

BrokerCheck Report

LINCOLN FINANCIAL INVESTMENT SERVICES CORPORATION

CRD# 5178

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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.

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Thank you for using FINRA BrokerCheck.



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



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



LINCOLN FINANCIAL INVESTMENT SERVICES CORPORATION

CRD# 5178

SEC# 8-15753

Main Office Location

1300 S. CLINTON STREET
SUITE 7C-01
FORT WAYNE, IN 46802

Mailing Address

1300 S. CLINTON STREET
SUITE 7C-01
FORT WAYNE, IN 46802

Business Telephone Number

260-455-0727

Report Summary for this Firm

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

Firm Profile

This firm is classified as a corporation.
This firm was formed in North Carolina on 01/13/1970.
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	2

The number of disclosures from non-registered control affiliates is 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: 05/02/2016

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 North Carolina on 01/13/1970.

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.

LINCOLN FINANCIAL INVESTMENT SERVICES CORPORATION

Doing business as LINCOLN FINANCIAL INVESTMENT SERVICES CORPORATION

CRD# 5178

SEC# 8-15753

Main Office Location

1300 S. CLINTON STREET
SUITE 7C-01
FORT WAYNE, IN 46802

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SUITE 7C-01
FORT WAYNE, IN 46802

Business Telephone Number

260-455-0727



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):	LINCOLN NATIONAL CORPORATION
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	PARENT COMPANY
Position Start Date	03/2007
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):	CAMPBELL, DELSON ROBERT 2165812
Is this a domestic or foreign entity or an individual?	Individual
Position	VICE PRESIDENT, DIRECTOR
Position Start Date	07/2015
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	COUTTS, JEFFREY DOUGLAS
Is this a domestic or foreign entity or an individual?	Individual
Position	SENIOR VICE PRESIDENT, TREASURER, DIRECTOR
Position Start Date	04/2015
Percentage of Ownership	Less than 5%

Firm Profile



Direct Owners and Executive Officers (continued)

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

Is this a public reporting company? No

Legal Name & CRD# (if any): ELDER, KENNETH J.
5949626

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

Position AML OFFICER

Position Start Date 07/2011

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): GOULD, PAUL NOBLE
3073375

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

Position ASSISTANT VICE PRESIDENT

Position Start Date 07/2011

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): KLOUDA, MAUREEN ANN
1159259

Firm Profile



Direct Owners and Executive Officers (continued)

Is this a domestic or foreign entity or an individual?	Individual
Position	COMPLIANCE MANAGER
Position Start Date	05/2010
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):	KROLL, BRIAN ANTHONY 5910026
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT, DIRECTOR
Position Start Date	09/2011
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):	PAWSAT, CARL RAYMOND 6133845
Is this a domestic or foreign entity or an individual?	Individual
Position	INTERIM CHIEF FINANCIAL AND OPERATIONS PRINCIPAL
Position Start Date	09/2014
Percentage of Ownership	Less than 5%

Firm Profile



Direct Owners and Executive Officers (continued)

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

Is this a public reporting company? No

Legal Name & CRD# (if any): SAMPLATSKY, LAWRENCE A
4268260

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

Position VICE PRESIDENT & CHIEF COMPLIANCE OFFICER

Position Start Date 10/2008

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): SKARIE, BRADLEY RAY
2844865

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

Position ASSISTANT VICE PRESIDENT

Position Start Date 05/2010

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

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 06/09/1970 to 07/01/2016.



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 2 types of businesses.

Types of Business

Broker or dealer selling variable life insurance or annuities

Other - 10Y APPLICANT WILL ALSO ACT AS A DISTRIBUTOR OF CERTAIN REGISTERED PRODUCTS- VARIABLE ANNUITIES AND VARIABLE UNIVERSAL LIFE ISSUED BY AFFILIATE COMPANIES.

Other Types of Business

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

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

Non-Securities Business Description:

Firm Operations



Clearing Arrangements

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

Introducing Arrangements

This firm does not refer or introduce customers to other brokers and dealers.

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.**

LINCOLN FINANCIAL DISTRIBUTORS, INC. is under common control with the firm.

