PROVIDING FOR IDENTIFICATION OF THE PERSON(S) RESPONSIBLE FOR THE SUPERVISION WITH RESPECT TO THE APPLICABLE RULES.
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, JJB HILLIARD WL LYONS CONSENTED TO THE FINDING OF THE ALLEGATIONS AND TO THE FOLLOWING SANCTIONS: CENSURED AND FINES $10,000.00 (COMPOSED OF $5,000.00 FINE FOR THE OATS VIOLATIONS AND $5,000.00 FINE FOR THE SUPERVISION VIOLATION) AND THE UNDERTAKING THAT THE FIRM REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO PROCEDURES PROVIDING FOR IDENTIFICATION OF THE PERSON(S) RESPONSIBLE FOR THE SUPERVISION WITH RESPECT TO THE APPLICABLE RULES.
Firm Statement	THE NASD ALLEGED THAT JJB HILLIARD WL LYONS SUBMITTED OATS 300 REPORTS WITH RESPECT TO EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET THAT WERE NOT IN THE ELECTRONIC FROM PRESCRIBED BY NASD AND WERE REPAIRABLE. NASD FURTHER ALLEGED THAT JJB HILLIARD WL LYONS FAILED TO CORRECT OR REPLACE THE REPORTS. AND THAT JJB HILLIARD WL LYONS' SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD, CONCERNING OATS. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, JJB HILLIARD WL LYONS CONSENTED TO THE FINDING OF THE ALLEGATIONS AND TO THE FOLLOWING SANCTIONS: CENSURED AND FINES $10,000.00 (COMPOSED OF $5,000.00 FINE FOR THE OATS VIOLATIONS AND $5,000.00 FINE FOR THE SUPERVISION VIOLATION) AND THE UNDERTAKING THAT THE FIRM REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO PROCEDURES PROVIDING FOR IDENTIFICATION OF THE PERSON(S) RESPONSIBLE FOR THE SUPERVISION WITH RESPECT TO THE APPLICABLE RULES.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC RULE 11AC1-4 - RESPONDENT FIRM FAILED TO DISPLAY IMMEDIATELY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION, WHEN EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY, OR WHEN THE ORDER WAS PRICED EQUAL TO THE FIRM'S BID OR OFFER AND

	THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS AMOUNT IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	03/07/2003
Docket/Case Number:	CMS030035
Principal Product Type:	Other
Other Product Type(s):	UNKNOWN TYPE OF SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/07/2003
Sanctions Ordered:	Monetary/Fine $5,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THERFORE, THE FIRM IS FINED $5,000.

Reporting Source:	Firm
Current Status:	Final
Allegations:	FIRM FAILED TO DISPLAY IMMEDIATELY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated:	03/07/2003
Docket/Case Number:	CMS030035 AWC
Principal Product Type:	Equity - OTC
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/07/2003
Sanctions Ordered:	Monetary/Fine $5,000.00
Other Sanctions Ordered:	NONE
Sanction Details:	FINE OF $5,000.00 WAS PAID-IN-FULL ON 3/27/03, CHECK #169624. CLEARED ON 4/4/03
Firm Statement	ON 3/7/03, THE NASD ACCEPTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT SIGNED BY THE FIRM AND IMPOSED A MAXIMUM FINE OF $5,000.00.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	STATE OF MAINE SECURITIES DIVISION ALLEGED THAT J.J.B. HILLIARD, W.L. LYONS, INC ACTED AS A BROKER DEALER IN MAINE WITHOUT BEING LICENSED OR EXEMPT FROM LICENSING.
Initiated By:	STATE OF MAINE SECURITIES DIVISION
Date Initiated:	03/29/1999
Docket/Case Number:	CONSENT AGREEMENT 99-030-CAG
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:	08/27/1999
Sanctions Ordered:	Monetary/Fine $10,000.00
Other Sanctions Ordered:	
Sanction Details:	$10,000 FINE WAS LEVIED AGAINST J.J.B. HILLIARD, W.L. LYONS, INC.;

	PAID 08/31/1999
Firm Statement	HILLIARD LYONS ENTERD CONSENT AGREEMENT WITHOUT ADMITTING OR DENYING THAT ITS CONDUCT VIOLATED REVISED MAIN SECURITIES ACT.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	AN AGENT OF HILLIARD LYONS ACCEPTED ORDERS FROM AN UNREGISTERED INVESTMENT ADVISOR WHO WAS POOLING CUSTOMER FUNDS.
Initiated By:	INDIANA SECURITIES DIVISION
Date Initiated:	11/30/1987
Docket/Case Number:	CAUSE 87-011SC
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:	11/30/1987
Sanctions Ordered:	Monetary/Fine $10,000.00
Other Sanctions Ordered:	INVESTIGATION COSTS OF $1200.00 AND AGREED TO DISTRIBUTE A MEMO REGARDING THE HANDLING OF INVESTMENT ADVISOR ACCOUNTS.
Sanction Details:	TOTAL AMOUNT ASSESSED $11,200.00 PAID IN FULL.
Firm Statement	AN AGENT OF HILLIARD LYONS ACCEPTED ORDERS FROM AN UNREGISTERED INVESTMENT ADVISOR WHO WAS POOLING CUSTOMER FUNDS.

