

BrokerCheck Report

ALLIED BEACON PARTNERS, INC.

CRD# 46227

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

Please contact FINRA with any concerns.

About BrokerCheck®

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

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - 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.**



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



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



ALLIED BEACON PARTNERS, INC.
CRD# 46227
SEC# 8-51357

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.

Main Office Location
1100 BOULDERS PARKWAY
SUITE 600
RICHMOND, VA 23225

Mailing Address
1100 BOULDERS PARKWAY
SUITE 600
RICHMOND, VA 23225

Business Telephone Number
888-275-2279

Firm Profile
This firm is classified as a corporation.
This firm was formed in Florida on 08/03/1998.
Its fiscal year ends in December.

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

Firm Operations

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

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	6
Arbitration	2

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: 09/26/2013

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



Firm Profile

This firm is classified as a corporation.

This firm was formed in Florida on 08/03/1998.

Its fiscal year ends in December.

Firm Names and Locations

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

ALLIED BEACON PARTNERS, INC.

Doing business as ALLIED BEACON PARTNERS, INC.

CRD# 46227

SEC# 8-51357

Main Office Location

1100 BOULDERS PARKWAY
SUITE 600
RICHMOND, VA 23225

Mailing Address

1100 BOULDERS PARKWAY
SUITE 600
RICHMOND, VA 23225

Business Telephone Number

888-275-2279



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): BEACON AQUISITION PARTNERS, INC

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

Position SHAREHOLDER

Position Start Date 02/2011

Percentage of Ownership 75% or more

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

Is this a public reporting company? Yes

Legal Name & CRD# (if any): MATHER, ROBERT PHILIP

1764918

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

Position PRESIDENT, CEO, CCO, CFO AND CORPORATE SECRETARY

Position Start Date 09/2013

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Firm Profile

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

Indirect Owners

No information reported.



Firm History

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

No information reported.



Firm Operations



Registrations

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

This firm is no longer registered.

The firm's registration was from 03/17/1999 to 12/19/2013.



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 18 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund underwriter or sponsor
Mutual fund retailer
U S. government securities broker
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Solicitor of time deposits in a financial institution
Real estate syndicator
Broker or dealer selling oil and gas interests
Put and call broker or dealer or option writer
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Broker or dealer selling tax shelters or limited partnerships in the secondary market
Non-exchange member arranging for transactions in listed securities by exchange member
Private placements of securities
Broker or dealer involved in a networking, kiosk or similar arrangement with a: bank, savings bank or association, or credit union

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.
This firm does engage in other non-securities business.

Non-Securities Business Description: 13B SALE OF FIXED INSURANCE PRODUCTS

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:	RBC CAPITAL MARKETS, LLC
CRD #:	31194
Business Address:	510 MARQUETTE AVENUE LEVEL C-1 MINNEAPOLIS, MN 55402
Effective Date:	01/01/2009
Description:	ALLIED BEACON PARTNERS, INC INTRODUCES AND CLEARS TRANSACTIONS THROUGH RBC CAPITAL MARKETS LLC ON A FULLY- DISCLOSED BASIS. ALL TRANSACTIONS ARE EXECUTED ON AN AGENCY OR RISKLESS PRINCIPAL BASIS.

Firm Operations

Industry Arrangements



This firm does not have books or records maintained by a third party.

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does not have customer accounts, funds, or securities maintained by a third party.

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.

ABP VENTURE PARTNERS, LLC is under common control with the firm.

Business Address:	721 WAVERLY ROAD RIDGEWOOD, NJ 07450
Effective Date:	09/15/2010
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	OWNED BY BEACON ACQUISTION PARTNERS, INC.

ALLIED BEACON WEALTH MANAGEMENT, LLC is under common control with the firm.

