

BrokerCheck Report

STIFEL, NICOLAUS & COMPANY, INCORPORATED

CRD# 793

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

About BrokerCheck®



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

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

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

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

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

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

- o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- o information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

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)

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

CRD# 793

SEC# 8-1447

Main Office Location

501 NORTH BROADWAY
ST. LOUIS, MO 63102
Regulated by FINRA Kansas City Office

Mailing Address

501 NORTH BROADWAY
ST. LOUIS, MO 63102

Business Telephone Number

314-342-2000

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

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

Report Summary for this Firm

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

Firm Profile

This firm is classified as a corporation.

This firm was formed in Missouri on 02/20/1900.

Its fiscal year ends in December.

Firm History

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

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

- the SEC
- 11 Self-Regulatory Organizations
- 53 U.S. states and territories

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

This firm conducts 24 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

**Disclosure Events**

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	135
Civil Event	2
Arbitration	54
Bond	2



Firm Profile

This firm is classified as a corporation.

This firm was formed in Missouri on 02/20/1900.

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.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

Doing business as STIFEL, NICOLAUS & COMPANY, INCORPORATED

CRD# 793

SEC# 8-1447

Main Office Location

501 NORTH BROADWAY
ST. LOUIS, MO 63102

Regulated by FINRA Kansas City Office

Mailing Address

501 NORTH BROADWAY
ST. LOUIS, MO 63102

Business Telephone Number

314-342-2000

Other Names of this Firm

Name	Where is it used
EATON PARTNERS	CT



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): STIFEL FINANCIAL CORP.

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

Position SHAREHOLDER

Position Start Date 02/1982

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): AYD, PAUL JOSEPH
2963853

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

Position CHIEF COMPLIANCE OFFICER - CAPITAL MARKETS

Position Start Date 05/2015

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): BENNETT, FRANKLIN SEATON JR
3104054

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

Position CHIEF COMPLIANCE OFFICER - PRIVATE CLIENT GROUP

Position Start Date 09/2021

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): BROOKS, PATRICK RODGERS
2223412

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

Position ROSFP - CAPITAL MARKETS

Position Start Date 05/2009

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): FISHER, MARK PHILIP
4970942

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

Position GENERAL COUNSEL - STIFEL FINANCIAL

Position Start Date 06/2014

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): HYDE, GINA ELIZABETH

Firm Profile



Direct Owners and Executive Officers (continued)

2812751

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

Position CHIEF COMPLIANCE OFFICER - CAPITAL MARKETS

Position Start Date 08/2016

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): KRUSZEWSKI, RONALD JAMES
1434827

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

Position CHAIRMAN, CEO, PRESIDENT, AND DIRECTOR

Position Start Date 08/2002

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): LIEBIG, LIBBY ELLEN
2385467

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

Position CCO-ADVISORY SERVICES (INTERIM)

Position Start Date 09/2021

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? No

Is this a public reporting company? No

Legal Name & CRD# (if any): MELINGER, ADAM SCOTT
2373020

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

Position ROSFP - PCG

Position Start Date 08/2019

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): NESI, VICTOR JOHN
2503383

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

Position DIRECTOR

Position Start Date 06/2018

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): NOLL, DOUGLAS WAYNE
1614129



Firm Profile

Direct Owners and Executive Officers (continued)

Is this a domestic or foreign entity or an individual?	Individual
Position	PRINCIPAL OPERATIONS OFFICER
Position Start Date	06/1995
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): SCHRICK, FREDERICK RICHARD
5636488

Is this a domestic or foreign entity or an individual?	Individual
Position	PRINCIPAL FINANCIAL OFFICER
Position Start Date	08/2017
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):	STEGELAND, GARRY JOSEPH 1881270
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER - STIFEL FINANCIAL
Position Start Date	07/2015
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?	No
Is this a public reporting company?	No
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Legal Name & CRD# (if any):	ZEMLYAK, JAMES MARK 1586132
Is this a domestic or foreign entity or an individual?	Individual
Position	DIRECTOR
Position Start Date	08/2002
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
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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 currently registered with the SEC, 11 SROs and 53 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	01/01/1936

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	10/13/1936
Cboe BZX Exchange, Inc.	Approved	08/18/2008
Cboe EDGA Exchange, Inc.	Approved	06/02/2010
Cboe EDGX Exchange, Inc.	Approved	06/02/2010
Investors' Exchange LLC	Approved	08/08/2016
NYSE American LLC	Approved	02/25/1988
NYSE Chicago, Inc.	Approved	12/01/1949
Nasdaq ISE, LLC	Approved	06/21/2012
Nasdaq PHLX LLC	Approved	01/01/1936
Nasdaq Stock Market	Approved	07/12/2006
New York Stock Exchange	Approved	11/17/1982



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	01/18/1984	North Carolina	Approved	07/15/1982
Alaska	Approved	11/03/1975	North Dakota	Approved	04/12/1984
Arizona	Approved	08/15/1973	Ohio	Approved	07/16/1982
Arkansas	Approved	12/03/1969	Oklahoma	Approved	07/17/1982
California	Approved	09/17/1973	Oregon	Approved	04/09/1984
Colorado	Approved	02/01/1983	Pennsylvania	Approved	07/06/1983
Connecticut	Approved	04/07/1981	Puerto Rico	Approved	05/24/1996
Delaware	Approved	03/27/1984	Rhode Island	Approved	07/13/1983
District of Columbia	Approved	01/30/1984	South Carolina	Approved	07/12/1983
Florida	Approved	04/27/1983	South Dakota	Approved	07/15/1982
Georgia	Approved	04/29/1983	Tennessee	Approved	08/17/1981
Hawaii	Approved	09/30/1985	Texas	Approved	07/25/1983
Idaho	Approved	05/10/1984	Utah	Approved	04/21/1983
Illinois	Approved	10/03/1958	Vermont	Approved	02/15/1984
Indiana	Approved	10/21/1981	Virgin Islands	Approved	05/17/2007
Iowa	Approved	07/15/1983	Virginia	Approved	01/20/1984
Kansas	Approved	09/27/1966	Washington	Approved	04/17/1984
Kentucky	Approved	07/16/1982	West Virginia	Approved	09/30/1981
Louisiana	Approved	04/20/1983	Wisconsin	Approved	11/10/1931
Maine	Approved	04/19/1984	Wyoming	Approved	10/27/1975
Maryland	Approved	09/20/1983			
Massachusetts	Approved	07/26/1983			
Michigan	Approved	02/03/1983			
Minnesota	Approved	07/15/1982			
Mississippi	Approved	10/14/1981			
Missouri	Approved	07/18/1983			
Montana	Approved	03/27/1984			
Nebraska	Approved	10/09/1981			
Nevada	Approved	07/15/1983			
New Hampshire	Approved	04/05/1984			
New Jersey	Approved	07/18/1983			
New Mexico	Approved	10/07/1981			
New York	Approved	12/01/1981			



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 24 types of businesses.

Types of Business

Exchange member engaged in exchange commission business other than floor activities

Exchange member engaged in floor activities

Broker or dealer making inter-dealer markets in corporation securities over-the-counter

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

Solicitor of time deposits in a financial institution

Broker or dealer selling oil and gas interests

Put and call broker or dealer or option writer

Broker or dealer selling securities of non-profit organizations (e.g., churches, hospitals)

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

Trading securities for own account

Private placements of securities

Broker or dealer selling interests in mortgages or other receivables

Other - 1)EXCHANGE OF US DOLLARS FOR FOREIGN CURRENCIES ON BEHALF OF CERTAIN CLIENTS.
2)MUNICIPAL ADVISOR. 3)RELIGIOUS ORGANIZATION FINANCING. 4)SECURITIES LENDING. 5)INTERNAL
CROSSING NETWORK FOR EQUITY SECURITIES

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: 1) APPLICANT IS LICENSED TO SELL LIFE, HEALTH, AND CASUALTY INSURANCE PRODUCTS THROUGH ITS LICENSED AGENTS.
2) CONTRACT MARKETING



Firm Operations

Clearing Arrangements

This firm does hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

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

Name:	GLOBAL SHARES FINANCIAL SERVICES INC.
CRD #:	284031
Business Address:	111 TOWN SQUARE PLACE 14TH FLOOR, SUITE 1401 JERSEY CITY, NJ 07310
Effective Date:	04/12/2019
Description:	PURSUANT TO THE REVENUE SHARING AGREEMENT, SNC WILL REFER CUSTOMERS WHO WISH TO RECEIVE EMPLOYEE SHARE PLAN ADMINISTRATION SERVICES TO GS
<hr/>	
Name:	STONEX MARKETS LLC
Business Address:	230 S. LASALLE STREET SUITE 10-500 CHICAGO, IL 60604
Effective Date:	09/15/2017
Description:	APPLICANT INTRODUCES SWAP BUSINESS TO STONEX MARKETS LLC (FORMERLY INTL FCSTONE MARKETS, LLC.)
<hr/>	
Name:	STONEX FINANCIAL INC.
CRD #:	45993
Business Address:	329 PARK AVENUE NORTH SUITE 350 WINTER PARK, FL 32789
Effective Date:	09/15/2017
Description:	APPLICANT INTRODUCES COMMODITY FUTURE ACCOUNTS TO STONEX FINANCIAL INC. (FORMERLY FCSTONE FINANCIAL INC.)
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Firm Operations

Industry Arrangements



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

Name: BROADRIDGE FINANCIAL SOLUTIONS, INC.
Business Address: 5 DAKOTA DRIVE
 SUITE 300
 LAKE SUCCESS, NY 11042
Effective Date: 11/20/2019
Description: BACK-OFFICE SYSTEM FOR THE FIRM'S SYNDICATED LOAN BUSINESS.
 [PURCHASED CLEAR STRUCTURE FINANCIAL TECHNOLOGY (SENTRY
 LT)]

Name: FINANCIAL TRANSMISSION NETWORK, INC.
Business Address: 13220 BIRCH DRIVE
 SUITE 120
 OMAHA, NE 68164
Effective Date: 01/01/2005
Description: FTNI PROVIDES SOFTWARE AND WEB SERVICES TO COLLECT,
 TRANSMIT TO BANKS, AND STORE IMAGES OF CHECKS BEING
 DEPOSITED TO OUR BANK ACCOUNTS VIA A BANK "IMAGE CASH
 LETTER" DEPOSIT. (THEY ACQUIRED REMITPRO)

Name: REDI2 TECHNOLOGIES
Business Address: 211 CONGRESS STREET
 11TH FLOOR
 BOSTON, MA 02110
Effective Date: 04/01/2020
Description: REDI2 PROVIDES AN ADVISORY BILLING TOOL FOR FEE-BASED BILLING
 CALCULATIONS & CLIENT INVOICE GENERATION.

Name: TRADEWEB DIRECT LLC
Business Address: 1177 AVENUE OF AMERICAS
 NEW YORK, NY 10036
Effective Date: 06/01/2003
Description: SEARCHING & ORDER ENTRY PLATFORM FOR BONDS. BUILD
 LADDERS/PORTFOLIOS FOR CUSTOMER. MANAGES ORDERS & BOND
 INVENTORY. STORAGE OF ORDER RECORDS.

Firm Operations



Industry Arrangements (continued)

Name: VESTMARK, INC.
Business Address: 100 QUANNAPOWITT PARKWAY
 SUITE 205
 WAKEFIELD, MA 01880
Effective Date: 03/18/2010
Description: TRADING PLATFORM FOR HOME OFFICE & FAS. PROVIDES PERFORMANCE REPORTING FOR ADVISORY ACCOUNTS & GENERATES CLIENT FACING REPORTS. STORAGE OF TRADING & PERFORMANCE RECORDS.

Name: IRON MOUNTAIN, INC.
Business Address: 1 FEDERAL
 BOSTON, MA 02110
Effective Date: 05/01/2010
Description: OFFSITE STORAGE OF PHYSICAL BOOKS & RECORDS.

Name: FISERV
Business Address: 255 FISERV DRIVE
 BROOKFIELD, WI 53045
Effective Date: 03/30/2007
Description: TRADING PLATFORM FOR THIRD PARTY MANAGERS & FAS. PROVIDES PERFORMANCE REPORTS FOR CLIENTS. STORAGE OF TRADING & PERFORMANCE RECORDS.

Name: ISS CORPORATE SOLUTIONS, INC.
Business Address: 702 KING FARM BOULEVARD
 SUITE 400
 ROCKVILLE, MD 20850
Effective Date: 11/12/2019
Description: CREATION & STORAGE OF PROXY RESEARCH REPORTS & VOTING DATA FOR INSTITUTIONAL INVESTORS.

Name: GABRIEL GROUP
Business Address: 3190 RIDER TRAIL SOUTH
 EARTH CITY, MO 63045
Effective Date: 06/01/2004
Description: PRINT FULFILLMENT & STORAGE FOR ADVISORY. PRINTS AND STORES FIRM SHELF DOCUMENT TOD KITS

Firm Operations



Industry Arrangements (continued)

Name:	CI INFORMATION MANAGEMENT
Business Address:	900 S DAYTON ST KENNEWICK, WA 99336
Effective Date:	04/18/2017
Description:	PHYSICAL RECORDS STORAGE FOR BRANCH RECORDS
Name:	PROFILE
Business Address:	3820 CASS ROAD TRAVERSE CITY, MI 49684
Effective Date:	01/01/2018
Description:	PHYSICAL RECORDS STORAGE FOR BRANCH RECORDS
Name:	ISTORAGE
Business Address:	2464 ROUTE 9 SOUTH HOWELL, NJ 07731
Effective Date:	12/08/2003
Description:	PHYSICAL RECORDS STORAGE FOR BRANCH RECORDS
Name:	ACCESS INFORMATION PROTECTED
Business Address:	1598 EAST AVENUE NORTH SARASOTA, FL 34237
Effective Date:	01/01/2018
Description:	PHYSICAL RECORDS STORAGE FOR BRANCH RECORDS
Name:	VRC
Business Address:	551 WESTERN DR. MOBILE, AL 36601
Effective Date:	01/01/2018
Description:	PHYSICAL RECORDS STORAGE FOR BRANCH RECORDS
Name:	VITAL RECORDS CONTROL
Business Address:	1401 MURPHY DRIVE LITTLE ROCK, AR 72113
Effective Date:	07/25/2001
Description:	PHYSICAL RECORDS STORAGE FOR BRANCH

Firm Operations



Industry Arrangements (continued)

Name:	CENTRAL RECORDS SERVICES
Business Address:	301 ROGERS AVENUE FT. SMITH, AR 72901
Effective Date:	08/11/2005
Description:	PHYSICAL RECORDS STORAGE FOR BRANCH
Name:	FILE PRO SERVICES
Business Address:	2106 LIPAN ST. CORPUS CHRISTI, TX 78408
Effective Date:	04/01/2019
Description:	PHYSICAL RECORDS STORAGE FOR BRANCH RECORDS
Name:	AACTION MOVERS MOVERS
Business Address:	3403 E. ROSSER AVE. BISMARCK, ND 58501
Effective Date:	01/01/2018
Description:	PHYSICAL RECORDS STORAGE FOR BRANCH RECORDS
Name:	NATIONAL RECORDS MANAGEMENT
Business Address:	2277 N.E. BROADWAY DES MOINES, IA 50317
Effective Date:	01/01/2018
Description:	PHYSICAL RECORDS STORAGE
Name:	IRON MOUNTAIN
Business Address:	1 FEDERAL ST BOSTON, MA 02110
Effective Date:	05/08/2007
Description:	PAPER RECORDS SCANNING AND STORAGE
Name:	HELIX FINANCIAL SYSTEMS, L.P.
Business Address:	110 E. 59TH STREET NEW YORK, NY 10022
Effective Date:	12/03/2018
Description:	REPO TRADING SYSTEM

Firm Operations



Industry Arrangements (continued)

Name:	DELL EMC
Business Address:	176 SOUTH STREET HOPKINTON, MA 01748
Effective Date:	10/12/2015
Description:	ORIGINAL CONTRACT WAS WITH LEGATO, ACQUIRED BY DELL, MERGED WITH EMC AND NOW SOURCEONE. USED FOR ELECTRONIC CAPTURE, INDEX, STORE, MANAGE, RETRIEVAL OF EMAIL RECORDS.
Name:	DEPOSITORY TRUST & CLEARING CORPORATION
Business Address:	55 WATER STREET NEW YORK, NY 10041
Effective Date:	10/15/2018
Description:	CONFIRM ARCHIVE SERVICE AND RECORDKEEPER FOR TRADE CONFIRMATIONS ISSUED THROUGH "CTM" SERVICE. CONFIRM ARCHIVE SERVICE AND RECORDKEEPER FOR TRADE CONFIRMATIONS ISSUED THROUGH "TRADESUITE ID" SERVICE. (DTCC ITP LLC BUSINESS UNIT)
Name:	DOCUSIGN
Business Address:	221 MAIN STREET #100 SAN FRANCISCO, CA 94105
Effective Date:	08/31/2017
Description:	ELECTRONIC SIGNATURE VENDOR.
Name:	FIS WALL STREET CONCEPTS
Business Address:	ONE NEW YORK PLAZA SUITE 4500 NEW YORK, NY 10004
Effective Date:	06/25/2015
Description:	TAX INFORMATION REPORTING SOLUTIONS PROVIDER
Name:	IHS MARKIT LTD.
Business Address:	620 8TH AVENUE 35TH FLOOR NEW YORK, NY 10018
Effective Date:	07/15/2015
Description:	USED BY VENDOR MANAGEMENT DEPARTMENT TO CENTRALIZE THEIR

Firm Operations



Industry Arrangements (continued)

DOCUMENTS AND SIMPLIFYING THEIR DUE DILIGENCE AND ONGOING MONITORING PROCESS

Name: MCDONALD INFORMATION SERVICE INC. (MIS)
Business Address: 41 VREELAND AVE
 SUITE 27
 TOTOWA, NJ 07512
Effective Date: 09/10/2013
Description: CUSTOMER IDENTIFICATION PROGRAM; SUPPORTS OUR CIP/OFAC FUNCTIONS FOR AML. FORMERLY MCDONALD INFORMATION SYSTEMS

Name: COMGRAPHICS INC (CGI)
Business Address: 329 W 18TH ST #10
 CHICAGO, IL 60616
Effective Date: 01/09/2015
Description: CONFIRMS, STATEMENT VENDOR, TAX FORMS
 THEY RECEIVE CLIENT DATA FOR PURPOSES OF CREATING STATEMENTS AND CONFIRMS. THEY TEMPORARILY HOUSE OUR DATA UNTIL THE STATEMENTS / CONFIRMS ARE ARCHIVED ON OUR PLATFORM.

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
 JERSEY CITY, NJ 07399
Effective Date: 10/08/2004
Description: PERSHING MAINTAINS A COPY OF RECORDS FOR THE INSTITUTIONAL FIXED INCOME ACCOUNTS THAT TRADE IN NON-DOLLAR DENOMINATED SECURITIES WHICH THEY CLEAR FOR STIFEL. THERE ARE NO CUSTODIAL ACCOUNTS.
 EFFECTIVE 11/2018 FOR CANADIAN BUSINESS, MAINTAINS A COPY OF STIFEL'S CANADIAN CLEARING RECORDS

Name: SECURITIES INDUSTRY RECORDS SERVICES, LLC
Business Address: 1780 W 9000 SOUTH
 WEST JORDAN, UT 84088
Effective Date: 05/16/2008
Description: THE VENDOR HAS ACCESS TO OUR ELECTRONIC STORAGE MEDIA AS IT RELATES TO RULE 17A-4

Firm Operations



Industry Arrangements (continued)

Name:	BRAINSHARK, INC
Business Address:	130 TURNER STREET WALTHAM, MA 02453
Effective Date:	12/11/2012
Description:	SOFTWARE (BRAINSHARK) IS A TRAINING SYSTEM USED TO ENSURE OUR PERSONNEL AND SUPERVISORS ARE KEPT ABREAST OF REGULATORY DEVELOPMENTS, COMPLIANCE ISSUES, AND PRODUCT FEATURES/ISSUES.
Name:	SCHWAB COMPLIANCE TECHNOLOGIES, INC.
Business Address:	211 MAIN STREET SAN FRANCISCO, CA 94105
Effective Date:	04/01/2010
Description:	SOFTWARE (COMPLIANCE TECHNOLOGIES) USED FOR CASE MANAGEMENT AND OUTSIDE BROKERAGE FEEDS THROUGH SCHWAB COMPLIANCE TECHNOLOGIES, INC. ("SCHWABCT"), FORMERLY COMPLIANCE11, INC., IS A SUBSIDIARY OF THE CHARLES SCHWAB CORPORATION.
Name:	BROADCOM INC.
Business Address:	1320 RIDDER PARK DRIVE SAN JOSE, CA 95131
Effective Date:	08/01/2009
Description:	SOFTWARE (CA DATAMINDER) USED FOR EMAIL REVIEW AND SURVEILLANCE. ACQUIRED CA TECHNOLOGIES (FORMERLY KNOWN AS CA, INC. AND COMPUTER ASSOCIATES INTERNATIONAL, INC.)11/2018
Name:	FIS FINANCIAL SYSTEMS LLC
Business Address:	601 RIVERSIDE AVE JACKSONVILLE, FL 32204
Effective Date:	02/22/2007
Description:	SOFTWARE (PROTEGENT SURVEILLANCE) FOR PURPOSES OF TRADE AND ACCOUNT SUPERVISION. SUBSIDIARY OF FIS, FORMERLY SUNGARD
Name:	SS&C TECHNOLOGIES, INC.
Business Address:	80 LAMBERTON ROAD WINDSOR, CT 06095
Effective Date:	12/07/2015

Firm Operations



Industry Arrangements (continued)

Description: WORKFLOW SYSTEM FOR CERTAIN ALTERNATIVE INVESTMENT QUALIFICATION AND TRACKING. PURCHASED DST IN 2018 WHICH PROVIDES A BOOKS AND RECORDS DATABASE THAT MAINTAINS CUSTOMER ACCOUNT INFORMATION AND USED FOR MUTUAL FUNDS SUBACCOUNTING.

Name: REGED, INC.

Business Address: 2100 GATEWAY CENTRE BLVD.
SUITE 200
MORRISVILLE, NC 27560

Effective Date: 05/14/2015

Description: ELECTRONIC SYSTEM USED TO TRACK AND PROCESS INSURANCE LICENSING AND SECURITIES REGISTRATION INFORMATION.

Name: BARCLAYS CAPITAL INC.

CRD #: 19714

Business Address: 745 SEVENTH AVE
NEW YORK, NY 10019

Effective Date: 04/03/2014

Description: FUTURES AND OPTIONS CUSTOMER AGREEMENT FOR CLEARED DERIVATIVE TRANSACTIONS.

Name: DEALOGIC

Business Address: 120 BROADWAY 8TH FLOOR
NEW YORK, NY 10271

Effective Date: 03/01/2009

Description: A SYSTEM THAT MAINTAINS PUBLIC OFFERING DETAILS AND IS USED BY GLOBAL AND REGIONAL INVESTMENT BANKS WORLDWIDE TO HELP OPTIMIZE THEIR PERFORMANCE AND IMPROVE COMPETITIVENESS.

Name: BUSINESS INFORMATION GROUP

Business Address: 1105 INDUSTRIAL HIGHWAY
SOUTHAMPTON, PA 18996

Effective Date: 07/06/2009

Description: A SYSTEM USED FOR THE ELECTRONIC STORAGE AND SUBMISSION OF FINGERPRINTS TO FINRA

Name: IPREO

Firm Operations



Industry Arrangements (continued)

Business Address: 1359 BROADWAY 2ND FLOOR
NEW YORK, NY 10018

Effective Date: 11/08/2010

Description: EQUITY AND DEBT OFFERING MANAGEMENT SYSTEM USED FOR SYNDICATE DEAL EXECUTION.

Name: REFINITIV

Business Address: 5 CANADA SQUARE
CANARY WHARF
LONDON, UK E14 5AQ

Effective Date: 08/27/1998

Description: A SYSTEM THAT OFFERS BACK OFFICE SUPPORT AND PROCESSING THROUGH THE THOMPSON RUETERS/BETA PLATFORMS.

Name: DB COM CONSULTING INC.

Business Address: 2 RESEARCH WAY
PRINCETON, NJ 08540

Effective Date: 03/01/2009

Description: A SYSTEM USED FOR ELECTRONIC GATHERING OF INFORMATION RELATING TO COMPLIANCE DISCLOSURES AND FOR MONITORING INSTITUTIONAL ACTIVITY.

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

Name: CHARLES SCHWAB & CO., INC.

CRD #: 5393

Business Address: 211 MAIN STREET
SAN FRANCISCO, CA 94105

Effective Date: 04/07/2015

Description: SCHWAB HOLDS FUNDS OF THE STIFEL'S IN HOUSE/RISK ACCOUNTS

Name: PERSHING LLC

CRD #: 7560

Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399

Effective Date: 10/08/2004

Description: PERSHING MAINTAINS STIFLE HOUSE ACCOUNTS INVOLVED IN THE INSTITUTIONAL FIXED INCOME ACCOUNTS THAT TRADE IN NON-

Firm Operations



Industry Arrangements (continued)

DOLLAR DENOMINATED SECURITIES WHICH THEY CLEAR FOR STIFEL.
THERE ARE NO CUSTODIAL ACCOUNTS.
EFFECTIVE 11/2018 FOR CANADIAN BUSINESS, MAINTAINS A COPY OF
STIFEL'S CANADIAN CLEARING RECORDS

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

Name: CHARLES SCHWAB & CO., INC.
CRD #: 5393
Business Address: 211 MAIN STREET
SAN FRANCISCO, CA 94105
Effective Date: 04/07/2015
Description: SCHWAB MAINTAINS SOME OF OUR CUSTOMERS' MUTUAL FUND HOLDINGS ON AN OMNIBUS BASIS WITHOUT HAVING THE CLIENT INFORMATION.

Name: PERSHING LLC
CRD #: 7560
Business Address: ONE PERSHING PLAZA
JERSEY CITY, NJ 07399
Effective Date: 10/08/2004
Description: PERSHING MAINTAINS THE INSTITUTIONAL FIXED INCOME ACCOUNTS THAT TRADE IN NON-DOLLAR DENOMINATED SECURITIES WHICH THEY CLEAR FOR STIFEL. THERE ARE NO CUSTODIAL ACCOUNTS.

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.

STIFEL EUROPE BANK AG is under common control with the firm.

Business Address:	KENNEDYALLEE 76 FRANKFURT AM MAIN, GERMANY 60596
Effective Date:	11/01/2019
Foreign Entity:	Yes
Country:	GERMANY
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE IS DIRECTLY OWNED BY STIFEL NICOLAUS EUROPE LTD., WHICH IS UNDER COMMON CONTROL OF THE APPLICANT. NAME CHANGED FROM MAINFIRST BANK AG 11/10/2020

STIFEL NICOLAUS ISRAEL LTD. is controlled by the firm.

Business Address:	22 ROTHSCHILD BLVD 11TH FLOOR TEL AVIV, ISRAEL 6688218
Effective Date:	12/10/2019
Foreign Entity:	Yes
Country:	ISRAEL
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	DIRECTLY OWNED BY APPLICANT, STIFEL NICOLAUS & COMPANY INC WHICH IS 100% OWNED BY STIFEL FINANCIAL CORP

Firm Operations**Organization Affiliates (continued)****STIFEL NICOLAUS CANADA, INC. is under common control with the firm.**

Business Address: 145 KING STREET WEST
TORONTO, ON, CANADA M5H 1J8

Effective Date: 12/06/2019

Foreign Entity: Yes

Country: CANADA

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL WITH APPLICANT BY STIFEL FINANCIAL CORP

STIFEL SCHWEIZ AG is under common control with the firm.

Business Address: GARTENSTRASSE 32
ZÜRICH, SWITZERLAND 8002

Effective Date: 11/01/2019

Foreign Entity: Yes

Country: SWITZERLAND

Securities Activities: Yes

Investment Advisory Activities: No

Description: DIRECTLY OWNED BY STIFEL NICOLAUS EUROPE LIMITED WHICH IS UNDER COMMON CONTROL BY STIFEL FINANCIAL CORP. CHANGED NAME FROM MAINFIRST SCHWEIZ AG 11/10/2020

CSA INSURANCE AGENCY, INC is under common control with the firm.

Business Address: 501 N BROADWAY
ST. LOUIS, MO 63102

Effective Date: 10/15/2002

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Firm Operations**Organization Affiliates (continued)**

Description: UNDER COMMON CONTROL BY STIFEL FINANCIAL CORP

STIFEL WEALTH TRACKER is under common control with the firm.

CRD #: 291897

Business Address: 501 N. BROADWAY
ST. LOUIS, MO 63102

Effective Date: 12/21/2017

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: UNDER COMMON CONTROL BY STIFEL FINANCIAL CORPORATION

WASHINGTON CROSSING ADVISORS LLC is under common control with the firm.

CRD #: 281511

Business Address: 18 COLUMBIA TURNPIKE
FLORHAM PARK, NJ 07932

Effective Date: 01/04/2017

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: UNDER COMMON CONTROL BY STIFEL FINANCIAL CORPORATION

EATON PARTNERS INVESTMENT ADVISORY (SHANGHAI) CO. LTD. is under common control with the firm.

Business Address: 2106, K. WAH CENTER
1010 HUAI HAI ROAD (M)
XU HUI DISTRICT, SHANGHAI, P.R. CHINA 200031

Effective Date: 01/04/2016

Foreign Entity: Yes

Firm Operations



Organization Affiliates (continued)

Country:	P.R. CHINA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	EATON PARTNERS INVESTMENT ADVISORY (SHANGHAI) CO. LTD. IS A WHOLLY OWNED SUBSIDIARY OF EATON PARTNERS, LLC. WHICH IS UNDER COMMON CONTROL OF STIFEL FINANCIAL CORP.

EATON PARTNERS ADVISORS (HK) LIMITED is under common control with the firm.

Business Address:	16-18 QUEEN'S ROAD NEW WORLD TOWER ONE, RM. 607-8 CENTRAL, HONG KONG
Effective Date:	01/04/2016
Foreign Entity:	Yes
Country:	HONG KONG
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	EATON PARTNERS ADVISORS (HK) LIMITED IS A SUBSIDIARY OF EATON PARTNERS, LLC. EATON PARTNERS ADVISORS (HK) LIMITED IS AUTHORIZED AND REGULATED BY THE SECURITIES AND FUTURES COMMISSION (SFC). EATON PARTNERS, LLC. AND APPLICANT ARE UNDER COMMON CONTROL OF STIFEL FINANCIAL CORP.

EATON PARTNERS (UK) LLP is under common control with the firm.

Business Address:	4TH FLOOR NUFFIELD HOUSE 41-46 PICCADILLY LONDON, UK W1J 0DS
Effective Date:	01/04/2016
Foreign Entity:	Yes
Country:	UK
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	EATON PARTNERS (UK) LLP IS A SUBSIDIARY OF EP (UK) LTD. WHICH IS

Firm Operations**Organization Affiliates (continued)**

WHOLLY OWNED BY EATON PARTNERS, LLC. EATON PARTNERS (UK) LLP IS AUTHORIZED AND REGULATED BY THE FINANCIAL SERVICES AUTHORITY. IT IS UNDER COMMON CONTROL OF STIFEL FINANCIAL CORP.

FSI CAPITAL HOLDINGS is under common control with the firm.

CRD #: 153189

Business Address: 515 SOUTH FIGUEROA STREET SUITE 1800
LOS ANGELES, CA 90051

Effective Date: 05/01/2015

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: FSI IS UNDER COMMON CONTROL WITH THE APPLICANT

1919 INVESTMENT COUNSEL, LLC is under common control with the firm.

CRD #: 133370

Business Address: ONE SOUTH STREET
SUITE 2500
BALTIMORE, MD 21202

Effective Date: 10/31/2014

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL BY STIFEL FINANCIAL CORP.

KEEFE, BRUYETTE & WOODS, INC. is under common control with the firm.

CRD #: 481

Business Address: 787 7TH AVENUE 4TH FLOOR
NEW YORK, NY 10019

Firm Operations



Organization Affiliates (continued)

Effective Date: 02/15/2013

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND KEEFE BRUYETTE & WOODS, INC ARE UNDER COMMON CONTROL BY STIFEL FINANCIAL CORP.

MILLER BUCKFIRE & CO., LLC is under common control with the firm.

CRD #: 104156

Business Address: 787 7TH AVENUE
NEW YORK, NY 10019

Effective Date: 12/20/2012

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: APPLICANT AND MILLER BUCKFIRE ARE UNDER COMMON CONTROL BY STIFEL FINANCIAL CORP.

STIFEL NICOLAUS EUROPE LIMITED is under common control with the firm.

Business Address: BERKELEY SQUARE HOUSE, 5TH FLOOR
BERKELEY SQUARE
LONDON, UK W1J 6BR

Effective Date: 07/01/2010

Foreign Entity: Yes

Country: ENGLAND

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL BY STIFEL FINANCIAL CORP.

Firm Operations



Organization Affiliates (continued)

Description: UNDER COMMON CONTROL BY STIFEL FINANCIAL CORP.

EQUITYCOMPASS INVESTMENT MANAGEMENT, LLC is under common control with the firm.

CRD #: 145420

Business Address: 501 NORTH BROADWAY
ST. LOUIS, MO 63102

Effective Date: 05/08/2008

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: UNDER COMMON CONTROL BY STIFEL FINANCIAL CORP.

STIFEL VENTURE CORP. is under common control with the firm.

Business Address: 501 N. BROADWAY
ST. LOUIS, MO 63102

Effective Date: 02/05/2004

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL BY STIFEL FINANCIAL CORP.

STIFEL NICOLAUS INSURANCE AGENCY INCORPORATED is under common control with the firm.