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Reporting Source:	Regulator
Current Status:	Final

Allegations:	UNLICENSED BROKER-DEALER AND AGENT ACTIVITY
Initiated By:	WI SEC
Date Initiated:	06/23/1993
Docket/Case Number:	X-93049(E)
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	06/23/1993
Sanctions Ordered:	Bar
Other Sanctions Ordered:	
Sanction Details:	CONSENT ORDER OF PROHIBITION AND ASSESSMENT ($7,000)
Regulator Statement	BETWEEN MARCH 1990 AND OCTOBER 1992, AGENTS OF THE FIRM OFFERED AND SOLD SECURITIES TO AT LEAST 7 PERSONS IN WISCONSIN, RESULTING IN OVER $7,000 IN COMMISSIONS, WHILE THE FIRM WAS NOT LICENSED AS A BROKER-DEALER IN WISCONSIN AND THE AGENTS WERE NOT LICENSED AS SECURITIES AGENTS IN WISCONSIN.

Reporting Source:	Firm
Current Status:	Final
Allegations:	TRANSACTIONG BUSINESS AS A BROKER DEALER WITHOUT BEING LICENSED.
Initiated By:	STATE OF WISCONSIN
Date Initiated:	06/23/1993
Docket/Case Number:	FINE NO. X-93049(L)
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:	06/23/1993
Sanctions Ordered:	Monetary/Fine $7,000.00
Other Sanctions Ordered:	NONE
Sanction Details:	FINES PAID IN FULL.
Firm Statement	WITHOUT ADMITTING ALLEGATIONS, AGREED TO ENTRY OF ORDER PROHIBITING FUTURE VIOLATIONS AND ADMINSTRATIVE ASSESSSEMNT OF $7000.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD MEMBERSHIP AND REGISTRATION RULE 1021(A) - RESPONDENT MEMBER PERMITTED INDIVIDUALS TO ACT IN THE CAPACITY OF A GENERAL SECURITIES PRINCIPAL PRIOR TO THEIR PROPERLY QUALIFYING AND BECOMING REGISTERED IN THAT CAPACITY.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	01/19/1999
Docket/Case Number:	C05980032
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/19/1999
Sanctions Ordered:	Censure Monetary/Fine $25,000.00

Other Sanctions Ordered:

Sanction Details: ON JANUARY 19, 1999, DISTRICT NO. 5 NOTIFIED RESPONDENTS J.J.B. HILLIARD, W.L. LYONS, INC THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C05980032 WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED $25,000,

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Reporting Source: Firm

Current Status: Final

Allegations: PERMITTED TWO PERSONS TO ACT IN THE CAPACITY OF GENERAL SECURITIES PRINCIPALS PRIOR TO THEIR PROPERLY QUALIFYING AND BECOMING REGISTERED IN THAT CAPACITY. THE TWO PERSONS WERE JAMES R. ALLEN (CRD#1014622) AND ROBERT OLIVER (CRD#871668).

Initiated By: NASD

Date Initiated: 01/19/1999

Docket/Case Number: CO5980032

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: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/19/1999

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

Other Sanctions Ordered:

Sanction Details: MONETARY FINE IN THE AMOUNT OF $7500 AND A TEN-DAY SUSPENSION FROM ASSOCIATION WITH ANY MEMBER OF THE ASSOCIATION IN ANY PRINCIPAL CAPACITY.

Firm Statement ON 1/19/99, DIST. NO. 5 NOTIFIED RESPONDENTS J.J.B. HILLIARD, W.L. LYONS, INC., JAMES ALLEN AND ROBERT OLIVER THAT THE LETTER OF ACCEPTANCE WAIVER AND CONSENT NO. C05980032 WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER IN IS CENSURED AND FINED $25,000, RESPONDENT ALLEN IS CENSURED, FINED $7,500 AND SUSPENDED FROM

ASSOCIATION WITH ANY NASD MEMBER IN ANY PRINCIPAL CAPACITY FOR TEN DAYS. RESPONDENT OLIVER IS CENSURED, FINED $7,500 AND SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY PRINCIPAL CAPACITY FOR TEN DAYS - (NASD MEMBERSHIP AND REGISTRATION RULE 1021(A) - RESPONDENT ALLEN WAS ASSOCIATED WITH RESPONDENT MEMBER AND WAS ACTIVELY ENGAGED IN THE MANAGEMENT OF THE FIRM'S SECURITIES BUSINESS THEREBY ACTING IN THE CAPACITY OF A GENERAL SECURITIES PRINCIPAL PRIOR TO BECOMING REGISTERED WITH THE NASD IN THAT CAPACITY. RESPONDENT OLIVER WAS ASSOCIATED WITH RESPONDENT MEMBER AND WAS ACTIVELY ENGAGED IN THE MANAGEMENT OF THE FIRM'S SECURITIES BUSINESS THEREBY ACTING IN THE CAPACITY OF A GENERAL SECURITIES PRINCIPAL PRIOR TO BECOMING REGISTERED WITH THE NASD IN THAT CAPACITY, AND, IN CONNECTION WITH THE ABOVE ACTIVITIES, RESPONDENT MEMBER PERMITTED RESPONDENTS ALLEN AND OLIVER TO ACT IN THE CAPACITY OF A GENERAL SECURITIES PRINCIPAL PRIOR TO THEIR PROPERLY QUALIFYING AND BECOMING REGISTERED IN THAT CAPACITY). $25,000 PAID, INVOICE #99-05-45.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	KENTUCKY
Date Initiated:	01/17/1985
Docket/Case Number:	
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	01/17/1985
Sanctions Ordered:	Monetary/Fine $29,800.00 Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details:

Regulator Statement ON JAN. 17, 1985, J.J.B. HILLIARD, W.L. LYONS, INC. ENTERED INTO AN AGREED ORDER WITH THE KENTUCKY DEPT. OF INSURANCE IN WHICH IT ACKNOWLEDGED KENTUCKY INSURANCE LICENSING VIOLATIONS RELATED TO THE SALE OF NATIONAL LIFE INVESTORS INSURANCE COMPANY SINGLE PREMIUM DEFERRED ANNUITIES. HILLIARD-LYONS CONSENTED TO A FINE OF $29,800 AND AGREED TO CEASE AND DESIST FROM SELLING INSURANCE PRODUCTS UNTIL PROPERLY LICENSED AND APPOINTED.