CRD #:	134922
Business Address:	1100 BOULDERS PARKWAY SUITE 600 RICHMOND, VA 23225
Effective Date:	11/17/2005
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	OWNED BY BEACON AQUISITION PARTNERS, INC

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

Firm Operations



Organization Affiliates (continued)

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



Disclosure Events

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

	Pending	Final	On Appeal
Regulatory Event	0	6	0
Arbitration	N/A	2	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 6

Reporting Source: Regulator

Current Status: Final



Allegations: THE FIRM FAILED TO PAY FINES AND/OR COSTS OF \$21,788.68 IN FINRA CASE #2010021107801.

Initiated By: FINRA

Date Initiated: 12/30/2013

Docket/Case Number: [2010021107801](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Expulsion

Other Sanction(s)/Relief Sought:

Resolution: Other

Resolution Date: 12/30/2013

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

Sanctions Ordered: Revocation/Expulsion/Denial

Other Sanctions Ordered:

Sanction Details: PURSUANT TO RULE 8320, THE FIRM IS EXPELLED AS OF CLOSE OF BUSINESS FOR FAILURE TO PAY FINES AND/OR COSTS.

Disclosure 2 of 6

Reporting Source: Regulator

Current Status: Final

Allegations: THE FIRM FAILED TO PAY FINES AND/OR COSTS OF \$11,627.24 IN FINRA CASE #2011025598801.

Initiated By: FINRA

Date Initiated: 12/19/2013

Docket/Case Number: [2011025598801](#)

Principal Product Type: No Product

**Other Product Type(s):**

Principal Sanction(s)/Relief Sought: Expulsion

Other Sanction(s)/Relief Sought:

Resolution: Other

Resolution Date: 12/19/2013

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

Sanctions Ordered: Revocation/Expulsion/Denial

Other Sanctions Ordered:

Sanction Details: PURSUANT TO RULE 8320, THE FIRM IS EXPELLED AS OF CLOSE OF BUSINESS FOR FAILURE TO PAY FINES AND/OR COSTS.

Disclosure 3 of 6

Reporting Source: Regulator

Current Status: Final

Allegations: RESPONDENT ALLIED BEACON PARTNERS, INC. FAILED TO PAY FEES OF \$85,051.14 DUE TO FINRA.

Initiated By: FINRA

Date Initiated: 10/14/2013

Docket/Case Number: N/A

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: CANCELLATION

Resolution: Other



Resolution Date: 11/04/2013

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

Sanctions Ordered:

Other Sanctions Ordered: CANCELLATION

Sanction Details: PURSUANT TO FINRA RULE 9553, ALLIED BEACON PARTNERS, INC.'S MEMBERSHIP WITH FINRA IS CANCELED AS OF NOVEMBER 4, 2013 FOR FAILURE TO PAY OUTSTANDING FEES.

Disclosure 4 of 6

Reporting Source: Regulator

Current Status: Final

Allegations: FINRA RULE 2010, NASD RULES 2210(D)(1)(A), 2210(D)(1)(B), 2210(D)(2)(A), 2420, 3010, MSRB RULE G-27: THE FIRM FAILED TO DEVELOP AND ENFORCE WRITTEN PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NASD RULE 3010(D)(2) REGARDING THE REVIEW OF ELECTRONIC CORRESPONDENCE. THE FIRM FAILED TO ENFORCE ITS WRITTEN PROCEDURES REQUIRING A DESIGNATED PRINCIPAL TO CONDUCT A DAILY REVIEW OF BUSINESS-RELATED ELECTRONIC CORRESPONDENCE AND TO EVIDENCE THAT REVIEW BY INITIALING THE CORRESPONDENCE. THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING HEIGHTENED SUPERVISION. SPECIFICALLY, THE FIRM FAILED TO PLACE THREE REPRESENTATIVES UNDER HEIGHTENED SUPERVISION WHEN THE FIRM'S PROCEDURES CALLED FOR THIS ACTION BASED UPON THE REPRESENTATIVES' DEROGATORY REGULATORY HISTORY. THE FIRM ALSO FAILED TO IMPLEMENT THE HEIGHTENED SUPERVISION PLAN IT HAD DEVELOPED FOR ANOTHER REPRESENTATIVE. THE FIRM MADE COMMISSION PAYMENTS TO REPRESENTATIVES IN TWO OF ITS BRANCH OFFICES THROUGH NON-REGISTERED ENTITIES. THOSE ENTITIES WERE OWNED BY THE PRINCIPALS OF THE BRANCH OFFICES AND WERE ENTITIES THROUGH WHICH THEY CONDUCTED BUSINESS. THE FIRM PREPARED AND DISTRIBUTED EXECUTIVE SUMMARIES FOR CERTAIN PRIVATE OFFERINGS THAT DID NOT PROVIDE A SOUND BASIS FOR THE INVESTMENT RETURNS/YIELDS AND INCOME AND FAILED TO PROVIDE AN EXPLANATION CONCERNING HOW THE MONTHLY INCOME, ANNUAL INCOME OR CASH YIELDS ARE DERIVED. IN ADDITION, THE EXECUTIVE