CRD #:	145
Business Address:	130 N. RADNOR CHESTER ROAD RADNOR, PA 19087
Effective Date:	04/01/2006
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	JEFFERSON PILOT VARIABLE CORPORATION AND LINCOLN FINANCIAL DISTRIBUTORS ARE UNDER THE COMMON CONTROL OF LINCOLN NATIONAL CORPORATION.

LINCOLN FINANCIAL ADVISORS CORPORATION is under common control with the firm.

CRD #:	3978
Business Address:	1300 SOUTH CLINTON AVENUE SUITE 150 FORT WAYNE, IN 46802
Effective Date:	04/01/2006
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Description: JEFFERSON PILOT VARIABLE CORPORATION AND LINCOLN FINANCIAL ADVISORS CORPORATION ARE UNDER THE COMMON CONTROL OF LINCOLN NATIONAL CORPORATION.

LINCOLN INVESTMENT ADVISORS CORPORATION is under common control with the firm.

CRD #: 108881

Business Address: ONE GRANITE PLACE
CONCORD, NH 03301

Effective Date: 06/01/1997

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: THE NAME JEFFERSON PILOT INVESTMENT ADVISORY CORPORATION, (A SEC REGISTERED INVESTMENT ADVISER), WAS CHANGED TO LINCOLN INVESTMENT ADVISORS CORPORATION ON 4/27/2007. JEFFERSON PILOT VARIABLE CORPORATION AND LINCOLN INVESTMENT ADVISORS CORPORATION ARE BOTH OWNED BY LINCOLN NATIONAL CORPORATION.

LINCOLN FINANCIAL SECURITIES CORPORATION is under common control with the firm.

CRD #: 3870

Business Address: ONE GRANITE PLACE
CONCORD, NH 03301

Effective Date: 06/01/1997

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: JEFFERSON PILOT VARIABLE CORPORATION IS UNDER COMMON CONTROL AND OWNERSHIP WITH LINCOLN FINANCIAL SECURITIES CORPORATION, A REGISTERED BROKER DEALER AND INVESTMENT ADVISER, AND LINCOLN INVESTMENT ADVISORS CORPORATION, A REGISTERED INVESTMENT ADVISER. ALL ENTITIES ARE OWNED AND

Firm Operations



Organization Affiliates (continued)

CONTROLLED BY LINCOLN NATIONAL CORPORATION.

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	2	0



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 2

Reporting Source: Regulator

Current Status: Final



Allegations:	<p>NASD CONDUCT RULES 3010 AND 2110 - JEFFERSON PILOT VARIABLE CORPORATION UTILIZED AN ELECTRONIC POLICY ADMINISTRATION SYSTEM (THE "SYSTEM") TO ADMINISTER POLICYHOLDER FUNDS AND CORRESPONDING SUB-ACCOUNT TRANSFERS. THE SYSTEM COULD OSTENSIBLY RECOGNIZE AND BLOCK SUB-ACCOUNT TRANSFERS IN EXCESS OF 20 PER POLICY YEAR. HOWEVER, THIS BLOCKING FEATURE WAS NOT FUNCTIONAL. AS A RESULT, ENSEMBLE VARIABLE UNIVERSAL LIFE INSURANCE POLICIES ("VULS") POLICYHOLDERS EXCEEDED THE PROSPECTUS TRANSFER LIMITATIONS. ENSEMBLE VUL POLICYHOLDERS, THROUGH THE PURCHASE AND SALE OF SUB-ACCOUNT UNITS, HAD ENGAGED IN MARKET TIMING. AS A RESULT OF THEIR 116 TRANSFERS EXCEEDING THE VUL PROSPECTUS LIMITS, THE TWO MARKET TIMERS REALIZED PROFITS OF \$238,697. OTHER POLICYHOLDERS HAD BEEN FOLLOWING AN INVESTMENT STRATEGY THAT REQUIRED PERIODIC REBALANCING OF THEIR SUB-ACCOUNT PORTFOLIO. THEIR EXCESSIVE TRANSFERS INVOLVED 35 DIFFERENT SUB-ACCOUNTS, AND EACH POLICYHOLDER GENERALLY ENGAGED IN NO MORE THAN ONE SUB-ACCOUNT TRANSFER PER WEEK. ALTHOUGH NOT MARKET TIMERS, THESE POLICYHOLDERS STILL EXCEEDED THE VUL PROSPECTUS TRANSFER LIMITATIONS BY AN AVERAGE OF APPROXIMATELY FIVE. THE FIRM'S SUPERVISORY PROCEDURES AND SYSTEMS WERE NOT REASONABLY DESIGNED TO DETECT AND PREVENT SUB-ACCOUNT TRANSFERS IN EXCESS OF THE LIMITS SET IN THE ENSEMBLE VUL PROSPECTUSES. SPECIFICALLY, JEFFERSON PILOT VARIABLE CORPORATION FAILED TO CONDUCT ANY MEANINGFUL FOLLOW-UP AND REVIEW TO DETERMINE WHETHER THE SYSTEM WAS, IN FACT, WORKING TO DETECT AND BLOCK EXCESSIVE TRANSFERS. GIVEN THE FIRM'S EXCLUSIVE RELIANCE ON THE SYSTEM TO MONITOR SUB-ACCOUNT TRANSFERS, SUCH FOLLOW-UP AND REVIEW WAS ESSENTIAL. JEFFERSON PILOT VARIABLE CORPORATION ALSO FAILED TO MONITOR THE SUB-ACCOUNT TRANSFERS OF THE POLICYHOLDERS WHO ENGAGED IN A REBALANCING STRATEGY. AS A RESULT OF SUPERVISORY DEFICIENCIES, THE FIRM FAILED TO DETECT EXCESSIVE TRANSFERS BY POLICYHOLDERS, INCLUDING TWO MUTUAL FUND MARKET TIMERS.</p>
Initiated By:	NASD
Date Initiated:	03/16/2005
Docket/Case Number:	C11050005
Principal Product Type:	Annuity(ies) - Variable
Other Product Type(s):	MUTUAL FUNDS
Principal Sanction(s)/Relief Sought:	



Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/16/2005

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 \$325,000.00

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, JEFFERSON PILOT VARIABLE CORPORATION CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. THEREFORE, THE FIRM IS CENSURED AND FINED \$325,000. IN ADDITION, WITHIN 30 DAYS OF THE ISSUANCE OF THIS AWC, THE FIRM SHALL PAY AT LEAST \$119,673 (IN ADDITION TO \$119,024 THE FIRM PREVIOUSLY PAID) TO COMPENSATE THE OTHER AFFECTED MUTUAL FUNDS FOR LOSSES SUSTAINED DURING THE RELEVANT TIME PERIOD BECAUSE OF THE EXCESSIVE TRANSFERS OF MUTUAL FUND SHARES BY THE TWO MARKET TIMING POLICYHOLDERS BEYOND THE POLICY YEAR LIMITS SET FORTH IN THE APPLICABLE PROSPECTUSES. THE FIRM SHALL APPORTION THE \$119,673 BETWEEN THE TWO OTHER AFFECTED FUNDS.

Regulator Statement UNDERTAKINGS CONTINUED...ALSO, THE FIRM SHALL COMPLY WITH THE FOLLOWING UNDERTAKINGS WITHIN THE TIME PERIODS SPECIFIED: UPON SUBMISSION OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY TO NASD THAT IT HAS DETERMINED A METHODOLOGY APPROPRIATE UNDER THE CIRCUMSTANCES TO CALCULATE THE MONETARY AMOUNTS NECESSARY TO COMPENSATE THE AFFECTED MUTUAL FUNDS FOR LOSSES ATTRIBUTABLE TO THE EXCESSIVE TRADING DURING THE RELEVANT TIME PERIOD, THAT IT HAS DETERMINED AN APPROPRIATE ALLOCATION OF SUCH AMOUNTS AMONG THE AFFECTED FUNDS, AND THAT THE FIRM DEEMS SUCH AMOUNTS AND DISTRIBUTION AS APPROPRIATE. THE FIRM SHALL ALSO PROVIDE NASD WITH A WRITTEN EXPLANATION OF THE METHODOLOGY EMPLOYED BY THE FIRM ALONG WITH CALCULATIONS, SCHEDULES AND OTHER SUPPORTING DOCUMENTATION RELATING TO THE DETERMINATION OF THE MONETARY AMOUNT AND DISTRIBUTION. WITHIN 30 DAYS OF THE ISSUANCE OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY TO NASD THAT PAYMENT