Business Address: 501 N. BROADWAY
ST. LOUIS, MO 63102

Effective Date: 02/05/2004

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory No

Firm Operations**Organization Affiliates (continued)****Activities:**

Description: UNDER COMMON CONTROL BY STIFEL FINANCIAL CORP.

STIFEL INDEPENDENT ADVISORS, LLC is under common control with the firm.

CRD #: 28218

Business Address: 501 N. BROADWAY
ST. LOUIS, MO 63102

Effective Date: 09/23/1991

Foreign Entity: No

Country:

Securities Activities: Yes

**Investment Advisory
Activities:** Yes

Description: APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL BY STIFEL FINANCIAL CORP. APPLICANT CARRIES AFFILIATE'S CUSTOMER ACCOUNTS ON A FULLY DISCLOSED BASIS. AFFILIATE'S NAME CHANGES 5/24/2021

This firm is 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

STIFEL FINANCIAL CORP. is a Bank Holding Company and controls the firm.

Business Address: 501 NORTH BROADWAY
ST. LOUIS, MO 63102

Effective Date: 04/02/2007

Description: STIFEL FINANCIAL CORP. IS THE ULTIMATE HOLDING CORPORATION AND CONTROLS THE BANK HOLDING COMPANY.



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	135	0
Civil Event	0	2	0
Arbitration	N/A	54	N/A
Bond	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:**
 - o A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - o A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - § A "pending" event involves allegations that have not been proven or formally adjudicated.
 - § An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - § A "final" event has been concluded and its resolution is not subject to change.
 - o A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - § An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - § A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - § A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

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

Disclosure 1 of 135

Reporting Source: Firm

Current Status: Final



Allegations: FIRM FAILED TO PROPERLY SUPERVISE A REGISTERED REPRESENTATIVE WHO HAD A CLIENT HEAVILY CONCENTRATED IN THE PRECIOUS METAL SECTOR.

Initiated By: COMMONWEALTH OF MASSACHUSETTS

Date Initiated: 03/31/2021

Docket/Case Number: E-2019-0005

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 03/31/2021

Sanctions Ordered: Censure
Monetary/Fine \$233,907.84
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM WILL PAY A FINE OF \$100,000.00 AND REIMBURSE ONE OF REGISTERED REP'S FORMER CLIENTS IN THE AMOUNT OF \$133,907.84.

Disclosure 2 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT THE POTENTIAL MISUSE OF MATERIAL NONPUBLIC CUSTOMER ORDER INFORMATION CONCERNING THE REPURCHASE OF SHARES BY ISSUERS. THE FINDINGS STATED THAT ALTHOUGH THE FIRM HAD ESTABLISHED CERTAIN POLICIES AND PROCEDURES TO PREVENT THE POTENTIAL MISUSE OF MATERIAL NONPUBLIC INFORMATION, IT FAILED TO MAINTAIN AND ENFORCE POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT THE FIRM'S TRADERS FROM ACCESSING AND POTENTIALLY MISUSING



CUSTOMER BUYBACK ORDER INFORMATION. AS A RESULT OF THESE FAILURES, FIRM EMPLOYEES NOT INVOLVED IN BUYBACK TRADING ACTIVITY WERE ABLE TO ACCESS OR WERE OTHERWISE MADE AWARE OF CONFIDENTIAL ISSUER BUYBACK TRADE INFORMATION. IN ADDITION, THE FIRM'S SUPERVISORY POLICIES AND PROCEDURES WERE UNREASONABLE IN THAT THEY DID NOT IMPOSE SUFFICIENT INFORMATION BARRIERS TO RESTRICT ACCESS TO CUSTOMER BUYBACK ORDER INFORMATION.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 02/08/2021

Docket/Case Number: 2020-02-00064, 2020-02-00065

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: 02/08/2021

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: UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$325,000, AND REQUIRED TO CERTIFY THAT IT HAS COMPLETED THE REMEDIATION OF THE ISSUES ADDRESSED IN THE AWC.

Reporting Source: Firm

Current Status: Final

Allegations: DURING THE PERIOD APRIL 1, 2018 THROUGH SEPTEMBER 30, 2020 STIFEL FAILED TO MAINTAIN AND ENFORCE WRITTEN POLICIES AND



PROCEDURES REASONABLY DESIGNED TO PREVENT THE POTENTIAL MISUSE OF MATERIAL, NONPUBLIC INFORMATION AND TO SUPERVISE AND ENFORCE REASONABLE INFORMATION BARRIERS IN CONNECTION WITH THEIR STOCK BUYBACK TRADING ACTIVITY.

Initiated By: NEW YORK STOCK EXCHANGE LLC

Date Initiated: 02/08/2021

Docket/Case Number: 2020-02-00065

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: 02/08/2021

Sanctions Ordered: Censure
Monetary/Fine \$325,000.00

Other Sanctions Ordered: CERTIFICATION OF REMEDIATION

Sanction Details: \$325,000 FINE PAID ON 2/22/2021.

Disclosure 3 of 135

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 LACKED A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO DETECT AND PREVENT THE FIRM AND ITS REGISTERED REPRESENTATIVES FROM EXECUTING PRE-ARRANGED TRANSACTIONS. THE FINDINGS STATED THAT THE FIRM DID NOT HAVE EXCEPTION REPORTS, TRADE ALERTS, OR OTHER SUPERVISORY MECHANISMS DESIGNED TO ENABLE ITS SUPERVISORS TO IDENTIFY POTENTIAL PRE-ARRANGED TRANSACTIONS. INSTEAD, THE FIRM RELIED ON ITS SUPERVISORS TO DETECT AND PREVENT SUCH TRANSACTIONS AS PART OF THEIR DAILY REVIEW OF THOUSANDS OF TRANSACTIONS ON TRADE BLOTTERS. THOUGH THE FIRM' S AUTOMATED REVIEWS OF ITS TRADE BLOTTERS FLAGGED SOME TYPES OF PROHIBITED TRANSACTIONS FOR



SUPERVISORY REVIEW, THEY DID NOT FLAG PRE-ARRANGED TRANSACTIONS.

Initiated By: FINRA

Date Initiated: 09/01/2020

Docket/Case Number: [2018057286802](#)

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: 09/01/2020

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: THE FIRM WAS CENSURED AND FINED \$40,000. FINES PAID IN FULL ON SEPTEMBER 28, 2020.

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 LACKED A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO DETECT AND PREVENT THE FIRM AND ITS REGISTERED REPRESENTATIVES FROM EXECUTING PRE-ARRANGED TRANSACTIONS. THE FINDINGS STATED THAT THE FIRM DID NOT HAVE EXCEPTION REPORTS, TRADE ALERTS, OR OTHER SUPERVISORY MECHANISMS DESIGNED TO ENABLE ITS SUPERVISORS TO IDENTIFY POTENTIAL PRE-ARRANGED TRANSACTIONS. INSTEAD, THE FIRM RELIED ON ITS



SUPERVISORS TO DETECT AND PREVENT SUCH TRANSACTIONS AS PART OF THEIR DAILY REVIEW OF THOUSANDS OF TRANSACTIONS ON TRADE BLOTTERS. THOUGH THE FIRM' S AUTOMATED REVIEWS OF ITS TRADE BLOTTERS FLAGGED SOME TYPES OF PROHIBITED TRANSACTIONS FOR SUPERVISORY REVIEW, THEY DID NOT FLAG PRE-ARRANGED TRANSACTIONS.

Initiated By: FINRA

Date Initiated: 09/01/2020

Docket/Case Number: [2018057286802](#)

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: 09/01/2020

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

Other Sanctions Ordered:

Sanction Details: ON SEPTEMBER 24, 2020, THE FIRM SUBMITTED PAYMENT IN THE AMOUNT OF \$40,000 TO FINRA.

Firm Statement ON SEPTEMBER 1, 2020, STIFEL ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER, AND CONSENT ("AWC") WITH FINRA TO SETTLE ALLEGATIONS THAT, DURING THE PERIOD OF OCTOBER 31, 2017 THROUGH FEBRUARY 27, 2020, THE FIRM LACKED A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES (WSPS), REASONABLY DESIGNED TO DETECT AND PREVENT STIFEL AND ITS REGISTERED REPRESENTATIVES FROM EXECUTING PREARRANGED TRANSACTIONS IN VIOLATION OF MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) RULE G-27. WHILE NOT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A CENSURE AND MONETARY FINE OF \$40,000 TO SETTLE THE ALLEGATIONS. AS INDICATED IN THE AWC, STIFEL UPDATED ITS SUPERVISORY SYSTEM AND WSPS REGARDING THE CITED SUPERVISORY DEFICIENCIES PRIOR TO THE ENTRY OF THE AWC.



Disclosure 4 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS, THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA'S SUITABILITY RULE AS IT PERTAINS TO EARLY ROLLOVERS OF UNIT INVESTMENT TRUSTS (UIT). THE FINDINGS STATED THAT THE FIRM'S WSPS REFERENCED A UIT SWITCH LETTER THAT REPRESENTATIVES COULD USE WHEN A CLIENT SOLD A POSITION IN A UIT BEFORE MATURITY TO PURCHASE ANOTHER UIT OR MUTUAL FUND. THE PURPOSE OF THE SWITCH LETTER WAS TO CONFIRM A CUSTOMER'S UNDERSTANDING OF THE TRANSACTION SWITCH AS WELL AS THE RELATED RISKS AND EXPENSES. NONETHELESS, THE WSPS DID NOT PROVIDE GUIDANCE ABOUT WHEN SWITCH LETTERS SHOULD BE SENT OR HOW FIRM SUPERVISORS SHOULD MONITOR FOR POTENTIALLY UNSUITABLE PATTERNS OF EARLY UIT ROLLOVERS. THE FIRM USED AN AUTOMATED SURVEILLANCE ALERT TO IDENTIFY POTENTIAL EARLY UIT ROLLOVERS, AS WELL AS POTENTIAL SWITCHES BETWEEN UITs AND MUTUAL FUNDS (THE SWITCH ALERT). HOWEVER, THE SWITCH ALERT FAILED TO FLAG UIT SWITCHES. THE FIRM'S COMPLIANCE DEPARTMENT DISCOVERED THAT THE SWITCH ALERT DID NOT IDENTIFY SWITCHES FROM ONE UIT TO ANOTHER. DESPITE THIS KNOWLEDGE, THE FIRM DID NOT INFORM ITS BRANCH MANAGERS THAT THE SWITCH ALERT WAS NOT FUNCTIONING AS INTENDED. THE FIRM'S COMPLIANCE DEPARTMENT LATER DEVELOPED AN ALTERNATIVE SURVEILLANCE SYSTEM TO FLAG UIT-TO-UIT SWITCHES. HOWEVER, THAT ALERT WAS NOT REASONABLY DESIGNED TO DETECT UNSUITABLE UIT SWITCHES BECAUSE IT ONLY FLAGGED UITs THAT WERE HELD FOR LESS THAN A YEAR EVEN IF THE UIT HAD A LONG-TERM MATURITY DATE. FURTHERMORE, THE ALTERNATIVE SYSTEM LATER STOPPED FUNCTIONING AS INTENDED, BUT THE FIRM DID NOT DISCOVER THAT FACT UNTIL A LATER DATE. AS A RESULT, ALTHOUGH THE FIRM SUBSEQUENTLY FIXED THE SWITCH ALERT, ITS COMPLIANCE DEPARTMENT CONTINUED TO USE THE FIRM'S ALTERNATIVE SYSTEM TO IDENTIFY UIT SWITCHES. THE FIRM FAILED TO IDENTIFY THAT ITS REPRESENTATIVES RECOMMENDED POTENTIALLY UNSUITABLE EARLY UIT ROLLOVERS, INCLUDING SERIES-TO-SERIES ROLLOVERS THAT MAY HAVE CAUSED CUSTOMERS TO INCUR \$1,891,188.13 IN SALES CHARGES THAT THEY WOULD NOT HAVE INCURRED HAD THEY HELD THE UITs UNTIL THEIR MATURITY DATES. THE FINDINGS ALSO STATED THAT THE FIRM



SENT SWITCH LETTERS TO CUSTOMERS THAT CONTAINED INACCURATE OR MISSING INFORMATION ABOUT THE COSTS THAT THEY INCURRED AS A RESULT OF EARLY UIT ROLLOVERS. THE FIRM DID NOT VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN CERTAIN OF THE SWITCH LETTERS, APART FROM AD HOC REVIEWS CONDUCTED AS PART OF THE FIRM'S BRANCH INSPECTION PROGRAM. CERTAIN UIT SWITCH LETTERS UNDERSTATED THE SALES CHARGES ASSOCIATED WITH THE SWITCH, AND OTHERS DID NOT LIST ANY SALES CHARGE ASSOCIATED WITH THE NEW UIT PURCHASED BY THE CUSTOMER, EVEN THOUGH THE SWITCHES RESULTED IN THE CUSTOMERS INCURRING NEW SALES CHARGES. COLLECTIVELY, THE SWITCH LETTERS DISCLOSED SALES CHARGES OF APPROXIMATELY \$330,440, WHEN THE ACTUAL SALES CHARGES INCURRED BY CUSTOMERS WERE MORE THAN \$1,249,052.

Initiated By: FINRA

Date Initiated: 05/28/2020

Docket/Case Number: [2016050948201](#)

Principal Product Type: Unit Investment Trust(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/28/2020

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 \$1,750,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED, FINED \$1,750,000, AND ORDERED TO PAY \$1,891,188.13, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS. FINES PAID IN FULL ON JULY 24, 2020.



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, FROM JANUARY 2012 THROUGH DECEMBER 2016, IT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WSPS, THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA'S SUITABILITY RULE AS IT PERTAINS TO EARLY ROLLOVERS OF UNIT INVESTMENT TRUSTS (UIT). THE FINDINGS STATED THAT THE FIRM'S WSPS REFERENCED A UIT SWITCH LETTER THAT REPRESENTATIVES COULD USE WHEN A CLIENT SOLD A POSITION IN A UIT BEFORE MATURITY TO PURCHASE ANOTHER UIT OR MUTUAL FUND. THE PURPOSE OF THE SWITCH LETTER WAS TO CONFIRM A CUSTOMER'S UNDERSTANDING OF THE TRANSACTION SWITCH AS WELL AS THE RELATED RISKS AND EXPENSES. NONETHELESS, THE WSPS DID NOT PROVIDE GUIDANCE ABOUT WHEN SWITCH LETTERS SHOULD BE SENT OR HOW FIRM SUPERVISORS SHOULD MONITOR FOR POTENTIALLY UNSUITABLE PATTERNS OF EARLY UIT ROLLOVERS. THE FIRM USED AN AUTOMATED SURVEILLANCE ALERT TO IDENTIFY POTENTIAL EARLY UIT ROLLOVERS, AS WELL AS POTENTIAL SWITCHES BETWEEN UITs AND MUTUAL FUNDS (THE SWITCH ALERT). HOWEVER, THE SWITCH ALERT FAILED TO FLAG UIT SWITCHES. THE FIRM DISCOVERED THAT THE SWITCH ALERT DID NOT IDENTIFY SWITCHES FROM ONE UIT TO ANOTHER. DESPITE THIS KNOWLEDGE, THE FIRM DID NOT INFORM ITS BRANCH MANAGERS THAT THE SWITCH ALERT WAS NOT FUNCTIONING AS INTENDED. THE FIRM LATER DEVELOPED AN ALTERNATIVE SURVEILLANCE SYSTEM TO FLAG UIT-TO-UIT SWITCHES. HOWEVER, THAT ALERT WAS NOT REASONABLY DESIGNED TO DETECT UNSUITABLE UIT SWITCHES BECAUSE IT ONLY FLAGGED UITs THAT WERE HELD FOR LESS THAN A YEAR EVEN IF THE UIT HAD A LONG-TERM MATURITY DATE. FURTHERMORE, THE ALTERNATIVE SYSTEM LATER STOPPED FUNCTIONING AS INTENDED, BUT THE FIRM DID NOT DISCOVER THAT FACT UNTIL A LATER DATE. AS A RESULT, ALTHOUGH THE FIRM SUBSEQUENTLY FIXED THE SWITCH ALERT, ITS COMPLIANCE DEPARTMENT CONTINUED TO USE THE FIRM'S ALTERNATIVE SYSTEM TO IDENTIFY UIT SWITCHES. THE FIRM FAILED TO IDENTIFY THAT ITS REPRESENTATIVES RECOMMENDED POTENTIALLY UNSUITABLE EARLY UIT ROLLOVERS, INCLUDING SERIES-TO-SERIES ROLLOVERS THAT MAY HAVE CAUSED CUSTOMERS TO INCUR \$1,891,188.13 IN SALES CHARGES THAT THEY WOULD NOT HAVE INCURRED HAD THEY HELD THE UITs UNTIL THEIR MATURITY DATES. THE FINDINGS ALSO STATED THAT THE FIRM SENT SWITCH LETTERS TO CUSTOMERS THAT CONTAINED INACCURATE



OR MISSING INFORMATION ABOUT THE COSTS THAT THEY INCURRED AS A RESULT OF EARLY UIT ROLLOVERS. THE FIRM DID NOT VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN CERTAIN OF THE SWITCH LETTERS, APART FROM AD HOC REVIEWS CONDUCTED AS PART OF THE FIRM'S BRANCH INSPECTION PROGRAM. CERTAIN UIT SWITCH LETTERS UNDERSTATED THE SALES CHARGES ASSOCIATED WITH THE SWITCH, AND OTHERS DID NOT LIST ANY SALES CHARGE ASSOCIATED WITH THE NEW UIT PURCHASED BY THE CUSTOMER, EVEN THOUGH THE SWITCHES RESULTED IN THE CUSTOMERS INCURRING NEW SALES CHARGES. COLLECTIVELY, THE SWITCH LETTERS DISCLOSED SALES CHARGES OF APPROXIMATELY \$330,440, WHEN THE ACTUAL SALES CHARGES INCURRED BY CUSTOMERS WERE MORE THAN \$1,249,052.

Initiated By: FINRA

Date Initiated: 05/28/2020

Docket/Case Number: [2016050948201](#)

Principal Product Type: Unit Investment Trust(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/28/2020

Sanctions Ordered: Censure
Monetary/Fine \$1,750,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED, FINED \$1,750,000, AND ORDERED TO PAY \$1,891,188.13, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS.

Firm Statement IN MAY OF 2020 THE FIRM ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WITH FINRA WHEREBY THE FIRM, WITHOUT ADMITTING OR DENYING ANY SPECIFIC FINDINGS, CONSENTED TO FINDINGS THAT THE FROM JANUARY 2012 THROUGH DECEMBER 2016 THE FIRM FAILED TO ESTABLISH AND MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES (WSPS) THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRAS SUITABILITY RULE AS IT PERTAINS TO EARLY ROLLOVERS OF UNIT INVESTMENT TRUSTS. AS A RESULT THE FIRM VIOLATED NASD RULE 3010; FINRA RULE 3110 AND

FINRA RULE 2010. ADDITIONALLY, THE FIRM CONSENTED TO A FURTHER VIOLATION OF FINRA RULE 2010 IN CONNECTION WITH THE SENDING OF "SWITCH LETTERS" TO CUSTOMERS CONTAINING INACCURATE INFORMATION ABOUT THE COSTS THEY INCURRED AS THE RESULT OF EARLY UIT ROLLOVERS. THE FIRM AGREES TO PAY A FINE OF \$1.75 MILLION AND RESTITUTION IN THE AMOUNT OF \$1,891,188.13, PLUS INTEREST.

THE FINRA STAFF DID NOT REQUIRE ANY REMEDIAL UNDERTAKINGS BY THE FIRM IN THE AWC. THE FIRM HAS IMPLEMENTED VARIOUS ENHANCEMENTS TO ITS SUPERVISION AND COMPLIANCE OVERSIGHT OF EARLY ROLLOVERS OF UITs WHICH IT BELIEVES ADDRESSES THE ALLEGED DEFICIENCIES IDENTIFIED BY FINRA. THOSE ENHANCEMENTS INCLUDE IMPLEMENTATION OF A SWITCH ALERT NOTIFICATION SYSTEM FOR EARLY ROLLOVERS, A RISK-BASED APPROACH OF COMPLIANCE OVERSIGHT FOR EARLY ROLLOVER ACTIVITY AND A PERIODIC "LOOKBACK" BY THE COMPLIANCE DEPARTMENT OF EARLY ROLLOVER ACTIVITY BY SELECTED FINANCIAL ADVISORS.

Disclosure 5 of 135

Reporting Source:	Regulator
Current Status:	Final
Allegations:	STIFEL FAILED TO SUPERVISE AGENT WHO DIRECTED INVESTMENT ADVISER TO PLACE TRADES IN ADVISER'S CLIENT ACCOUNTS IN ORDER TO GENERATE COMMISSION TO DETRIMENT OF STIFEL CUSTOMERS. STIFEL ALSO FAILED TO SUPERVISE AGENT'S BOOKS AND RECORDS.
Initiated By:	MASSACHUSETTS
Date Initiated:	12/19/2018
Docket/Case Number:	2018-0013
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:	CEASE AND DESIST; CENSURE; REVIEW SUPERVISORY POLICIES AND PROCEDURES; REVIEW CERTAIN TRADES; RESTITUTION; ADMINISTRATIVE FINE
Resolution:	Order



Resolution Date: 12/19/2018

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

Sanctions Ordered: Censure
Monetary/Fine \$300,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: CEASE AND DESIST; CENSURE; REVIEW SUPERVISORY POLICIES AND PROCEDURES; REVIEW CERTAIN TRADES; RESTITUTION; ADMINISTRATIVE FINE

Sanction Details: \$300,000.00 FINE AND RESTITUTION.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE ALLEGED VIOLATIONS AND STATEMENT OF FACTS, THE FIRM CONSENTED TO THE ENTRY OF A CEASE AND DESIST ORDER ("ORDER") BY THE COMMONWEALTH OF MASSACHUSETTS (THE "COMMONWEALTH") IN WHICH THE FIRM WAS FOUND TO HAVE VIOLATED SECTION 204(A)(2)(J) OF MASS. GEN. LAWS CH. 110A BY FAILING TO REASONABLY SUPERVISE A REGISTERED REPRESENTATIVE'S ACTIVITIES IN CONNECTION WITH DIRECTED BROKERAGE ACCOUNTS THAT WERE MANAGED BY A THIRD PARTY INVESTMENT ADVISER THAT IS REGISTERED WITH THE COMMONWEALTH

Initiated By: COMMONWEALTH OF MASSACHUSETTS

Date Initiated: 12/19/2018

Docket/Case Number: E-2018-0013

Principal Product Type: Other

Other Product Type(s): MANAGED/WRAP ACCOUNTS (OUTSIDE MONEY MANAGER)

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

Other Sanction(s)/Relief Sought:

Resolution: Consent



Resolution Date: 12/19/2018

Sanctions Ordered: Censure
Monetary/Fine \$300,000.00
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND ORDERED TO (A) PERMANENTLY CEASE AND DESIST FROM FURTHER CONDUCT IN VIOLATION OF THE MASSACHUSETTS UNIFORM SECURITIES ACT (THE "ACT") AND THE CORRESPONDING REGULATIONS PROMULGATED THEREUNDER AT 950 MASS. CODE REGS. 10.00-14.413 (THE "REGULATIONS"); (B) REVIEW ITS SUPERVISORY PROCEDURES TO ENSURE COMPLIANCE WITH APPLICABLE STATE AND FEDERAL LAWS; AND (C) PAY A FINE IN THE AMOUNT OF \$300,000 TO THE COMMONWEALTH THAT WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 20, 2018; (D) CONDUCT A REVIEW OF SOLICITED TRANSACTIONS IN CERTAIN CLIENT ACCOUNTS TO DETERMINE WHETHER ANY OF THE TRANSACTIONS WERE UNSUITABLE AND EFFECTED IN CONNECTION WITH, AND WITHIN 60 DAYS OF, THE REGISTERED REPRESENTATIVE'S COMMUNICATIONS TO THE THIRD PARTY INVESTMENT ADVISER; AND SUBMIT A WRITTEN OFFER TO COMPENSATE CLIENTS IN AN AMOUNT EQUAL TO ALL DIRECT AND INDIRECT COMPENSATION RECEIVED BY THE FIRM FOR TRANSACTIONS THAT ARE IDENTIFIED AS UNSUITABLE AND EFFECTED IN THE MANNER DESCRIBED ABOVE AS A RESULT OF THE REVIEW

Firm Statement ON DECEMBER 19, 2018, THE COMMONWEALTH ENTERED A CONSENT ORDER AGAINST THE FIRM IN WHICH THE FIRM WAS CENSURED AND ORDERED TO (A) PAY A FINE IN THE AMOUNT OF \$300,000 THAT WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 20, 2018, (B) CEASE AND DESIST FROM FURTHER CONDUCT IN VIOLATION OF THE ACT AND CORRESPONDING REGULATIONS THEREUNDER, AND (C) COMPLETE THE AFOREMENTIONED UNDERTAKINGS BY THE DEADLINES PRESCRIBED IN THE ORDER

Disclosure 6 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: SEC ADMIN RELEASE 34-86978, IA RELEASE 5349 / SEPTEMBER 16, 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 STIFEL, NICOLAUS & COMPANY, INCORPORATED ("STIFEL" OR "RESPONDENT").



ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT THESE PROCEEDINGS ARISE OUT OF STIFEL'S FAILURE TO SUBMIT TO THE COMMISSION COMPLETE AND ACCURATE DATA IN RESPONSE TO COMMISSION STAFF ELECTRONIC BLUE SHEETS ("EBS") REQUESTS, RESULTING IN THE REPORTING OF EBS THAT WAS INCOMPLETE OR DEFICIENT. COMMISSION STAFF ROUTINELY SENDS REQUESTS FOR SECURITIES TRADING RECORDS TO MARKET MAKERS, BROKERS AND/OR CLEARING FIRMS IN ORDER TO IDENTIFY BUYERS AND SELLERS OF SECURITIES, AND FIRMS PROVIDE THE REQUESTED RECORDS IN A UNIVERSAL ELECTRONIC FORMAT KNOWN AS THE EBS FORMAT. IT IS A FUNDAMENTAL OBLIGATION OF BROKER-DEALERS TO PROVIDE COMPLETE AND ACCURATE EBS DATA WHEN REQUESTED BY REPRESENTATIVES OF THE COMMISSION. THE SUBMISSION OF COMPLETE AND ACCURATE BLUE SHEET DATA IS CRITICAL TO MANY ASPECTS OF THE COMMISSION'S OPERATIONS AND ITS ABILITY TO DISCHARGE ITS ENFORCEMENT AND REGULATORY MANDATES. THE FAILURE OF A BROKER-DEALER TO PROVIDE COMPLETE AND ACCURATE EBS INFORMATION IN RESPONSE TO A COMMISSION REQUEST CAN IMPACT THE COMMISSION'S ABILITY TO DISCHARGE ITS STATUTORY OBLIGATIONS, UNDERMINE THE INTEGRITY OF ITS INVESTIGATIONS AND EXAMINATIONS, AND ULTIMATELY INTERFERE WITH THE COMMISSION'S ABILITY TO PROTECT INVESTORS. FROM AT LEAST JANUARY 1, 2015 THROUGH SEPTEMBER 30, 2018, STIFEL SHOULD HAVE REPORTED APPROXIMATELY 17.8 MILLION TRANSACTIONS IN RESPONSE TO EBS REQUESTS ("REPORTABLE TRANSACTIONS") FROM THE COMMISSION. HOWEVER, STIFEL REPORTED INFORMATION CONCERNING THOSE TRANSACTIONS IN A COMPRESSED FORMAT, CAUSING STIFEL TO UNDER-REPORT THE NUMBER OF TRANSACTIONS AND MISREPORT CERTAIN DATA FOR THE CONSOLIDATED TRADES THAT IT DID REPORT. AS A RESULT, STIFEL ONLY REPORTED APPROXIMATELY 8 MILLION TRANSACTIONS AND FAILED TO SUBMIT APPROXIMATELY 9.8 MILLION. OF THE TRANSACTIONS STIFEL DID REPORT, APPROXIMATELY 1.4 MILLION CONTAINED INACCURATE DATA, RESULTING IN THE MISREPORTING OF EBS DATA FOR APPROXIMATELY 11.2 MILLION TRANSACTIONS. AS A RESULT, STIFEL VIOLATED THE RECORDKEEPING AND REPORTING REQUIREMENTS OF SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 17A-4(J) AND 17A-25 THEREUNDER. AS DESCRIBED ABOVE, STIFEL FAILED TO FURNISH COMPLETE RECORDS TO THE COMMISSION STAFF THAT WERE REQUESTED BY THE COMMISSION IN ITS EBS REQUESTS. THEREFORE, STIFEL WILLFULLY VIOLATED THE RECORDKEEPING AND REPORTING REQUIREMENTS OF SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULE 17A-4(J) THEREUNDER BY FAILING TO FURNISH PROMPTLY TRUE AND COMPLETE TRADING INFORMATION AS REQUESTED BY COMMISSION STAFF OVER A PERIOD OF APPROXIMATELY FOUR YEARS. IN ADDITION, STIFEL WILLFULLY VIOLATED EXCHANGE ACT RULE 17A-25 BY FAILING TO



SUBMIT ELECTRONICALLY CERTAIN SECURITIES TRANSACTION INFORMATION TO THE COMMISSION THROUGH THE EBS SYSTEM IN RESPONSE TO REQUESTS MADE BY THE COMMISSION.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/16/2019

Docket/Case Number: 3-19458

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 09/16/2019

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

Sanctions Ordered: Censure
Monetary/Fine \$2,700,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: RESPONDENT IS TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 17A-4(J) AND 17A-25 PROMULGATED THEREUNDER, AND IS CENSURED. RESPONDENT STIFEL SHALL, WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY FOR \$2.7 MILLION.

Regulator Statement RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE OFFER) 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. ACCORDINGLY, IT IS HEREBY ORDERED THAT RESPONDENT IS TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 17A-4(J) AND 17A-25 PROMULGATED



THEREUNDER, AND IS CENSURED. RESPONDENT STIFEL SHALL, WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY FOR \$2.7 MILLION.

Reporting Source: Firm

Current Status: Final

Allegations: THE ORDER ALLEGED THAT STIFEL WILLFULLY VIOLATED THE RECORDKEEPING AND REPORTING REQUIREMENTS OF SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULE 17A-4(J) THEREUNDER BY FAILING TO FURNISH PROMPTLY TRUE AND COMPLETE TRADING INFORMATION IN RESPONSE TO ELECTRONIC BLUE SHEET ("EBS") REQUESTS MADE BY SEC STAFF OVER A PERIOD OF APPROXIMATELY FOUR YEARS. IN ADDITION, THE ORDER ALLEGED THAT STIFEL WILLFULLY VIOLATED EXCHANGE ACT RULE 17A-25 BY FAILING TO SUBMIT ELECTRONICALLY CERTAIN SECURITIES TRANSACTION INFORMATION TO THE SEC THROUGH THE EBS SYSTEM IN RESPONSE TO REQUESTS MADE BY THE SEC.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/16/2019

Docket/Case Number: 3-19458

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE; MONETARY PENALTY

Resolution: Order

Resolution Date: 09/16/2019

Sanctions Ordered: Censure
Monetary/Fine \$2,700,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: STIFEL WAS ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 17A-4(J) AND 17A-25 PROMULGATED THEREUNDER, WAS CENSURED, AND ORDERED TO PAY A



CIVIL MONETARY PENALTY OF \$2,700,000.

Firm Statement

IN SEPTEMBER 2019, AN ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AND SECTION 203(E) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER (THE "ORDER") WAS ENTERED AGAINST STIFEL BY THE SEC IN CONNECTION WITH STIFEL'S FAILURE TO SUBMIT COMPLETE AND ACCURATE DATA IN RESPONSE TO ELECTRONIC BLUE SHEETS ("EBS") REQUESTS FROM THE SEC, RESULTING IN THE REPORTING OF EBS THAT WAS INCOMPLETE OR DEFICIENT. AS A RESULT OF THE ORDER, STIFEL WAS CENSURED AND ORDERED TO (A) CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 17A-4(J) AND 17A-25 PROMULGATED THEREUNDER; AND (B) PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$2,700,000 THAT WAS PAID ON SEPTEMBER 18, 2019. AS DETAILED IN THE ORDER, STIFEL ENGAGED IN VOLUNTARY REMEDIAL EFFORTS TO CORRECT AND IMPROVE ITS EBS PROCESS AND CONTROL ENVIRONMENT, INCLUDING BUT NOT LIMITED TO INCREASED COMPLIANCE STAFF AND REMEDIAL EXPERTISE, ENHANCED EBS SUBMISSION REVIEW PROCEDURES AND CONTROLS, AND INCREASED BUDGETS FOR EBS COMPLIANCE.

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Reporting Source:

Regulator

Current Status:

Final

Allegations:

IA RELEASE 40-5189, 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 STIFEL, NICOLAUS & COMPANY, INCORPORATED ("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: 3-19092

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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 \$5,297,608.61 AND PREJUDGMENT INTEREST OF \$739,567.37, AND SHALL COMPLY WITH CERTAIN 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: THE SEC ALLEGED THAT STIFEL WILLFULLY VIOLATED SECTIONS 206(2) AND 207 OF THE INVESTMENT ADVISERS ACT OF 1940 (THE "ADVISERS ACT") AS A RESULT OF (A) ITS INADEQUATE DISCLOSURE OF CONFLICTS OF INTEREST RELATED TO (A) THE SELECTION OF MUTUAL FUND SHARE CLASSES THAT CHARGED 12B-1 FEES, WHICH ARE RECURRING FEES DEDUCTED FROM FUND'S ASSETS, WHEN AN ALTERNATIVE SHARE CLASS WAS AVAILABLE THAT DID NOT CHARGE A 12B-1 FEE; AND (B) THE RECEIPT OF 12B-1 FEES IN CONNECTION WITH THESE INVESTMENTS.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 03/11/2019

Docket/Case Number: 3-19092

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Order

Resolution Date: 03/11/2019

Sanctions Ordered: Censure
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: UNDERTAKINGS AND PREJUDGMENT INTEREST

Sanction Details: STIFEL WAS CENSURED AND ORDERED TO CEASE-AND-DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND FUTURE VIOLATIONS OF SECTIONS 206(2) AND 207 OF THE ADVISERS ACT, PAY DISGORGEMENT AND PRE-JUDGMENT INTEREST IN THE AMOUNT OF \$6,037,175.98 TO



AFFECTED INVESTORS, AND COMPLY WITH SEVERAL UNDERTAKINGS RELATED TO NOTIFYING AFFECTED INVESTORS OF THE TERMS OF THE ORDER.