SUMMARIES FAILED TO PROVIDE A SUFFICIENT BALANCE OF THE RISKS AND POTENTIAL REWARDS ASSOCIATED WITH THE INVESTMENTS GIVEN THAT POTENTIAL ANNUAL YIELDS ARE PRESENTED ON MULTIPLE PAGES IN A MANNER THAT SUGGESTS THAT INVESTORS WILL POSITIVELY RECEIVE THE RETURN WITHOUT ANY CAVEATS OR CONDITIONS DISCLOSED. FURTHERMORE, THE FIRM PREPARED PRESENTATIONS REGARDING TWO COMPANIES THAT OMITTED ANY DISCUSSION OF THE RISKS ASSOCIATED WITH AN INVESTMENT, WHICH ACCORDING TO THE OFFERING DOCUMENTS WERE SIGNIFICANT, THEREBY FAILING TO PROVIDE A SOUND BASIS FOR EVALUATING THE PRODUCT. THE FIRM'S BRANCH OFFICES CREATED WEBSITES THAT INCLUDED TESTIMONIALS BUT FAILED TO DISCLOSE: (1) THE FACT THAT THE TESTIMONIALS MAY NOT BE REPRESENTATIVE OF THE EXPERIENCE OF OTHER CLIENTS, (2) THE FACT THAT THE TESTIMONIALS ARE NO GUARANTEE OF FUTURE PERFORMANCE OR SUCCESS; AND, (3) IF APPLICABLE, WHETHER THE FIRM PAID FOR THE TESTIMONIALS. IN ADDITION, THE WEBSITES CONTAINED VARIOUS STATEMENTS THAT WERE EXAGGERATED, UNWARRANTED AND/OR MISLEADING.

Initiated By:	FINRA
Date Initiated:	01/03/2013
Docket/Case Number:	2011025598801
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/03/2013
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$20,000.00
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 \$20,000 (\$5,000 OF WHICH PERTAINS TO THE VIOLATION OF MSRB RULE G-27).