IN THE AMOUNT OF AT LEAST \$238,697 HAS BEEN MADE IN ACCORDANCE WITH THIS AWC AND THE METHODOLOGY AND ALLOCATION DESCRIBED ABOVE. UPON SUBMISSION OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY TO NASD IN WRITING THAT, WITH RESPECT TO THE RELEVANT TIME PERIOD, AND TO THE BEST OF THE FIRM'S KNOWLEDGE BASED UPON REASONABLE INQUIRY, IT HAS DISCLOSED TO NASD ALL INSTANCES OF TRANSFERS WITHIN VUL MUTUAL FUND SUB-ACCOUNTS THAT CONTRAVENED THE LIMITATIONS SET FORTH IN THE APPLICABLE PROSPECTUS. WITHIN 90 DAYS AFTER ISSUANCE OF THE AWC, AN OFFICER OF JPVC SHALL CERTIFY TO NASD THAT THE FIRM HAS REVIEWED ITS PROCEDURES REGARDING TRANSFERS AND HAS SYSTEMS AND PROCEDURES IN PLACE THAT ARE REASONABLY DESIGNED TO ENSURE THAT VUL PROSPECTUS POLICIES ARE ENFORCED.

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE FIRM FAILED TO DETECT AND PREVENT EXCESSIVE TRANSFERS BETWEEN VARIABLE PRODUCT SUB-ACCOUNTS IN VIOLATION OF NASD RULES 3010 AND 2110.
Initiated By:	NASD
Date Initiated:	12/15/2004
Docket/Case Number:	C11050005
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:	THE FIRM WAS FINED \$325,000, CENSURED, AND ORTDERED TO PAY AT LEAST \$119,673 TO COMPENSATE AFFECTED MUTUAL FUNDS FOR LOSSES SUSTANED BECAUSE OF EXCESSIVE TRANSFERS EXECUTED BY THE MARKET TIMING POLICYHOLDERS.
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/16/2005
Sanctions Ordered:	Censure Monetary/Fine \$325,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	THE FIRM MUST CERTIFY TO THE NASD THAT IT HAS: (I) DETERMINED A



METHODOLOGY APPROPRIATE TO REIMBURSE THE AFFECTED MUTUAL FUNDS FOR LOSSES ATTRIBUTABLE TO THE EXCESSIVE TRADING; (II) REIMBURSED THE AFFECTED MUTUAL FUNDS, AND; (III) REVIEWED ITS PROCEDURES REGARDING TRANSFERS AND HAS SYSTEMS IN PLACE REASONABLY DESIGNED TO ENSURE THAT VUL PROSPECTUS POLICIES ARE ENFORCED.

Sanction Details:

THE FIRM WAS FINED \$325,000, WHICH WAS PAID ON 04/01/2005. RESTITUTION TO THE AFFECTED MUTUAL FUNDS IN THE TOTAL AMOUNT OF \$238,697 WAS PAID TO THE FUNDS AFFECTED ON 03/31/2005 AND 04/01/2005.

Firm Statement

FROM JANUARY 1, 2001 THROUGH DECEMBER 31, 2003, THE FIRM FAILED TO DETECT AND PREVENT TRANSFERS BETWEEN VUL SUB-ACCOUNTS IN EXCESS OF PROSPECTUS LIMITATIONS.

Disclosure 2 of 2

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: MISSOURI

Date Initiated: 01/18/1983

Docket/Case Number: AO-83-3

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: 01/18/1983

Sanctions Ordered: Censure

Other Sanctions Ordered:
Sanction Details:

Regulator Statement CONSENT TO ORDER OF CENSURE



FILE NO. AO-83-3
ON 01/18/83, THE COMMISSIONER ENTERED INTO A CONSENT ORDER
WITH
RESPONDENT WHEREBY RESPONDENT AGREED TO BE CENSURED FOR
ITS
ACTIVITIES IN CONNECTION WITH THE SALES OF SECURITIES OF ONE
OF ITS AGENTS WHO WAS NOT REGISTERED WITH THE STATE OF
MISSOURI
AT THE TIME OF THOSE SALES. RESPONDENT ALSO AGREED TO SUBMIT
A PLAN TO THE COMMISSIONER THAT WILL REASONABLY ASSURE
PROPER
REGISTRATION OF ITS AGENTS WHO EFFECT TRANSACTIONS IN THIS
STATE.