Reporting Source:	Firm
Current Status:	Final
Allegations:	HILLIARD LYONS AGENTS SOLICITED APPLICATIONS FOR SINGLE PREMIUM DEFINED ANNUITIES SOLD BY NATIONAL INVESTORS LIFE INSURACE COMPANY WITHOUT, IN SOME INSTANCES, BEING PROPERLY LICENSED OR APPOINTED.
Initiated By:	KENTUCKY DEPARTMENT OF INSURANCE
Date Initiated:	01/17/1985
Docket/Case Number:	NONE
Principal Product Type:	Annuity(ies) - Fixed
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST
Resolution:	Order
Resolution Date:	01/17/1985
Sanctions Ordered:	Monetary/Fine $29,800.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	FINES PAID IN FULL.
Firm Statement	HILLIARD LYONS AGREED TO PAY FINE AND CEASE AND DESIST FROM FUTURE VIOLATIONS.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	UNREGISTERED INVESTMENT ADVISER ACTIVITY. RESPONDENTS ARE J.J.B. HILLIARD, W.L. LYONS, INC. D/B/A HILLIARD LYONS INVESTMENT ADVISORS.
Initiated By:	ILLINOIS SECURITIES DEPARTMENT
Date Initiated:	03/16/1995
Docket/Case Number:	9500104
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:	03/31/1995
Sanctions Ordered:	Censure Monetary/Fine
Other Sanctions Ordered:	
Sanction Details:	CONSENT ORDER OF CENSURE AND FINE ISSUED MARCH 31, 1995. RESPONDENT WAS FINED AND ORDERED TO PAY BACK INVESTEMENT ADVISER FEES.
Regulator Statement	CONTACT: 217-785-4940

Reporting Source:	Firm
Current Status:	Final
Allegations:	TRANSACTED BUSINESS AS AN INVESTMENT ADVISOR WITHIN THE STATE WITHOUT BEING REGISTERED.
Initiated By:	STATE OF ILLINOIS

Date Initiated:	03/31/1995
Docket/Case Number:	9500104
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:	03/31/1995
Sanctions Ordered:	Censure Monetary/Fine $2,500.00
Other Sanctions Ordered:	
Sanction Details:	NONE
Firm Statement	WITHOUT ADMITTING THE ALLEGATIONS, HILLIARD LYONS AGREED TO AN ORDER OF PUBLIC CENSURE, PAID AN ADMINSTRATIVE FINE OF $2500 AND PAID RETROACTIVE FEES AND INTEREST OF $1792.25.

Disclosure 27 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	09/18/1990
Docket/Case Number:	MS-975-AWC
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent

Resolution Date:	12/10/1990
Sanctions Ordered:	Monetary/Fine $250.00
Other Sanctions Ordered:	
Sanction Details:	
Regulator Statement	MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-975-AWC. (A): LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED SEPTEMBER 18, 1990 ALLEGED VIOLATIONS OF PART VI, SECTION 5(a) OF SCHEDULE D IN THAT RESPONDENTS FAILED TO REPORT THEIR NASDAQ VOLUME. THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON OCTOBER 31, 1990 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON DECEMBER 10, 1990. $250.00 FINE ***$250.00 PAID ON 1/31/91 INVOICE #91-MS-52***

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED THAT HILLIARD LYONS FAILED TO REPORT ITS NASDAQ VOLUME IN 10 SECURITIES ON JUNE 29, 1990.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	09/18/1990
Docket/Case Number:	MS-975-AWC
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	12/10/1990
Sanctions Ordered:	Monetary/Fine $250.00
Other Sanctions Ordered:	MONETARY FINE OF $250.00
Sanction Details:	NONE

Firm Statement	MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-975-AWX (A); LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED SEPTEMBER 18, 1990 ALLEGED VIOLATIONS OF PART VI, SECTION 5(A) OF SCHEDULE D IN THAT RESPONDENTS FAILED TO REPORT THEIR NASDAQ VOLUME. THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON OCTOBER 31, 1990 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTE ON DECEMBER 10, 1990. $250 FINE ***$250.OO PAID ON 01/31/91 INVOICE #91-MS-52***

Disclosure 28 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEE ITEM #13
Initiated By:	IOWA
Date Initiated:	04/03/1987
Docket/Case Number:	C87-01-138
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	04/03/1987
Sanctions Ordered:	Censure Monetary/Fine $250.00
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Regulator Statement	J.J.B. HILLARD, W.L. LYONS, INC., WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CONSENTED TO A CENSURE AND A $250 FINE. THE BUREAU ALLEGED THE BROKERAGE FIRM HAD ENGAGED IN AT LEAST 47 SECURITIES

	TRANSACTIONS ON BEHALF OF AT LEAST 15 IOWANS WHILE UNREGISTERED AS A BROKER-DEALER. THE BROKER-DEALER WAS SUBSEQUENTLY REGISTERED IN IOWA. DOCKET/CASE NUMBER C87-01-138; DATED 4/3/87.

Reporting Source:	Firm
Current Status:	Final
Allegations:	HILLIARD LYONS ENGAGED IN SECURITIES TRANSACTION PRIOR TO BEING REGISTERED IN THE STATES AS A BROKER-DEALER.
Initiated By:	IOWA SUPERINTENDENT OF SECURITIES
Date Initiated:	04/03/1987
Docket/Case Number:	C87-01-138
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CENSURE
Resolution:	Order
Resolution Date:	04/03/1987
Sanctions Ordered:	Censure Monetary/Fine $250.00
Other Sanctions Ordered:	
Sanction Details:	FINES PAID IN FULL.
Firm Statement	HILLIARD LYONS ENGAGED IN SECURITIES TRANSACTIONS PRIOR TO BEING REGISTERED IN THE STATE AS A BROKER-DEALER.