Reporting Source: Firm

Current Status: Final

Allegations: FINRA RULE 2010,NASD RULES 2210(D)(1)(A),2210(D)(1)(B),2210(D)(2)(A), 2420,3010,MSRB RULE G-27: THE FIRM FAILED TO DEVELOP AND ENFORCE WRITTEN PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NASD RULE 3010(D)(2)REGARDING THE REVIEW OF ELECTRONIC CORRESPONDENCE. THE FIRM FAILED TO ENFORCE ITS WRITTEN PROCEDURES REQUIRING A DESIGNATED PRINCIPAL TO CONDUCT A DAILY REVIEW OF BUSINESS-RELATED ELECTRONIC CORRESPONDENCE AND EVIDENCE THAT REVIEW BY INITIALLING THE CORRESPONDENCE. THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING HEIGHTENED SUPERVISION. SPECIFICALLY, THE FIRM FAILED TO PLACE THREE REPRESENTATIVES UNDER HEIGHTENED SUPERVISION WHEN THE FIRM'S PROCEDURES CALLED FOR THIS ACTION BASED UPON THE REPRESENTATIVES' DEROGATORY REGULATORY HISTORY. THE FIRM ALSO FAILED TO IMPLEMENT THE HEIGHTENED SUPERVISION PLAN IT HAD DEVELOPED FOR ANOTHER REPRESENTATIVE. THE FIRM MADE COMMISSION PAYMENTS TO REPRESENTATIVES IN TWO OF ITS BRANCH OFFICES THROUGH NON-REGISTERED ENTITIES. THOSE ENTITIES WERE OWNED BY THE PRINCIPALS OF THE BRANCH OFFICES AND WERE ENTITIES THROUGH WHICH THEY CONDUCTED BUSINESS. THE FIRM PREPARED AND DISTRIBUTED EXECUTIVE SUMMARIES FOR CERTAIN PRIVATE OFFERINGS THAT DID NOT PROVIDE A SOUND BASIS FOR THE INVESTMENT RETURNS/YIELDS AND INCOME AND FAILED TO PROVIDE AN EXPLANATION CONCERNING HOW THE MONTHLY INCOME, ANNUAL INCOME OR CASH YIELDS ARE DERIVED. IN ADDITION, THE EXECUTIVE SUMMARIES FAILED TO PROVIDE A SUFFICIENT BALANCE OF THE RISKS AND POTENTIAL REWARDS ASSOCIATED WITH THE INVESTMENTS GIVEN THAT POTENTIAL ANNUAL YIELDS ARE PRESENTED ON MULTIPLE PAGES IN A MANNER THAT SUGGESTS THAT INVESTORS WILL POSITIVELY RECEIVE THE RETURN WITHOUT ANY CAVEATS OR CONDITIONS DISCLOSED. FURTHERMORE, THE FIRM PREPARED PRESENTATIONS REGARDING TWO COMPANIES THAT OMITTED ANY DISCUSSION OF THE RISKS ASSOCIATED WITH THE INVESTMENT, WHICH ACCORDING TO THE OFFERING DOCUMENTS WERE SIGNIFICANT, THEREBY FAILING TO PROVIDE A SOUND BASIS FOR EVALUATING THE PRODUCT. THE FIRMS BRANCH OFFICES CREATED WEBSITES THAT INCLUDED TESTIMONIALS



BUT FAILED TO DISCLOSE: (1) THE FACT THAT THE TESTIMONIALS MAY NOT BE REPRESENTATIVE OF THE EXPERIENCE OF OTHER CLIENTS, (2) THE FACT THAT TESTIMONIALS ARE NO GUARANTEE OF FUTURE PERFORMANCE OR SUCCESS; AND , (3) IF APPLICABLE, WHETHER THE FIRM PAID FOR THE TESTIMONIALS. IN ADDITION, THE WEBSITES CONTAINED VARIOUS STATEMENTS THAT WERE EXAGGERATED, UNWARRANTED AND/OR MISLEADING.

Initiated By:	FINRA
Date Initiated:	01/03/2013
Docket/Case Number:	2011025598801
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/03/2013
Sanctions Ordered:	Censure Monetary/Fine \$20,000.00
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 CENTURED AND FINED \$20,000 (\$5,000 OF WHICH PERTAINS TO THE VIOLATION OF MSRB RULE G-27).