Firm Statement

IN MARCH 2019, STIFEL, ALONG WITH 78 OTHER INVESTMENT ADVISERS WHO VOLUNTARILY PARTICIPATED IN THE SEC'S SHARE CLASS SELECTION DISCLOSURE INITIATIVE, CONSENTED TO THE ENTRY OF AN ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER (THE "ORDER") BY THE SEC INSTITUTED PURSUANT TO SECTIONS 203(E) AND 203(K) OF THE ADVISERS ACT WITHOUT ADMITTING OR DENYING THE FINDINGS THEREIN EXCEPT THOSE RELATED TO JURISDICTION AND THE SUBJECT MATTER OF THE PROCEEDINGS. THE ORDER ENTERED AGAINST STIFEL ALLEGED THAT STIFEL WILLFULLY VIOLATED SECTIONS 206(2) AND 207 OF THE ADVISERS ACT AS A RESULT OF ITS INADEQUATE DISCLOSURE OF CONFLICTS OF INTEREST RELATED TO (A) THE SELECTION OF MUTUAL FUND SHARE CLASSES THAT CHARGED 12B-1 FEES, WHICH ARE RECURRING FEES DEDUCTED FROM FUND'S ASSETS, WHEN AN ALTERNATIVE SHARE CLASS WAS AVAILABLE THAT DID NOT CHARGE A 12B-1 FEE; AND (B) THE RECEIPT OF 12B-1 FEES IN CONNECTION WITH THESE INVESTMENTS. THE SEC DID NOT IMPOSE A CIVIL PENALTY AGAINST STIFEL IN RECOGNITION OF THE FACT THAT STIFEL SELF-REPORTED THE ISSUE TO THE SEC. HOWEVER, STIFEL WAS CENSURED AND ORDERED TO CEASE-AND-DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND FUTURE VIOLATIONS OF SECTIONS 206(2) AND 207 OF THE ADVISERS ACT, PAY DISGORGEMENT AND PRE-JUDGMENT INTEREST IN THE AMOUNT OF \$6,037,175.98 TO AFFECTED INVESTORS, AND COMPLY WITH SEVERAL UNDERTAKINGS RELATED TO NOTIFYING AFFECTED INVESTORS OF THE TERMS OF THE ORDER.

Disclosure 8 of 135

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 ACCEPTED AND HELD CUSTOMER ORDERS IN OVER-THE-COUNTER (OTC) SECURITIES TRADED CUSTOMER ORDERS IN OTC SECURITIES FOR ITS OWN ACCOUNT AT PRICES THAT WOULD HAVE SATISFIED THE CUSTOMER ORDERS, AND FAILED TO EXECUTE OR IMMEDIATELY EXECUTE THE CUSTOMER ORDERS UP TO THE SIZE AND AT THE SAME PRICE AT WHICH IT TRADED FOR ITS OWN ACCOUNT OR AT A BETTER PRICE. THE FINDINGS



STATED THAT THE FIRM TRANSMITTED INACCURATE REPORTS TO OATS. THE FIRM'S OATS REPORTS CONTAINED AN INACCURATE INFORMATION BARRIER IDENTIFIER. THE CAUSE OF THE INACCURATE REPORTS, WHICH WAS SYSTEMIC, WAS A CHANGE THAT THE FIRM'S VENDOR MADE TO THE MANNER IN WHICH THE FIRM REPORTED INFORMATION BARRIER IDENTIFIERS. FOR EACH STOCK IN WHICH THE FIRM MAKES A MARKET, THE STOCK IS ASSIGNED TO A PARTICULAR TRADER AT THE FIRM. BECAUSE OF THE CHANGE BY THE FIRM'S VENDOR, INSTEAD OF REPORTING INFORMATION BARRIER IDENTIFIERS BASED ON THE ACTUAL TRADER WHO HANDLED THE ORDER, THE FIRM REPORTED INFORMATION BARRIER IDENTIFIERS BASED ON THE TRADER WHO WAS ASSIGNED THE STOCK. AS A RESULT, THE FIRM HAS SUBMITTED AN ESTIMATED 452,024 REPORTS TO OATS WITH AN INACCURATE INFORMATION BARRIER IDENTIFIER. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF FINRA, CONCERNING COMPLIANCE WITH FINRA RULE 7450. SPECIFICALLY, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FAILED TO INCLUDE A REVIEW FOR THE REPORTING OF INFORMATION BARRIER IDENTIFIERS TO OATS, AND THE FIRM DID NOT OTHERWISE REVIEW ITS REPORTING OF INFORMATION BARRIER IDENTIFIERS TO OATS.

Initiated By: FINRA

Date Initiated: 09/13/2018

Docket/Case Number: [2016050506801](#)

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/13/2018

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



Sanctions Ordered: Censure
 Monetary/Fine \$37,500.00
 Disgorgement/Restitution

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: THE FIRM WAS CENSURED, FINED \$37,500, REQUIRED TO PROVIDE RESTITUTION TO THE INVESTORS IN THE TOTAL AMOUNT OF \$68.50, PLUS INTEREST, AND WERE REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES. FINES PAID IN FULL ON SEPTEMBER 26, 2018.

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 ACCEPTED AND HELD CUSTOMER ORDERS IN OVER-THE-COUNTER (OTC) SECURITIES TRADED CUSTOMER ORDERS IN OTC SECURITIES FOR ITS OWN ACCOUNT AT PRICES THAT WOULD HAVE SATISFIED THE CUSTOMER ORDERS, AND FAILED TO EXECUTE OR IMMEDIATELY EXECUTE THE CUSTOMER ORDERS UP TO THE SIZE AND AT THE SAME PRICE AT WHICH IT TRADED FOR ITS OWN ACCOUNT OR AT A BETTER PRICE. THE FINDINGS STATED THAT THE FIRM TRANSMITTED INACCURATE REPORTS TO OATS. THE FIRM'S OATS REPORTS CONTAINED AN INACCURATE INFORMATION BARRIER IDENTIFIER. THE CAUSE OF THE INACCURATE REPORTS, WHICH WAS SYSTEMIC, WAS A CHANGE THAT THE FIRM'S VENDOR MADE TO THE MANNER IN WHICH THE FIRM REPORTED INFORMATION BARRIER IDENTIFIERS. FOR EACH STOCK IN WHICH THE FIRM MAKES A MARKET, THE STOCK IS ASSIGNED TO A PARTICULAR TRADER AT THE FIRM. BECAUSE OF THE CHANGE BY THE FIRM'S VENDOR, INSTEAD OF REPORTING INFORMATION BARRIER IDENTIFIERS BASED ON THE ACTUAL TRADER WHO HANDLED THE ORDER, THE FIRM REPORTED INFORMATION BARRIER IDENTIFIERS BASED ON THE TRADER WHO WAS ASSIGNED THE STOCK. AS A RESULT, THE FIRM HAS SUBMITTED AN ESTIMATED 452,024 REPORTS TO OATS WITH AN INACCURATE INFORMATION BARRIER IDENTIFIER. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR



SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF FINRA, CONCERNING COMPLIANCE WITH FINRA RULE 7450. SPECIFICALLY, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FAILED TO INCLUDE A REVIEW FOR THE REPORTING OF INFORMATION BARRIER IDENTIFIERS TO OATS, AND THE FIRM DID NOT OTHERWISE REVIEW ITS REPORTING OF INFORMATION BARRIER IDENTIFIERS TO OATS.

Initiated By: FINRA

Date Initiated: 09/13/2018

Docket/Case Number: [2016050506801](#)

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/13/2018

Sanctions Ordered: Censure
Monetary/Fine \$37,500.00
Disgorgement/Restitution

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: THE FIRM WAS CENSURED, FINED \$37,500, REQUIRED TO PROVIDE RESTITUTION TO THE INVESTORS IN THE TOTAL AMOUNT OF \$68.50, PLUS INTEREST, AND WERE REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES.

Disclosure 9 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT ITS



REGISTERED REPRESENTATIVE ENTERED ORDERS IN THE EQUITY SHARES OF A SECURITY ON BEHALF OF CLIENT ACCOUNTS THAT HE IMPROPERLY MARKED AS "UNSOLICITED" DESPITE THE FACT THAT SUCH ORDERS WERE SOLICITED, CAUSING THE FIRM'S BOOKS AND RECORDS TO BE INACCURATE. THE FINDINGS STATED THAT THE FIRM HAD PROGRAMMED ITS ORDER MANAGEMENT SYSTEM TO BLOCK THE REGISTERED REPRESENTATIVE FROM ENTERING SOLICITED ORDERS IN THE SECURITY. THE RESTRICTION WAS LIFTED, BUT THE SYSTEMIC BLOCK WAS NOT IMMEDIATELY REMOVED. UPON DISCOVERING, THAT THE SYSTEMIC BLOCK HAD NOT BEEN LIFTED AND THAT THE FIRM'S REGISTERED REPRESENTATIVE HAD BEEN MISMARKING ORDERS, IT REPROGRAMMED ITS ORDER MANAGEMENT SYSTEM AND HAD ITS REGISTERED REPRESENTATIVE CORRECT THE MISMARKED ORDERS. THEREAFTER, THE FIRM CORRECTED ITS BOOKS AND RECORDS.

Initiated By: FINRA

Date Initiated: 04/26/2018

Docket/Case Number: [2011027891502](#)

Principal Product Type: Other

Other Product Type(s): EQUITY SHARES OF A SECURITY

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/26/2018

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

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$25,000. FINES PAID IN FULL ON MAY 14, 2018.



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 ITS FORMER REGISTERED REPRESENTATIVE ENTERED ORDERS IN THE EQUITY SHARES OF A SECURITY ON BEHALF OF CLIENT ACCOUNTS THAT HE IMPROPERLY MARKED AS "UNSOLICITED" DESPITE THE FACT THAT SUCH ORDERS WERE SOLICITED, CAUSING THE FIRM'S BOOKS AND RECORDS TO BE INACCURATE. THE FINDINGS STATED THAT THE FIRM HAD PROGRAMMED ITS ORDER MANAGEMENT SYSTEM TO BLOCK THE FORMER REGISTERED REPRESENTATIVE FROM ENTERING SOLICITED ORDERS IN THE SECURITY. THE RESTRICTION WAS LIFTED, BUT THE SYSTEMIC BLOCK WAS NOT IMMEDIATELY REMOVED. UPON DISCOVERING, THAT THE SYSTEMIC BLOCK HAD NOT BEEN LIFTED AND THAT THE FIRM'S FORMER REGISTERED REPRESENTATIVE HAD BEEN MISMARKING ORDERS, IT REPROGRAMMED ITS ORDER MANAGEMENT SYSTEM AND HAD ITS FORMER REGISTERED REPRESENTATIVE CORRECT THE MISMARKED ORDERS. THEREAFTER, THE FIRM CORRECTED ITS BOOKS AND RECORDS.
Initiated By:	FINRA
Date Initiated:	04/26/2018
Docket/Case Number:	2011027891502
Principal Product Type:	Other
Other Product Type(s):	EQUITY SHARES OF A SECURITY
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/26/2018
Sanctions Ordered:	Censure Monetary/Fine \$25,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$25,000.



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 IN 18 INSTANCES BETWEEN APRIL 2014 TO JUNE 2014, THE FIRM ACCEPTED AND HELD 12 CUSTOMER ORDERS IN OVER-THE-COUNTER (OTC) SECURITIES, TRADED FOR ITS OWN ACCOUNT AT PRICES THAT WOULD HAVE SATISFIED THE CUSTOMER ORDERS, AND FAILED TO EXECUTE OR IMMEDIATELY EXECUTE THE CUSTOMER ORDERS UP TO THE SIZE AND AT THE SAME PRICE AT WHICH IT TRADED FOR ITS OWN ACCOUNT OR AT A BETTER PRICE. THE FINDINGS STATED THAT WITH RESPECT TO 16 OF THE 18 INSTANCES, THE FIRM ASSERTED THE "NO-KNOWLEDGE EXCEPTION," WHICH IS CODIFIED IN SUPPLEMENTARY MATERIAL .02 OF FINRA RULE 5320. THE FIRM'S SYSTEM OF INTERNAL CONTROLS (INFORMATION BARRIERS) DID NOT MEET THE REQUIREMENTS SET FORTH IN SUPPLEMENTARY MATERIAL .02(B), BECAUSE TRADERS AT ONE DESK HAD THE ABILITY TO VIEW THE OUTSTANDING CUSTOMER ORDERS THAT WERE ACCEPTED AND HELD BY ANOTHER DESK. THE FINDINGS ALSO STATED THAT DURING THE SECOND QUARTER OF 2014 AND FOURTH QUARTER OF 2014 THROUGH THE FIRST QUARTER OF 2015, THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND NASD RULES CONCERNING COMPLIANCE WITH FINRA RULE 5320 AND SUPPLEMENTARY MATERIAL .02 OF RULE 5320. THE FIRM DID NOT HAVE POLICIES OR PROCEDURES THAT PREVENTED ITS TRADING DESKS THAT WERE SEPARATED BY INFORMATION BARRIERS FROM OBTAINING KNOWLEDGE REGARDING ORDERS OR TRADING ACTIVITY OF THE OTHER DESKS. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO INCLUDE A SUPERVISORY REVIEW THAT ENSURED THAT THE FIRM'S INFORMATION BARRIERS, FOR WHICH THE FIRM RELIED ON THE "NO-KNOWLEDGE EXCEPTION," WERE OPERATING APPROPRIATELY AND PERMISSIONS THAT THE FIRM'S EMPLOYEES HAD TO THE FIRM'S SYSTEMS WERE GRANTED APPROPRIATELY. IN ADDITION, ALTHOUGH THE FIRM HAD A TRADING AHEAD EXCEPTION REPORT, IT FAILED TO CAPTURE ANY OF THE TRADING AHEAD INSTANCES IDENTIFIED. THE EXCEPTION REPORT WAS ALSO FLAWED AND UNRELIABLE DURING THE REVIEW PERIODS. THE FINDINGS ALSO INCLUDED THAT DURING THE SECOND QUARTER OF 2014, FOURTH QUARTER OF 2014 THROUGH THE FIRST QUARTER OF 2015 AND FOURTH QUARTER OF 2015, THE FIRM FAILED TO REPORT AN INFORMATION BARRIER IDENTIFIER WITH ITS ORDER AUDIT TRAIL SYSTEM (OATS) SUBMISSIONS FOR 76 ORDERS.

Initiated By: FINRA



Date Initiated: 01/26/2018

Docket/Case Number: [2014042512701](#)

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/26/2018

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

Sanctions Ordered: Censure
Monetary/Fine \$37,500.00
Disgorgement/Restitution

Other Sanctions Ordered: INTEREST; UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES

Sanction Details: THE FIRM WAS CENSURED, FINED \$37,500, REQUIRED TO PAY \$318.25, PLUS INTEREST, IN RESTITUTION TO INVESTORS, AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES. FINES PAID IN FULL ON FEBRUARY 20, 2018.

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 IN 18 INSTANCES BETWEEN APRIL 2014 TO JUNE 2014, THE FIRM ACCEPTED AND HELD 12 CUSTOMER ORDERS IN OVER-THE-COUNTER (OTC) SECURITIES, TRADED FOR ITS OWN ACCOUNT AT PRICES THAT WOULD HAVE SATISFIED THE CUSTOMER ORDERS, AND FAILED TO EXECUTE OR IMMEDIATELY EXECUTE THE CUSTOMER ORDERS UP TO THE SIZE AND AT THE SAME PRICE AT WHICH IT TRADED FOR ITS OWN ACCOUNT OR AT A BETTER PRICE. THE FINDINGS STATED THAT WITH RESPECT TO 16 OF THE



18 INSTANCES, THE FIRM ASSERTED THE "NO-KNOWLEDGE EXCEPTION," WHICH IS CODIFIED IN SUPPLEMENTARY MATERIAL .02 OF FINRA RULE 5320. THE FIRM'S SYSTEM OF INTERNAL CONTROLS (INFORMATION BARRIERS) DID NOT MEET THE REQUIREMENTS SET FORTH IN SUPPLEMENTARY MATERIAL .02(B), BECAUSE TRADERS AT ONE DESK HAD THE ABILITY TO VIEW THE OUTSTANDING CUSTOMER ORDERS THAT WERE ACCEPTED AND HELD BY ANOTHER DESK. THE FINDINGS ALSO STATED THAT DURING THE SECOND QUARTER OF 2014 AND FOURTH QUARTER OF 2014 THROUGH THE FIRST QUARTER OF 2015, THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND NASD RULES CONCERNING COMPLIANCE WITH FINRA RULE 5320 AND SUPPLEMENTARY MATERIAL .02 OF RULE 5320. THE FIRM DID NOT HAVE POLICIES OR PROCEDURES THAT PREVENTED ITS TRADING DESKS THAT WERE SEPARATED BY INFORMATION BARRIERS FROM OBTAINING KNOWLEDGE REGARDING ORDERS OR TRADING ACTIVITY OF THE OTHER DESKS. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO INCLUDE A SUPERVISORY REVIEW THAT ENSURED THAT THE FIRM'S INFORMATION BARRIERS, FOR WHICH THE FIRM RELIED ON THE "NO-KNOWLEDGE EXCEPTION," WERE OPERATING APPROPRIATELY AND PERMISSIONS THAT THE FIRM'S EMPLOYEES HAD TO THE FIRM'S SYSTEMS WERE GRANTED APPROPRIATELY. IN ADDITION, ALTHOUGH THE FIRM HAD A TRADING AHEAD EXCEPTION REPORT, IT FAILED TO CAPTURE ANY OF THE TRADING AHEAD INSTANCES IDENTIFIED. THE EXCEPTION REPORT WAS ALSO FLAWED AND UNRELIABLE DURING THE REVIEW PERIODS. THE FINDINGS ALSO INCLUDED THAT DURING THE SECOND QUARTER OF 2014, FOURTH QUARTER OF 2014 THROUGH THE FIRST QUARTER OF 2015 AND FOURTH QUARTER OF 2015, THE FIRM FAILED TO REPORT AN INFORMATION BARRIER IDENTIFIER WITH ITS ORDER AUDIT TRAIL SYSTEM (OATS) SUBMISSIONS FOR 76 ORDERS.

Initiated By: FINRA

Date Initiated: 01/26/2018

Docket/Case Number: [2014042512701](#)

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date: 01/26/2018

Sanctions Ordered: Censure
Monetary/Fine \$37,500.00
Disgorgement/Restitution

Other Sanctions Ordered: INTEREST; UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES

Sanction Details: THE FIRM WAS CENSURED, FINED \$37,500, REQUIRED TO PAY \$318.25, PLUS INTEREST, IN RESTITUTION TO INVESTORS, AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

Disclosure 11 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) 200 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIZED PRODUCTS WITHIN THE TIME REQUIRED BY FINRA RULE 6730.

Initiated By: FINRA

Date Initiated: 01/26/2018

Docket/Case Number: [2017053250501](#)

Principal Product Type: Other

Other Product Type(s): SECURITIZED PRODUCTS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/26/2018

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



Sanctions Ordered: Censure
Monetary/Fine \$17,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$17,500. FINES PAID IN FULL ON FEBRUARY 16, 2018.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) 200 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIZED PRODUCTS WITHIN THE TIME REQUIRED BY FINRA RULE 6730.

Initiated By: FINRA

Date Initiated: 01/26/2018

Docket/Case Number: [2017053250501](#)

Principal Product Type: Other

Other Product Type(s): SECURITIZED PRODUCTS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/26/2018

Sanctions Ordered: Censure
Monetary/Fine \$17,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$17,500.

Disclosure 12 of 135

Reporting Source: Firm

Current Status: Final



Allegations: FAILURE TO TIMELY REPORT A REGULATORY ACTION ON A PROFESSIONAL LICENSE AND PROVIDED AN INCORRECT ANSWER TO THE INSURANCE LICENSE APPLICATION/RENEWAL.

Initiated By: OHIO DEPARTMENT OF INSURANCE

Date Initiated: 11/13/2017

Docket/Case Number: N/A

Principal Product Type: Insurance

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Consent

Resolution Date: 11/13/2017

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: STIFEL AGREES TO PAY CIVIL AND ADMINISTRATIVE PENALTIES OF \$500 AND TO PAY ALL COSTS ASSOCIATED WITH ANY COLLECTION OF ANY UNPAID ADMINISTRATIVE COSTS, AND THE ADMINISTRATIVE PROSECUTION OF ANY VIOLATION REGARDING THIS CONSENT ORDER.

Disclosure 13 of 135

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.

Initiated By: STATE OF NORTH CAROLINA DEPARTMENT OF THE SECRETARY OF STATE SECURITIES DIVISION

Date Initiated: 11/03/2017

Docket/Case Number: 09 SEC 057

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

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

Resolution: Consent
Resolution Date: 11/03/2017
Sanctions Ordered: Monetary/Fine \$18,088.80
 Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS ORDERED TO PAY A CIVIL PENALTY OF \$2,500 AND 15,588.80 FOR COSTS OF THE INVESTIGATION.

Disclosure 14 of 135

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 WHILE IN A NON-ISSUE-SPECIFIC FINANCIAL ADVISORY RELATIONSHIP WITH AN ARIZONA SCHOOL DISTRICT (THE DISTRICT), THE FIRM ACTED AS PLACEMENT AGENT FOR THE DISTRICT WITHOUT PROVIDING THE ROLE DISCLOSURE REQUIRED BY MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) RULE G-23 IN A TIMELY MANNER. THE FINDINGS STATED THAT IN JANUARY 2012, THE DISTRICT CONTACTED THE FIRM AND REQUESTED FINANCIAL ADVICE ON A PROPOSED \$50 MILLION PUBLICLY OFFERED BOND ISSUANCE TO FINANCE \$38 MILLION FOR BUILDING CONSTRUCTION AND \$12 MILLION FOR THE PURCHASE OF FURNITURE, EQUIPMENT AND TECHNOLOGY (THE ISSUANCE). IN MAY 2012, THE FIRM, WHILE ACTING AS FINANCIAL ADVISOR, APPROACHED A REPRESENTATIVE OF THE ARIZONA COUNTY IN WHICH THE DISTRICT IS LOCATED (THE COUNTY) ABOUT PRIVATELY PLACING \$12 MILLION OF SHORT-TERM DEBT (FURNITURE, EQUIPMENT AND TECHNOLOGY FINANCING) WITH THE COUNTY. AFTER THE FIRM'S DISCUSSIONS WITH THE COUNTY, THE FIRM RECOMMENDED THAT THE DISTRICT PLACE \$12 MILLION OF SHORT-TERM DEBT WITH THE COUNTY TO SAVE ON DEBT SERVICE COSTS AS COMPARED TO A PUBLIC OFFERING. THE DISTRICT ACCEPTED THE FIRM'S RECOMMENDATION AND THEREBY MODIFIED ITS FINANCING PLANS BY DECIDING TO ISSUE TWO SERIES OF BONDS. IT DECIDED TO PLACE A \$12 MILLION SERIES OF BONDS WITH THE COUNTY AND TO PUBLICLY OFFER A SEPARATE \$38 MILLION SERIES OF BONDS. ON JUNE 7, 2012, THE DISTRICT PASSED A NEW BOND RESOLUTION TO AUTHORIZE DIFFERENT FINANCING OPTIONS



FOR THE ISSUANCE, INCLUDING THE POTENTIAL PLACEMENT OF \$12 MILLION IN BONDS WITH THE COUNTY. THE RESOLUTION STATED THAT THE FIRM WOULD ACT AS PLACEMENT AGENT IF THE DISTRICT DECIDED TO PLACE BONDS WITH THE COUNTY. THE FIRM CONTINUED TO SERVE AS FINANCIAL ADVISOR FOR \$38 MILLION IN BONDS ISSUED BY THE DISTRICT (SERIES A), AND SERVED AS PLACEMENT AGENT FOR \$12 MILLION IN BONDS ISSUED BY THE DISTRICT, WHICH WERE PLACED WITH THE COUNTY (SERIES B). THE CLOSINGS FOR BOTH SETS OF BONDS TOOK PLACE ON JULY 24, 2012. THE FIRM DID NOT MAKE THE DISCLOSURES TO THE DISTRICT REGARDING ITS ROLE ON THE SERIES B PLACEMENT AS PLACEMENT AGENT AS REQUIRED BY MSRB INTERPRETIVE GUIDANCE IN A TIMELY MANNER.

Initiated By: FINRA

Date Initiated: 06/27/2017

Docket/Case Number: [2013034947901](#)

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: 06/27/2017

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

Sanctions Ordered: Censure
Monetary/Fine \$125,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$125,000. FINES PAID IN FULL ON JULY 6, 2017.

Reporting Source: Firm



Current Status:	Final
Allegations:	IN JUNE 2017, STIFEL ENTERED INTO AN ACCEPTANCE, WAIVER AND CONSENT WITH FINRA TO SETTLE ALLEGATIONS THAT STIFEL DID NOT PROVIDE TIMELY DISCLOSURES TO A MUNICIPAL ISSUER IN CONNECTION WITH ITS ROLE AS PLACEMENT AGENT IN A PLACEMENT OF BONDS ISSUED BY THE MUNICIPAL ISSUER IN ACCORDANCE WITH INTERPRETIVE GUIDANCE ISSUED BY THE MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB") REGARDING MSRB RULE G-23. IN MAY 2012, STIFEL RECOMMENDED THAT THE ISSUER DO A PLACEMENT, IN LIEU OF A PUBLIC OFFERING, IN ORDER TO SAVE ON DEBT SERVICE COSTS. THE ISSUER ACCEPTED STIFEL'S RECOMMENDATION AND AGREED THAT STIFEL WOULD SERVE AS PLACEMENT AGENT. HOWEVER, STIFEL DID NOT PROVIDE THE DISCLOSURES REGARDING ITS ROLE IN A TIMELY MANNER. AS A RESULT, THE FIRM WAS ALLEGED TO HAVE VIOLATED MSRB RULE G-23 BY SERVING AS BOTH FINANCIAL ADVISOR AND PLACEMENT AGENT ON THE SAME ISSUE. WHILE NOT ADMITTING OR DENYING THE ALLEGATIONS, STIFEL AGREED TO A REGULATORY CENSURE AND A MONETARY FINE OF \$125,000.
Initiated By:	FINRA
Date Initiated:	06/27/2017
Docket/Case Number:	2013034947901
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:	06/27/2017
Sanctions Ordered:	Censure Monetary/Fine \$125,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$125,000.
Firm Statement	IN JUNE 2017, STIFEL ENTERED INTO AN ACCEPTANCE, WAIVER AND CONSENT WITH FINRA TO SETTLE ALLEGATIONS THAT STIFEL DID NOT PROVIDE TIMELY DISCLOSURES TO A MUNICIPAL ISSUER IN CONNECTION WITH ITS ROLE AS PLACEMENT AGENT IN A PLACEMENT OF BONDS



ISSUED BY THE MUNICIPAL ISSUER IN ACCORDANCE WITH INTERPRETIVE GUIDANCE ISSUED BY THE MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB") REGARDING MSRB RULE G-23. IN MAY 2012, STIFEL RECOMMENDED THAT THE ISSUER DO A PLACEMENT, IN LIEU OF A PUBLIC OFFERING, IN ORDER TO SAVE ON DEBT SERVICE COSTS. THE ISSUER ACCEPTED STIFEL'S RECOMMENDATION AND AGREED THAT STIFEL WOULD SERVE AS PLACEMENT AGENT. HOWEVER, STIFEL DID NOT PROVIDE THE DISCLOSURES REGARDING ITS ROLE IN A TIMELY MANNER. AS A RESULT, THE FIRM WAS ALLEGED TO HAVE VIOLATED MSRB RULE G-23 BY SERVING AS BOTH FINANCIAL ADVISOR AND PLACEMENT AGENT ON THE SAME ISSUE. WHILE NOT ADMITTING OR DENYING THE ALLEGATIONS, STIFEL AGREED TO A REGULATORY CENSURE AND A MONETARY FINE OF \$125,000.

Disclosure 15 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: IA RELEASE 40-4665, MARCH 13, 2017: THE SEC 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, AGAINST STIFEL, NICOLAUS & COMPANY, INCORPORATED. IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT 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 IT 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. ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT THIS MATTER ARISES FROM THE FIRM'S FAILURE TO ADOPT AND IMPLEMENT ADEQUATE POLICIES AND PROCEDURES TO TRACK AND DISCLOSE TRADING AWAY PRACTICES BY CERTAIN OF THE SUB-ADVISERS PARTICIPATING IN ITS WRAP FEE PROGRAMS. THE FIRM, IN ITS ADVISORY CAPACITY, OFFERS ITS ADVISORY CLIENTS THE OPPORTUNITY TO INVEST IN SEPARATELY MANAGED WRAP FEE PROGRAMS. THROUGH THESE PROGRAMS, THE FIRM'S ADVISORY CLIENTS PAY AN ANNUAL FEE IN EXCHANGE FOR RECEIVING ACCESS TO SELECT SUB-ADVISERS AND TRADING



STRATEGIES, ADVICE FROM THE FIRM'S FINANCIAL ADVISORS, AND TRADE EXECUTION SERVICES THROUGH THE FIRM AT NO ADDITIONAL COST. HOWEVER, IF A SUB-ADVISER CHOOSES NOT TO DIRECT THE EXECUTION OF PARTICULAR EQUITY TRADES THROUGH THE FIRM AND THE EXECUTING BROKER CHARGES A COMMISSION OR FEE, THE FIRM'S ADVISORY CLIENTS OFTEN ARE CHARGED ADDITIONAL COMMISSIONS OR FEES FOR THOSE TRANSACTIONS. THIS PRACTICE IS REFERRED TO AS "TRADING AWAY" AND THESE TYPES OF TRADES ARE FREQUENTLY CALLED "TRADE AWAYS." HISTORICALLY, THE FIRM DID NOT TRACK OR MONITOR WHICH SUB-ADVISERS WERE TRADING AWAY FROM IT, HOW OFTEN THOSE SUB-ADVISERS WERE TRADING AWAY, OR THE SPECIFIC COSTS ASSOCIATED WITH THOSE TRADE AWAYS. IN THE FIRST QUARTER OF 2015, THE FIRM BEGAN COLLECTING COST INFORMATION FROM SUB-ADVISERS WHO WERE TRADING AWAY BUT FAILED TO ADOPT OR IMPLEMENT ANY POLICIES AND PROCEDURES DESIGNED TO PROVIDE INFORMATION TO THE FIRM'S CLIENTS AND FINANCIAL ADVISORS ABOUT THE AMOUNT OF THE ADDITIONAL COSTS OF TRADING AWAY. WITHOUT THE AVAILABILITY OF SUCH INFORMATION, THE FIRM'S FINANCIAL ADVISORS COULD NOT SEPARATELY CONSIDER THE COSTS ASSOCIATED WITH TRADING AWAY PRACTICES IN CONDUCTING THEIR INITIAL AND PERIODIC SUITABILITY ANALYSES FOR ADVISORY CLIENTS IN WRAP FEE PROGRAMS WHOSE FUNDS WERE MANAGED BY CERTAIN SUB-ADVISERS. BY FAILING TO ADOPT AND IMPLEMENT SUCH POLICIES AND PROCEDURES, THE FIRM VIOLATED SECTION 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 03/13/2017

Docket/Case Number: 3-17879

Principal Product Type: Other

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 03/13/2017



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

No

Sanctions Ordered:

Monetary/Fine \$300,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details:

IT IS ORDERED THAT THE FIRM CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER, AND PAY A CIVIL MONEY PENALTY OF \$300,000.

Regulator Statement

IN DETERMINING TO ACCEPT THE OFFER, THE COMMISSION CONSIDERED BOTH THE VOLUNTARY REMEDIAL ACTS PROMPTLY UNDERTAKEN BY RESPONDENT AND ITS COOPERATION WITH THE COMMISSION STAFF. RESPONDENT HAS TAKEN THE FOLLOWING STEPS TO STRENGTHEN ITS COMPLIANCE FUNCTION. RESPONDENT HAS: (1) UPDATED AND EXPANDED ITS DISCLOSURES IN ITS BROCHURES REGARDING SUB-ADVISERS' PRACTICES OF TRADING AWAY FROM THE FIRM; (2) BEGAN COLLECTING INFORMATION FROM SUB-ADVISERS ABOUT THEIR TRADING AWAY PRACTICES IN THE FIRST QUARTER OF 2015; (3) PROVIDED A NOTICE TO NEW AND EXISTING CLIENTS WITH ASSETS ALLOCATED TO A SUB-ADVISER THAT ENGAGED IN TRADING AWAY INFORMING THEM OF THE SUB-ADVISERS' TRADING AWAY AND INSTRUCTING THEM TO CONTACT THEIR FINANCIAL ADVISOR FOR MORE INFORMATION; AND (4) ADDED QUESTIONS TO ITS SUB-ADVISER QUESTIONNAIRE TO OBTAIN MORE DETAILED INFORMATION ABOUT THE EXECUTION POLICIES AND TRADING AWAY PRACTICES OF THE SUB-ADVISERS.