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE APPLICANT INADVERTANTLY FAILED TO TIMELY RENEW THE REGISTRATION OF ONE OF ITS AGENTS.
Initiated By:	STATE OF MISSOURI, COMMISSIONER OF SECURITIES
Date Initiated:	01/18/1983
Docket/Case Number:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	01/13/1983
Sanctions Ordered:	Censure
Other Sanctions Ordered:	NONE.
Sanction Details:	NONE.
Firm Statement	APPLICANT RETURNED A LETTER TO THE SECURITIES COMMISSIONER OF MISSOURI ON JANUARY 13, 1983, INDICATING THE APPLICANT'S CONSENT TO THE ORDER OF CENSURE AND OUTLINING THE APPLICANT'S PLAN TO



AVOID THE REOCCURANCE OF AN INADVERTANT FAILURE TO RENEW THE
REGISTRATION OF ITS AGENTS IN MISSOURI.

Disclosure Events for Non-Registered Control Affiliates



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	2	0



Disclosure Event Details

Regulatory - Final

Disclosure 1 of 2

Reporting Source:	Firm
Affiliate:	LINCOLN LIFE & ANNUITY COMPANY OF NEW YORK
Current Status:	Final
Allegations:	REGULATORY ACTION RESULTED FROM ISSUES IDENTIFIED DURING MARKET CONDUCT EXAMINATIONS CONDUCTED BY THE NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES COVERING THE TIME PERIODS OF JANUARY 1, 2005 THROUGH DECEMBER 31, 2007 AND JANUARY 1, 2008 THROUGH DECEMBER 31, 2010 WHICH IDENTIFIED VIOLATIONS OF NEW YORK INSURANCE LAWS AND REGULATIONS.
Initiated By:	NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
Date Initiated:	08/02/2013
Docket/Case Number:	STIPULATION # 2012-0169-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:	
Resolution:	Stipulation and Consent
Resolution Date:	08/02/2013
Sanctions Ordered:	Monetary/Fine \$1,200,000.00
Other Sanctions Ordered:	
Sanction Details:	CIVIL PENALTY IN THE SUM OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000.00) WAS PAID ON JULY 31, 2013.
Firm Statement	REGULATORY ACTION RESULTED FROM ISSUES IDENTIFIED DURING MARKET CONDUCT EXAMINATIONS CONDUCTED BY THE NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES COVERING THE TIME PERIODS OF JANUARY 1, 2005 THROUGH DECEMBER 31, 2007 AND JANUARY 1, 2008 THROUGH DECEMBER 31, 2010 WHICH IDENTIFIED VIOLATIONS OF NEW YORK INSURANCE LAWS AND REGULATIONS.



Disclosure 2 of 2

Reporting Source:	Firm
Affiliate:	FIRST PENN-PACIFIC LIFE INSURANCE COMPANY
Current Status:	Final
Allegations:	FAILURE TO FILE ANNUAL CERTIFICATION OF ADVERTISEMENT REPORT FOR 2007
Initiated By:	NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY, DIVISION OF INSURANCE
Date Initiated:	05/04/2011
Docket/Case Number:	NAIC NO.67652
Principal Product Type:	Annuity(ies) - Fixed
Other Product Type(s):	LIFE INSURANCE
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	PENALTY/FINE ONLY
Resolution:	Settled
Resolution Date:	05/10/2011
Sanctions Ordered:	Monetary/Fine \$1,000.00
Other Sanctions Ordered:	
Sanction Details:	A \$1000 FINE WAS PAID IN CHECK FORM ON MAY 10, 2011.
Firm Statement	THE NV DIVISION OF INSURANCE SENT A LETTER TO FIRST PENN ON 5/4/11 INDICATING THAT FIRST PENN HAD FAILED TO FILE ITS 2007 ANNUAL CERTIFICATION OF ADVERTISEMENT REPORT BY 3/1/2008. A \$1000 FINE WAS IMPOSED WHICH FIRST PENN PROMPTLY PAID ON 5/10/11. CASE SETTLED.

End of Report



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