Disclosure 5 of 6

Reporting Source:	Regulator
Current Status:	Final
Allegations:	FINRA RULES 2010, 2330, 3130, NASD RULES 1017, 2110, 2821, 3010, 3012, 3013, 3070, 3110 - WATERFORD INVESTOR SERVICES, INC. BEFORE BEING ACQUIRED BY ALLIED BEACON PARTNERS, INC., ACQUIRED REGISTERED REPRESENTATIVES, CUSTOMER ACCOUNTS AND BRANCH OFFICES FROM TWO BROKER-DEALERS THAT HAD FILED FORMS UNIFORM REQUEST FOR BROKER-DEALER WITHDRAWAL (FORMS BDW). IN BOTH INSTANCES, THE TRANSFER OF ASSETS REPRESENTED MORE THAN 25 PERCENT OF THE



FIRM'S EARNINGS MEASURED ON A ROLLING 36-MONTH BASIS. THE FIRM FAILED TO FILE REQUIRED CONTINUING MEMBERSHIP APPLICATIONS (CMAS) REQUESTING APPROVAL OF THE ASSET TRANSFERS FROM FINRA. ON ONE OCCASION, THE FIRM REPRESENTED TO FINRA THAT A CMA WOULD BE FILED WITHIN 30 DAYS, YET NO CMA WAS EVER FILED. THE FIRM FAILED TO GATHER AND MAINTAIN REQUIRED DOCUMENTATION ABOUT VARIABLE ANNUITY TRANSACTIONS AND THE CUSTOMERS. TRANSACTIONS SAMPLED WERE LACKING CERTAIN CUSTOMER INFORMATION OR DOCUMENTATION NEEDED IN ORDER TO MAKE A REASONABLE SUITABILITY DETERMINATION. A LARGE PORTION OF VARIABLE ANNUITY TRANSACTIONS SAMPLED REVEALED THE FIRM'S FAILURE TO ENSURE THAT THE CUSTOMER'S APPLICATION WAS ADEQUATELY REVIEWED AND APPROVED BY A DESIGNATED PRINCIPAL PRIOR TO ITS TRANSMISSION TO THE ISSUING INSURANCE COMPANY. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FOR VARIABLE ANNUITY TRANSACTIONS WERE DEFICIENT. THE WSPS IDENTIFIED ONE INDIVIDUAL AS HAVING THE RESPONSIBILITY TO SUPERVISE VARIABLE TRANSACTIONS BUT ANOTHER INDIVIDUAL NOT IDENTIFIED IN THE WSPS WAS ACTUALLY THE PRIMARY PERSON RESPONSIBLE FOR SUPERVISING VARIABLE ANNUITY TRANSACTIONS. THE WSPS DID NOT ADDRESS HOW THE FIRM WOULD MONITOR COMPLIANCE WITH SEC RULE 15C2-8, WHICH REQUIRES THAT A PROSPECTUS BE DELIVERED TO CUSTOMERS. OF TRANSACTIONS SAMPLED BY FINRA STAFF, THE FIRM WAS UNABLE TO PROVIDE ANY DOCUMENTATION DEMONSTRATING THAT A PROSPECTUS WAS SENT TO ANY OF THE CUSTOMERS. THE FIRM TESTED ITS SUPERVISORY CONTROL PROCEDURES AND PREPARED THE REQUIRED ANNUAL REPORTS TO SENIOR MANAGEMENT FOR THREE YEARS BUT THE TESTING AND/OR SUBSEQUENT REPORTS WERE INADEQUATE AS THEY DID NOT DETAIL HOW THE FIRM TESTED, SAMPLED, CORRECTED AND EVIDENCED THE REVIEW OF SUPERVISORY CONTROLS TO ENSURE COMPLIANCE WITH REGULATORY REQUIREMENTS; DID NOT TEST THE FIRM'S VARIABLE ANNUITY BUSINESS, WHICH REPRESENTED ONE OF THE LARGEST REVENUE SOURCES FOR THE FIRM; AND DID NOT ADDRESS THE CHANGES MADE TO ITS SUPERVISORY SYSTEMS AFTER IT WAS ACQUIRED BY ANOTHER ENTITY. THE ANNUAL CEO CERTIFICATIONS WERE EXECUTED PRIOR TO THE PREPARATION OF THE ANNUAL REPORTS TO SENIOR MANAGEMENT FOR TWO YEARS. THE FIRM FAILED TO FILE WITH FINRA STATISTICAL AND SUMMARY INFORMATION RELATING TO CUSTOMER COMPLAINTS AND FAILED TO TIMELY FILE WITH FINRA STATISTICAL AND SUMMARY INFORMATION RELATING TO CUSTOMER COMPLAINTS RECEIVED BY THE FIRM THAT WERE REQUIRED TO BE REPORTED. BASED ON THESE ALLEGATIONS, THE FIRM'S OVERALL SUPERVISORY SYSTEM WAS NOT ADEQUATE GIVEN ITS BUSINESS MODEL AND RAPID ACQUISITION OF ASSETS FROM OTHER FIRMS.