Disclosure 29 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	NEW JERSEY

Date Initiated:	03/27/1986
Docket/Case Number:	
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	03/27/1986
Sanctions Ordered:	Monetary/Fine $5,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	
Regulator Statement	ON MARCH 27, 1986, J.J.B. HILLIARD, W.L. LYONS, INC. ENTERED INTO A CONSENT ORDER WITH THE STATE OF NEW JERSEY TO SETTLE ALLEGATIONS THAT HILLIARD-LYONS AND ITS AGENTS ENGAGED IN SECURITIES TRANSACTIONS WITH NEW JERSEY RESIDENTS WITHOUT BEING REGISTERED IN THAT STATE. HILLIARD-LYONS AGREED TO A FINE OF $5,000, PAYMENT OF UNPAID REGISTRATION FEES, AND AGREED TO CEASE AND DESIST FROM FUTURE REGISTRATION VIOLATIONS IN NEW JERSEY.

Reporting Source:	Firm
Current Status:	Final
Allegations:	HILLIARD LYONS ENGAGED IN SECURITIES TRANSACTIONS IN THE STATE PRIOR TO REGISTRATION AS A BROKER-DEALER.
Initiated By:	STATE OF NEW JERSEY BUREAU OF SECURITIES
Date Initiated:	03/27/1986
Docket/Case Number:	NONE
Principal Product Type:	No Product
Other Product Type(s):	

Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE AND DESIST
Resolution:	Consent
Resolution Date:	03/27/1986
Sanctions Ordered:	Monetary/Fine $5,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	FINE PAID IN FULL.
Firm Statement	HILLIARD LYONS ENGAGED IN SECURITIES TRANSACTION IN THE STATES PRIOR TO REGISTRATION AS A BROKER-DEALER.

Disclosure 30 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	03/13/1979
Docket/Case Number:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Decision
Resolution Date:	03/13/1979
Regulator Statement	ADMINISTRATIVE PROCEEDING FILE NO. 3-5677. IT WAS FOUND THAT J.J.B. HILLIARD, W.L. LYONS, INC. WILLFULLY AIDED AND ABETTED VIOLATIONS OF SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5 THEREUNDER, AND SECTION 206 OF THE ADVISERS ACT AND WILLFULLY VIOLATED SECTION 15(c)(1) OF THE EXCHANGE ACT AND RULE 15c1-4

THEREUNDER. IT WAS ORDERED THAT HILLIARD BE PROHIBITED FROM SOLICITING FROM ANY INSTITUTIONAL CUSTOMER THE PURCHASE OR SALE
OF ANY EQUITY SECURITY TRADED IN THE OVER-THE-COUNTER MARKET, PROVIDED HOWEVER, DURING THE PERIOD OF LIMITATION THE RESPONDENTS MAY RECOMMEND TO AN INSTITUTIONAL CUSTOMER THE SALE
OF ANY SUCH SECURITY IF THE PARTICULAR RESPONDENT HAD PREVIOUSLY
RECOMMENDED THE PURCHASE OF SUCH SECURITY.

Reporting Source:	Firm
Current Status:	Final
Allegations:	HILLIARD LYONS DID NOT SEEK ASSURANCE FROM CONNERS RESEARCH SERVICES, AN INVESTMENT ADVISOR THAT IT HAD DISCLOSED TO ITS ADVISORY CLIENTS ITS BROKERAGE PLACEMENT PRACTICES.
Initiated By:	SECURITIES & EXCHANGE COMMISSION
Date Initiated:	03/13/1979
Docket/Case Number:	SEC RELEASE #15363
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	03/13/1979
Sanctions Ordered:	Censure
Other Sanctions Ordered:	NONE
Sanction Details:	HILLIARD LYONS CONSENTED TO THE CENSURE.

Disclosure 31 of 36

Reporting Source:	Regulator
Current Status:	Final

Allegations:	HILLIARD HAD EFFECTED SECURITIES TRANSACTIONS PRIOR TO ITS REGISTRATION BECOMING EFFECTIVE AND UTILIZED UNREGISTERED AGENTS TO EFFECT SAID TRANSACTIONS.
Initiated By:	PENNSYLVANIA
Date Initiated:	12/24/1985
Docket/Case Number:	8507-13
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Suspension
Other Sanction(s)/Relief Sought:	
Resolution:	Decision
Resolution Date:	12/24/1985
Sanctions Ordered:	Suspension
Other Sanctions Ordered:	N/A
Sanction Details:	N/A
Regulator Statement	PA HAS ISSUED AN ORDER WHICH REGISTERS J. J. B. HILLIARD, W. L. LYONS, INC. AS A B/D AND SIMULTANEOUSLY SUSPENDS SAID REGISTRATION FOR 45 BUSINESS DAYS EXCEPT FOR LIQUIDATING TRANSACTIONS IN EXISTING ACCOUNTS. COST OF INVESTIGATION AND BACK REGISTRATION FEES ALSO IMPOSED. HILLIARD HAD EFFECTED SECURITIES TRANSACTIONS PRIOR TO ITS REGISTRATION BECOMING EFFECTIVE AND UTILIZED UNREGISTERED AGENTS TO EFFECT SAID TRANSACTIONS. CASE NO. 8507-13.