IN DETERMINING WHETHER TO ACCEPT THE OFFER, THE COMMISSION HAS CONSIDERED THE UNDERTAKINGS ENUMERATED IN THE OFFER.

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 CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER AND RESPONDENT SHALL, WITHIN 14 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$300,000 TO THE SEC.



Reporting Source: Firm

Current Status: Final

Allegations: THE SEC ALLEGED THAT STIFEL VIOLATED SECTION 206(4) OF THE INVESTMENT ADVISERS ACT OF 1940 (THE "ADVISERS ACT") AND RULE 206(4)-7 THEREUNDER, WHICH REQUIRE INVESTMENT ADVISERS TO ADOPT AND IMPLEMENT WRITTEN POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT VIOLATIONS OF THE ADVISERS ACT AND THE RULES THEREUNDER.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 03/13/2017

Docket/Case Number: 3-17879

Principal Product Type: Other

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 03/13/2017

Sanctions Ordered: Monetary/Fine \$300,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS ORDERED TO CEASE AND DESIST FROM CAUSING OR COMMITTING VIOLATIONS OF SECTION 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER AND PAY A CIVIL MONETARY PENALTY OF \$300,000 TO THE SEC. THE FIRM SUBMITTED PAYMENT TO THE SEC ON MARCH 17, 2017.

Firm Statement IN MARCH 2017, STIFEL CONSENTED TO THE ENTRY OF A CEASE AND DESIST ORDER ("ORDER") BY THE SEC IN WHICH STIFEL WAS FOUND TO HAVE VIOLATED SECTION 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER BY FAILING TO ADOPT OR IMPLEMENT ADEQUATE POLICIES AND PROCEDURES TO TRACK AND DISCLOSE THE TRADING AWAY PRACTICES OF CERTAIN THIRD PARTY INVESTMENT MANAGERS IN SEVERAL OF STIFEL'S DISCRETIONARY WRAP FEE PROGRAMS, INCLUDING INFORMATION ABOUT ADDITIONAL COSTS INCURRED BY

CLIENTS AS A RESULT OF THE INVESTMENT MANAGER'S USE OF ANOTHER BROKER TO EXECUTE TRANSACTIONS AWAY FROM STIFEL. STIFEL NEITHER ADMITTED NOR DENIED THE FINDINGS CONTAINED IN THE ORDER, EXCEPT THOSE RELATED TO JURISDICTION AND THE SUBJECT MATTER OF THE PROCEEDING. STIFEL MADE SEVERAL UNDERTAKINGS ENUMERATED IN THE ORDER RELATED TO THE TRADING AWAY PRACTICES OF THIRD PARTY MANAGERS, INCLUDING A REVIEW AND UPDATE OF ITS POLICIES AND PROCEDURES, PROVIDING INFORMATION TO FINANCIAL ADVISORS AND CLIENTS, AND TRAINING FINANCIAL ADVISORS. STIFEL WAS ORDERED TO PAY A CIVIL PENALTY OF \$300,000 AND ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING VIOLATIONS OF SECTION 206(4) OF THE ADVISERS ACT AND RULE 206(4)-7 THEREUNDER.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	RESPONDENT FAILED IN SOME INSTANCES TO MAKE, MAINTAIN, AND PRESERVE BOOKS AND RECORDS AS REQUIRED BY THE ACT.
Initiated By:	MISSISSIPPI
Date Initiated:	05/25/2016
Docket/Case Number:	LS-14-0977-B
URL for Regulatory Action:	
Principal Product Type:	Annuity(ies) - Variable
Other Product Type(s):	LISTED EQUITIES
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	12/30/2016
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 \$50,000.00

Other Sanctions Ordered:

Sanction Details: \$49,500 LEVIED ON THE FIRM AND \$500 LEVIED ON THE AGENT, LANIS DALE NOBLE (CRD 858005)

Reporting Source: Firm

Current Status: Final

Allegations: ON JANUARY 4, 2017, AN ADMINISTRATIVE CONSENT ORDER ("ORDER") WAS ENTERED AGAINST STIFEL, NICOLAUS & COMPANY, INC. ("STIFEL NICOLAUS") AND A FORMER REGISTERED REPRESENTATIVE ASSOCIATED WITH STIFEL NICOLAUS BY THE SECURITIES DIVISION OF THE MISSISSIPPI SECRETARY OF STATE ("DIVISION") RESOLVING AN INVESTIGATION INTO CERTAIN ACTIVITIES OCCURRING IN TWO BRANCH OFFICES DURING THE PERIOD OF SEPTEMBER 2000 THROUGH NOVEMBER 2013. WITHOUT ADMITTING OR DENYING THE FINDINGS IN THE ORDER, STIFEL NICOLAUS AGREED TO THE ENTRY OF THE ORDER DIRECTING STIFEL NICOLAUS TO CEASE AND DESIST FROM VIOLATING RULE 5.15 OF THE MISSISSIPPI SECURITIES ACT OF 2010, A BOOKS AND RECORDS RULE, AND TO PAY THE DIVISION \$49,500 ON ITS BEHALF AS WELL AS \$500 ON BEHALF OF THE FORMER REGISTERED REPRESENTATIVE.

Initiated By: SECURITIES DIVISION OF THE MISSISSIPPI SECRETARY OF STATE

Date Initiated: 01/04/2017

Docket/Case Number: LS-14-0977-A; LS014-0977-B; LS-15-1435; LS-15-1463

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: NONE STATED

Resolution: Order

Resolution Date: 01/04/2017

Sanctions Ordered: Monetary/Fine \$50,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: STIFEL PAID \$49,500 ON ITS BEHALF AND \$500 ON BEHALF OF THE



FORMER REGISTERED REPRESENTATIVE.

Disclosure 17 of 135

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 ROUTINELY USED PERMISSIBLE CUSTOMER-OWNED SECURITIES AS COLLATERAL FOR BANK LOANS PROCURED BY THE FIRM, BUT PRIOR TO PERFORMING ITS CUSTOMER RESERVE COMPUTATIONS AS OF FRIDAY OR THE CLOSE OF THE LAST BUSINESS DAY OF THE WEEK, THE FIRM SUBSTITUTED THESE LOANS WITH NEW LOANS SECURED WITH FIRM OWNED COLLATERAL, POTENTIALLY REDUCING THE AMOUNT THAT THE FIRM WAS REQUIRED TO DEPOSIT INTO THE SPECIAL RESERVE BANK ACCOUNT FOR THE EXCLUSIVE BENEFIT OF CUSTOMERS (CUSTOMER RESERVE ACCOUNT) AND HAD THE EFFECT OF REDUCING THE CUSTOMER CREDITS IN THE CUSTOMER RESERVE COMPUTATION.

THE FINDINGS STATED THAT DURING A FIVE WEEK REVIEW PERIOD IN 2012, THE DOLLAR VALUE OF THE LOANS COLLATERALIZED WITH CUSTOMER SECURITIES THAT WERE IMPROPERLY SUBSTITUTED WITH FIRM-OWNED COLLATERAL PRIOR TO CUSTOMER RESERVE AND/OR FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE (FOCUS) RELATED COMPUTATIONS RANGED FROM APPROXIMATELY \$30 MILLION TO APPROXIMATELY \$100 MILLION. ON ALL BUT ONE OCCASION, THE FIRM HAD AN EXCESS DEBIT CONDITION SUCH THAT, HAD THE SUBSTITUTION OF THE CUSTOMER SECURITIES NOT OCCURRED, NO ADDITIONAL DEPOSIT WOULD HAVE BEEN REQUIRED IN THE CUSTOMER RESERVE ACCOUNT. HOWEVER, IN ONE INSTANCE DURING THE PERIOD, HAD THE SUBSTITUTION OF CUSTOMER SECURITIES NOT OCCURRED, AN ADDITIONAL DEPOSIT OF APPROXIMATELY \$36 MILLION TO THE CUSTOMER RESERVE ACCOUNT WOULD HAVE BEEN REQUIRED TO SUFFICIENTLY FUND THE CUSTOMER RESERVE ACCOUNT. AS A RESULT OF THIS PATTERN OF MISCONDUCT, THE FIRM VIOLATED SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 15C3-3(E)(2) THEREUNDER.

THE FINDINGS ALSO STATED THAT IN 2013 THE FIRM INCORRECTLY CALCULATED ITS PROPRIETARY ACCOUNTS OF INTRODUCING BROKERS AND DEALERS (PAIB) RESERVE AND CUSTOMER RESERVE DEPOSIT REQUIREMENTS. THE ERRORS WERE CAUSED BY THE FIRM'S IMPROPER TREATMENT OF VARIOUS CASH AND SECURITIES BALANCES IN THE ACCOUNTS OF A NEWLY ACQUIRED INTRODUCING BROKER DEALER. AS RELATED TO THE FIRM'S COMPUTATION OF ITS CUSTOMER RESERVE DEPOSIT REQUIREMENTS, THESE ERRORS RESULTED IN EIGHT



HINDSIGHT DEFICIENCIES THAT RANGED BETWEEN APPROXIMATELY \$825,000 AND \$18 MILLION. BY MAKING THESE ERRORS IN CALCULATING THE REQUIRED DEPOSITS FOR THE PAIB AND CUSTOMER RESERVE ACCOUNTS, THE FIRM VIOLATED SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 15C3-3(E)(1) AND (2) THEREUNDER. THE FINDINGS ALSO INCLUDED THAT THESE ERRORS WERE REFLECTED IN THE FIRM'S BOOKS AND RECORDS AND IN THE FIRM'S FOCUS FILINGS DURING 2013, RESULTING IN THE FIRM'S MAINTENANCE OF INACCURATE BOOKS AND RECORDS AND SUBMISSION TO FINRA OF INACCURATE FOCUS FILINGS. AS A RESULT, THE FIRM VIOLATED SECTION 17A-3 OF THE SECURITIES AND EXCHANGE ACT AND RULES 17A-3(A)(11) AND 17A-5 THEREUNDER.

FINRA FOUND THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN REASONABLE SUPERVISORY SYSTEMS AND PROCEDURES DESIGNED TO DETECT AND PREVENT THE VIOLATIVE CONDUCT DESCRIBED ABOVE.

Initiated By: FINRA

Date Initiated: 04/11/2016

Docket/Case Number: [2013036354001](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/11/2016

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 \$750,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$750,000. FINE PAID IN FULL ON MAY 11, 2016.



Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THAT, PRIOR TO PERFORMING ITS END OF THE WEEK CUSTOMER RESERVE CALCULATIONS, THE FIRM SUBSTITUTED LOANS SECURED BY CUSTOMER-OWNED SECURITIES WITH LOANS SECURED BY FIRM-OWNED COLLATERAL, POTENTIALLY REDUCING THE AMOUNT THE FIRM WAS REQUIRED TO DEPOSIT INTO ITS SPECIAL RESERVE BANK ACCOUNT. THESE SUBSTITUTIONS WERE BASED ON ADMINISTRATIVE CONVENIENCE AND, AT ALL RELEVANT TIMES, THE FIRM HAD SUFFICIENT CAPITAL TO PROPERLY FUND THE RESERVE ACCOUNT HAD THE LOAN SUBSTITUTIONS NOT OCCURRED, ASSUMING THAT ANY ADDITIONAL DEPOSITS WERE EVEN NECESSARY. FINRA ALSO ALLEGED THAT, BASED ON ITS IMPROPER TREATMENT OF VARIOUS CASH AND SECURITIES BALANCES IN THE ACCOUNTS OF A NEWLY-ACQUIRED INTRODUCING BROKER-DEALER, THE FIRM INCORRECTLY CALCULATED ITS PROPRIETARY ACCOUNTS OF INTRODUCING BROKERS AND DEALERS RESERVE AND CUSTOMER RESERVE DEPOSIT REQUIREMENTS CAUSING SEVERAL HINDSIGHT DEFICIENCIES IN 2013 AS WELL AS THE FILING OF INACCURATE FOCUS REPORTS, AND THE MAINTENANCE OF INACCURATE BOOKS AND RECORDS. AS A RESULT OF THESE VIOLATIONS, FINRA ALLEGED THAT THE FIRM DID NOT ESTABLISH AND MAINTAIN REASONABLE SUPERVISORY SYSTEMS AND PROCEDURES DESIGNED TO DETECT AND PREVENT THESE VIOLATIONS.

Initiated By: FINRA

Date Initiated: 04/11/2016

Docket/Case Number: [2013036354001](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/11/2016

Sanctions Ordered: Censure
Monetary/Fine \$750,000.00

**Other Sanctions Ordered:****Sanction Details:**

THE FIRM WAS CENSURED AND FINED \$750,000.

Firm Statement

THE FIRM FULLY COOPERATED WITH FINRA'S INQUIRY AND RESOLVED THIS MATTER WITHOUT ADMITTING OR DENYING THE FINDINGS. IN ADDITION, THE FIRM UNDERTOOK SIGNIFICANT REMEDIATION EFFORTS TO ENHANCE ITS TRAINING AND CONTROLS FOR COMPLYING WITH SEA RULE 15C 3-3, RULE 17A-3(A)(11) AND RULE 17A-5. THE FIRM RETAINED AN OUTSIDE CONSULTANT WHO CONDUCTED AN EXTENSIVE REVIEW OF THE FIRM'S RELEVANT PROCESSES AND CONTROLS. CONSISTENT WITH THE CONSULTANT'S RECOMMENDATIONS, THE FIRM REVISED CERTAIN WRITTEN SUPERVISORY PROCEDURES FOR REGULATORY REPORTING, DEVELOPED NEW PROCESSES TO IMPROVE COMMUNICATION BETWEEN ITS REGULATORY REPORTING DEPARTMENT AND OTHER DEPARTMENTS WITHIN THE FIRM RESPONSIBLE FOR PRODUCING AND PROVIDING KEY REGULATORY INFORMATION, AND DEVELOPED ENHANCED TRAINING FOR FIRM PERSONNEL INVOLVED IN THE REGULATORY REPORTING PROCESS.

Disclosure 18 of 135**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 EFFECTED CUSTOMER TRANSACTIONS IN A MUNICIPAL SECURITY IN AN AMOUNT LOWER THAN THE MINIMUM DENOMINATION OF THE ISSUE WHICH WERE NOT SUBJECT TO AN EXCEPTION UNDER THE APPLICABLE RULE.

Initiated By:

FINRA

Date Initiated:

03/24/2016

Docket/Case Number:

[2014041851101](#)

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:

03/24/2016



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 \$25,000.00

Other Sanctions Ordered: RESCISSION

Sanction Details: THE FIRM WAS CENSURED, FINED \$25,000 AND MUST OFFER RESCISSION TO THE CUSTOMERS WHO EXECUTED THE TRANSACTIONS AT EITHER THE ORIGINAL PURCHASE PRICE OR THE CURRENT FAIR MARKET VALUE, WHICHEVER IS HIGHER.

FINE PAID IN FULL ON MAY 2, 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 EFFECTED CUSTOMER TRANSACTIONS IN A MUNICIPAL SECURITY IN AN AMOUNT LOWER THAN THE MINIMUM DENOMINATION OF THE ISSUE WHICH WERE NOT SUBJECT TO AN EXCEPTION UNDER THE APPLICABLE RULE.

Initiated By: FINRA

Date Initiated: 03/24/2016

Docket/Case Number: [2014041851101](#)

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: 03/24/2016

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



Other Sanctions Ordered: RESCISSION

Sanction Details: THE FIRM WAS CENSURED, FINED \$25,000 AND MUST OFFER RESCISSION TO THE CUSTOMERS WHO EXECUTED THE TRANSACTIONS AT EITHER THE ORIGINAL PURCHASE PRICE OR THE CURRENT FAIR MARKET VALUE, WHICHEVER IS HIGHER.

Disclosure 19 of 135

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 VIOLATED NYSE RULE 92(A) ON 22 OCCASIONS BY ENTERING A PROPRIETARY ORDER TO BUY OR SELL AN NYSE-LISTED SECURITY WHILE KNOWINGLY IN POSSESSION OF A CUSTOMER ORDER TO BUY OR SELL SUCH SECURITY THAT COULD BE EXECUTED AT THE SAME PRICE, AND WHICH PROPRIETARY ORDER THEN TRADED ALONG WITH, OR AHEAD OF, THE CUSTOMER ORDER WITHOUT THE CUSTOMER'S CONSENT. THE FIRM VIOLATED SECTION 11(A) OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT) AND NYSE RULE 90(A) ON 13 OCCASIONS IN THAT, THE FIRM CAUSED A MEMBER ASSOCIATED WITH THE FIRM TO EFFECT TRANSACTIONS, ON THE NYSE FLOOR, FOR AN ACCOUNT IN WHICH THE FIRM HAD AN INTEREST, AND SUCH MEMBER FAILED TO YIELD PRIORITY, PARITY AND PRECEDENCE IN THE EXECUTION OF ORDERS FOR AN ACCOUNT OF PERSONS WHO ARE NOT MEMBERS OR ASSOCIATED WITH MEMBERS OF THE NYSE. THE FIRM VIOLATED NYSE RULE 410(B) ON 23 OCCASIONS IN THAT, IT ALLOWED PROPRIETARY ORDERS THAT COULD ONLY HAVE BEEN PROPERLY EXECUTED PURSUANT TO SECTION 11(A)(1)(G) OF THE EXCHANGE ACT TO BE TRANSMITTED TO THE NYSE FLOOR WITHOUT BEING IDENTIFIED IN A MANNER THAT WOULD ENABLE THE ORDERS TO BE HANDLED PURSUANT TO THE REQUIREMENTS OF SECTION 11(A)(1)(G) OF THE EXCHANGE ACT AND VIOLATED NYSE RULE 2010 BY FAILING TO OBSERVE THE HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPALS OF TRADE WHEN THE FIRM DID NOT CROSS THE CUSTOMER ORDERS DESCRIBED ABOVE. IN ADDITION, DURING THE PERIOD FROM JANUARY 2010 THROUGH MAY 2010, ON 10 OCCASIONS, THE FIRM FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER THE FIRM'S CORRECT CAPACITY IN THE TRANSACTION IN VIOLATION OF SECTION 10B-10(A)(2) OF THE EXCHANGE ACT. ON 10 OCCASIONS WHILE NOT ACTING AS A MARKET MAKER, THE FIRM FAILED TO PROVIDE COMPLETE AND ACCURATE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER THE DIFFERENCE BETWEEN THE PRICE TO THE CUSTOMER AND THE FIRM'S



CONTEMPORANEOUS PURCHASE (SALE) PRICE IN VIOLATION OF SECTION 10B-10(A)(2)(II)(A) OF THE EXCHANGE ACT. FINALLY, DURING THE TIME PERIOD FROM OCTOBER 2010 THROUGH JUNE 2011, THE FIRM VIOLATED NYSE RULE 92(A) ON 6 OCCASIONS BY ENTERING A PROPRIETARY ORDER TO BUY OR SELL AN NYSE-LISTED SECURITY WHILE KNOWINGLY IN POSSESSION OF A CUSTOMER ORDER TO BUY OR SELL SUCH SECURITY THAT COULD BE EXECUTED AT THE SAME PRICE, AND WHICH PROPRIETARY ORDER THEN TRADED ALONG WITH, OR AHEAD OF, THE CUSTOMER ORDER WITHOUT THE CUSTOMER'S CONSENT. ON MARCH 15, 2011, THE FIRM REPRESENTED THREE ORDERS IN A STOCK. FIRST, THE FIRM RECEIVED A LIMIT ORDER, NOT HELD, TO BUY 200,000 SHARES OF THE STOCK AS PART OF A CORPORATE REACQUISITION (THE BUY BACK ORDER). PURSUANT TO THE BUY BACK ORDER, THE FIRM ENTERED TWO 25,000 SHARE LIMIT ORDERS, WHICH WERE COMPLETED, AND ONE 50,000 SHARE LIMIT ORDER, WHICH WAS NOT. PRIOR TO THE FULL EXECUTION OF THE 50,000 SHARE LIMIT ORDER, THE FIRM ALSO RECEIVED AN ORDER TO SELL 147,000 SHARES OF THE STOCK FROM AN INSTITUTIONAL CUSTOMER (THE CUSTOMER ORDER). FINALLY, PRIOR TO CROSSING THE BUY BACK ORDER AND THE CUSTOMER ORDER, THE FIRM CREATED A PROPRIETARY ORDER TO PURCHASE 21,000 SHARES OF THE STOCK (THE PROPRIETARY ORDER) AT THE MARKET. PURSUANT TO THE PROPRIETARY ORDER, THE FIRM EFFECTED SEVERAL TRANSACTIONS IN WHICH THE FIRM PURCHASED SHARES OF THE STOCK. THE MARKET PRICE OF THE STOCK INITIALLY FLUCTUATED AND THEN INCREASED. THE FIRM THEN CROSSED THE BUY BACK ORDER AND THE CUSTOMER ORDER. BY EFFECTING THE PROPRIETARY ORDER, WHICH FACILITATED THE CROSS, THE FIRM VIOLATED NYSE RULE 2010. THE FIRM VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULES 90, 92, 410(B), AND 2010 AS WELL AS SECTION 11(A) OF THE EXCHANGE ACT WITH RESPECT TO THE TRANSMISSION AND EXECUTION OF CERTAIN AGENCY AND PROPRIETARY TRANSACTIONS EFFECTED ON THE NYSE FLOOR.

Initiated By: NEW YORK STOCK EXCHANGE
Date Initiated: 03/03/2016
Docket/Case Number: 2013035466001
Principal Product Type: Other
Other Product Type(s): UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:



Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/29/2016

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 \$275,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$275,000.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND ENTRY OF FINDINGS THAT, ON CERTAIN OCCASIONS DURING THE PERIOD OF JANUARY 1, 2010 THROUGH JUNE 1, 2011, THE FIRM VIOLATED: NYSE RULE 92(A) BY ENTERING AN ORDER TO BUY OR SELL AN NYSE-LISTED SECURITY FOR AN ACCOUNT IN WHICH THE FIRM HAD AN INTEREST (A "PROPRIETARY ORDER") WHILE KNOWINGLY IN POSSESSION OF A CUSTOMER ORDER THAT COULD BE EXECUTED AT THE SAME PRICE, THAT TRADED ALONG WITH, OR AHEAD OF, THE CUSTOMER ORDER WITHOUT THE CUSTOMER'S CONSENT; SECTION 11(A) OF THE EXCHANGE ACT AND NYSE RULE 90(A) BY CAUSING FIRM-ASSOCIATED FLOOR BROKERS TO EFFECT PROPRIETARY TRANSACTIONS ON THE NYSE FLOOR WITHOUT YIELDING PRIORITY, PARITY AND PRECEDENCE TO NON-PROPRIETARY ORDERS; NYSE RULE 410(B) BY ALLOWING PROPRIETARY ORDERS TO BE TRANSMITTED TO THE NYSE FLOOR WITHOUT THE REQUIRED "G" NOTATION THAT WOULD ENABLE SUCH ORDERS TO BE HANDLED PURSUANT TO SECTION 11(A)(1)(G) OF THE EXCHANGE ACT; NYSE RULE 2010 BY FAILING TO CROSS CERTAIN CUSTOMER ORDERS DESCRIBED ABOVE; SECTION 10B-10(A)(2) OF THE EXCHANGE ACT BY FAILING TO PROVIDE WRITTEN DISCLOSURES TO CUSTOMERS CONCERNING THE FIRM'S CORRECT CAPACITY AND, WHEN ACTING AS PRINCIPAL IN A NON-MARKET MAKING CAPACITY, FAILING TO PROVIDE COMPLETE AND ACCURATE WRITTEN DISCLOSURES TO



CUSTOMERS ABOUT THE DIFFERENCE BETWEEN THE CUSTOMER'S PRICE AND THE FIRM'S CONTEMPORANEOUS PRICE; AND NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULES 90, 92, 410(B), 2010 AND SECTION 11(A) OF THE EXCHANGE ACT WITH RESPECT TO THE TRANSMISSION AND EXECUTION OF CERTAIN AGENCY AND PROPRIETARY TRANSACTIONS EFFECTED ON THE NYSE FLOOR.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 03/03/2016

Docket/Case Number: 2013035466001

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/29/2016

Sanctions Ordered: Censure
Monetary/Fine \$275,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$275,000.

Disclosure 20 of 135

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 FOR OVER SEVEN YEARS, IT FAILED TO ADEQUATELY SUPERVISE THE WRITTEN COMMUNICATIONS OF AN INSTITUTIONAL SALESPERSON REGISTERED WITH THE FIRM WHO CIRCULATED COMMUNICATIONS TO INSTITUTIONAL INVESTORS ABOUT COMPANIES WHICH THE FIRM RESEARCH ANALYSTS DISCUSSED DURING MORNING CALLS AND ABOUT WHICH THEY WROTE IN THEIR RESEARCH REPORTS. THE FINDINGS STATED THAT THESE COMMUNICATIONS VIOLATED SEVERAL NASD RULES IN THAT THEY



CONSTITUTED "RESEARCH REPORTS" AS DEFINED BY NASD RULE 2711(A)(9), BUT FAILED TO MEET THE RELATED REQUIREMENTS UNDER RULE 2711, AND WERE NOT FAIR AND BALANCED, DID NOT PROVIDE A SOUND BASIS FOR EVALUATING THE FACTS, AND CONTAINED EXAGGERATED, UNWARRANTED AND MISLEADING STATEMENTS. THESE COMMUNICATIONS INCLUDED THE INSTITUTIONAL SALESPERSON'S SO-CALLED IDEA LIST THAT HE CREATED AND DISTRIBUTED TO INSTITUTIONAL CLIENTS THAT REPRESENTED HIS TOP 10-20 STOCK PICKS, AND HIS SO-CALLED RESEARCH INSIGHTS EMAILS THAT HE SENT TO DOZENS OF INSTITUTIONAL CUSTOMERS. THE IDEA LIST AND THE RESEARCH INSIGHTS EMAILS CONSTITUTED "INSTITUTIONAL SALES MATERIAL." ALSO, THREE FIRM REPRESENTATIVES CIRCULATED TO INSTITUTIONAL INVESTORS A MONTHLY COMMUNICATION SO-CALLED OUR BEST IDEAS (BEST IDEAS). THE BEST IDEAS WAS A 10-15 PAGE DOCUMENT THAT LISTED THE BEST IDEAS OF THE AUTHORS WITH RESPECT TO STOCKS (GENERALLY MORE THAN SIX) IN CERTAIN SECTORS. THE BEST IDEAS MET THE DEFINITION OF RESEARCH REPORT AND FAILED TO MEET THE RELATED REQUIREMENTS UNDER RULE 2711, AND WERE NOT FAIR AND BALANCED, DID NOT PROVIDE A SOUND BASIS FOR EVALUATING THE FACTS, AND CONTAINED EXAGGERATED, UNWARRANTED AND MISLEADING STATEMENTS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ADEQUATELY SUPERVISE THE IDEA LIST, AND RESEARCH INSIGHTS EMAILS BECAUSE IT DID NOT ADEQUATELY ENFORCE THE RESTRICTIONS IMPOSED ON THE INSTITUTIONAL SALESPERSON BY THE FIRM. THE FINDINGS ALSO INCLUDED THAT THE FIRM DID NOT HAVE A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO SUPERVISE THE DISTRIBUTION, APPROVAL AND MAINTENANCE OF COMMUNICATIONS CREATED BY INSTITUTIONAL SALESPEOPLE, PARTICULARLY THIS INSTITUTIONAL SALESPEOPLE, AND THE BEST IDEAS AUTHORS. THE FIRM DID NOT PROPERLY IDENTIFY THE RESEARCH INSIGHTS EMAILS OR THE BEST IDEAS AS "RESEARCH REPORTS" UNDER RULE 2711, AND ALLOWED THOSE COMMUNICATIONS TO BE CIRCULATED WITHOUT THE INFORMATION AND DISCLOSURES REQUIRED UNDER RULE 2711. THE FIRM DID NOT DESIGNATE AN APPROPRIATELY REGISTERED PRINCIPAL TO SUPERVISE AND REVIEW THE RESEARCH INSIGHTS EMAILS AND THE BEST IDEAS AS "RESEARCH REPORTS" UNDER RULE 2711. IN ADDITION, THE FIRM DID NOT ESTABLISH, MAINTAIN AND ENFORCE WRITTEN PROCEDURES THAT WERE REASONABLY DESIGNED TO SUPERVISE THE DISTRIBUTION, APPROVAL AND MAINTENANCE OF COMMUNICATIONS CREATED BY INSTITUTIONAL SALES PERSONNEL AND DISTRIBUTED TO INSTITUTIONAL CUSTOMERS. THE FIRM FAILED TO ENFORCE CERTAIN OF ITS WSPS IN THIS AREA. THE FIRM FAILED TO ENFORCE ITS WRITTEN PROCEDURES THAT GOVERNED THE CONTENT OF OUTGOING COMMUNICATIONS, IN CONNECTION WITH THE IDEA LIST, THE RESEARCH



INSIGHTS EMAILS AND THE BEST IDEAS, EACH WHICH CONTAINED RULE 2210 VIOLATIONS. THE FIRM ALSO FAILED TO ENFORCE ITS PROCEDURES REQUIRING PRE-APPROVAL OF INSTITUTIONAL SALES MATERIAL. FINRA FOUND THAT THE FIRM DID NOT ENFORCE PROCEDURES REQUIRING RETENTION OF COPIES OF THE IDEA LIST, AND FAILED TO MAINTAIN INFORMATION CONCERNING THE SOURCES OF THE CHARTS AND DATA IN THE IDEAS LIST. FINRA ALSO FOUND THAT BECAUSE THE RESEARCH INSIGHTS AND THE BEST IDEAS MET THE DEFINITION OF RESEARCH REPORTS, THE INSTITUTIONAL SALESPERSON AND TWO OF THE AUTHORS OF THE BEST IDEAS SHOULD HAVE BEEN REGISTERED AS RESEARCH ANALYSTS, BUT WERE NOT REGISTERED OR LICENSED RESEARCH ANALYSTS. A PRINCIPAL SUPERVISING THE RESEARCH INSIGHTS EMAILS AND BEST IDEAS WAS NOT LICENSED OR REGISTERED TO SUPERVISE THE CONDUCT OF REPRESENTATIVES ACTING AS RESEARCH ANALYSTS.

Initiated By: FINRA

Date Initiated: 01/05/2016

Docket/Case Number: [2012032945601](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/05/2016

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 \$200,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$200,000. FINE PAID IN FULL JANUARY 27, 2016.



Reporting Source:	Firm
Current Status:	Final
Allegations:	<p>FINRA FOUND THAT STIFEL NICOLAUS VIOLATED NASD RULES 2210, 2110 AND 2711 AS WELL AS FINRA RULE 2010. FINRA FOUND THAT THE FIRM FAILED TO ADEQUATELY SUPERVISE THE WRITTEN COMMUNICATIONS OF AN INSTITUTIONAL SALESPERSON. FINRA FOUND THAT THE COMMUNICATIONS VIOLATED NASD RULES IN THAT THEY CONSTITUTED "RESEARCH REPORTS" BUT FAILED TO MEET THE RELATED REQUIREMENTS AS DEFINED BY NASD RULE 2711. IN ADDITION, FINRA FOUND THAT THE FIRM FAILED TO IMPLEMENT A SUPERVISORY SYSTEM THAT WAS REASONABLY DESIGNED TO SUPERVISE THE DISTRIBUTION, APPROVAL AND MAINTENANCE OF RESEARCH REPORTS AND INSTITUTIONAL SALES MATERIAL, IN VIOLATION OF NASD RULE 3010. FINRA ALSO FOUND THAT THE FIRM VIOLATED SEC RULE 17A-4 AS WELL AS NASD AND FINRA RULES FOR FAILING TO MAINTAIN INFORMATION USED IN CERTAIN RESEARCH COMMUNICATIONS, AND VIOLATED NASD RULES IN THAT THE COMMUNICATIONS WERE NOT AUTHORED, CIRCULATED OR SUPERVISED BY INDIVIDUALS PROPERLY LICENSED TO PERFORM THESE FUNCTIONS.</p>
Initiated By:	FINRA
Date Initiated:	01/05/2016
Docket/Case Number:	2012032945601
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/05/2016
Sanctions Ordered:	Censure Monetary/Fine \$200,000.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$200,000.



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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 FROM APRIL 2010 THROUGH APRIL 2015, IT DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION CUSTOMERS THAT WERE ELIGIBLE TO PURCHASE CLASS A SHARES IN CERTAIN MUTUAL FUNDS WITHOUT A FRONT-END SALES CHARGE. THE FINDINGS STATED THAT NOTWITHSTANDING THE AVAILABILITY OF THE WAIVERS, THE FIRM FAILED TO APPLY THE WAIVERS TO MUTUAL FUND PURCHASES MADE BY ELIGIBLE CUSTOMERS AND INSTEAD SOLD THEM 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 ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ENSURE THAT ELIGIBLE CUSTOMERS WHO PURCHASED MUTUAL FUND SHARES RECEIVED THE BENEFIT OF APPLICABLE SALES CHARGE WAIVERS. 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. FINALLY, THE FIRM 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.