Initiated By: FINRA



Date Initiated: 08/27/2012

Docket/Case Number: [2010021107801](#)

Principal Product Type: Annuity(ies) - Variable

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/27/2012

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 \$40,000.00

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 \$40,000.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA RULES 2010,2330,3130,NASD RULES 1017,2110,2821,3010,3012,3013,3070,3110 - WATERFORD INVESTOR SERVICES,INC. BEFORE BEING ACQUIRED BY ALLIED BEACON PARTNERS, INC.,ACQUIRED REGISTERED REPRESENTATIVES,CUSTOMER ACCOUNTS AND BRANCH OFFICES FROM TWO BROKER-DEALERS THAT HAD FILED FORMS UNIFORM REQUEST FOR BROKER-DEALER WITHDRAWAL(FORMS BDW). IN BOTH INSTANCES, THE TRANSFER OF ASSETS REPRESENTED MORE THAN 25 PERCENT OF THE FIRM'S EARNINGS MEASURED ON A ROLLING 36-MONTH BASIS. THE FIRM FAILED TO FILE REQUIRED CONTINUING MEMBERSHIP APPLICATIONS (CMAS) REQUESTING APPROVAL OF THE ASSET TRANSFERS FROM FINRA. ON ONE OCCASSION, THE FIRM REPRESENTED TO FINRA THAT A CMA WOULD BE