Reporting Source:	Firm
Current Status:	Final
Allegations:	HILLIARD LYONS EFFECTED SECURITIES TRANSACTIONS WITH PENNSYLVANIA RESIDENTS PRIOR TO REGISTRATION.
Initiated By:	PENNSYLVANIA SECURITIES COMMISSION

Date Initiated:	12/24/1985
Docket/Case Number:	8507-13
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	12/24/1985
Sanctions Ordered:	Monetary/Fine $650.00
Other Sanctions Ordered:	REGISTRATION SUSPENDED FOR 45 DAYS.
Sanction Details:	SUSPENSION COMMENCED 12-24-1985 AND ENDED 45 DAYS LATER.
Firm Statement	HILLIARD LYONS EFFECTED TRANSACTIONS WITH PENNSYLVANIA CLIENTS PRIOR TO REGISTRATION.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	01/03/1994
Docket/Case Number:	C05930097
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	01/03/1994

Sanctions Ordered:	Censure Monetary/Fine $7,500.00
Other Sanctions Ordered:	
Sanction Details:	
Regulator Statement	ON JANUARY 3, 1994, DISTRICT NO. 5 NOTIFIED J.J.B. HILLIARD, W.L. LYONS, INC. THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C05930097 WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER IS CENSURED, FINED $7,500, MUST UNDERTAKE TO CONDUCT AN AUDIT, IN A MANNER ACCEPTABLE TO THE NASD, OF THEIR CURRENT CHECK DISBURSEMENT PROCEDURES AND TO IMPLEMENT PROPER PROCEDURES REGARDING MAIL PROCESSING AND CHECK DISBURSEMENT INVOLVING CUSTOMER FUNDS WITHIN 90 DAYS OF ACCEPTANCE OF THIS LETTER OF ACCEPTANCE, WAIVER AND CONSENT; AND, MUST PROVIDE THE NASD WITH THE RESULTS OF ITS AUDIT UPON COMPLETION - (ARTICLE III, SECTIONS 1 AND 27 OF THE RULES OF FAIR PRACTICE - RESPONDENT MEMBER FAILED AND NEGLECTED TO ESTABLISH AND MAINTAIN ADEQUATE SUPERVISORY PROCEDURES GOVERNING DELIVERY OF CHECKS FROM THE HOME OFFICE TO THE BRANCH OFFICE). **7,500.00 PAID ON 1/25/94 INVOICE #94-05-47**

Reporting Source:	Firm
Current Status:	Final
Allegations:	APPLICANT FAILED AND NEGLECTED TO ESTABLISH AND MAINTAIN ADEQUATE SUPERVISORY PROCEDURES GOVERNING DELIVERY OF CHECKS FROM HOME OFFICE TO THE BRANCH OFFICE RESULTING IN EMPLOYEE CONVERTING CUSTOMER FUNDS.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated:	01/03/1994
Docket/Case Number:	CO 5930097
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:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/03/1994
Sanctions Ordered:	Censure Monetary/Fine $7,500.00
Other Sanctions Ordered:	
Sanction Details:	FINE PAID IN FULL.
Firm Statement	CENSURE AND FINE OF $7500 AND APPLICANT TO CONDUCT AN AUDIT OF ITS CURRENT CHECK DISBURSEMENT PROCEUDRES AND IMPLEMEN PROPER PROCEDURES REGARDING MAIL PROCESSING AND CHECK DISBURSEMENT INVOLVING CUSTOMER FUNDS.

Disclosure 33 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	UNLICENSED ACTIVITY
Initiated By:	MN DEPARTMENT OF COMMERCE
Date Initiated:	12/08/1992
Docket/Case Number:	SE9205361/EJK
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	12/08/1992
Sanctions Ordered:	Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	CONSENT TO CEASE AND DESIST, PAYMENT OF CIVIL

	PENALTY OF $2000, INVESTIGATIVE COSTS OF $200, RESCISSION
Regulator Statement	COMMISSIONER OF COMMERCE ALLEGES THAT RESPONDENT CONDUCTED UNLICENSED BROKER- DEALER ACTIVITY IN MINN. IN VIOLATION OF 80A.04. RESPONDENT, WHILE NEITHER ADMITING NOR DENYING ALLEGATIONS, CONSENTED TO CEASE AND DESIST, PAY CIVIL PENALTY OF $2000 AND COSTS OF INVESTIGATION OF $200, AND OFFER RESCISSION OF TRANSACTIONS EXECUTED WHILE UNLICENSED. NOTHING CONTAINED IN THE ORDER SHALL PROHIBIT RESPONDENT FROM BECOMING LICENSED IN MINNESOTA.

Reporting Source:	Firm
Current Status:	Final
Allegations:	TRANSACTION BUSINESS AS A BROKER-DEALER WITHOUT BEING REGISTERED.
Initiated By:	STATE OF MINNESOTA
Date Initiated:	12/08/1992
Docket/Case Number:	NONE
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	12/08/1992
Sanctions Ordered:	Monetary/Fine $2,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	FINES PAID IN FULL
Firm Statement	TO CEASE AND DESIST FROM TRANSACTING BUSINESS IN MINNESOTA UNTIL REGISTRATION: $2000 CIVIL PENALTY: REIMBURSE $200 INVESTIGATIVE COSTS: RESCISSION OFFER.