Initiated By: FINRA

Date Initiated: 10/27/2015

Docket/Case Number: [2015045163601](#)

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:	10/27/2015
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Disgorgement/Restitution
Other Sanctions Ordered:	INTEREST
Sanction Details:	THE FIRM WAS CENSURED AND REQUIRED TO PAY \$2,948,205, INCLUDING INTEREST, IN RESTITUTION TO ELIGIBLE CUSTOMERS.
Regulator Statement	<p>IN OCTOBER 2014, THE FIRM BEGAN A REVIEW TO DETERMINE WHETHER IT HAD PROVIDED AVAILABLE SALES CHARGE WAIVERS TO ELIGIBLE CUSTOMERS. BASED ON THIS REVIEW, IN APRIL 2015, THE FIRM SELF-REPORTED TO FINRA THAT ELIGIBLE CUSTOMERS HAD NOT RECEIVED AVAILABLE SALES CHARGE WAIVERS. THE FIRM ESTIMATES THAT, SINCE APRIL 2010, APPROXIMATELY 3,360 ACCOUNTS PURCHASED MUTUAL FUND SHARES FOR WHICH AN AVAILABLE SALES CHARGE WAIVER WAS NOT APPLIED. AS A RESULT OF THE FAILURE OF THE FIRM TO APPLY AVAILABLE SALES CHARGE WAIVERS, IT ESTIMATES THAT ELIGIBLE CUSTOMERS WERE OVERCHARGED BY APPROXIMATELY \$2,733,576 FOR MUTUAL FUND PURCHASES MADE SINCE APRIL 2010. AS PART OF THIS SETTLEMENT, THE FIRM AGREES TO PAY RESTITUTION TO ELIGIBLE CUSTOMERS, WHICH IS ESTIMATED TO TOTAL APPROXIMATELY \$2,948,205 (I.E., THE AMOUNT ELIGIBLE CUSTOMERS WERE OVERCHARGED, INCLUSIVE OF INTEREST). THE FIRM WILL ALSO ENSURE THAT RETIREMENT AND CHARITABLE WAIVERS ARE APPROPRIATELY APPLIED TO ALL FUTURE TRANSACTIONS.</p> <p>IN RESOLVING THIS MATTER, FINRA HAS RECOGNIZED THE EXTRAORDINARY COOPERATION OF THE FIRM FOR HAVING: INITIATED, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, AN INVESTIGATION TO IDENTIFY WHETHER ELIGIBLE CUSTOMERS RECEIVED SALES CHARGE WAIVERS DURING THE RELEVANT PERIOD; PROMPTLY ESTABLISHED A PLAN OF REMEDIATION FOR ELIGIBLE CUSTOMERS WHO DID NOT RECEIVE APPROPRIATE SALES CHARGE WAIVERS; PROMPTLY SELF-REPORTED TO FINRA; PROMPTLY TAKEN ACTION AND REMEDIAL STEPS TO CORRECT THE VIOLATIVE CONDUCT; AND EMPLOYED</p>



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: THE FIRM SELF-REPORTED TO FINRA THAT IT FAILED TO APPLY THE WAIVERS TO MUTUAL FUND PURCHASES MADE BY ELIGIBLE CUSTOMERS AND INSTEAD SOLD THEM 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 FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ENSURE THAT ELIGIBLE CUSTOMERS WHO PURCHASED MUTUAL FUND SHARES RECEIVED THE BENEFIT OF APPLICABLE SALES CHARGE WAIVERS. THE FIRM FAILED TO REASONABLY SUPERVISE THE APPLICATION OF SALES CHARGE WAIVERS TO ELIGIBLE MUTUAL FUND SALES.

Initiated By: FINRA

Date Initiated: 10/27/2015

Docket/Case Number: [2015045163601](#)

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: 10/27/2015

Sanctions Ordered: Censure
Disgorgement/Restitution

Other Sanctions Ordered: INTEREST

Sanction Details: THE FIRM WAS CENSURED AND REQUIRED TO PAY \$2,948,205, INCLUDING INTEREST, IN RESTITUTION TO ELIGIBLE CUSTOMERS.

Firm Statement IN OCTOBER 2014, THE FIRM BEGAN A REVIEW TO DETERMINE WHETHER



IT HAD PROVIDED AVAILABLE SALES CHARGE WAIVERS TO ELIGIBLE CUSTOMERS. BASED ON THIS REVIEW, IN APRIL 2015, THE FIRM SELF-REPORTED TO FINRA THAT ELIGIBLE CUSTOMERS HAD NOT RECEIVED AVAILABLE SALES CHARGE WAIVERS.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	FAILURE TO SUPERVISE REGISTERED AGENTS
Initiated By:	HAWAII
Date Initiated:	02/24/2010
Docket/Case Number:	SEU-2010-009
URL for Regulatory Action:	
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:	
Resolution:	Order
Resolution Date:	07/14/2015
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 \$1,908.54
Other Sanctions Ordered:	
Sanction Details:	PENALTY WAS PAID IN FULL

Reporting Source:	Firm
Current Status:	Final



Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES
Initiated By: STATE OF HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Date Initiated: 02/24/2010
Docket/Case Number: SEU-2010-009
Principal Product Type: Other
Other Product Type(s): AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought: Cease and Desist
Other Sanction(s)/Relief Sought:
Resolution: Consent
Resolution Date: 07/14/2015
Sanctions Ordered: Monetary/Fine \$1,908.54
 Cease and Desist/Injunction
Other Sanctions Ordered:
Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22,2010, CASE NO. AP-10-05.

Disclosure 23 of 135

Reporting Source: Regulator
Current Status: Final
Allegations: N/A
Initiated By: FLORIDA OFFICE OF FINANCIAL REGULATION
Date Initiated: 07/02/2015
Docket/Case Number: 54203-SR
URL for Regulatory Action:
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Cease and Desist



Other Sanction(s)/Relief Sought:

Resolution: Order
Resolution Date: 07/02/2015
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Regulator Statement

ON 7/2/2015, THE OFFICE OF FINANCIAL REGULATION ENTERED A FINAL ORDER ADOPTING THE STIPULATION AND CONSENT AGREEMENT IN THE MATTER OF STIFEL, NICOLAUS, & COMPANY INC. STIFEL, NICOLAUS, & COMPANY INC. NEITHER ADMITTED NOR DENIED THE FINDINGS BUT CONSENT TO THE ENTRY OF FINDINGS BY THE OFFICE. THE OFFICE FOUND THAT E. KENNETH FURST CRD# 1905685, AN ASSOCIATED PERSON WITH STIFEL, NICOLAUS, & COMPANY INC., ENGAGED IN INVESTMENT ADVISORY BUSINESS FROM OFFICES WITHIN THIS STATE WITHOUT THE INDIVIDUAL BEING LAWFULLY REGISTRATION IN THE STATE OF FLORIDA, IN VIOLATION OF SECTION 517.12(4), F. S. AN ADMINISTRATIVE FINE OF \$18,000 WAS IMPOSED AGAINST MR. FURST. STIFEL, NICHOLAS & COMPANY, INC. AGREED TO PAY THE \$18,000 ADMINISTRATIVE FINE. THE OFFICE AGREED TO APPROVE E. KENNETH FURST'S APPLICATION AS AN ASSOCIATED PERSON (RA) WITH STIFEL, NICHOLAS & COMPANY, INC. EFFECTIVE 7/2/2015.

Reporting Source: Firm

Current Status: Final

Allegations: ON 7/2/2015, THE OFFICE OF FINANCIAL REGULATION ENTERED A FINAL ORDER ADOPTING THE STIPULATION AND CONSENT AGREEMENT IN THE MATTER OF STIFEL, NICOLAUS & COMPANY INC. STIFEL, NICOLAUS NEITHER ADMITTED NOR DENIED THE FINDINGS BUT CONSENTED TO THE ENTRY OF FINDINGS BY THE OFFICE. THE OFFICE FOUND THAT AN ASSOCIATED PERSON WITH STIFEL, NICOLAUS ENGAGED IN INVESTMENT ADVISORY BUSINESS FROM OFFICES IN FLORIDA WITHOUT THE INDIVIDUAL BEING LAWFULLY REGISTERED IN FLORIDA, IN VIOLATION OF SECTION 517.12(4), F.S. AN ADMINISTRATIVE FINE OF \$18,000 WAS IMPOSED AGAINST THE FA. STIFEL, NICOLAUS AGREED TO PAY THE FINE. THE OFFICE AGREED TO APPROVE THE ADVISOR'S APPLICATION AS AN ASSOCIATED PERSON (RA) WITH STIFEL, NICOLAUS INC. EFFECTIVE 7/2/2015.



Initiated By: FLORIDA OFFICE OF FINANCIAL REGULATION
Date Initiated: 07/02/2015
Docket/Case Number: 54203
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought: CONSENT ORDER
Resolution: Stipulation and Consent
Resolution Date: 07/02/2015
Sanctions Ordered: Monetary/Fine \$18,000.00
Other Sanctions Ordered:
Sanction Details: STIPULATION AND CONSENT AGREEMENT

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Reporting Source: Regulator
Current Status: Final
Allegations: STIFEL, NICOLAUS & COMPANY, INCORPORATED ("STIFEL"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$35,000 FOR THE FOLLOWING CONDUCT: STIFEL (I) FAILED TO REGISTER ITS CHIEF COMPLIANCE OFFICER AS A PROPRIETARY TRADER COMPLIANCE OFFICER (CT) WITH THE EXCHANGE IN WEBCRD BY NOVEMBER 5, 2011; (II) FAILED TO REGISTER FOUR (4) ASSOCIATED PERSONS AS A PROPRIETARY TRADER PRINCIPAL (TP) WITH THE EXCHANGE IN WEBCRD; AND (III) FAILED TO REGISTER ELEVEN (11) ASSOCIATED PERSONS AS A PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD. (EXCHANGE RULE 3.6A - QUALIFICATION AND REGISTRATION OF TRADING PERMIT HOLDERS AND ASSOCIATED PERSONS)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated: 04/30/2015
Docket/Case Number: 15-0038 / 20150448449
Principal Product Type: Options

**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: 06/08/2015

Sanctions Ordered: Censure
Monetary/Fine \$35,000.00

Other Sanctions Ordered:

Sanction Details: A \$35,000 FINE AND A CENSURE

Reporting Source: Firm

Current Status: Final

Allegations: VIOLATONS OF EXCHANGE RULE 3.6A IN THAT STIFEL NICOLAUS FAILED TO REGISTER ITS CCO AS A PROPRIETARY TRADER COMPLIANCE OFFICER, FAILED TO REGISTER FOUR ASSOCIATED PERSONS AS PROPRIETARY TRADER PRINCIPAL, AND FAILED TO REGISTER 11 ASSOCIATED PERSONS AS PROPRIETARY TRADER WITH THE EXCHANGE IN WEBCRD.

Initiated By: CHICAGO BOARD OF OPTIONS EXCHANGE

Date Initiated: 06/08/2015

Docket/Case Number: 20150448449

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 06/08/2015

Sanctions Ordered: Censure
Monetary/Fine \$35,000.00

**Other Sanctions Ordered:**

Sanction Details: STIFEL NICOLAUS WAS CENSURED AND FINED \$35,000.00

Disclosure 25 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: SEC ADMIN RELEASES 33-9845; 34-75239, JUNE 18, 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 STIFEL, NICOLAUS & COMPANY, INC. ("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: 06/18/2015

Docket/Case Number: 3-16638

Principal Product Type: Debt - Municipal

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 06/18/2015



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 \$500,000.00
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 \$500,000 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 \$500,000 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 33-9845; 34-75239, JUNE 18, 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 STIFEL, NICOLAUS & COMPANY, INC. ("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: SEC

Date Initiated: 06/18/2015

Docket/Case Number: 3-16638

Principal Product Type: Debt - Municipal

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CIVIL MONETARY PENALTY

Resolution: Order

Resolution Date: 06/18/2015

Sanctions Ordered: Monetary/Fine \$500,000.00
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 SECTION 17(A)(2) OF THE SECURITIES ACT, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$500,000 AND COMPLY WITH THE UNDERTAKINGS



ENUMERATED IN THE OFFER OF SETTLEMENT.

Firm Statement

STIFEL VOLUNTARILY PARTICIPATED IN THE MDCDC INITIATIVE AND IS ONE OF 36 FIRMS THAT ENTERED INTO A SETTLEMENT WITH THE SEC. FINRA HAS ESTABLISHED A STREAMLINED PROCESS TO PERMIT THE SETTLING FIRMS TO SEEK A WAIVER OF THE STATUTORY DISQUALIFICATION RESULTING FROM THE SETTLEMENT. STIFEL HAS SUBMITTED AN MC-400-A APPLICATION PURSUANT TO THE FINRA STREAMLINED PROCESS, IN ORDER TO OBTAIN A WAIVER OF THE STATUTORY DISQUALIFICATION, WHICH IT ANTICIPATES RECEIVING

Disclosure 26 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT THE CORRECT SYMBOL INDICATING WHETHER THE TRANSACTIONS WERE A BUY, SELL, OR CROSS AND INACCURATELY APPENDED A PRICE OVERRIDE MODIFIER TO LAST SALE REPORTS OF TRANSACTIONS THAT WERE REPORTED TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF). THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, CONCERNING TRADE REPORTING. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FAILED TO PROVIDE FOR THE MINIMUM REQUIREMENTS FOR ADEQUATE WSPS CONCERNING THE PROPER USE OF TRADE REPORTING MODIFIERS.

Initiated By: FINRA

Date Initiated: 06/10/2015

Docket/Case Number: [2013037038501](#)

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: 06/10/2015

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

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

Other Sanctions Ordered: UNDERTAKING: REVISE THE FIRM'S WSPS

Sanction Details: THE FIRM WAS CENSURED, FINED \$40,000 AND UNDERTAKES TO REVISE ITS WSPS.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT THE CORRECT SYMBOL INDICATING WHETHER THE TRANSACTIONS WERE A BUY, SELL, OR CROSS AND INACCURATELY APPENDED A PRICE OVERRIDE MODIFIER TO LAST SALE REPORTS OF TRANSACTIONS THAT WERE REPORTED TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF). THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, CONCERNING TRADE REPORTING. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FAILED TO PROVIDE FOR THE MINIMUM REQUIREMENTS FOR ADEQUATE WSPS CONCERNING THE PROPER USE OF TRADE REPORTING MODIFIERS.

Initiated By: FINRA

Date Initiated: 06/10/2015

Docket/Case Number: [2013037038501](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure


Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 06/10/2015
Sanctions Ordered: Censure
 Monetary/Fine \$40,000.00
Other Sanctions Ordered: UNDERTAKING TO REVISE THE FIRM'S WSPS
Sanction Details: THE FIRM WAS CENSURED, FINED \$40,000 AND UNDERTAKES TO REVISE ITS WSPS.

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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 DISPLAY IMMEDIATELY 10 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 CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY, IN VIOLATION OF RULE 604 OF REGULATION NMS. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND NASDAQ RULES CONCERNING LIMIT ORDER DISPLAY. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR A STATEMENT OF THE SUPERVISORY STEP(S) TO BE TAKEN BY THE IDENTIFIED PERSON(S) RESPONSIBLE FOR SUPERVISION, I.E., ENSURING THAT THE FIRM'S ORDERS ARE ROUTED FOR DISPLAY ONLY TO BROKER-DEALERS THAT ARE ACTING AS MARKET MAKERS. THIS CONDUCT VIOLATED NASDAQ RULES 2010A AND 3010.

Initiated By: NASDAQ STOCK MARKET
Date Initiated: 03/04/2015
Docket/Case Number: 2013039080701



Principal Product Type:	Equity Listed (Common & Preferred Stock)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	03/04/2015
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$15,000.00
Other Sanctions Ordered:	UNDERTAKING: REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES
Sanction Details:	THE FIRM WAS CENSURED, FINED \$15,000 AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO DISPLAY IMMEDIATELY 10 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 CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY, IN VIOLATION OF RULE 604 OF REGULATION NMS. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND NASDAQ RULES CONCERNING LIMIT ORDER DISPLAY. SPECIFICALLY, THE FIRM'S



SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR A STATEMENT OF THE SUPERVISORY STEP(S) TO BE TAKEN BY THE IDENTIFIED PERSON(S) RESPONSIBLE FOR SUPERVISION, I.E., ENSURING THAT THE FIRM'S ORDERS ARE ROUTED FOR DISPLAY ONLY TO BROKER-DEALERS THAT ARE ACTING AS MARKET MAKERS. THIS CONDUCT VIOLATED NASDAQ RULES 2010A AND 3010.

Initiated By: FINRA

Date Initiated: 03/04/2015

Docket/Case Number: 2013039080701

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:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/04/2015

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered: THE FIRM WILL REVISE ITS SUPERVISORY PROCEDURES

Sanction Details: THE FIRM WAS CENSURED AND FINED \$15,000.00

Disclosure 28 of 135

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 EXECUTE ORDERS FULLY AND PROMPTLY AND IN TRANSACTIONS FOR OR WITH A CUSTOMER, FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR FINRA RULES. THE FIRM'S WRITTEN



SUPERVISORY PROCEDURES (WSPS) FAILED TO PROVIDE FOR ONE OR MORE OF THE FOUR MINIMUM REQUIREMENTS FOR ADEQUATE WSPS REGARDING MARKET ORDER TIMELINESS.

Initiated By: FINRA

Date Initiated: 12/23/2014

Docket/Case Number: [2012034139201](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/23/2014

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

Sanctions Ordered: Censure
Monetary/Fine \$55,000.00
Disgorgement/Restitution

Other Sanctions Ordered: UNDERTAKING: REVISE THE FIRM'S WSPS; INTEREST

Sanction Details: THE FIRM WAS CENSURED, FINED \$55,000, ORDERED TO PAY RESTITUTION IN THE TOTAL COMBINED AMOUNT OF \$1,407.18, PLUS INTEREST, TO CUSTOMERS AND UNDERTAKES TO REVISE ITS WSPS.

FINE PAID IN FULL ON JANUARY 12, 2015.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THE FIRM FAILED TO EXECUTE ORDERS FULLY AND PROMPTLY AND IN TRANSACTIONS FOR OR WITH A CUSTOMER, FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT



PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS. FINRA ALSO ALLEGED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLE DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR FINRA RULES AND THAT THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FAILED TO PROVIDE FOR ONE OR MORE OF THE FOUR MINIMUM REQUIREMENTS FOR ADEQUATE WSPS REGARDING MARKET ORDER TIMELINESS.

Initiated By: FINRA

Date Initiated: 12/23/2014

Docket/Case Number:

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/23/2014

Sanctions Ordered: Censure
Monetary/Fine \$55,000.00
Disgorgement/Restitution

Other Sanctions Ordered: THE FIRM ALSO AGREED TO PAY RESTITUTION TO THE CUSTOMERS IN THE COMBINED AMOUNT OF \$1,407.18 AND TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE FINDINGS.

Disclosure 29 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: SEC ADMIN RELEASE 34-73503 / NOVEMBER 3, 2014: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO



SECTIONS 15(B), 15B(C)(2) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AGAINST STIFEL NICOLAUS & CO., INC. ("STIFEL" OR "RESPONDENT"). 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 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 SECTIONS 15(B), 15B(C)(2) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT: THESE PROCEEDINGS INVOLVE THE SALE OF NON-INVESTMENT GRADE OR "JUNK" BONDS ISSUED BY THE COMMONWEALTH OF PUERTO RICO ("PUERTO RICO") BY STIFEL, A REGISTERED BROKER-DEALER AND MUNICIPAL SECURITIES DEALER, TO A CUSTOMER IN AN AMOUNT BELOW THE MINIMUM DENOMINATION OF THE ISSUE. RULE G-15(F) PROMULGATED BY THE MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB") PROHIBITS DEALERS FROM EFFECTING CUSTOMER TRANSACTIONS IN MUNICIPAL SECURITIES IN AMOUNTS BELOW THE MINIMUM DENOMINATIONS OF THE ISSUES. MINIMUM DENOMINATIONS ARE GENERALLY INTENDED TO LIMIT SALES OF MUNICIPAL SECURITIES TO RETAIL CUSTOMERS FOR WHOM SUCH BONDS MAY NOT BE SUITABLE, BUT THE PROSCRIPTIONS OF RULE G-15(F) APPLY TO ALL TRANSACTIONS WITH CUSTOMERS, REGARDLESS OF WHETHER THE SECURITIES ARE SUITABLE FOR THE CUSTOMER. IN MARCH 2014, STIFEL VIOLATED MSRB RULE G-15(F) BY EXECUTING ONE UNSOLICITED SALES TRANSACTION IN THE PUERTO RICO BONDS WITH A CUSTOMER IN AN AMOUNT BELOW THE \$100,000 MINIMUM DENOMINATION OF THE ISSUE. SPECIFICALLY, IN MARCH 2014, RESPONDENT RECEIVED AN UNSOLICITED CUSTOMER ORDER TO PURCHASE \$130,000 OF THE 2014 BONDS. IN ORDER TO FILL THE ORDER, RESPONDENT PURCHASED \$130,000 OF THE 2014 BONDS ON A RISKLESS PRINCIPAL BASIS. AFTER IT PURCHASED THESE BONDS, RESPONDENT'S CUSTOMER DIRECTED RESPONDENT TO ALLOCATE \$100,000 OF THE BONDS TO HIS ACCOUNT AND \$30,000 TO ANOTHER CUSTOMER'S ACCOUNT. IN RESPONSE, RESPONDENT EXECUTED TWO SEPARATE SALES TRANSACTIONS WITH EACH CUSTOMER, ONE FOR \$30,000 AND ANOTHER FOR \$100,000. THE \$30,000 SALES TRANSACTION IN THE 2014 BONDS WAS BELOW THE \$100,000 MINIMUM DENOMINATION OF THE ISSUE ESTABLISHED BY THE ISSUER, PUERTO RICO, AND SPECIFIED IN THE OFFICIAL STATEMENT. THE



LIMITED EXCEPTIONS PROVIDED UNDER MSRB RULE G-15(F) FOR CUSTOMER TRANSACTIONS IN MUNICIPAL SECURITIES BELOW THE MINIMUM DENOMINATION OF AN ISSUE DID NOT APPLY TO THIS TRANSACTION. AS A RESULT OF THE CONDUCT DESCRIBED ABOVE, RESPONDENT WILLFULLY VIOLATED MSRB RULE G-15(F). AS A RESULT OF RESPONDENT'S WILLFUL VIOLATIONS OF MSRB RULE G-15(F), RESPONDENT WILLFULLY VIOLATED SECTION 15B(C)(1) OF THE EXCHANGE ACT.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 11/03/2014

Docket/Case Number: 3-16237

Principal Product Type: Other

Other Product Type(s): NON-INVESTMENT GRADE OR "JUNK" BONDS

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 11/03/2014

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

Sanctions Ordered: Censure
Monetary/Fine \$60,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: ACCORDINGLY, IT IS HEREBY ORDERED THAT: RESPONDENT CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15B(C)(1) OF THE EXCHANGE ACT AND MSRB RULE G-15(F) . RESPONDENT IS CENSURED. RESPONDENT SHALL, WITHIN SEVEN (7) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$60,000. RESPONDENT WILLFULLY VIOLATED MSRB RULE G-15(F). AS A RESULT OF RESPONDENT'S WILLFUL VIOLATIONS OF MSRB RULE G-15(F), RESPONDENT WILLFULLY VIOLATED SECTION 15B(C)(1) OF THE EXCHANGE ACT.

**Regulator Statement**

IN DETERMINING TO ACCEPT THE OFFER, THE COMMISSION CONSIDERED REMEDIAL ACTS PROMPTLY UNDERTAKEN BY RESPONDENT. AFTER IT BECAME AWARE THAT IT HAD EFFECTED A CUSTOMER TRANSACTION IN THE 2014 BONDS BELOW THE MINIMUM DENOMINATION OF THE ISSUE, RESPONDENT CANCELLED THE TRANSACTION. RESPONDENT WILL UNDERTAKE TO REVIEW THE ADEQUACY OF ITS EXISTING POLICIES AND PROCEDURES RELATING TO COMPLIANCE WITH MSRB RULE G-15(F). AFTER THAT REVIEW, RESPONDENT WILL MAKE SUCH CHANGES AS ARE NECESSARY TO EFFECT COMPLIANCE WITH MSRB RULE G-15(F), INCLUDING ADOPTING NEW POLICIES AND PROCEDURES OR SUPPLEMENTING EXISTING POLICIES AND PROCEDURES. RESPONDENT WILL IMPLEMENT THESE POLICIES AND PROCEDURES, AND CONDUCT TRAINING AS TO THE POLICIES AND PROCEDURES AND COMPLIANCE WITH MSRB RULE G-15(F). RESPONDENT WILL INFORM COMMISSION STAFF NO LATER THAN SIX (6) MONTHS AFTER THE ENTRY OF THIS ORDER THAT IT HAS COMPLIED WITH THE ABOVE UNDERTAKINGS.

Reporting Source:

Firm

Current Status:

Final

Allegations:

IN MARCH 2014, STIFEL VIOLATED MSRB RULE G-15(F) BY EXECUTING ONE UNSOLICITED SALES TRANSACTION IN PUERTO RICO BONDS WITH A CUSTOMER IN AN AMOUNT BELOW THE \$100,000 MINIMUM DENOMINATION REQUIREMENT AS PROVIDED FOR IN THE OFFICIAL STATEMENT. SPECIFICALLY, IN MARCH 2014, THE FIRM RECEIVED AN UNSOLICITED CUSTOMER ORDER TO PURCHASE \$130,000 OF THE 2014 BONDS. IN ORDER TO FILL THE ORDER, THE FIRM PURCHASED \$130,000 OF THE 2014 BONDS ON A RISKLESS PRINCIPAL BASIS. AFTER IT PURCHASED THESE BONDS, THE FIRM'S CUSTOMER DIRECTED STIFEL TO ALLOCATE \$100,000 OF THE BONDS TO HIS ACCOUNT AND \$30,000 TO ANOTHER CUSTOMER'S ACCOUNT. IN RESPONSE, STIFEL EXECUTED TWO SEPARATE SALES TRANSACTIONS WITH EACH CUSTOMER, ONE FOR \$30,000 AND ANOTHER FOR \$100,000. THE \$30,000 SALES TRANSACTION IN THE 2014 BONDS WAS BELOW THE \$100,000 MINIMUM DENOMINATION OF THE ISSUE ESTABLISHED BY THE ISSUER, PUERTO RICO, AND SPECIFIED IN THE OFFICIAL STATEMENT. THE ABOVE ACTIVITY CONSTITUTED VIOLATIONS OF MSRB RULE G-159F) AND SECTION 15B(C)(1) OF THE EXCHANGE ACT.

Initiated By:

SECURITIES AND EXCHANGE COMMISSION

Date Initiated:

11/03/2014

Docket/Case Number:

3-16237

Principal Product Type:

Other



Other Product Type(s):	NON-INVESTMENT GRADE OR "JUNK" BONDS.
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CENSURE AND FINE
Resolution:	Order
Resolution Date:	11/03/2014
Sanctions Ordered:	Censure Monetary/Fine \$60,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	STIFEL IS ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15B(C)(1) OF THE EXCHANGE ACT AND MSRB RULE G-15(F)

Disclosure 30 of 135

Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT THE CORRECT SYMBOL INDICATING THE CAPACITY IN WHICH THE FIRM EXECUTED TRANSACTIONS IN REPORTABLE SECURITIES TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (TRF). THE FINDINGS STATED THAT THE FIRM, ON THREE OCCASIONS, WHEN IT ACTED AS PRINCIPAL FOR ITS OWN ACCOUNT, FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER THE CORRECT REPORTED TRADE PRICE IN THE TRANSACTION, ON TWO OCCASIONS FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION, INCORRECTLY INCLUDED AN AVERAGE PRICE DISCLOSURE IN THE TRANSACTIONS, AND INACCURATELY DISCLOSED THE COMMISSION OR COMMISSION EQUIVALENT IN THE TRANSACTIONS. THE FIRM ALSO ON SIX OCCASIONS, ACCEPTED A SHORT SALE ORDER IN AN EQUITY SECURITY FROM ANOTHER PERSON, OR EFFECTED A SHORT SALE IN AN EQUITY SECURITY FOR ITS OWN ACCOUNT, WITHOUT BORROWING THE SECURITY, OR ENTERING INTO A BONA-FIDE ARRANGEMENT TO BORROW THE SECURITY, OR HAVING REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE, AND DOCUMENTING COMPLIANCE WITH RULE 203(B)(1) OF REGULATION SHO.



THE FIRM MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON. THIS REPORT FAILED TO INCLUDE INFORMATION REGARDING TWO ORDERS THAT THE FIRM SHOULD HAVE REPORTED FOR THE REVIEW PERIOD. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FAILED TO PROVIDE FOR THE MINIMUM REQUIREMENTS FOR ADEQUATE WSPS REGARDING SUPERVISORY SYSTEMS, PROCEDURES AND QUALIFICATIONS; ORDER HANDLING; SHORT SALE TRANSACTIONS; TRADE REPORTING; SOFT DOLLARS ACCOUNTS AND TRADING; ORDER AUDIT TRAIL SYSTEM (OATS) REPORTING; ALGORITHMIC TRADING; MULTIPLE MARKET PARTICIPANT IDENTIFIERS (MPIDS); AND MAINTAINING BOOKS AND RECORDS RELATING TO ELECTRONIC COMMUNICATIONS BETWEEN TRADING DESKS.

Initiated By: FINRA

Date Initiated: 10/21/2014

Docket/Case Number: [2012031657601](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/21/2014

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

Sanctions Ordered: Censure
Monetary/Fine \$32,500.00

Other Sanctions Ordered: UNDERTAKING: REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES



Sanction Details: THE FIRM WAS CENSURED, FINED \$32,500 AND UNDERTAKES TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES. FINE PAID IN FULL ON NOVEMBER 17, 2014.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT THE CORRECT SYMBOL INDICATING THE CAPACITY IN WHICH THE FIRM EXECUTED TRANSACTIONS IN REPORTABLE SECURITIES TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (TRF). THE FINDINGS STATED THAT THE FIRM, ON THREE OCCASIONS, WHEN IT ACTED AS PRINCIPAL FOR ITS OWN ACCOUNT, FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER THE CORRECT REPORTED TRADE PRICE IN THE TRANSACTION, ON TWO OCCASIONS FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION, INCORRECTLY INCLUDED AN AVERAGE PRICE DISCLOSURE IN THE TRANSACTIONS, AND INACCURATELY DISCLOSED THE COMMISSION OR COMMISSION EQUIVALENT IN THE TRANSACTIONS. THE FIRM ALSO ON SIX OCCASIONS, ACCEPTED A SHORT SALE ORDER IN AN EQUITY SECURITY FROM ANOTHER PERSON, OR EFFECTED A SHORT SALE IN AN EQUITY SECURITY FOR ITS OWN ACCOUNT, WITHOUT BORROWING THE SECURITY, OR ENTERING INTO A BONA-FIDE ARRANGEMENT TO BORROW THE SECURITY, OR HAVING REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE, AND DOCUMENTING COMPLIANCE WITH RULE 203(B)(1) OF REGULATION SHO. THE FIRM MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON. THIS REPORT FAILED TO INCLUDE INFORMATION REGARDING TWO ORDERS THAT THE FIRM SHOULD HAVE REPORTED FOR THE REVIEW PERIOD. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FAILED TO PROVIDE FOR THE MINIMUM REQUIREMENTS FOR ADEQUATE WSPS REGARDING SUPERVISORY SYSTEMS, PROCEDURES AND QUALIFICATIONS; ORDER HANDLING; SHORT SALE TRANSACTIONS; TRADE REPORTING; SOFT DOLLARS ACCOUNTS AND TRADING; ORDER AUDIT TRAIL SYSTEM (OATS) REPORTING; ALGORITHMIC TRADING; MULTIPLE MARKET PARTICIPANT IDENTIFIERS (MPIDS); AND MAINTAINING BOOKS AND RECORDS RELATING TO ELECTRONIC COMMUNICATIONS



BETWEEN TRADING DESKS.

Initiated By: FINRA

Date Initiated: 10/21/2014

Docket/Case Number: [2012031657601](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/21/2014

Sanctions Ordered: Censure
Monetary/Fine \$32,500.00

Other Sanctions Ordered: UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES.

Sanction Details: THE FIRM WAS CENSURED, FINED AND AGREED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

Disclosure 31 of 135

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 IMMEDIATELY DISPLAY 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 CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY. THIS CONDUCT CONSTITUTES VIOLATIONS OF RULE 604 OF REGULATION NMS.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 09/25/2014



Docket/Case Number: 2012033706801

Principal Product Type: Options

Other Product Type(s): NASDAQ SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/25/2014

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

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$12,500.

Reporting Source: Firm

Current Status: Final

Allegations: VIOLATIONS OF RULE 604 OF REGULATION NMS IN THAT THE FIRM FAILED TO IMMEDIATELY DISPLAY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN IT'S PUBLIC QUOTATION, WHEN EACH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED THE FIRM'S BID OR OFFER IN EACH SECURITY OR WHEN THE ORDER WAS PRICED EQUAL TO THE FIRM'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DEMINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SECURITY.

Initiated By: FINRA

Date Initiated: 09/25/2014

Docket/Case Number: 20120337068-01

Principal Product Type: Options



Other Product Type(s):	NASDAQ SECURITIES
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/25/2014
Sanctions Ordered:	Censure Monetary/Fine \$12,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM CONSENTED TO A CENSURE AND FINE OF \$12,500.