FILED WITHIN 30 DAYS, YET NO CMA WAS EVER FILED. THE FIRM FAILED TO GATHER AND MAINTAIN REQUIRED DOCUMENTATION ABOUT VARIABLE ANNUITY TRANSACTIONS AND THE CUSTOMERS. TRANSACTIONS SAMPLED WERE LACKING CERTAIN CUSTOMER INFORMATION OR DOCUMENTATION NEEDED IN ORDER TO MAKE REASONABLE SUITABILITY DETERMINATION. A LARGE PORTION OF VARIABLE ANNUITY TRANSACTIONS SAMPLED REVEALED THE FIRM'S FAILURE TO ENSURE THAT THE CUSTOMER'S APPLICATION WAS ADEQUATELY REVIEWED AND APPROVED BY A DESIGNATED PRINCIPAL PRIOR TO ITS TRANSMISSION TO THE ISSUING INSURANCE COMPANY. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FOR VARIABLE ANNUITY TRANSACTIONS WERE DEFICIENT. THE WSPS IDENTIFIED ONE INDIVIDUAL AS HAVING THE RESPONSIBILITY TO SUPERVISE VARIABLE TRANSACTIONS BUT ANOTHER INDIVIDUAL NOT IDENTIFIED IN THE WSPS WAS ACTUALLY THE PRIMARY PERSON RESPONSIBLE FOR SUPERVISING VARIABLE ANNUITY TRANSACTIONS. THE WSP'S DID NOT ADDRESS HOW THE FIRM WOULD MONITOR COMPLIANCE WITH SEC RULE 15C2-8, WHICH REQUIRES THAT A PROSPECTUS BE DELIVERED TO CUSTOMERS. OF TRANSACTIONS SAMPLED BY THE FINRA STAFF, THE FIRM WAS UNABLE TO PROVIDE ANY DOCUMENTATION DEMONSTRATING THAT A PROSPECTUS WAS SENT TO ANY OF THE CUSTOMERS. THE FIRM TESTED ITS SUPERVISORY CONTROL PROCEDURES AND PREPARED THE REQUIRED ANNUAL REPORTS TO SENIOR MANAGEMENT FOR THREE YEARS BUT THE TESTING AND/OR SUBSEQUENT REPORTS WERE INADEQUATE AS THEY DID NOT DETAIL HOW THE FIRM TESTED, SAMPLED, CORRECTED AND EVIDENCED THE REVIEW OF THE SUPERVISORY CONTROLS TO ENSURE COMPLIANCE WITH REGULATORY REQUIREMENTS; DID NOT TEST THE FIRM'S VARIABLE ANNUITY BUSINESS, WHICH REPRESENTED ONE OF THE LARGEST REVENUE SOURCES FOR THE FIRM; AND DID NOT ADDRESS THE CHANGES MADE TO ITS SUPERVISORY SYSTEMS AFTER IT WAS ACQUIRED BY ANOTHER ENTITY. THE ANNUAL CEO CERTIFICATIONS WERE EXECUTED PRIOR TO THE PREPARATION OF THE ANNUAL REPORTS TO SENIOR MANAGEMENT FOR TWO YEARS. THE FIRM FAILED TO FILE WITH FINRA STATISTICAL AND SUMMARY INFORMATION RELATING TO CUSTOMER COMPLAINTS RECEIVED BY THE FIRM THAT WERE REQUIRED TO BE REPORTED. BASED ON THESE ALLEGATIONS, THE FIRM'S OVERALL SUPERVISORY SYSTEM WAS NOT ADEQUATE GIVEN ITS BUSINESS MODEL AND RAPID ACQUISITION OF ASSETS FROM OTHER FIRMS.

Initiated By: FINRA
Date Initiated: 08/27/2012
Docket/Case Number: [2010021107801](#)
Principal Product Type: Annuity(ies) - Variable

**Other Product Type(s):**

Principal Sanction(s)/Relief Sought: Censure

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/27/2012

Sanctions Ordered: Censure
Monetary/Fine \$40,000.00

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 \$40,000.

Disclosure 6 of 6

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 3010, 6955(A) - WATERFORD INVESTOR SERVICES, INC. FAILED TO TRANSMIT ALL OF ITS REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) ON NUMEROUS BUSINESS DAYS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING OATS.

Initiated By: FINRA

Date Initiated: 08/17/2009

Docket/Case Number: [2007011240401](#)

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: 08/17/2009



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 \$12,500.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$12,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING OATS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110, 3010, 6955(A) - WATERFORD INVESTOR SERVICES, INC. FAILED TO TRANSMIT ALL OF ITS REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) ON NUMEROUS BUSINESS DAYS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING OATS.

Initiated By: FINRA

Date Initiated: 08/17/2009

Docket/Case Number: [2007011240401](#)

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: 08/17/2009

Sanctions Ordered: Censure



Monetary/Fine \$12,500.00

Other Sanctions Ordered:

UNDERTAKING

Sanction Details:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$12,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING OATS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC



Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at www.finra.org/awardsonline.

Disclosure 1 of 2

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-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	04/26/2010
Case Number:	10-01778
Disputed Product Type:	LIMITED PARTNERSHIPS
Sum of All Relief Requested:	\$1,107,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	05/21/2013
Sum of All Relief Awarded:	\$1,607,500.00

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

Disclosure 2 of 2

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-COLLECTION; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum:	FINRA



Case Initiated: 03/22/2013

Case Number: [13-00796](#)

Disputed Product Type:

Sum of All Relief Requested: \$2,032,000.04

Disposition: AWARD AGAINST PARTY

Disposition Date: 07/14/2014

Sum of All Relief Awarded: \$574,066.43

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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