Disclosure 34 of 36

Reporting Source:	Regulator
Current Status:	Final
Allegations:	ALLEGED VIOLATIONS OF CERTAIN BROKER-DEALER AND GOVERNMENT SECURITIES BROKER-DEALER RECORD-KEEPING PROVISIONS OF THE SECURITIES EXCHANGE ACT
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	01/16/1992
Docket/Case Number:	
Principal Product Type:	Debt - Government
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	01/28/1992
Sanctions Ordered:	Cease and Desist/Injunction
Other Sanctions Ordered:	CONTINUE TO MAINTAIN OR, WITHIN 60 DAYS OF THE DATE OF THIS ORDER, DEVELOP, IMPLEMENT AND, THEREAFTER, MAINTAIN POLICIES AND PROCEDURES REASONABLY DESIGNED TO ENSURE HILLIARD'S FUTURE COMPLIANCE WITH THE PROVISIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND 17 C.F.R. &&240.17A-3 AND 240.17A-4 THEREUNDER
Sanction Details:	CIVIL PENALTY IN THE AMOUNT OF $25,000
Regulator Statement	[TOP] +3/12/92+ SEC NEWS DIGEST, ISSUE 92-11, DATED 1/16/92 DISCLOSES; SEC ANNOUNCED ADMINISTRATIVE PROCEEDINGS INSTITUTED JOINTLY BY SEC, THE OFFICE OF THE COMPTROLLER OF THE CURRENCY (OCC) AND THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (FRB) AGAINST 98 REGISTERED BROKER-DEALERS, REGISTERED GOVERNMENT SECURITIES BROKERS AND/OR AND BANKS (RESPONDENTS); THE ISSUANCE OF SEC, OCC AND FRB ORDERS IMPOSING SANCTIONS, WHICH INCLUDE PROVISIONS DIRECTING THE RESPONDENTS TO CEASE AND DESIST FROM COMMITTING FUTURE

VIOLATIONS AND REQUIRING THE PAYMENT OF CIVIL MONEY PENALTIES TO U.S. TREASURY OF $5,165,000; AND SEC?S ISSUANCE OF A REPORT PURSUANT TO SECTION 21(A) OF THE SECURITIES EXCHANGE ACT OF 1934 REGARDING THE DISTRIBUTION OF CERTAIN DEBT SECURITIES ISSUED BY GOVERNMENT-SPONSORED ENTERPRISES. THE ADMINISTRATIVE PROCEEDINGS RESULT FROM THE RESPONDENTS' ALLEGED VIOLAITONS OF CERTAIN BROKER-DEALER AND GOVERNMENT SECURITIES BROKER-DEALER RECORD-KEEPING PROVISIONS OF THE SECURITIES EXCHANGE ACT OF 1934 IN CONNECTION WITH THE RESPONDENTS' PARTICIPATION IN CERTAIN PRIMARY DISTRIBUTIONS OF UNSECURED DEBT SECURITIES ISSUED BY CERTAIN GOVERNMENT-SPONSORED ENTERPRISES (RELS. 34-30192 - 34-30251) +3/18/92+ SEC DOCKET 50 NO. 12, DATED 1/28/92 ADMINISTRATIVE PROCEEDING FILE NO. 3-7646 PAGE 1223 & 1224 DISCLOSES; "IN THE MATTER OF THE DISTRIBUTION OF SECURITIES ISSUED BY CERTAIN GOVERNMENT SPONSORED ENTERPRISES"; IT IS HEREBY FURTHER ORDERED THAT HILLIARD SHALL, PRIOR TO THE CLOSE OF BUSINESS ON THE DATE OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF $25,000 TO U.S. TREASURY. IT IS HEREBY FURTHER ORDERED THAT HILLIARD SHALL CONTINUE TO MAINTAIN OR, WITHIN 60DAYS OF THE DATE OF THIS ORDER, DEVELOP, IMPLEMENT AND, THEREAFTER, MAINTAIN POLICIES AND PROCEDURES REASONABLY DESIGNED TO ENSURE HILLIARD'S FUTURE COMPLIANCE WITH THE PROVISIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND 17 C.F.R. &&240.17A-3 AND 240.17A-4 THEREUNDER

Reporting Source:	Firm
Current Status:	Final
Allegations:	IN CONNECTION IWTH ITS PARTICIPATION IN THE PRIMARY DISTRIBUTIONS OF CERTAIN UNSECURED DEBT SECURITIES USED BY GSE'S HILLIARD LYONS MADE AND KEPT CERTAIN RECORDS THAT DID NOT ACCURATELY REFLECT HILLIAR LYON'S CUSTOMERS' ORDERS FOR THE GSE SECURITIES.
Initiated By:	SECURITIES & EXCHANGE COMMISSION
Date Initiated:	01/16/1992
Docket/Case Number:	3-7646
Principal Product Type:	Debt - Government
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	

Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	01/16/1992
Sanctions Ordered:	Monetary/Fine $25,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	DEVELOP POLICIES AND PROCEDURES REASONABLY DESIGNED TO INSURE HILLIARD LYONS FUTURE COMPLIANCE WITH THE PROVISIONS OF 17(A) OF THE EXCHANGE ACT.
Sanction Details:	ALL FINES PAID
Firm Statement	SEC ADMINISTRATIVE PROCEEDING FILE NO.3-7646, IN THE MATTER OF THE DISTRIBUTION OF CERTAIN GOVERNMENT SPONSORED ENTERPRISES. ORDER ENTERED ON JANUARY 16, 1992. HILLIARD LYONS WAS ONE OF THE 98 BROKER-DEALERS AND BANKS THAT CONSENTED TO THE ENTRY OF AN ORDER INVOLVING ITS PARTICIPATION IN THE PRIMARY DISTRIBUTION OF CERTAIN UNSECURED DEBT SECURITIES OF GOVERNMENT SPONSORED ENTERPRISES (GSES). WITHOUT ADMITTING TO ANY FINDING, HILLIARD LYONS CONSENTED TO THE ENTRY OF AN ORDER REQUIRING THAT IT PAY A $25,000.00 FINE AND CEASE AND DESIST FROM FUTURE VIOLATIONS OF SECTION 17(A)OF THE SECURITIES EXCHANGE ACT OF 1934 IN CONNECTION WITH ANY PRIMARY DISTRIBUTION OF UNSECURED DEBT SECURITIES ISSUED BY GSES, AND IMPLEMENT POLICIES AND PROCEDURES DESIGNED TO PREVENT SUCH VIOLATIONS.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	05/31/1991
Docket/Case Number:	MS-1112-AWC
Principal Product Type:	
Other Product Type(s):	

Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	10/03/1991
Sanctions Ordered:	Monetary/Fine $750.00
Other Sanctions Ordered:	
Sanction Details:	
Regulator Statement	MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-1112-AWC: (A) LETTER OF OF ACCEPTANCE, WAIVER AND CONSENT FILED MAY 31, 1991 AGAINST RESPONDENT MEMBER J.J.B. HILLIARD, W.L. LYONS, INC. ALLEGING VIOLATIONS OF PART VI, SECTION 5(a) OF SCHEDULED D IN THAT RESPONDENTS FAILED TO REPORT THEIR NASDAQ VOLUME. THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED ON JULY 1, 1991 BY THE MARKET SURVEILLANCE COMMITTED AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON OCTOBER 3, 1991. ***$750.00 FINED. ***$750.00 PAID ON 11/20/91 INVOICE #91-MS-1200***

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED THAT HILLIARD LYONS FAILED TO REPORT ITS NASDAQ VOLUME ACTIVITY OF JANUARY 21, 1991 AND MARCH 22, 1991.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	05/31/1991
Docket/Case Number:	MS-112--AWC
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	

Resolution:	Consent
Resolution Date:	10/03/1991
Sanctions Ordered:	Monetary/Fine $750.00
Other Sanctions Ordered:	FINE OF $750.00
Sanction Details:	NONE
Firm Statement	MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-1112-AWC; (A) LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED MAY 31, 1991 AGAINST RESPONDENT MEMBER J.J.B. HILLIARD, W.L. LYONS, INC ALLEGING VIOLATIONS OF PART VI, SECTION 5(A) OF SCHEDULE D IN THAT RESPONDENTS FAILED TO REPORT THEIR NASDAQ VOLUME. THE LETTER OF ACCEPTANCE WAIVER AND CONSENT WAS ACCEPTED ON JULY 1, 1991 BY THE MARKET SURVEILLANCE COMMITTE AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON OCTOBER 3, 1991. ***$750.00 FINE*** ***$750.00 PAID ON 11/20/1991 INVOICE #91-MS-1200***

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	04/30/1981
Docket/Case Number:	AWC-31
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	04/30/1981
Sanctions Ordered:	Censure Monetary/Fine $250.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement	COMPLAINT: AWC-31 FILED 04/30/81 DIST. 9 DECISION: 04/30/81: LETTER OF ADMISSION, CENSURED AND FINED $250 J&S 04/30/81: ALL RIGHTS WAIVED 04/30/81: FINAL FINES & COSTS 05/20/81 FC #7976 PD J&S

Reporting Source:	Firm
Current Status:	Final
Allegations:	REGISTERED REPRESENTATIVES OF FIRM PURCHASED 500 SHARES OF A NEW ISSUE THAT TRADED AT A PREMIUM IN THE SECONDARY MARKET.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated:	04/30/1981
Docket/Case Number:	AWC-C-31
Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CENSURE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/30/1981
Sanctions Ordered:	Monetary/Fine $250.00
Other Sanctions Ordered:	NONE
Sanction Details:	FINE PAID IN FULL
Firm Statement	REGISTERED REPRESENTATIVE OF FIRM PURCHASED 500 SHARES OF A NEW ISSUE THAT TRADED AT A PREMIUM IN THE SECONDARY MARKET.

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.

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Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum:	NASD
Case Initiated:	05/11/2001
Case Number:	01-02439
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; MUNICIPAL BONDS
Sum of All Relief Requested:	$1,500,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	07/29/2002
Sum of All Relief Awarded:	$425,000.01

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

Disclosure 2 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum:	NASD
Case Initiated:	10/26/2001
Case Number:	01-04982

Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	$99,547.86
Disposition:	AWARD AGAINST PARTY
Disposition Date:	12/06/2002
Sum of All Relief Awarded:	$25,000.00

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

Disclosure 3 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	01/02/2002
Case Number:	01-06764
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; OTHER TYPES OF SECURITIES
Sum of All Relief Requested:	$500,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	01/23/2003
Sum of All Relief Awarded:	$125,000.00

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

Disclosure 4 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD

Case Initiated:	09/09/2002
Case Number:	02-05181
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	$67,661.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	08/19/2003
Sum of All Relief Awarded:	$34,000.00

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

Disclosure 5 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	10/23/2002
Case Number:	02-06218
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	$118,598.32
Disposition:	AWARD AGAINST PARTY
Disposition Date:	09/26/2003
Sum of All Relief Awarded:	$14,800.00

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

Disclosure 6 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-NEGLIGENCE; NO OTHER

	CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	03/24/2003
Case Number:	03-01966
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	$100,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	05/13/2004
Sum of All Relief Awarded:	$54,353.81

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 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	06/23/2003
Case Number:	03-04079
Disputed Product Type:	CORPORATE BONDS; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	$289,500.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	09/01/2004
Sum of All Relief Awarded:	$75,300.02

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 31

Reporting Source:	Regulator

Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	10/24/2003
Case Number:	03-05781
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	$300,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	09/07/2004
Sum of All Relief Awarded:	$30,000.00

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

Disclosure 9 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	08/25/2003
Case Number:	03-06059
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	$59,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	12/22/2004
Sum of All Relief Awarded:	$103,485.01

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

Disclosure 10 of 31

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:	10/03/2003
Case Number:	03-06060
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	$29,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	03/04/2005
Sum of All Relief Awarded:	$30,827.01