Disclosure 32 of 135

Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND IMPLEMENT AN ADEQUATE ANTI-MONEY LAUNDERING (AML) PROGRAM TO DETECT AND CAUSE THE REPORTING OF CERTAIN POTENTIALLY SUSPICIOUS ACTIVITY. THE FINDINGS STATED THAT THE FIRM EXECUTED, FOR ITS CUSTOMERS, UNSOLICITED PURCHASES AND SALES OF AT LEAST 2.5 BILLION SHARES OF LOW-PRICED SECURITIES ("PENNY STOCKS") WHICH GENERATED AT LEAST \$320 MILLION IN PROCEEDS. MOREOVER, THE FIRM WAS AWARE OF THE HEIGHTENED RISKS ASSOCIATED WITH PENNY STOCK ACTIVITY DURING THIS TIME AS IT HAD TERMINATED CERTAIN CUSTOMER ACCOUNTS THAT HAD DEPOSITED AND SHORTLY THEREAFTER SOLD, LARGE BLOCKS OF PENNY STOCKS. THE FINDINGS ALSO STATED THAT THE FIRM'S AML COMPLIANCE PROGRAM DID NOT ROUTINELY MONITOR UNSOLICITED PENNY STOCK TRADES EXECUTED THROUGH THE FIRM. DESPITE THE AMOUNT OF UNSOLICITED PENNY STOCK TRADING ACTIVITY CONDUCTED THROUGH THE FIRM AND THE AWARENESS OF RISKS ASSOCIATED WITH SUCH ACTIVITY, THE FIRM FAILED TO HAVE AN ADEQUATE SURVEILLANCE SYSTEM TO REVIEW UNSOLICITED PENNY STOCK TRANSACTIONS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM TO ACHIEVE COMPLIANCE WITH SECTION 5 OF THE SECURITIES ACT OF 1933. THE FIRM CUSTOMERS DEPOSITED AND SOLD PENNY STOCK SHARES THROUGH THE FIRM, AND IT DID NOT ROUTINELY CONDUCT DUE</p>



DILIGENCE ON PENNY STOCKS RECEIVED FROM CUSTOMERS THROUGH THE AUTOMATED CUSTOMER ACCOUNT TRANSFER SERVICE (ACATS) SYSTEM. CONTRARY TO ITS OBLIGATIONS UNDER FINRA RULES, THE FIRM FAILED TO ENSURE THAT ADEQUATE SUPERVISORY REVIEWS WERE PERFORMED TO DETERMINE WHETHER SUCH SECURITIES WERE REGISTERED OR IF AN EXEMPTION TO REGISTRATION APPLIED PRIOR TO THE SALE OF SUCH SECURITIES. AS A RESULT, FIRM CUSTOMERS WERE ABLE TO DEPOSIT AND LIQUIDATE PENNY STOCK SHARES THAT SHOULD HAVE BEEN SUBJECT TO GREATER SCRUTINY BY THE FIRM.

Initiated By: FINRA

Date Initiated: 09/22/2014

Docket/Case Number: [2009020810101](#)

Principal Product Type: Penny Stock(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: 09/22/2014

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

Sanctions Ordered: Censure
Monetary/Fine \$300,000.00

Other Sanctions Ordered:

Sanction Details: SEE ABOVE-

FINE PAID IN FULL ON OCTOBER 14, 2014.

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 ESTABLISH AND IMPLEMENT AN ADEQUATE ANTI-MONEY LAUNDERING (AML) PROGRAM TO DETECT AND CAUSE THE REPORTING OF CERTAIN POTENTIALLY SUSPICIOUS ACTIVITY. THE FINDINGS ALSO STATED THAT THE FIRM'S AML COMPLIANCE PROGRAM INCLUDED SUSPICIOUS ACTIVITY SURVEILLANCE OF SOLICITED PENNY STOCK TRADES EXECUTED THROUGH THE FIRM. HOWEVER, THE COMPLIANCE PROGRAM DID NOT ROUTINELY MONITOR UNSOLICITED PENNY STOCK TRADES EXECUTED THROUGH THE FIRM. DESPITE THE AMOUNT OF UNSOLICITED PENNY STOCK TRADING ACTIVITY CONDUCTED THROUGH THE FIRM AND THE AWARENESS OF RISKS ASSOCIATED WITH SUCH ACTIVITY, THE FIRM FAILED TO HAVE AN ADEQUATE SURVEILLANCE SYSTEM TO REVIEW UNSOLICITED PENNY STOCK TRANSACTIONS. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM TO ACHIEVE COMPLIANCE WITH SECTION 5 OF THE SECURITIES ACT OF 1933. THE FIRM CUSTOMERS DEPOSITED AND SOLD PENNY STOCK SHARES THROUGH THE FIRM, AND IT DID NOT ROUTINELY CONDUCT DUE DILIGENCE ON PENNY STOCKS RECEIVED FROM CUSTOMERS THROUGH THE AUTOMATED CUSTOMER ACCOUNT TRANSFER SERVICE (ACATS) SYSTEM. CONTRARY TO ITS OBLIGATIONS UNDER FINRA RULES, THE FIRM FAILED TO ENSURE THAT ADEQUATE SUPERVISORY REVIEWS WERE PERFORMED TO DETERMINE WHETHER SUCH SECURITIES WERE REGISTERED OR IF AN EXEMPTION TO REGISTRATION APPLIED PRIOR TO THE SALE OF SUCH SECURITIES. AS A RESULT, FIRM CUSTOMERS WERE ABLE TO DEPOSIT AND LIQUIDATE PENNY STOCK SHARES THAT SHOULD HAVE BEEN SUBJECT TO GREATER SCRUTINY BY THE FIRM.

Initiated By: FINRA

Date Initiated: 09/22/2014

Docket/Case Number: [2009020810101](#)

Principal Product Type: Penny Stock(s)

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/22/2014

Sanctions Ordered: Censure
Monetary/Fine \$300,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$300,000.00

Disclosure 33 of 135

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 REPORTED TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES IT WAS NOT REQUIRED TO REPORT. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, CONCERNING TRADE REPORTING. THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES (WSPS) PROVIDING FOR A STATEMENT OF THE SUPERVISORY STEP(S) TO BE TAKEN BY THE PERSON(S) RESPONSIBLE FOR ENSURING THAT THE FIRM DOES NOT REPORT TRANSACTIONS TO THE FNTRF THAT IT IS NOT REQUIRED TO REPORT.

Initiated By: FINRA

Date Initiated: 06/03/2014

Docket/Case Number: [2013035850101](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/03/2014



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

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered: UNDERTAKING: REVISE THE FIRM'S WSPS

Sanction Details: SEE ABOVE

Regulator Statement FINE PAID IN FULL ON JUNE 23, 2014.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THAT STIFEL NICOLAUS REPORTED TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES IT WAS NOT REQUIRED TO REPORT. FINRA FOUND THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO SECURITIES RULES AND REGULATIONS CONCERNING TRADE REPORTING AND THAT THE SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES (WSPS) PROVIDING FOR A STATEMENT OF SUPERVISORY STEP(S) TO BE TAKEN BY THE PERSON(S) RESPONSIBLE FOR ENSURING THAT THE FIRM DOES NOT REPORT TRANSACTIONS TO THE FNTRF THAT IT IS NOT REQUIRED TO REPORT.

Initiated By: FINRA

Date Initiated: 06/02/2014

Docket/Case Number: 2013035850101 (INCLUDING 20130359584)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

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

Other Sanction(s)/Relief Sought: CENSURE;
REVISION OF FIRMS WRITTEN SUPERVISORY PROCEDURES RELATING TO TRADE REPORTING



Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 06/02/2014
Sanctions Ordered: Censure
 Monetary/Fine \$20,000.00
Other Sanctions Ordered:
Sanction Details: UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES.

Disclosure 34 of 135

Reporting Source: Firm
Current Status: Final
Allegations: FAILURE TO MAINTAIN ADEQUATE SUPERVISION OF AN AGENT IN VIOLATION OF THE NEBRASKA SECURITIES ACT.
Initiated By: STATE OF NEBRASKA DEPARTMENT OF BANKING & FINANCE
Date Initiated: 03/25/2014
Docket/Case Number: N/A
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: 03/25/2014
Sanctions Ordered: Monetary/Fine \$61,000.00
Other Sanctions Ordered:
Sanction Details: STIFEL PAID A FINE OF \$60,000 AND REIMBURSED THE DEPARTMENT \$1,000 FOR THE COSTS OF THE INVESTIGATION.

Disclosure 35 of 135

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 SOLD AGENCY BONDS TO ITS CUSTOMERS AND FAILED TO SELL SUCH BONDS AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO EACH AT THE TIME OF THE TRANSACTION, THE EXPENSE INVOLVED, AND THAT THE FIRM WAS ENTITLED TO A PROFIT. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA RULES, CONCERNING AGENCY BOND PRICING.

Initiated By: FINRA

Date Initiated: 04/02/2014

Docket/Case Number: [2011026076201](#)

Principal Product Type: Other

Other Product Type(s): AGENCY BONDS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/02/2014

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

Sanctions Ordered: Censure
Monetary/Fine \$30,000.00
Disgorgement/Restitution

Other Sanctions Ordered: RESTITUTION IN THE AMOUNT OF \$16,879.48, PLUS INTEREST;
UNDERTAKINGS: REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES

Sanction Details: SEE ABOVE

Reporting Source: Firm



Current Status:	Final
Allegations:	THE FIRM SOLD AGENCY BONDS TO ITS CUSTOMERS AND FAILED TO SELL SUCH BONDS AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS, THE EXPENSE INVOLVED, AND THAT THE FIRM WAS ENTITLED TO A PROFIT IN VIOLATION OF FINRA RULE 2010. THE FIRM'S 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 FINRA CONCERNING AGENCY BONDS IN VIOLATION OF NASD RULE 3010 AND FINRA RULE 2010.
Initiated By:	FINRA
Date Initiated:	04/02/2014
Docket/Case Number:	20110260762-01
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/02/2014
Sanctions Ordered:	Monetary/Fine \$30,000.00
Other Sanctions Ordered:	A FINE OF \$25,000 FOR THE AGENCY BOND PRICING VIOLATIONS AND \$5,000 FOR THE SUPERVISION VIOLATIONS.
Sanction Details:	THE FIRM IS ORDERED TO PAY RESITUTION TO ITS CUSTOMERS IN THE AMOUNT OF \$16,879.48.

Disclosure 36 of 135

Reporting Source:	Regulator
Current Status:	Final
Allegations:	FINRA RULES 2010, 5260, 6760(C), NASD RULES 3010, 3340: THE FIRM EFFECTED TRANSACTIONS IN SECURITIES WHILE A TRADING HALT WAS IN EFFECT WITH RESPECT TO EACH OF THE SECURITIES. THE FIRM, AS MANAGING UNDERWRITER, FAILED TO REPORT NEW ISSUE OFFERINGS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) ELIGIBLE AGENCY



DEBT SECURITIES TO FINRA ACCORDING TO THE TIME FRAMES SET FORTH IN FINRA RULE 6760(C). THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO FINRA RULE 6760.

Initiated By: FINRA

Date Initiated: 02/27/2014

Docket/Case Number: [2011029292901](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/27/2014

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

Sanctions Ordered: Censure
Monetary/Fine \$22,500.00

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 IT IS CENSURED, FINED \$22,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO FINRA RULE 6760. FINE PAID IN FULL ON 03/17/14.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA RULES 2010, 5260, 6760(C), NASD RULES 3010, 3340: THE FIRM EFFECTED TRANSACTIONS IN SECURITIES WHILE A TRADING HALT WAS IN EFFECT WITH RESPECT TO EACH OF THE SECURITIES. THE FIRM, AS MANAGING UNDERWRITER, FAILED TO REPORT NEW ISSUE OFFERINGS IN



TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) ELIGIBLE AGENCY DEBT SECURITIES TO FINRA ACCORDING TO THE TIME FRAMES SET FORTH IN FINRA RULE 6760(C). THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO FINRA RULE 6760

Initiated By: FINRA

Date Initiated: 02/27/2014

Docket/Case Number: [2011029292901](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/27/2014

Sanctions Ordered: Censure
Monetary/Fine \$22,500.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: THE FIRM AGREED TO A CENSURE, FINE AND UNDERTAKING TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

Disclosure 37 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: N/A

Initiated By: FLORIDA OFFICE OF FINANCIAL REGULATION

Date Initiated: 12/23/2013

Docket/Case Number: 0286-SR-11/13

URL for Regulatory Action:

Principal Product Type: No Product

Other Product Type(s):

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

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

Resolution: Order

Resolution Date: 12/23/2013

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: Monetary/Fine \$15,000.00

Other Sanctions Ordered:

Sanction Details: \$15,000 ADMINISTRATIVE FINE WAS PAID ON 12/23/2013

Regulator Statement

ON 12/23/2013, THE OFFICE OF FINANCIAL REGULATION ENTERED A FINAL ORDER ADOPTING THE STIPULATION AND CONSENT AGREEMENT IN THE MATTER OF STIFEL, NICHOLAUS & COMPANY, INC. STIFEL, NICHOLAUS & COMPANY, INC. NEITHER ADMITTED NOR DENIED THE FINDINGS BUT CONSENTED TO THE ENTRY OF FINDINGS BY THE OFFICE. THE OFFICE FOUND THAT RONDA SIMON MORGANSTEIN, AN INVESTMENT ADVISER ASSOCIATED PERSON OF STIFEL, NICHOLAUS & COMPANY, INC., ENGAGED IN INVESTMENT ADVISORY BUSINESS FROM OFFICES WITHIN THIS STATE WITHOUT THE BENEFIT OF LAWFUL REGISTRATION IN THE STATE OF FLORIDA PURSUANT TO SECTION 517.12(4), F. S. STIFEL, NICHOLAUS & COMPANY, INC. AND RONDA SIMON MORGANSTEIN, JOINTLY AND SEVERALLY, AGREED TO PAY A \$15,000 ADMINISTRATIVE FINE. THE OFFICE AGREED TO APPROVE RONDA SIMON MORGANSTEIN'S APPLICATION AS AN ASSOCIATED PERSON (RA) WITH STIFEL, NICOLAUS & COMPANY, INC. EFFECTIVE 12/23/2013.

Reporting Source: Firm

Current Status: Final

Allegations: FA ENGAGED IN INVESTMENT ADVISORY BUSINESS FROM FLORIDA WITHOUT THE BENEFIT OF LAWFUL REGISTRATION IN FLORIDA.

Initiated By: FLORIDA OFFICE OF FINANCIAL REGULATION

Date Initiated: 12/20/2013

Docket/Case Number: 0286-SR-11/13



Principal Product Type:	Other
Other Product Type(s):	NO PRODUCT
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Stipulation and Consent
Resolution Date:	12/20/2013
Sanctions Ordered:	Monetary/Fine \$15,000.00
Other Sanctions Ordered:	
Sanction Details:	ADMINISTRATIVE FINE OF \$15,000

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>FINRA RULES 2010, 2111, NASD RULES 2310, 3010: THE FIRM ALLOWED ITS REGISTERED REPRESENTATIVES TO RECOMMEND NONTRADITIONAL ETFS TO CERTAIN OF ITS CUSTOMERS WITHOUT ITS REPRESENTATIVES CONDUCTING ADEQUATE DUE DILIGENCE ON THE PRODUCTS. THE FIRM ALSO DID NOT PROVIDE ADEQUATE FORMAL TRAINING TO ITS REPRESENTATIVES REGARDING NONTRADITIONAL ETFS BEFORE PERMITTING THEM TO RECOMMEND THE PRODUCTS TO CUSTOMERS. AS A RESULT, CERTAIN REGISTERED REPRESENTATIVES OF THE FIRM WERE INSUFFICIENTLY INFORMED REGARDING THE UNIQUE FEATURES AND SPECIFIC RISKS ASSOCIATED WITH NONTRADITIONAL ETFS. NONETHELESS, THE FIRM, THROUGH ITS REGISTERED REPRESENTATIVES, RECOMMENDED NONTRADITIONAL ETFS TO ITS RETAIL CUSTOMERS. THESE RECOMMENDATIONS RESULTED IN THE FIRM'S RETAIL CUSTOMERS BUYING APPROXIMATELY \$641 MILLION WORTH OF NONTRADITIONAL ETFS. CERTAIN CUSTOMERS WITH CONSERVATIVE INVESTMENT OBJECTIVES WHO BOUGHT ONE OR MORE NONTRADITIONAL ETFS BASED ON RECOMMENDATIONS MADE BY THE FIRM'S REGISTERED REPRESENTATIVES AND WHO HELD THOSE INVESTMENTS FOR LONGER PERIODS OF TIME EXPERIENCED NET LOSSES. FOR OVER FOUR YEARS, THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING A WRITTEN PROCEDURE THAT WAS REASONABLY DESIGNED TO ENSURE THAT THEIR SALES OF NONTRADITIONAL ETFS COMPLIED WITH APPLICABLE SECURITIES LAWS</p>



AND NASD AND FINRA RULES. THE FIRM CONDUCTED DUE DILIGENCE REGARDING NONTRADITIONAL ETFS AND EMAILED A COMPLIANCE BULLETIN TO ITS REGISTERED PERSONNEL DURING A CERTAIN YEAR REGARDING THE FEATURES AND RISKS OF THE PRODUCTS. THE FIRM, HOWEVER, FAILED TO ENSURE THAT ITS REGISTERED REPRESENTATIVES OBTAINED ADEQUATE FORMAL TRAINING ON THE UNIQUE FEATURES AND RISKS OF NONTRADITIONAL ETFS BEFORE PERMITTING THEM TO RECOMMEND THOSE PRODUCTS TO CUSTOMERS. HOWEVER, FOR THE FIVE YEARS, THE FIRM DID NOT REQUIRE THAT ITS REPRESENTATIVES COMPLETE ANY PRODUCT-SPECIFIC TRAINING ON NONTRADITIONAL ETFS BEFORE RECOMMENDING THEM. LIKewise, THE FIRM DID NOT PROVIDE ADEQUATE FORMAL TRAINING TO THE SUPERVISORY PERSONNEL WHO IT ASSIGNED TO REVIEW AND APPROVE NONTRADITIONAL ETF TRANSACTIONS IN THE UNIQUE ASPECTS OF THOSE PRODUCTS. FOR THE PERIOD THE FIRM GENERALLY SUPERVISED SALES OF NONTRADITIONAL ETFS IN THE SAME MANNER IN WHICH IT SUPERVISED SALES OF TRADITIONAL ETFS, WITH THE EXCEPTION OF A POLICY ENACTED FIVE MONTHS AFTER THE START OF THE FIVE YEAR PERIOD THAT LIMITED LEVERAGED ETF HOLDINGS TO 10 PERCENT OF THE VALUE ON AN ACCOUNT. FOR EXAMPLE, DURING THAT TIME PERIOD, THE FIRM DID NOT CREATE A PROCEDURE TO ADDRESS THE RISK ASSOCIATED WITH LONGER-TERM HOLDING PERIODS IN NONTRADITIONAL ETFS. THEREFORE, THE FIRM FAILED TO ESTABLISH A SUPERVISORY SYSTEM, INCLUDING A WRITTEN PROCEDURE, REASONABLY TAILORED TO ADDRESS THE UNIQUE FEATURES AND RISKS ASSOCIATED WITH NONTRADITIONAL ETFS.

Initiated By:	FINRA
Date Initiated:	01/09/2014
Docket/Case Number:	2012034576902
Principal Product Type:	Other
Other Product Type(s):	NONTRADITIONAL ETFS
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	01/09/2014



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

No

Sanctions Ordered:

Censure
Monetary/Fine \$450,000.00
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, IT IS CENSURED, FINED \$450,000, AND ORDERED TO PAY \$338,128 IN RESTITUTION TO CUSTOMERS.
A REGISTERED PRINCIPAL ON BEHALF OF RESPONDENT FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION. THIS PROOF SHALL BE PROVIDED TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THE AWC. IF FOR ANY REASON THE FIRM CANNOT LOCATE ANY CUSTOMER AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN 120 DAYS FROM THE DATE THE AWC IS ACCEPTED, OR SUCH ADDITIONAL PERIOD AGREED TO BY FINRA IN WRITING, THE FIRM SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER IS LAST KNOWN TO HAVE RESIDED. THE FIRM SHALL PROVIDE SATISFACTORY PROOF OF SUCH ACTION TO FINRA AND IN THE MANNER DESCRIBED ABOVE, WITHIN 14 DAYS OF FORWARDING THE UNDISTRIBUTED RESTITUTION TO THE APPROPRIATE STATE AUTHORITY.

Regulator Statement

ASSOCIATED CASE NUMBERS 2012034576901 & 2011025493401

Reporting Source:

Firm

Current Status:

Final

Allegations:

FINRA RULES 2010, 2111, NASD RULES 2310, 3010: THE FIRM ALLOWED ITS REGISTERED REPRESENTATIVES TO RECOMMEND NONTRADITIONAL ETFS TO CERTAIN OF ITS CUSTOMERS WITHOUT ITS REPRESENTATIVES CONDUCTING ADEQUATE DUE DILIGENCE ON THE PRODUCTS. THE FIRM CONDUCTED DUE DILIGENCE REGARDING NONTRADITIONAL ETFS AND EMAILED TWO COMPLIANCE BULLETINS TO ITS REGISTERED PERSONNEL REGARDING THE FEATURES AND RISKS OF THE PRODUCTS. THE FIRM, HOWEVER, DID NOT PROVIDE ADEQUATE FORMAL TRAINING TO ITS



REPRESENTATIVES AND SUPERVISORY PERSONNEL REGARDING THE UNIQUE FEATURES AND RISKS OF NONTRADITIONAL ETFS BEFORE PERMITTING THEM TO RECOMMEND THE PRODUCTS TO CUSTOMERS. CERTAIN CUSTOMERS WITH CONSERVATIVE INVESTMENT OBJECTIVES WHO BOUGHT ONE OR MORE NONTRADITIONAL ETFS BASED ON RECOMMENDATIONS MADE BY THE FIRM'S REGISTERED REPRESENTATIVES AND WHO HELD THOSE INVESTMENTS FOR LONGER PERIODS OF TIME EXPERIENCED NET LOSSES. THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REGARDING NONTRADITIONAL ETFS, INCLUDING WRITTEN PROCEDURES REASONABLY DESIGNED TO ENSURE THAT THEIR SALES OF NONTRADITIONAL ETFS COMPLIED WITH APPLICABLE SECURITIES LAWS AND NASD AND FINRA RULES.

Initiated By: FINRA

Date Initiated: 01/09/2014

Docket/Case Number: 2012034576902

Principal Product Type: Other

Other Product Type(s): NON TRADITIONAL ETFS

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: RESTITUTION

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/09/2014

Sanctions Ordered: Censure
Monetary/Fine \$450,000.00
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, IT IS CENSURED, FINED \$450,000, AND ORDERED TO PAY \$338,128 IN RESTITUTION TO 59 CUSTOMERS.

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Reporting Source: Regulator

Current Status: Final



Allegations: FINRA RULE 2010, NASD RULES 2111(A), 2111(B), 2320 - STIFEL, NICOLAUS & COMPANY, INCORPORATED ACCEPTED AND HELD CUSTOMER MARKET ORDERS, TRADED FOR ITS OWN ACCOUNT AT PRICES THAT WOULD HAVE SATISFIED THE CUSTOMER MARKET ORDERS, AND/OR FAILED TO IMMEDIATELY THEREAFTER EXECUTE THE CUSTOMER MARKET ORDERS UP TO THE SIZE AND AT THE SAME PRICE AT WHICH IT TRADED FOR ITS OWN ACCOUNT OR AT A BETTER PRICE. THE FIRM ACCEPTED AND HELD CUSTOMER MARKET ORDERS, TRADED FOR ITS OWN ACCOUNT AT PRICES THAT WOULD HAVE SATISFIED THE CUSTOMER MARKET ORDERS, AND FAILED TO IMMEDIATELY THEREAFTER EXECUTE THE CUSTOMER MARKET ORDERS. THE FIRM FAILED TO EXECUTE ORDERS FULLY AND PROMPTLY AND IN ADDITION, SOME OF THESE INSTANCES RESULTED IN PRICES TO THE CUSTOMERS THAT WERE NOT AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS.

Initiated By: FINRA

Date Initiated: 12/23/2013

Docket/Case Number: [2010021747801](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/23/2013

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 \$80,000.00
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 \$80,000 AND ORDERED TO



PAY \$4,416.74, 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. FINE PAID IN FULL ON JANUARY 13, 2014.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA RULE 2010, NASD RULES 2111(A), 2111(B), 2320-IN THAT STIFEL, NICOLAUS & COMPANY, INCORPORATED ACCEPTED AND HELD CERTAIN CUSTOMER MARKET ORDERS, TRADED FOR ITS OWN ACCOUNT AT PRICES THAT WOULD HAVE SATISFIED THE CUSTOMER MARKET ORDERS, AND/OR FAILED TO IMMEDIATELY THEREAFTER EXECUTE THE CUSTOMER MARKET ORDERS WHICH IN SOME INSTANCES RESULTED IN CERTAIN CUSTOMERS RECEIVING EXECUTIONS THAT WERE NOT AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS.

Initiated By: FINRA

Date Initiated: 12/23/2013

Docket/Case Number: [2010021747801](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: RESTITUTION

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/23/2013

Sanctions Ordered: Censure
Monetary/Fine \$80,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED



TO A CENSURE, A FINE OF \$80,000 AND WILL PAY \$4,416.74, PLUS INTEREST IN RESTITUTION TO CUSTOMERS.

Disclosure 40 of 135

Reporting Source:	Regulator
Current Status:	Final
Allegations:	<p>SEC RULE 10B-10, SEC RULE 605 OF REGULATION NMS, FINRA RULE 2010, NASD RULE 3010: THE FIRM REPORTED INACCURATE INFORMATION ON CUSTOMER CONFIRMATIONS, CONSISTING OF THE FOLLOWING: INSTANCES OF FAILING TO DISTINGUISH COMPENSATION FROM HANDLING FEES; INSTANCES OF FAILING TO INCLUDE A MARKET MAKER DISCLOSURE; AND INSTANCES OF INCORRECTLY INCLUDING AN AVERAGE PRICE DISCLOSURE. THE FIRM MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON. THIS REPORT INCLUDED INCORRECT INFORMATION REGARDING THE SIZE OF ORDERS, AND INSTANCES OF CLASSIFYING ORDERS IN INCORRECT SIZE BUCKETS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR THE RULES OF FINRA. AT A MINIMUM, ADEQUATE WRITTEN SUPERVISORY PROCEDURES (WSPS) ADDRESSING QUALITY OF MARKETS TOPICS SHOULD DESCRIBE THE FOLLOWING: SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION; THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR; THE FREQUENCY OF SUCH REVIEWS; AND HOW SUCH REVIEWS SHALL BE DOCUMENTED. THE FIRM'S WSPS FAILED TO PROVIDE FOR ONE OR MORE OF THE ABOVE-CITED MINIMUM REQUIREMENTS FOR ADEQUATE WSPS, IN THE FOLLOWING SUBJECT AREAS: SUPERVISORY SYSTEMS, PROCEDURES AND QUALIFICATIONS; SHORT SALE TRANSACTION; OTHER TRADING RULES (BACKING AWAY AND MULTIPLE QUOTATIONS); INFORMATION BARRIERS; AND MINIMUM QUOTATION REQUIREMENTS. IN ADDITION, THE FIRM FAILED TO PROVIDE DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WSPS CONCERNING ORDER HANDLING; ANTI-INTIMIDATION COORDINATION; SOFT DOLLARS ACCOUNTS AND TRADING; ORDER AUDIT TRAIL SYSTEM (OATS) REPORTING; BOOKS AND RECORDS; AND MONITORING OF ELECTRONIC COMMUNICATIONS.</p>
Initiated By:	FINRA
Date Initiated:	09/27/2013
Docket/Case Number:	2010021598401



Principal Product Type: Other
Other Product Type(s): UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 09/27/2013
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: UNDERTAKING
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, FINED \$20,000 AND UNDERTAKES TO REVISE THE FIRM'S WSPS IN THE AREAS DESCRIBED ABOVE. WITHIN 30 BUSINESS DAYS AFTER ACCEPTANCE OF THE AWC, A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT TO FINRA A SIGNED, DATED LETTER, OR AN EMAIL FROM A WORK-RELATED ACCOUNT OF THE REGISTERED PRINCIPAL PROVIDING THE FOLLOWING INFORMATION: A REFERENCE TO THIS MATTER; A REPRESENTATION THAT THE FIRM HAS REVISED ITS WSPS TO ADDRESS THE DEFICIENCIES; AND THE DATE THE REVISED PROCEDURES WERE IMPLEMENTED. FINE PAID IN FULL ON NOVEMBER 12, 2013.

Reporting Source: Firm
Current Status: Final
Allegations: VIOLATIONS OF SEC RULE 10B-10, SEC RULE 605 OF REGULATION NMS, FINRA RULE 2010 AND NASD RULE 3010 IN THAT THE FIRM REPORTED INACCURATE INFORMATION ON CUSTOMER CONFIRMATIONS CONSISTING OF THE FOLLOWING: 20 INSTANCES OF FAILING TO DISTINGUISH COMPENSATION FROM HANDLING FEES; 3 INSTANCES OF FAILING TO INCLUDE A MARKET MAKER DISCLOSURE; AND 7 INSTANCES



OF INCORRECTLY INCLUDING AN AVERAGE PRICE DISCLOSURE. THE FIRM ALSO INCLUDED INCORRECT INFORMATION REGARDING THE SIZE OF TWO ORDERS AND 5 INSTANCES OF CLASSIFYING ORDERS IN INCORRECT SIZE BUCKETS IN A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES. IN ADDITION, THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN RULES AND FAILED TO PROVIDE FOR ONE OR MORE OF FOUR CITED MINIMUM REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES. THE FIRM FAILED TO PROVIDE DOCUMENTARY EVIDENCE THAT IT PERFORMED CERTAIN SUPERVISORY REVIEWS SET FORTH IN ITS WRITTEN SUPERVISORY PROCEDURES.

Initiated By: FINRA

Date Initiated: 09/27/2013

Docket/Case Number: 20100215984-01

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/27/2013

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURE AND FINED \$20,000 AND AGREED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO THE AREAS DESCRIBED ABOVE AND TO PROVIDE FINRA WITH A REPRESENTATION THAT THE WRITTEN SUPERVISORY PROCEDURES WERE REVISED AND THE DATE THE REVISED PROCEDURES WERE IMPLEMENTED.

Disclosure 41 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: FINRA RULE 2010, NASD RULES 2110, 2320, 2440, INTERPRETATIVE



MATERIAL-2440-1 AND INTERPRETATIVE MATERIAL-2440-2, MSRB RULES G-17, G-30(A): DURING SEPARATE REVIEW PERIODS, IN ELEVEN PAIRS OF TRANSACTIONS, THE FIRM BOUGHT OR SOLD CORPORATE BONDS FROM OR TO ITS CUSTOMERS AND FAILED TO BUY OR SELL SUCH BONDS AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO EACH AT THE TIME OF THE TRANSACTION, THE EXPENSE INVOLVED AND THAT THE FIRM WAS ENTITLED TO A PROFIT. DURING SEPARATE REVIEW PERIODS, IN FOURTEEN TRANSACTIONS, THE FIRM BOUGHT OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM A CUSTOMER AND/OR SOLD MUNICIPAL SECURITIES TO A CUSTOMER AT AN AGGREGATE PRICE (INCLUDING ANY MARK-UP OR MARK-DOWN) 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 IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTION. IN TRANSACTIONS, THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET FOR THE SUBJECT TRANSACTIONS AND BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMERS WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS.

Initiated By: FINRA

Date Initiated: 08/06/2013

Docket/Case Number: [2009017059501](#)

Principal Product Type: Debt - Corporate

Other Product Type(s): MUNICIPAL SECURITIES

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/06/2013



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 \$92,500.00
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, IT IS CENSURED, FINED \$92,500, (\$34,000 FOR THE EXCESSIVE MARK-UP/MARK-DOWN VIOLATIONS CITED IN REVIEW NO. 20090170595; \$15,000 FOR THE MUNICIPAL BOND BEST EXECUTION PRICING VIOLATIONS CITED IN REVIEW NO. 20090201719; \$15,000 FOR THE MUNICIPAL BOND BEST EXECUTION PRICING VIOLATIONS CITED IN REVIEW NO. 201 00227240; \$25,000 FOR THE BEST EXECUTION PRICING VIOLATIONS CITED IN REVIEW NO. 20100233786; AND \$3,500 FOR THE EXCESSIVE MARK-UP/MARK-DOWN VIOLATIONS CITED IN REVIEW NO. 20090170595), AND ORDERED TO PAY \$16,723.23 IN RESTITUTION, PLUS INTEREST, TO FIRM'S CUSTOMERS. A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THE AWC. IF FOR ANY REASON RESPONDENT CANNOT LOCATE THE CUSTOMER AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, RESPONDENT SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY, OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED.

SUBSEQUENT TO THE RECEIPT OF THE FINRA INQUIRY LETTERS FOR THIS MATTER, THE FIRM, ON ITS OWN ACCORD, MADE \$36,762.73 OF THE \$53,485.96 IN RESTITUTION THAT FINRA SUGGESTED SHOULD BE EFFECTED FOR THE TRANSACTIONS IDENTIFIED IN THE REVIEWS. THESE ACTIONS BY THE FIRM WERE TAKEN INTO CONSIDERATION WHEN DETERMINING THE SANCTIONS IMPOSED IN THIS MATTER. FINE PAID ON AUGUST 26, 2013.