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

Disclosure 11 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-NEGLIGENCE; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	09/16/2003
Case Number:	03-06449
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	Unspecified Damages
Disposition:	AWARD AGAINST PARTY
Disposition Date:	04/03/2006
Sum of All Relief Awarded:	$531,321.00

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

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

Disclosure 12 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	01/02/2004
Case Number:	03-08848
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	$56,639.95
Disposition:	AWARD AGAINST PARTY
Disposition Date:	03/09/2006
Sum of All Relief Awarded:	$56,000.00

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

Disclosure 13 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	02/03/2005
Case Number:	05-00535
Disputed Product Type:	ANNUITIES; NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS
Sum of All Relief Requested:	$236,038.08
Disposition:	AWARD AGAINST PARTY
Disposition Date:	04/21/2006

Sum of All Relief Awarded:	$80,000.00

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

Disclosure 14 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum:	NASD
Case Initiated:	07/13/2005
Case Number:	05-03509
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS
Sum of All Relief Requested:	$152,071.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	06/05/2006
Sum of All Relief Awarded:	$25,899.09

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

Disclosure 15 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-NEGLIGENCE; EXECUTIONS-FAILURE TO EXECUTE; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	02/15/2006
Case Number:	06-00212
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	$24,840.00

Disposition:	AWARD AGAINST PARTY
Disposition Date:	02/15/2007
Sum of All Relief Awarded:	$38,642.21

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

Disclosure 16 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	01/27/2006
Case Number:	06-00374
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	$2,826,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	05/31/2007
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.

Disclosure 17 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS
Arbitration Forum:	NASD
Case Initiated:	06/28/2007
Case Number:	07-01887

Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	$100,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	10/14/2008
Sum of All Relief Awarded:	$128,915.29

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

Disclosure 18 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	04/14/2009
Case Number:	09-01900
Disputed Product Type:	ANNUITIES; MUTUAL FUNDS; VARIABLE ANNUITIES
Sum of All Relief Requested:	$500,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	02/02/2010
Sum of All Relief Awarded:	$30,000.00

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

Disclosure 19 of 31

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

Case Initiated:	08/29/2011
Case Number:	11-03226
Disputed Product Type:	COMMON STOCK; MUTUAL FUNDS
Sum of All Relief Requested:	$200,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	11/30/2012
Sum of All Relief Awarded:	$184,995.00

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

Disclosure 20 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	01/20/2012
Case Number:	12-00151
Disputed Product Type:	ANNUITIES; COMMON STOCK
Sum of All Relief Requested:	$23,659.25
Disposition:	AWARD AGAINST PARTY
Disposition Date:	10/03/2012
Sum of All Relief Awarded:	$7,873.43

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

Disclosure 21 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION

Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE; EMPLOYMENT-BREACH OF CONTRACT
Arbitration Forum:	FINRA
Case Initiated:	07/01/2016
Case Number:	16-01819
Disputed Product Type:	COMMON STOCK
Sum of All Relief Requested:	$400,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	09/22/2017
Sum of All Relief Awarded:	$568,699.00

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

Disclosure 22 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT ACTIVITY-VIOLATE OF BLUE SKY LWS
Arbitration Forum:	FINRA
Case Initiated:	03/30/2017
Case Number:	17-00750
Disputed Product Type:	ANNUITIES; COMMON STOCK; CORPORATE BONDS; EXCHANGE-TRADED FUNDS; OTHER TYPES OF SECURITIES; VARIABLE ANNUITIES
Sum of All Relief Requested:	$250,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	02/16/2018
Sum of All Relief Awarded:	$445,000.00

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

Disclosure 23 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	
Case Number:	88-03476
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	$3,299.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	08/16/1989
Sum of All Relief Awarded:	$564.00

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

Disclosure 24 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	EXECUTIONS-EXECUTION PRICE; EXECUTIONS-FAILURE TO EXECUTE; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	12/28/1990
Case Number:	90-02516
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	$69,781.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	08/08/1991

Sum of All Relief Awarded: $2,791.25

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

Disclosure 25 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-TRANSFER; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	08/12/1993
Case Number:	93-02371
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; GINNIE MAES
Sum of All Relief Requested:	$7,250.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	03/01/1994
Sum of All Relief Awarded:	$4,053.00

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

Disclosure 26 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OTHER; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	05/17/1994
Case Number:	94-00718
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE; MUNICIPAL BOND FUNDS
Sum of All Relief Requested:	$3,758.00
Disposition:	AWARD AGAINST PARTY

Disposition Date: 03/20/1996

Sum of All Relief Awarded: $3,000.00

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

Disclosure 27 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	05/16/1994
Case Number:	94-01384
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS
Sum of All Relief Requested:	$1,468.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	06/28/1995
Sum of All Relief Awarded:	$1,121.43

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

Disclosure 28 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	12/03/1996
Case Number:	96-04858
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested:	$6,324,009.66
Disposition:	AWARD AGAINST PARTY
Disposition Date:	11/19/1998
Sum of All Relief Awarded:	$552,221.00

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

Disclosure 29 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	EXECUTIONS-FAILURE TO EXECUTE; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	11/15/1996
Case Number:	96-04937
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	$20,900.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	06/11/1997
Sum of All Relief Awarded:	$4,500.00

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

Disclosure 30 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum:	NASD
Case Initiated:	11/05/1997

Case Number:	97-05185
Disputed Product Type:	COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE; OPTIONS
Sum of All Relief Requested:	$360,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	04/19/1999
Sum of All Relief Awarded:	$206,830.00

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

Disclosure 31 of 31

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	01/06/2000
Case Number:	99-05493
Disputed Product Type:	NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	$13,252.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	10/30/2000
Sum of All Relief Awarded:	$22,153.46

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

End of Report

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