Reporting Source:

Firm



Current Status: Final

Allegations: DURING THE YEARS 2008, 2009 AND 2010, FINRA'S DEPARTMENT OF MARKET REGULATION CONDUCTED SEPARATE REVIEWS REGARDING FAIR PRICING OF FIXED INCOME TRANSACTIONS. REVIEWS 20091070595, 20100233786 AND 20109233811 INVOLVED CORPORATE BOND BEST EXECUTION AND FAIR PRICING. FINRA ALLEGES THAT BETWEEN JULY 1, 2008 AND SEPTEMBER 30, 2008 AND JANUARY 1, 2010 AND MARCH 31, 2010 THE FIRM FAILED TO BUY OR SELL CORPORATE BONDS AT A PRICE THAT WAS FAIR. REVIEWS 20090201719 AND 20100227240 INVOLVED FAIR EXECUTION AND PRICING OF MUNICIPAL BONDS. FINRA ALLEGES THAT BETWEEN JANUARY 1, 2009 AND MARCH 31, 2009 AND OCTOBER 1, 2009 AND DECEMBER 31, 2009 THE FIRM BOUGHT OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT AND/OR SOLD MUNICIPAL SECURITIES TO A CUSTOMER AT AN AGGREGATE PRICE THAT WAS NOT FAIR AND REASONABLE. BASED ON REVIEW 2010233786, FINRA ALLEGES THAT BETWEEN JANUARY 1, 2010 AND MARCH 31, 2010, THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET FOR THE SUBJECT TRANSACTIONS AND BUY OR SELL IN SUCH MARKET SO THAT THE PRICE TO ITS CUSTOMERS WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS. THE ALLEGED ACTIVITY CONSTITUTE VIOLATIONS OF FINRA RULE 2010, NASD RULES 2110, 2320, 2440, INTERPRETATIVE MATERIAL-2440-1 AND INTERPRETATIVE MATERIAL-2440-2, MSRB RULES G-17, G-30(A):

Initiated By: FINRA

Date Initiated: 08/06/2013

Docket/Case Number: 2009170595-01

Principal Product Type: Debt - Corporate

Other Product Type(s): MUNICIPAL SECURITIES

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/06/2013

Sanctions Ordered: Censure
Monetary/Fine \$92,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE



ENTRY OF FINDINGS. THEREFORE, THE FIRM IS CENSURED, FINED \$92,500, (\$34,000 FOR THE EXCESSIVE MARK-UP/MARK-DOWN VIOLATIONS CITED IN REVIEW NO. 20090170595; \$15,000 FOR THE MUNICIPAL BOND BEST EXECUTION PRICING VIOLATIONS CITED IN REVIEW NO. 20090201719; \$15,000 FOR THE MUNICIPAL BOND BEST EXECUTION PRICING VIOLATIONS CITED IN REVIEW NO. 201 00227240; \$25,000 FOR THE BEST EXECUTION PRICING VIOLATIONS CITED IN REVIEW NO. 20100233786; AND \$3,500 FOR THE EXCESSIVE MARK-UP/MARK-DOWN VIOLATIONS CITED IN REVIEW NO. 20090170595), AND ORDERED TO PAY \$16,723.23 IN RESTITUTION, PLUS INTEREST, TO FIRM'S CUSTOMERS. A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THE AWC. IF FOR ANY REASON RESPONDENT CANNOT LOCATE THE CUSTOMER AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, RESPONDENT SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY, OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED. SUBSEQUENT TO THE RECEIPT OF THE FINRA INQUIRY LETTERS FOR THIS MATTER, THE FIRM, ON ITS OWN ACCORD, MADE \$36,762.73 OF THE \$53,485.96 IN RESTITUTION THAT FINRA SUGGESTED SHOULD BE EFFECTED FOR THE TRANSACTIONS IDENTIFIED IN THE REVIEWS. THESE ACTIONS BY THE FIRM WERE TAKEN INTO CONSIDERATION WHEN DETERMINING THE SANCTIONS IMPOSED IN THIS MATTER.

Disclosure 42 of 135

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC RULES 200(G) OF REGULATION SHO, 605 OF REGULATION NMS, 10B-10, FINRA RULES 2010, 6380A, NASD RULES 2110, 2111(A), 2320, 3010, 6955(A): THE FIRM FAILED TO TIMELY REPORT TO THE ORDER AUDIT TRAIL SYSTEM (OATS) NUMEROUS REPORTABLE ORDER EVENTS (ROES), AND TRANSMITTED TO OATS SEVERAL NEW ORDER REPORTS AND RELATED SUBSEQUENT REPORTS WHERE THE TIMESTAMP FOR THE NEW ORDER REPORT OCCURRED PRIOR TO THE RECEIPT OF THE ORDER. THE FIRM TRANSMITTED TO OATS ROUTE OR COMBINED ORDER/ROUTE REPORTS THAT THE OATS SYSTEM WAS UNABLE TO LINK TO THE RELATED ORDER ROUTED TO NASDAQ DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA, AND TRANSMITTED TO OATS EXECUTION OR COMBINED ORDER/EXECUTION REPORTS THAT THE OATS SYSTEM WAS UNABLE TO LINK TO THE CORRESPONDING NEW ORDER TRANSMITTED



BY THE DESTINATION MEMBER FIRM DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA. THE FIRM TRANSMITTED TO OATS ROUTE OR COMBINED ORDER/ROUTE REPORTS THAT OATS WAS UNABLE TO MATCH TO THE RECEIVING FIRM'S RELATED NEW ORDER REPORT DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA, AND TRANSMITTED TO OATS ROUTE OR COMBINED ORDER/ROUTE REPORTS IN WHICH THE FIRM WAS NAMED AS THE SENT TO FIRM THAT THE OATS SYSTEM WAS UNABLE TO MATCH TO THE RELATED NEW ORDER REPORT SUBMITTED BY THE FIRM DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA. THE FIRM TRANSMITTED TO OATS REJECTED ROES THAT THE FIRM FAILED TO REPAIR WITH THE ROE RESUBMIT FLAG, TRANSMITTED TO OATS REJECTED ROES THAT THE FIRM FAILED TO REPAIR WITHIN THE REQUIRED BUSINESS DAYS, AND TRANSMITTED TO OATS EXECUTION REPORTS WITH AN INCORRECT FIRM ORDER IDENTIFICATION NUMBER. IN INSTANCES, THE FIRM FAILED TO EXECUTE ORDERS FULLY AND PROMPTLY. IN TRANSACTIONS FOR OR WITH A CUSTOMER, THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS. THE FIRM EXECUTED ORDERS AND FAILED TO PROPERLY MARK THE ORDERS AS LONG OR SHORT. THE FIRM INCORRECTLY DESIGNATED AS ".PRP" TO THE FINRA/NASDAQ TRADE REPORTING FACILITY LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES. THE FIRM MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON. THIS REPORT INCLUDED INCORRECT INFORMATION AS TO THE EXECUTION TIME FOR SOME ORDERS AND CLASSIFICATION OF ORDER SIZE BUCKET FOR ONE ORDER. THE FIRM REPORTED INACCURATE INFORMATION ON CUSTOMERS' CONFIRMATIONS, CONSISTING OF THE FOLLOWING: INSTANCES OF INCORRECTLY DISCLOSING COMPENSATION AS COMMISSION, RATHER THAN COMMISSION EQUIVALENT, FAILING TO DISTINGUISH COMPENSATION FROM OTHER FEES; INSTANCE OF DISCLOSING AN INCORRECT AVERAGE PRICE; INSTANCE OF FAILING TO DISCLOSE THE EXECUTION PRICE; INSTANCE OF DISCLOSING AN INCORRECT CAPACITY, AND INCORRECTLY INCLUDING AN AVERAGE PRICE DISCLOSURE. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO PROVIDE FOR ONE OR MORE OF THE MINIMUM REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES, IN THE FOLLOWING SUBJECT AREAS: ORDER HANDLING; SHORT SALE TRANSACTIONS; ANTI-INTIMIDATION/COORDINATION; AND SOFT DOLLARS ACCOUNTS AND TRADING, ALL AS RELATING TO (A) SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION; (B) THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR; (C) THE FREQUENCY OF SUCH REVIEWS; AND (D) HOW SUCH REVIEWS



SHALL BE DOCUMENTED. THEREFORE, THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR THE FINRA RULES.

Initiated By: FINRA

Date Initiated: 08/06/2013

Docket/Case Number: [2008014865002](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/06/2013

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 \$52,500.00
Disgorgement/Restitution

Other Sanctions Ordered: AN UNDERTAKING TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES

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 \$52,500 (\$10,000 FOR THE OATS REPORTING VIOLATIONS; \$20,000 FOR THE COMBINED MARKET ORDER TIMELINESS VIOLATIONS; \$5,000 FOR THE ORDER MARKING VIOLATIONS; \$5,000 FOR THE TRADE REPORTING VIOLATIONS; \$5,000 FOR THE SEC RULE 605 VIOLATIONS; \$2,500 FOR THE CUSTOMER CONFIRMATION VIOLATIONS; AND \$5,000 FOR THE SUPERVISION VIOLATIONS), ORDERED TO PAY RESTITUTION TO THE CUSTOMERS, IN THE TOTAL COMBINED AMOUNT OF \$1,791.93, PLUS INTEREST, AND AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO (A) SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION; (B) THE SUPERVISORY



STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR; (C) THE FREQUENCY OF SUCH REVIEWS; AND (D) HOW SUCH REVIEWS SHALL BE DOCUMENTED, ALL WITH RESPECT TO ORDER HANDLING; SHORT SALE TRANSACTIONS; ANTI-INTIMIDATION/COORDINATION; AND SOFT DOLLARS ACCOUNTS AND TRADING. WITHIN 90 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NATIONAL ADJUDICATORY COUNCIL ("NAC"), A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT TO A SIGNED, DATED LETTER, OR AN E-MAIL FROM A WORK-RELATED ACCOUNT OF THE REGISTERED PRINCIPAL PROVIDING THE FOLLOWING INFORMATION: (1) A REFERENCE TO THIS MATTER; (2) A REPRESENTATION THAT THE FIRM HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES TO ADDRESS THE DEFICIENCIES; AND (3) THE DATE THE REVISED PROCEDURES WERE IMPLEMENTED. FINE PAID ON AUGUST 26, 2013.

Reporting Source:	Firm
Current Status:	Final
Allegations:	<p>FINRA CONDUCTED THE FOLLOWING REVIEWS DURING 2008 AND 2009: 20080148650 ON OATS REPORTING; REVIEWS 20090176551 AND 20090208229 FOR MARKET ORDER TIMELINESS; AND REVIEW 20090170160 INTO TRADING AND MARKET MAKING. BASED ON THOSE REVIEWS FINRA ALLEGES VIOLATIONS OF SEC RULES 200(G) OF REGULATION SHO, 605 OF REGULATION NMS, 10B-10, FINRA RULES 2010, 6380A, NASD RULES 2110, 2111(A), 2320, 3010, 6955(A). FINRA ALLEGES THE FIRM FAILED TO TIMELY REPORT TO THE ORDER AUDIT TRAIL SYSTEM ("OATS")REPORTABLE ORDER EVENTS ("ROES"), AND TRANSMITTED TO OATS REPORTS THAT WERE INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED, AND REJECTED ROES THAT THE FIRM FAILED TO REPAIR WITHIN THE REQUIRED BUSINESS DAYS, AND EXECUTION REPORTS WITH AN INCORRECT FIRM ORDER IDENTIFICATION NUMBER. IN INSTANCES, THE FIRM FAILED TO EXECUTE ORDERS FULLY AND PROMPTLY. IN TRANSACTIONS FOR OR WITH A CUSTOMER, THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS. THE FIRM EXECUTED ORDERS AND FAILED TO PROPERLY MARK THE ORDERS AS LONG OR SHORT. THE FIRM INCORRECTLY DESIGNATED AS ".PRP" TO THE FINRA/NASDAQ TRADE REPORTING FACILITY LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES. THE FIRM MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT INCLUDED INCORRECT INFORMATION AS TO THE EXECUTION TIME FOR 2 ORDERS AND CLASSIFICATION OF ORDER SIZE BUCKET FOR ONE ORDER. THE FIRM REPORTED INACCURATE INFORMATION ON CUSTOMERS'</p>



CONFIRMATIONS CONSISTING OF THE FOLLOWING: INSTANCES OF INCORRECTLY DISCLOSING COMPENSATION AS COMMISSION, RATHER THAN COMMISSION EQUIVALENT, FAILING TO DISTINGUISH COMPENSATION FROM OTHER FEES; INSTANCE OF DISCLOSING AN INCORRECT AVERAGE PRICE; INSTANCE OF FAILING TO DISCLOSE THE EXECUTION PRICE; INSTANCE OF DISCLOSING AN INCORRECT CAPACITY, AND INCORRECTLY INCLUDING AN AVERAGE PRICE DISCLOSURE. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO PROVIDE FOR ONE OR MORE OF THE MINIMUM REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES, IN THE FOLLOWING SUBJECT AREAS: ORDER HANDLING; SHORT SALE TRANSACTIONS; ANTI-INTIMIDATION/COORDINATION; AND SOFT DOLLARS ACCOUNTS AND TRADING, ALL AS RELATING TO (A) SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION; (B) THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR; (C) THE FREQUENCY OF SUCH REVIEWS; AND (D) HOW SUCH REVIEWS SHALL BE DOCUMENTED. THEREFORE, THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR THE FINRA RULES.

Initiated By: FINRA

Date Initiated: 08/06/2013

Docket/Case Number: 20080148650-02

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/06/2013

Sanctions Ordered: Censure
Monetary/Fine \$52,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM NEGOTIATED A SETTLEMENT INVOLVING THE SEPARATE EXAMS AND WITHOUT ADMITTING OR DENYING THE FINDINGS, CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. THEREFORE THE FIRM IS CENSURED, FINED \$52,500 (\$10,000 FOR THE



OATS REPORTING VIOLATIONS; \$20,000 FOR THE COMBINED MARKET ORDER TIMELINESS VIOLATIONS; \$5,000 FOR THE ORDER MARKING VIOLATIONS; \$5,000 FOR THE TRADE REPORTING VIOLATIONS; \$5,000 FOR THE SEC RULE 605 VIOLATIONS; \$2,500 FOR THE CUSTOMER CONFIRMATION VIOLATIONS; AND \$5,000 FOR THE SUPERVISION VIOLATIONS), ORDERED TO PAY RESTITUTION TO THE CUSTOMERS, IN THE TOTAL COMBINED AMOUNT OF \$1,791.93, PLUS INTEREST, AND AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO (A) SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION; (B) THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR; (C) THE FREQUENCY OF SUCH REVIEWS; AND (D) HOW SUCH REVIEWS SHALL BE DOCUMENTED, ALL WITH RESPECT TO ORDER HANDLING; SHORT SALE TRANSACTIONS; ANTI-INTIMIDATION/COORDINATION; AND SOFT DOLLARS ACCOUNTS AND TRADING. WITHIN 90 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NATIONAL ADJUDICATORY COUNCIL ("NAC"), A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT TO A SIGNED, DATED LETTER, OR AN E-MAIL FROM A WORK-RELATED ACCOUNT OF THE REGISTERED PRINCIPAL PROVIDING THE FOLLOWING INFORMATION: (1) A REFERENCE TO THIS MATTER; (2) A REPRESENTATION THAT THE FIRM HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES TO ADDRESS THE DEFICIENCIES; AND (3) THE DATE THE REVISED PROCEDURES WERE IMPLEMENTED.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASDAQ RULES 4611(A)(6), 4755: THE FIRM ENTERED ORDERS INTO THE NASDAQ/SINGLEBOOK SYSTEM THAT FAILED TO CORRECTLY INDICATE WHETHER THE ORDERS WERE A BUY, SHORT SALE, OR LONG SALE AND THE FIRM ENTERED ORDERS INTO THE NASDAQ MARKET CENTER THAT FAILED TO INDICATE THE CORRECT CAPACITY.
Initiated By:	NASDAQ STOCK MARKET
Date Initiated:	08/06/2013
Docket/Case Number:	2008014865001
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES
Principal Sanction(s)/Relief Sought:	



Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/06/2013

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 \$10,000.00

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 \$10,000.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGES VIOLATIONS OF NASDAQ RULES 4611(A)(6), 4755: IN THAT THE FIRM ENTERED ORDERS INTO THE NASDAQ/SINGLEBOOK SYSTEM THAT FAILED TO CORRECTLY INDICATE WHETHER THE ORDERS WERE A BUY, SHORT SALE, OR LONG SALE AND THE FIRM ENTERED ORDERS INTO THE NASDAQ MARKET CENTER THAT FAILED TO INDICATE THE CORRECT CAPACITY.

Initiated By: FINRA

Date Initiated: 08/06/2013

Docket/Case Number: 2008014865001

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)



Resolution Date: 08/06/2013

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A CENSURE AND \$10,000 FINE.

Disclosure 44 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: STIFEL FAILED TO REGISTER THE MINIMUM NUMBER OF INDIVIDUALS REQUIRED TO REGISTER AS A PROPRIETARY TRADER PRINCIPAL (TP) IN WEBCRD BY NOVEMBER 5, 2011. IT IS NOTED THAT STIFEL UPDATED ITS WRITTEN SUPERVISORY PROCEDURES RELATED TO REGISTRATION AND QUALIFICATION OF ASSOCIATED PERSONS ON APRIL 23, 2013. (EXCHANGE RULE 3.6A - QUALIFICATION AND REGISTRATION OF TRADING PERMIT HOLDERS AND ASSOCIATED PERSONS)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 12/26/2012

Docket/Case Number: 12-0112

Principal Product Type: Options

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 05/29/2013

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: A \$5,000 FINE AND A CENSURE.



Reporting Source: Firm
Current Status: Final
Allegations: THE CBOE ALLEGES THAT STIFEL FAILED TO REGISTER THE MINIMUM NUMBER OF INDIVIDUALS REQUIRED TO REGISTER AS A PROPRIETARY TRADER PRINCIPAL IN WEBCRD BY NOVEMBER 5, 2011.
Initiated By: CHICAGO BOARD OF OPTIONS EXCHANGE
Date Initiated: 12/26/2012
Docket/Case Number: 12-0112
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought: FINE
Resolution: Decision
Resolution Date: 05/29/2013
Sanctions Ordered: Censure
 Monetary/Fine \$5,000.00
Other Sanctions Ordered:
Sanction Details: CENSURE AND \$5,000 FINE.

Disclosure 45 of 135

Reporting Source: Firm
Current Status: Final
Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES
Initiated By: STATE OF INDIANA SECURITIES DIVISION
Date Initiated: 04/14/2010
Docket/Case Number: 09-0198 SC
Principal Product Type: Other
Other Product Type(s): AUCTION RATE SECURITIES



Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	04/14/2010
Sanctions Ordered:	Monetary/Fine \$173,323.36 Cease and Desist/Injunction
Other Sanctions Ordered:	THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.
Sanction Details:	THE FIRM PAID \$25,0000 AS REIMBURSEMENT OF INVESTIGATIVE COSTS AND \$148,323.36 AS A CIVIL PENALTY.

Disclosure 46 of 135

Reporting Source:	Firm
Current Status:	Final
Allegations:	FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES
Initiated By:	COMMONWEALTH OF PUERTO RICO OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS
Date Initiated:	06/23/2010
Docket/Case Number:	C10-V-003
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	06/23/2010
Sanctions Ordered:	Monetary/Fine \$1,050.00 Cease and Desist/Injunction
Other Sanctions Ordered:	



Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 47 of 135

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES

Initiated By: STATE OF NORTH DAKOTA SECURITIES DEPARTMENT

Date Initiated: 04/12/2010

Docket/Case Number: N/A

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 04/12/2010

Sanctions Ordered: Monetary/Fine \$1,050.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 48 of 135

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES

Initiated By: STATE OF MONTANA COMMISSIONER OF SECURITIES AND INSURANCE

Date Initiated: 05/04/2010



Docket/Case Number: SEC-2010-25

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 05/04/2010

Sanctions Ordered: Monetary/Fine \$1,050.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 49 of 135

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES

Initiated By: MISSISSIPPI SECRETARY OF STATE SECURITIES AND CHARITIES DIVISION

Date Initiated: 05/18/2010

Docket/Case Number: S-10-0072

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 05/18/2010

Sanctions Ordered: Monetary/Fine \$2,833.13



Cease and Desist/Injunction

Other Sanctions Ordered:**Sanction Details:**

THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 50 of 135

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES

Initiated By: COMMONWEALTH OF KENTUCKY, DEPARTMENT OF FINANCIAL INSTITUTIONS

Date Initiated: 04/27/2010

Docket/Case Number: 2010-AH-027

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 04/27/2010

Sanctions Ordered: Monetary/Fine \$7,984.40
Cease and Desist/Injunction

Other Sanctions Ordered:**Sanction Details:**

THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 51 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: FINRA RULES 2010, 6730(A) - STIFEL, NICOLAUS & COMPANY,



INCORPORATED FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) S1 TRANSACTIONS IN TRACE-ELIGIBLE AGENCY DEBT SECURITIES WITHIN 15 MINUTES OF THE EXECUTION TIME. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6730(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES, IN VIOLATION OF FINRA RULE 2010.

Initiated By: FINRA

Date Initiated: 09/28/2012

Docket/Case Number: 2011027521601

Principal Product Type: Other

Other Product Type(s): TRACE-ELIGIBLE AGENCY DEBT SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/28/2012

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: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000. FINE PAID IN FULL ON 10/12/2012

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THE FIRM FAILED TO REPORT TO TRACE 294 S1 TRANSACTIONS IN TRACE-ELIGIBLE AGENCY DEBT SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION IN VIOLATION OF FINRA RULES 6730(A) AND RULE 2010.



Initiated By: FINRA
Date Initiated: 09/28/2012
Docket/Case Number: 20110275216-01
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: 09/28/2012
Sanctions Ordered: Monetary/Fine \$5,000.00
Other Sanctions Ordered:
Sanction Details: FINE PAID 10/9/2012

Disclosure 52 of 135

Reporting Source: Firm
Current Status: Final
Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES
Initiated By: STATE OF ILLINOIS SECURITIES DEPARTMENT
Date Initiated: 08/29/2012
Docket/Case Number: 0900025
Principal Product Type: Other
Other Product Type(s): AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought: Cease and Desist
Other Sanction(s)/Relief Sought:
Resolution: Consent
Resolution Date: 08/29/2012



Sanctions Ordered: Monetary/Fine \$32,619.00

Other Sanctions Ordered:

Sanction Details: THE FIRM PAID \$32,619.00 TO THE ILLINOIS SECRETARY OF STATE ON 9/6/2012.

Disclosure 53 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: STIFEL, NICOLAUS & COMPANY, INCORPORATED FAILED TO REASONABLY SUPERVISE AGENTS OR EMPLOYEES IN THE SALES OF ARS IN PA.

Initiated By: PENNSYLVANIA CONTACT: COUNSEL CAROLYN MENDELSON (412)-565-5083

Date Initiated: 08/07/2012

Docket/Case Number: 2011-05-07

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES (ARS)

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

Other Sanction(s)/Relief Sought: STIFEL, NICOLAUS & COMPANY, INCORPORATED HAS COMPLETED A REPURCHASE OF AUCTION RATE SECURITIES FROM ELIGIBLE PA INVESTORS.

Resolution: Settled

Resolution Date: 08/07/2012

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: Monetary/Fine \$9,450.00

Other Sanctions Ordered:

Sanction Details: STIFEL NICOLAUS & CO., INC. IS ORDERED TO PAY A \$9,450.00 ADMINISTRATIVE ASSESSMENT TO THE COMMONWEALTH OF PA.



Regulator Statement FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ISSUED TO STIFEL NICOLAUS & CO., INC.

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.

Initiated By: COMMONWEALTH OF PENNSYLVANIA SECURITIES COMMISSION

Date Initiated: 08/10/2012

Docket/Case Number: 2011-05-07

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 08/10/2012

Sanctions Ordered: Monetary/Fine \$9,450.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: ADMINISTRATIVE ASSESSMENT WAS PAID ON 8/10/2012.

Disclosure 54 of 135

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.

Initiated By: COMMISSIONER OF SECURITIES OF THE STATE OF GEORGIA

Date Initiated: 05/29/2012

Docket/Case Number: ENSC-110061

Principal Product Type: Other



Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	05/29/2012
Sanctions Ordered:	Monetary/Fine \$2,040.63
Other Sanctions Ordered:	
Sanction Details:	THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05

Disclosure 55 of 135

Reporting Source:	Regulator
Current Status:	Final
Allegations:	ON 04/19/2012, THE OFFICE ENTERED INTO A CONSENT AGREEMENT, SUBSEQUENT TO COORDINATED INVESTIGATIONS CONDUCTED BY A MULTI-STATE TASK FORCE INCLUDING FLORIDA, REGARDING SNCI'S MARKETING AND SALE OF ARS TO INVESTORS FROM JANUARY 2006 THROUGH FEBRUARY 2008.
Initiated By:	FLORIDA OFFICE OF FINANCIAL REGULATION ("OFFICE")
Date Initiated:	04/19/2012
Docket/Case Number:	0492-S-5/10
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES ("ARS")
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	CEASE & DESIST
Resolution:	Order
Resolution Date:	04/23/2012



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:	Monetary/Fine \$29,619.71 Cease and Desist/Injunction
Other Sanctions Ordered:	ON 04/23/2012, THE OFFICE ENTERED A FINAL ORDER ADOPTING THE CONSENT AGREEMENT WHEREBY SNCI AGREED TO DO THE FOLLOWING: 1.) RETAIN AT ITS EXPENSE AN OUTSIDE CONSULTANT, 2.) MODIFY ITS VOLUNTARY OFFER TO REPURCHASE ELIGIBLE ARS AT PAR DATED APRIL 9, 2009 FOR ALL ELIGIBLE INVESTORS, 3.) ACCELERATE ITS REPURCHASE OF ELIGIBLE ARS FROM ELIGIBLE INVESTORS, 4.) COOPERATE WITH ITS BANK AFFILIATE TO USE ITS BEST EFFORTS TO MAKE NO-NET-COST LOANS TO ELIGIBLE INVESTORS,AND; 5.) PROVIDE QUARTERLY REPORTS TO THE OFFICE.
Sanction Details:	THE ADMINISTRATIVE FINE AMOUNT OF \$29,619.71 WHICH AMOUNT CONSTITUTES FLORIDA'S ALLOCATED SHARE OF THE TOTAL SETTLEMENT PAYMENT TO ALL OF THE STATES.
Regulator Statement	PER THE OFFICE'S FINAL ORDER DATED 04/23/2012 ADOPTING THE CONSENT AGREEMENT, SNCI, WITHOUT ADMITTING OR DENYING THE STATEMENT OF FACTS AND CONCLUSIONS OF LAW CONTAINED IN THE AGREEMENT, CONSENTED TO THE ENTRY OF THE OFFICE'S FINDINGS OF FACTS AND CONCLUSIONS OF LAW THAT THEY FAILED TO REASONABLY SUPERVISE ITS REGISTERED AGENTS IN THE SALE OF ARS BY FAILING TO PROVIDE PERTINENT INFORMATION AND COMPREHENSIVE TRAINING TO ITS REGISTERED AGENTS AND OTHER SALES AND MARKETING STAFF REGARDING ARS AND THE MECHANICS OF THE AUCTION PROCESS.

Reporting Source:	Firm
Current Status:	Final
Allegations:	FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION
Date Initiated:	04/19/2012
Docket/Case Number:	0492-S-5/10
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES



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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 04/23/2012

Sanctions Ordered: Monetary/Fine \$29,619.71
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05

Disclosure 56 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 3010: THE FIRM FAILED TO SUPERVISE A REGISTERED REPRESENTATIVE REASONABLY. THE FIRM FAILED TO DETECT OR INVESTIGATE ADEQUATELY A SERIES OF WARNING SIGNS WHICH SHOULD HAVE ALERTED THE FIRM TO THE REPRESENTATIVE'S MISCONDUCT. WHEN THE FIRM HIRED THE REPRESENTATIVE, HE HAD THREE PENDING CUSTOMER COMPLAINTS ON RECORD CONCERNING HIS ANNUITIES BUSINESS AT HIS PRIOR EMPLOYER AND THE FIRM BECAME AWARE OF TWO OTHER CUSTOMER COMPLAINTS, ALSO ARISING FROM HIS PRIOR BUSINESS, WHILE HE WAS A BROKER WITH THE FIRM. ADDITIONALLY, THE FIRM WAS AWARE OF EVIDENCE THAT THE REPRESENTATIVE, THROUGHOUT HIS TENURE AT THE FIRM, WAS EXPERIENCING SEVERE FINANCIAL DIFFICULTIES. DESPITE THE HEIGHTENED COMPLIANCE RISK THE REPRESENTATIVE PRESENTED, THE FIRM FAILED TO RESPOND ADEQUATELY TO SUBSEQUENT RED FLAGS CONCERNING TWO OF ITS CUSTOMERS, WHO WERE INVESTORS IN THE REPRESENTATIVE'S SCHEME. THE FIRM BECAME AWARE OF TWO LETTERS WRITTEN BY ONE OF THE CUSTOMERS CONCERNING AN INVESTMENT CLUB. THE REPRESENTATIVE'S SUPERVISOR DISCUSSED BOTH LETTERS WITH HIM AND HE FALSELY EXPLAINED THAT THE LETTERS REFLECTED A MISUNDERSTANDING WITH HIS CLIENT AND THAT HE HAD NO FINANCIAL INVOLVEMENT WITH THE INVESTMENT CLUB. BY LETTER ADDRESSED TO THE SUPERVISOR, THE CUSTOMER STATED THAT THE REPRESENTATIVE HAS MADE THE CUSTOMER AWARE THAT SOME OF THE CUSTOMER'S



WORDING IN THE LETTERS MAY CAUSE SOME MISUNDERSTANDING. THE CUSTOMER WENT ON TO STATE THAT THE REPRESENTATIVE MERELY ACTED AS A GO-BETWEEN FOR THE CUSTOMER AND THE INVESTMENT CLUB. THE CUSTOMER ALSO STATED THAT THE REPRESENTATIVE HAD NO FINANCIAL INVOLVEMENT IN THE CLUB AND THAT THE \$6,000 CHECK MADE OUT TO THE REPRESENTATIVE WAS ACTUALLY THE CUSTOMER'S "DUES TO THE CLUB, WITH THE UNDERSTANDING THAT THE REPRESENTATIVE WOULD PASS IT ON. THE SUPERVISOR ACCEPTED AND RELIED ON THE REPRESENTATIVE'S AND THE CUSTOMER'S EXPLANATION WITHOUT FURTHER INQUIRY. THE FIRM ALSO FAILED TO DETECT OR INVESTIGATE ADEQUATELY EMAILS FROM THE CUSTOMER TO THE REPRESENTATIVE CONCERNING THE SAME TOPIC. A SUBSEQUENT EMAIL FROM THE CUSTOMER TO THE REPRESENTATIVE CONCERNING THE INVESTMENT CLUB ALSO ESCAPED SUPERVISORY REVIEW. THE CORRESPONDENCE FROM THE CUSTOMER CONCERNING THE INVESTMENT CLUB, AND THE FACT THAT THE REPRESENTATIVE WAS INVOLVED IN AN UNDISCLOSED OUTSIDE ACTIVITY, SHOULD HAVE SENT A SIGNAL TO THE FIRM THAT HE WAS ENGAGED IN IMPROPER ACTIVITIES. THE FIRM, HOWEVER, FAILED TO ACT REASONABLY UPON THESE WARNING SIGNS THUS ENABLING THE REPRESENTATIVE TO CONTINUE HIS FRAUDULENT SCHEME. THE FIRM ALSO FAILED TO ADEQUATELY FOLLOW UP AND INVESTIGATE A \$15,000 CASHIER'S CHECK FROM ANOTHER CUSTOMER WHICH WAS HAND-DELIVERED TO THE FIRM'S BRANCH OFFICE. THE REPRESENTATIVE'S SUPERVISOR SPOKE WITH HIM WHO STATED HE DID NOT KNOW WHAT THE CASHIER'S CHECK WAS FOR. ACCORDINGLY, THE SUPERVISOR INFORMED THE REPRESENTATIVE THAT HE WOULD CONTACT THE CUSTOMER. ON A CALL, THE CUSTOMER STATED THAT THE CASHIER'S CHECK WAS A PRIVATE MATTER CONCERNING THE REPRESENTATIVE'S WIFE AND THAT HE DID NOT WANT TO TALK ABOUT IT. WHEN CONFRONTED, THE REPRESENTATIVE FALSELY STATED THE CHECK WAS FOR THE PURCHASE OF A CAR WHICH HIS RELATIVE HAD SOLD TO THE CUSTOMER. AT THIS POINT, HIS SUPERVISOR WAS CONCERNED ABOUT THE CASHIER'S CHECK BECAUSE HE KNEW THE REPRESENTATIVE HAD ONGOING FINANCIAL DIFFICULTIES. ACCORDINGLY, THE SUPERVISOR CONTACTED THE FIRM'S COMPLIANCE DEPARTMENT AND WAS ADVISED TO OBTAIN A WRITTEN STATEMENT FROM THE REPRESENTATIVE REGARDING THE CHECK AND PREPARE A LETTER TO THE CUSTOMER ASKING HIM TO SIGN-OFF ON THE TRANSACTION, AS A PRECONDITION TO RELEASING THE CHECK TO THE REPRESENTATIVE. DESPITE CONCERNS THAT THE REPRESENTATIVE MAY HAVE ENGAGED IN MISCONDUCT, NEITHER HIS SUPERVISOR NOR THE FIRM'S COMPLIANCE TEAM TOOK FURTHER ACTION TO INVESTIGATE THE RED FLAGS SURROUNDING THE \$15,000 CASHIER'S CHECK, THEREBY ENABLING HIM TO CONTINUE HIS FRAUDULENT SCHEME.

Initiated By: FINRA



Date Initiated: 03/26/2012

Docket/Case Number: [2009020149801](#)

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: 03/26/2012

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 \$350,000.00
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 \$350,000, AND ORDERED TO PAY RESTITUTION TO AFFECTED CUSTOMERS IN AN AMOUNT NOT TO EXCEED \$250,000, PLUS INTEREST. WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THE AWC, A REGISTERED PRINCIPAL ON BEHALF OF THE FIRM SHALL SUBMIT TO FINRA A PROPOSED PLAN OF HOW IT WILL COMPENSATE AFFECTED CUSTOMERS. FINRA WILL REVIEW THE PLAN SUBMITTED BY THE FIRM. IN THE EVENT FINRA DOES OBJECT TO THE PLAN, THE FIRM WILL HAVE AN OPPORTUNITY TO ADDRESS FINRA'S OBJECTIONS AND RESUBMIT THE PLAN WITHIN 30 DAYS. WITHIN 120 DAYS OF THE NOTICE DATE, A REGISTERED PRINCIPAL ON BEHALF OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION. THE FIRM UNDERSTANDS THAT THIS SETTLEMENT INCLUDES A FINDING THAT IT FAILED TO SUPERVISE AN INDIVIDUAL WHO VIOLATED SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 (THE "ACT") AND SEC RULE 10B-5 AND THAT UNDER SECTION 3(A)(39)(F) OF THE ACT, INCORPORATING SECTION 15(B)(4)(E) OF THE ACT, AND



UNDER ARTICLE III, SECTION 4 OF FINRA'S BY-LAWS, THIS FINDING SUBJECTS THE FIRM TO A STATUTORY DISQUALIFICATION WITH RESPECT TO MEMBERSHIP.
FINE PAID IN FULL APRIL 2, 2012.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED VIOLATIONS OF NASD RULES 2110 AND 3010 IN THAT THE FIRM FAILED TO REASONABLY SUPERVISE A FORMER REGISTERED REPRESENTATIVE WHO SOLD UNREGISTERED SECURITIES.

Initiated By: FINRA

Date Initiated: 03/26/2012

Docket/Case Number: [2009020149801](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/26/2012

Sanctions Ordered: Censure
Monetary/Fine \$350,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: THE FIRM IS CENSURED, FINED \$350,000 AND ORDERED TO PAY RESTITUTION TO AFFECTED CUSTOMERS IN AN AMOUNT NOT TO EXCEED \$250,000, PLUS INTEREST WITHIN 30 DAYS OF THE AWC. THE FIRM SHALL SUBMIT TO FINRA A PROPOSED RESTITUTION PLAN.

Disclosure 57 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: FAILED TO REASONABLY SUPERVISE AN AGENT OF MISSOURI WHO SOLD



UNREGISTERED SECURITIES TO INVESTORS, FAILED TO DISCLOSE MATERIAL FACTS TO THESE INVESTORS, MADE MATERIAL MISSTATEMENTS AND ENGAGED IN AN ACT, PRACTICE, OR COURSE OF BUSINESS THAT OPERATED AS A FRAUD OR DECEIT ON ANOTHER PERSON. FAILED TO MAKE, MAINTAIN AND PRESERVE RECORDS AS REQUIRED BY RULES 17A-3 AND 17A-4 UNDER SECURITIES EXCHANGE ACT 1934, AS AMENDED AND STIFEL'S WRITTEN SUPERVISORY PROCEDURES, IN VIOLATION OF SECTION 409.4-411(C)(1), RSMO. (CUM. SUPP. 2009) AND MISSOURI RULES 15 CSR 30-51.120 AND 15 CSR 30-51.130.

Initiated By: MISSOURI

Date Initiated: 01/24/2012

Docket/Case Number: AP-12-01

URL for Regulatory Action:

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: CONSENT ORDER

Resolution: Consent

Resolution Date: 01/24/2012

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 \$1,101,385.00

Other Sanctions Ordered: STIFEL WILL RETAIN AN OUTSIDE CONSULTANT, TO PROVIDE AN INITIAL REPORT, STIFEL WILL SUBMIT A FOLLO-UP REPORT, PROVIDE COPIES OF ALL REPORTS PREPARED BY THE CONSULTANT, STIFEL WILL IMPLEMENT THE PROCESSES, PROCEDURES AND PRACTICES RECOMMENDED BY THE CONSULTANT AND STIFEL WILL MAKE AVAILABLE ALL COMMUNICATIONS BETWEEN STIFEL, THE EMPLOYEES AND THE CONSULTANT.

Sanction Details: STIFEL WILL RETAIN AN OUTSIDE CONSULTANT, TO PROVIDE AN INITIAL REPORT, STIFEL WILL SUBMIT A FOLLO-UP REPORT, PROVIDE COPIES OF ALL REPORTS PREPARED BY THE CONSULTANT, STIFEL WILL IMPLEMENT



THE PROCESSES, PROCEDURES AND PRACTICES RECOMMENDED BY THE CONSULTANT AND STIFEL WILL MAKE AVAILABLE ALL COMMUNICATIONS BETWEEN STIFEL, THE EMPLOYEES AND THE CONSULTANT.

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO REASONABLY SUPERVISE A MISSOURI AGENT WHO SOLD UNREGISTERED SECURITIES, FAILED TO DISCLOSE MATERIAL FACTS, MADE MATERIAL MISSTATEMENTS AND WHO ENGAGED IN AN ACT, PRACTICE OR COURSE OF BUSINESS THAT OPERATED AS A FRAUD OR DECEIT. THE MISSOURI SECURITIES DIVISION (THE "DIVISION") FURTHER FOUND THAT STIFEL FAILED TO MAKE, MAINTAIN AND PRESERVE RECORDS AS REQUESTED UNDER THE SECURITIES EXCHANGE ACT AND STIFEL'S WRITTEN SUPERVISORY PROCEDURES. STIFEL NEITHER ADMITTED NOR DENIED THE DIVISION'S FINDINGS.

Initiated By: STATE OF MISSOURI OFFICE OF SECRETARY OF STATE

Date Initiated: 01/24/2012

Docket/Case Number: AP-12-01

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE, RESTITUTION

Resolution: Consent

Resolution Date: 01/24/2012

Sanctions Ordered: Censure
Monetary/Fine \$1,101,385.00
Disgorgement/Restitution

Other Sanctions Ordered: ON 1/24/2012, STIFEL NICOLAUS ("STIFEL") ENTERED INTO A CONSENT ORDER WITH THE MISSOURI SECURITIES DIVISION (THE "DIVISION") WHEREBY STIFEL WAS CENSURED AND FINED. THE DIVISION FOUND THAT STIFEL FAILED TO SUPERVISE A FORMER MISSOURI AGENT WHO SOLD UNREGISTERED SECURITIES, FAILED TO DISCLOSE MATERIAL FACTS, MADE MATERIAL MISSTATEMENTS AND WHO ENGAGED IN AN ACT, PRACTICE OR COURSE OF BUSINESS THAT OPERATED AS A FRAUD OR DECEIT. THE DIVISION FURTHER FOUND THAT STIFEL FAILED TO MAKE,



MAINTAIN AND PRESERVE RECORDS AS REQUIRED UNDER THE SECURITIES EXCHANGE ACT AND STIFEL'S WRITTEN SUPERVISORY PROCEDURES. STIFEL NEITHER ADMITTED NOR DENIED THE DIVISION'S FINDINGS.

Sanction Details:

THE CONSENT ORDER REQUIRED STIFEL TO PAY \$531,385 IN RESTITUTION AND INTEREST TO INVESTORS, \$500,000 TO THE MISSOURI SECRETARY OF STATE'S INVESTOR EDUCATION AND PROTECTION FUND AND \$70,000 AS THE COSTS OF THE DIVISION'S INVESTIGATION. IN ADDITION, STIFEL IS REQUIRED TO RETAIN AN OUTSIDE CONSULTANT TO REVIEW AND REPORT TO STIFEL CONCERNING CERTAIN OF THE FIRM'S POLICIES AND PROCEDURES. THE REPORT WILL BE MADE AVAILABLE TO THE DIVISION.

Disclosure 58 of 135

Reporting Source:	Firm
Current Status:	Final
Allegations:	FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.
Initiated By:	SECURITIES COMMISSIONER OF MARYLAND
Date Initiated:	06/27/2011
Docket/Case Number:	2010-0204
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	06/27/2010
Sanctions Ordered:	Monetary/Fine \$16,663.56 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 59 of 135



Reporting Source: Regulator
Current Status: Final
Allegations: FAILURE TO ADEQUATELY DISCLOSE ITS POLICY AND PROCEDURES TO CERTAIN CLIENTS OF NEIL ROLLA HARRISON, A REGISTERED BROKER/DEALER THROUGH STIFEL NICOLAUS.
Initiated By: STATE OF ILLINOIS, ILLINOIS SECURITIES DEPARTMENT
Date Initiated: 05/24/2011
Docket/Case Number: 0700156
URL for Regulatory Action:
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Restitution
Other Sanction(s)/Relief Sought: NOTICE OF HEARING
Resolution: Consent
Resolution Date: 05/24/2011
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: Disgorgement/Restitution
Other Sanctions Ordered: DISGORGEMENT/RESTITUTION: AMOUNT \$80,224.00
Sanction Details: CONSENT ORDER
Regulator Statement NOTICE OF HEARING WAS ISSUED MAY 24, 2011. THE HEARING IS SCHEDULED FOR JUNE 15, 2011. CONSENT OREDER WAS ISSUED MAY 24, 2011. CONTACT 618-253-2007

Reporting Source: Firm
Current Status: Final
Allegations: FAILURE TO ADEQUATELY DISCLOSE ITS POLICY AND PROCEDURES TO CERTAIN CLIENTS OF NEIL ROLLA HARRISON, A REGISTERED



BROKER/DEALER THROUGH STIFEL NICOLAUS.

Initiated By: STATE OF ILLINOIS SECURITIES DEPARTMENT**Date Initiated:** 05/24/2011**Docket/Case Number:** 0700156**Principal Product Type:** No Product**Other Product Type(s):****Principal Sanction(s)/Relief Sought:** Restitution**Other Sanction(s)/Relief Sought:****Resolution:** Consent**Resolution Date:** 05/24/2011**Sanctions Ordered:** Disgorgement/Restitution**Other Sanctions Ordered:****Sanction Details:** DISGORGEMENT/RESTITUTION: AMOUNT \$80, 224.00**Disclosure 60 of 135****Reporting Source:** Firm**Current Status:** Final**Allegations:** FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.**Initiated By:** STATE OF OHIO DIVISION OF SECURITIES**Date Initiated:** 04/14/2011**Docket/Case Number:** 11-020**Principal Product Type:** Other**Other Product Type(s):** AUCTION RATE SECURITIES**Principal Sanction(s)/Relief Sought:** Cease and Desist**Other Sanction(s)/Relief Sought:****Resolution:** Consent**Resolution Date:** 04/14/2011



Sanctions Ordered: Monetary/Fine \$15,645.25
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 61 of 135

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES

Initiated By: STATE OF NEVADA SECURITIES DIVISION

Date Initiated: 02/03/2011

Docket/Case Number: I10-125

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 02/03/2011

Sanctions Ordered: Monetary/Fine \$17,164.21
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 62 of 135

Reporting Source: Firm

Current Status: Final



Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES
Initiated By: STATE OF MINNESOTA DEPARTMENT OF COMMERCE
Date Initiated: 01/31/2011
Docket/Case Number: 16091
Principal Product Type: Other
Other Product Type(s): AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought: Cease and Desist
Other Sanction(s)/Relief Sought:
Resolution: Consent
Resolution Date: 01/31/2011
Sanctions Ordered: Monetary/Fine \$5,805.01
 Cease and Desist/Injunction
Other Sanctions Ordered:
Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 63 of 135

Reporting Source: Regulator
Current Status: Final
Allegations: FAILURE TO SUPERVISE
Initiated By: OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, DIVISION OF FINANCE AND CORPORATE SECURITIES.
Date Initiated: 02/17/2011
Docket/Case Number: S-10-0003
URL for Regulatory Action:
Principal Product Type: Other
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Cease and Desist



Other Sanction(s)/Relief Sought:	CIVIL PENALTY
Resolution:	Consent
Resolution Date:	02/17/2011
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:	Monetary/Fine \$2,502.92 Cease and Desist/Injunction
Other Sanctions Ordered:	BUYBACK OF ELIGIBLE AUCTION RATE SECURITIES FROM ELIGIBLE INVESTORS
Sanction Details:	TOTAL AMOUNT DUE \$2,502.92. PORTION LEVIED AGAINST THE SUBJECT \$2,502.92 FOR CIVIL AND ADMINISTRATIVE PENALTIES. DATE PAID 02/28/2011.
Regulator Statement	THE MATTER AROSE FROM A MULTI-STATE INVESTIGATION COORDINATED BY NASAA CONCERNING THE MARKETING AND SALE OF AUCTION RATE SECURITIES. ("ARS"). THE VIOLATION IS FAILURE TO SUPERVISE. THE MATTER RESOLVED BY CONSENT ORDER EXECUTED ON 2/17/11. THE CONSENT ORDER INCLUDES AN ORDER TO CEASE AND DESIST, A CIVIL PENALTY OF \$2,502.92 AND A BUYBACK OF ELIGIBLE ARS FROM ELIGIBLE INVESTORS. RESPONDENT PAID THE CIVIL PENALTY IN FULL ON 2/28/11.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES
Initiated By:	STATE OF OREGON DIVISION OF FINANCE AND CORPORATE SECURITIES
Date Initiated:	02/17/2011
Docket/Case Number:	S-10-0003
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist



Other Sanction(s)/Relief Sought:	CIVIL PENALTY
Resolution:	Consent
Resolution Date:	02/17/2011
Sanctions Ordered:	Monetary/Fine \$2,502.92 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 64 of 135

Reporting Source:	Firm
Current Status:	Final
Allegations:	FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.
Initiated By:	SECURITIES COMMISSIONER OF SOUTH CAROLINA
Date Initiated:	10/04/2010
Docket/Case Number:	10018
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	10/04/2010
Sanctions Ordered:	Monetary/Fine \$1,446.25 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.



Disclosure 65 of 135

Reporting Source:	Firm
Current Status:	Final
Allegations:	FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES
Initiated By:	STATE OF WISCONSIN DIVISION OF SECURITIES
Date Initiated:	12/08/2010
Docket/Case Number:	S-215593 (EX)
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	12/08/2010
Sanctions Ordered:	Monetary/Fine \$18,286.93 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 66 of 135

Reporting Source:	Firm
Current Status:	Final
Allegations:	FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES
Initiated By:	STATE OF ALASKA DIVISION OF BANKING AND SECURITIES
Date Initiated:	10/27/2010
Docket/Case Number:	10-18-S
Principal Product Type:	Other



Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	10/27/2010
Sanctions Ordered:	Monetary/Fine \$1,446.25 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 67 of 135

Reporting Source:	Regulator
Current Status:	Final
Allegations:	STIFEL FAILED TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.
Initiated By:	NEW JERSEY BUREAU OF SECURITIES
Date Initiated:	05/27/2010
Docket/Case Number:	2010-028
URL for Regulatory Action:	
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:	REPURCHASE AT PAR VALUE OF CERTAIN AUCTION RATE SECURITIES
Resolution:	Consent
Resolution Date:	10/29/2010



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: Monetary/Fine \$15,381.10

Other Sanctions Ordered: CEASE AND DESIST FROM VIOLATING THE SECURITIES LAW AND WILL COMPLY WITH THE SECURITIES LAW. STIFEL WILL REPURCHASE ELIGIBLE AUCTION RATE SECURITIES AT PAR PER THE TERMS IN THE CONSENT ORDER. STIFEL HAS OR WILL RETAIN, AT ITS EXPENSE, AN OUTSIDE CONSULTANT TO CONDUCT A REVIEW AND MAKE WRITTEN RECOMMENDATIONS CONCERNING STIFEL'S SUPERVISORY AND COMPLIANCE POLICIES AND PROCEDURES RELATING TO PRODUCT REVIEW OF NONCONVENTIONAL INVESTMENTS AND THE TRAINING, MARKETING AND SALE OF NONCONVENTIONAL INVESTMENTS.

Sanction Details: STIFEL FAILED TO REASONABLY SUPERVISE ITS REGISTERED AGENTS BY FAILING TO PROVIDE PERTINENT INFORMATION AND COMPREHENSIVE TRAINING TO ITS REGISTERED AGENTS AND OTHER SALE AND MARKETING STAFF REGARDING ARS AND THE MECHANICS OF THE AUCTION PROCESS.

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES

Initiated By: STATE OF NEW JERSEY BUREAU OF SECURITIES

Date Initiated: 05/27/2010

Docket/Case Number: 2010-028

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/29/2010



Sanctions Ordered: Monetary/Fine \$15,381.10
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: CEASE AND DESIST FROM VIOLATING THE SECURITIES LAW AND WILL COMPLY WITH THE SECURITIES LAW. STIFEL WILL REPURCHASE ELIGIBLE AUCTION RATE SECURITIES AT PAR PER THE TERMS IN THE CONSENT ORDER. STIFEL HAS OR WILL RETAIN, AT ITS EXPENSE, AN OUTSIDE CONSULTANT TO CONDUCT A REVIEW AND MAKE WRITTEN RECOMMENDATIONS CONCERNING STIFEL'S SUPERVISORY AND COMPLIANCE POLICIES AND PROCEDURES RELATING TO PRODUCT REVIEW OF NONCONVENTIONAL INVESTMENTS AND THE TRAINING, MARKETING AND SALE OF NONCONVENTIONAL INVESTMENTS.

Firm Statement STIFEL FAILED TO REASONABLY SUPERVISE ITS REGISTERED AGENTS BY FAILING TO PROVIDE PERTINENT INFORMATION AND COMPREHENSIVE TRAINING TO ITS REGISTERED AGENTS AND OTHER SALE AND MARKETING STAFF REGARDING ARS AND THE MECHANICS OF THE AUCTION PROCESS.

Disclosure 68 of 135

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES

Initiated By: ARKANSAS SECURITIES COMMISSIONER

Date Initiated: 10/19/2010

Docket/Case Number: S-09-024-10-OR12

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/19/2010

Sanctions Ordered: Monetary/Fine \$1,314.17
Cease and Desist/Injunction

**Other Sanctions Ordered:****Sanction Details:**

THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 69 of 135**Reporting Source:**

Regulator

Current Status:

Final

Allegations:

NASD RULES 2110, 2440, 4632(D), 6955(A), INTERPRETATIVE MATERIAL 2440 - STIFEL, NICOLAUS & COMPANY, INCORPORATED BOUGHT OR SOLD CORPORATE BONDS FROM OR TO CUSTOMERS AND FAILED TO BUY OR SELL 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. THE FIRM TRANSMITTED REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT WERE REJECTED BY OATS FOR CONTEXT OR SYNTAX ERRORS AND WERE REPAIRABLE BUT THE FIRM FAILED TO REPAIR MANY OF THE REJECTED ROES SO THAT THE FIRM FAILED TO TRANSMIT THEM TO OATS. THE FIRM INCORRECTLY REPORTED PRINCIPAL TRANSACTIONS AS EITHER "AGENT" OR "RISKLESS PRINCIPAL" TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF). THE FIRM FAILED TO REPORT THE FIRST LEG OF "RISKLESS PRINCIPAL TRANSACTIONS" AS "PRINCIPAL" TO THE FNTRF.

Initiated By:

FINRA

Date Initiated:

10/27/2010

Docket/Case Number:[2007011293101](#)**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:

10/27/2010



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 \$32,500.00

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 \$32,500.

Reporting Source:

Firm

Current Status:

Final

Allegations:

NASD RULES 2110, 2440, 4632(D), 6955(A), INTERPRETATIVE MATERIAL 2440 - STIFEL, NICOLAUS & COMPANY, INCORPORATED BOUGHT OR SOLD CORPORATE BONDS FROM OR TO CUSTOMERS AND FAILED TO BUY OR SELL 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. THE FIRM TRANSMITTED REPORTABLE ORDER EVENTS (ROES) TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT WERE REJECTED BY OATS FOR CONTEXT OR SYNTAX ERRORS AND WERE REPAIRABLE BUT THE FIRM FAILED TO REPAIR MANY OF THE REJECTED ROES SO THAT THE FIRM FAILED TO TRANSMIT THEM TO OATS. THE FIRM INCORRECTLY REPORTED PRINCIPAL TRANSACTIONS AS EITHER "AGENT" OR "RISKLESS PRINCIPAL" TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF). THE FIRM FAILED TO REPORT THE FIRST LEG OF "RISKLESS PRINCIPAL TRANSACTIONS" AS "PRINCIPAL" TO THE FNTRF.

Initiated By:

FINRA

Date Initiated:

10/27/2010

Docket/Case Number:

[2007011293101](#)

Principal Product Type:

Debt - Corporate

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Censure



Other Sanction(s)/Relief Sought: FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/27/2010

Sanctions Ordered: Censure
Monetary/Fine \$32,500.00

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 \$32,500.

Disclosure 70 of 135

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES

Initiated By: STATE OF MICHIGAN, OFFICE OF FINANCIAL AND INSURANCE REGULATION

Date Initiated: 09/29/2010

Docket/Case Number: NONE

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 09/29/2010

Sanctions Ordered: Monetary/Fine \$35,788.02
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 71 of 135

Reporting Source:	Firm
Current Status:	Final
Allegations:	FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES
Initiated By:	MAINE OFFICE OF SECURITIES
Date Initiated:	09/24/2010
Docket/Case Number:	10-032
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	09/24/2010
Sanctions Ordered:	Monetary/Fine \$1,116.04 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 72 of 135

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE DIVISION AGREED TO REFRAIN FROM INITIATING ANY ACTION BASED ON A SETTLEMENT INVOLVING ARS AND THE PAYMENT OF \$1050.
Initiated By:	THE UNITED STATES VIRGIN ISLANDS, DIVISION OF BANKING AND INSURANCE.
Date Initiated:	09/14/2010
Docket/Case Number:	NO. 13-10



Principal Product Type: Other
Other Product Type(s): AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought: FINE
Resolution: Consent
Resolution Date: 09/14/2010
Sanctions Ordered: Monetary/Fine \$1,050.00
Other Sanctions Ordered:
Sanction Details: STIFEL SHALL PAY TO THE U.S. VIRGIN ISLANDS THE SUM OF \$1,050.00

Disclosure 73 of 135

Reporting Source: Regulator
Current Status: Final
Allegations: ON SEPTEMBER 23, 2010, THE CONNECTICUT BANKING COMMISSIONER ENTERED A CONSENT ORDER WITH RESPECT TO STIFEL, NICOLAUS & COMPANY INCORPORATED. THE SETTLEMENT FOLLOWED A MULTI-STATE INVESTIGATION SPEARHEADED BY THE SECURITIES DIVISION OF THE MISSOURI SECRETARY OF STATE. THE CONSENT ORDER ALLEGED THAT, IN FAILING TO ADEQUATELY TRAIN ITS REGISTERED AGENTS REGARDING THE FEATURES AND RISKS OF ARS, THE FIRM FAILED TO REASONABLY SUPERVISE THOSE AGENTS WHO RECOMMENDED ARS AS SAFE AND/OR LIQUID INVESTMENTS TO FIRM CUSTOMERS.
Initiated By: CONNECTICUT
Date Initiated: 09/23/2010
Docket/Case Number: CO-10-7809-S
URL for Regulatory Action:
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:



Resolution: Consent

Resolution Date: 09/23/2010

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: Monetary/Fine \$8,512.73
Cease and Desist/Injunction

Other Sanctions Ordered: THE CONSENT ORDER FINED THE FIRM \$8,512.73, AND REQUIRED THAT IT CEASE AND DESIST FROM REGULATORY VIOLATIONS.

Sanction Details: SEE RESPONSE TO ITEM 13.B.

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES

Initiated By: STATE OF CONNECTICUT DEPARTMENT OF BANKING

Date Initiated: 09/23/2010

Docket/Case Number: CO-10-7809-S

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 09/23/2010

Sanctions Ordered: Monetary/Fine \$8,512.73
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-



10-05.

Disclosure 74 of 135**Reporting Source:** Regulator**Current Status:** Final

Allegations: NASD RULES 2110, 2830(N), 3010: RYAN BECK & CO., INC. (N/K/A STIFEL NICOLAUS & COMPANY, INC.) FAILED TO ESTABLISH AN EFFECTIVE SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE THAT DISCOUNTS WERE CORRECTLY APPLIED ON ELIGIBLE UNIT INVESTMENT TRUST (UIT) PURCHASES. THE WRITTEN SUPERVISORY PROCEDURES HAD LIMITED INFORMATION REGARDING UIT SALES CHARGE DISCOUNTS AND OMITTED THE FACT THAT CERTAIN UIT SPONSORS PERMITTED EXCHANGE DISCOUNTS MADE WITH THE PROCEEDS FROM A UIT HOLDING OF ANOTHER SPONSOR. THIS WAS PARTICULARLY RELEVANT BECAUSE THE FIRM'S UIT BUSINESS WAS ALMOST EXCLUSIVELY WITH UIT SPONSORS THAT PROVIDED THIS SALES CHARGE DISCOUNT. THE FIRM'S PROCEDURES LACKED SUBSTANTIVE GUIDELINES, INSTRUCTIONS, POLICIES, OR STEPS FOR BROKERS, TRADING PERSONNEL, OR SUPERVISORS TO FOLLOW TO DETERMINE IF A CUSTOMER'S UIT PURCHASE QUALIFIED FOR, AND RECEIVED, A SALES CHARGE DISCOUNT. THE BROKER AND FIRM COMPENSATION DIMINISHED WHEN THE CUSTOMER RECEIVED A SALES CHARGE DISCOUNT. BECAUSE OF THIS, THE FIRM NEEDED TO BE PARTICULARLY DILIGENT IN PROVIDING GUIDANCE TO BROKERS, SUPERVISORS AND TRADING PERSONNEL ON UIT SALES CHARGE DISCOUNTS. THE FIRM FAILED TO PROVIDE ELIGIBLE CUSTOMERS WITH APPROPRIATE DISCOUNT ON BOTH UIT ROLLOVER AND BREAKPOINT PURCHASES. THE FIRM FAILED TO IDENTIFY AND APPROPRIATELY APPLY SALES CHARGE DISCOUNTS IN APPROXIMATELY 6.9% OF THE TRANSACTIONS REVIEWED IN A SAMPLE OF CUSTOMER PURCHASES IN CERTAIN TOP SELLING UITs. AS A RESULT, THE FIRM OVERCHARGED CUSTOMERS IN THIS SAMPLE APPROXIMATELY \$20,000. THE FIRM SOLD UITs THAT IMPOSED A DEFERRED SALES CHARGE. THIS DEFERRED SALES CHARGE WAS GENERALLY CHARGED UPON REDEMPTION, IF A CUSTOMER SOLD A UIT BEFORE THE DEFERRED SALES CHARGES WERE IMPOSED. THE FIRM FAILED TO ENSURE THAT ITS CUSTOMERS' UIT PURCHASE CONFIRMATIONS INCLUDED THE REQUIRED LEGEND THAT "ON SELLING YOUR SHARES, YOU MAY PAY A SALES CHARGE. FOR THE CHARGE AND OTHER FEES, SEE THE PROSPECTUS." THE FIRM MISSTATED ON CERTAIN UIT CONFIRMATIONS THAT A SALES CHARGE DISCOUNT HAD BEEN APPLIED, WHEN, IN FACT, IT HAD NOT. CERTAIN CONFIRMATIONS INCLUDED A NOTATION THAT THE CUSTOMER RECEIVED A PARTICULAR BREAKPOINT DISCOUNT, WHEN EITHER A



LESSER OR NO DISCOUNT WAS APPLIED TO THE PURCHASE. THIS INADVERTENT ERROR OCCURRED IN CERTAIN INSTANCES WHEN A TRADER INDICATED THAT A BREAKPOINT WAS TO BE APPLIED, BUT FAILED TO FOLLOW THROUGH ON THE MANUAL STEPS REQUIRED TO APPLY THE DISCOUNT TO THAT TRANSACTION.

Initiated By: FINRA

Date Initiated: 09/23/2010

Docket/Case Number: [2008015700901](#)

Principal Product Type: Unit Investment Trust(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: 09/23/2010

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 \$100,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, RYAN BECK & CO., INC. (N/K/A STIFEL NICOLAUS & COMPANY, INC.) CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED, FINED \$100,000 AND AGREES TO COMPLETE AN UNDERTAKING. THE FIRM WILL PROVIDE REMEDIATION TO CUSTOMERS WHO PURCHASED UITs AND QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE SALES CHARGE DISCOUNT. WITHIN 90 DAYS OF THE EFFECTIVE DATE OF THE AWC, THE FIRM WILL SUBMIT TO FINRA A PROPOSED PLAN OF HOW IT WILL IDENTIFY AND COMPENSATE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE UIT SALES CHARGE DISCOUNTS. AT A MINIMUM, THE PLAN MUST INCLUDE THE FOLLOWING PROVISIONS: THE FIRM WILL REVIEW ALL CUSTOMER UIT PURCHASES EFFECTED, REGARDLESS OF DOLLAR



AMOUNT, TO DETERMINE IF A CUSTOMER QUALIFIED FOR A BREAKPOINT, ROLLOVER, OR EXCHANGE DISCOUNT. WHEN DETERMINING A CUSTOMER'S ELIGIBILITY FOR A SALES CHARGE DISCOUNT, THE FIRM MUST AGGREGATE SAME-DAY PURCHASES BY A CUSTOMER, INCLUDING RELATED ACCOUNTS, AND UIT REDEMPTIONS AND TERMINATIONS BY A CUSTOMER WITHIN 30 DAYS OF A UIT PURCHASE. FOR EACH CUSTOMER WHO DID NOT RECEIVE AN APPROPRIATE SALES CHARGE DISCOUNT ON A UIT PURCHASE, THE FIRM WILL DETERMINE THE EXCESS SALE CHARGE PAID BY THE CUSTOMERS AND CALCULATE MONIES OWED, PLUS INTEREST. IF THE PLAN REASONABLY COMPLIES WITH THE SPECIFIC REQUIREMENTS SET FORTH IN THE AWC, AND IS IN KEEPING WITH THE GENERAL PURPOSE OF THE UNDERTAKING, FINRA WILL NOT OBJECT TO THE PLAN. THE DATE THAT FINRA NOTIFIES THE FIRM THAT IT DOES NOT OBJECT TO THE PLAN SHALL BE CALLED THE NOTICE DATE. IN THE EVENT THE FINRA DOES OBJECT TO THE PLAN, THE FIRM WILL HAVE AN OPPORTUNITY TO ADDRESS FINRA'S OBJECTIONS AND RESUBMIT THE PLAN WITHIN 30 DAYS. FINRA WILL DISCUSS ITS OBJECTIONS WITH THE FIRM. [CONTINUED IN COMMENTS]

Regulator Statement

[CONTINUED FROM SANCTION DETAIL]: A FAILURE TO RESUBMIT TO FINRA A PLAN THAT IS REASONABLY DESIGNED TO MEET THE SPECIFIC REQUIREMENTS AND GENERAL PURPOSE OF THE UNDERTAKING WILL BE A VIOLATION OF THE TERMS OF THE AWC. THE FIRM SHALL COMPLETE THE REMEDIATION PROCESS WITHIN 180 DAYS FROM THE NOTICE DATE. WITHIN 210 DAYS FROM THE NOTICE DATE, THE FIRM WILL SUBMIT TO FINRA A SCHEDULE OF ALL CUSTOMERS IDENTIFIED DURING THE FIRM'S REVIEW AS HAVING NOT RECEIVED AN APPROPRIATE SALES CHARGE DISCOUNT. THE SCHEDULE SHALL INCLUDE DETAILS OF THE QUALIFYING PURCHASES AND THE APPROPRIATE DISCOUNT AND TOTAL DOLLAR AMOUNTS OF RESTITUTION PROVIDED TO EACH CUSTOMER. WITHIN 210 DAYS FROM THE NOTICE DATE, THE FIRM WILL SUBMIT TO FINRA, THE RESULTS OF THE FIRM'S IMPLEMENTATION OF ITS PLAN TO IDENTIFY AND COMPENSATE QUALIFYING CUSTOMERS, INCLUDING THE AMOUNTS AND MANNER OF ALL RESTITUTION PAID. FOR GOOD CAUSE SHOWN, AND UPON RECEIPT OF A TIMELY REQUEST FROM THE FIRM, FINRA STAFF MAY EXTEND ANY OF THE PROCEDURAL DATES SET FORTH ABOVE.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110, 2830(N), 3010: RYAN BECK & CO., INC. (N/K/A STIFEL NICOLAUS & COMPANY, INC.) FAILED TO ESTABLISH AN EFFECTIVE SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE THAT DISCOUNTS WERE



CORRECTLY APPLIED ON ELIGIBLE UNIT INVESTMENT TRUST (UIT) PURCHASES. THE WRITTEN SUPERVISORY PROCEDURES HAD LIMITED INFORMATION REGARDING UIT SALES CHARGE DISCOUNTS AND OMITTED THE FACT THAT CERTAIN UIT SPONSORS PERMITTED EXCHANGE DISCOUNTS MADE WITH THE PROCEEDS FROM A UIT HOLDING OF ANOTHER SPONSOR. THE FIRM'S PROCEDURES LACKED SUBSTANTIVE GUIDELINES, INSTRUCTIONS, POLICIES, OR STEPS FOR BROKERS, TRADING PERSONNEL, OR SUPERVISORS TO FOLLOW TO DETERMINE IF A CUSTOMER'S UIT PURCHASE QUALIFIED FOR, AND RECEIVED, A SALES CHARGE DISCOUNT. THE FIRM FAILED TO PROVIDE ELIGIBLE CUSTOMERS WITH APPROPRIATE DISCOUNT ON BOTH UIT ROLLOVER AND BREAKPOINT PURCHASES. THE FIRM FAILED TO IDENTIFY AND APPROPRIATELY APPLY SALES CHARGE DISCOUNTS IN APPROXIMATELY 6.9% OF THE TRANSACTIONS REVIEWED IN A SAMPLE OF CUSTOMER PURCHASES IN CERTAIN TOP SELLING UITs. AS A RESULT, THE FIRM OVERCHARGED CUSTOMERS IN THIS SAMPLE APPROXIMATELY \$20,000. THE FIRM FAILED TO ENSURE THAT ITS CUSTOMERS' UIT PURCHASE CONFIRMATIONS INCLUDED THE REQUIRED LEGEND THAT "ON SELLING YOUR SHARES, YOU MAY PAY A SALES CHARGE. FOR THE CHARGE AND OTHER FEES, SEE THE PROSPECTUS." THE FIRM MISSTATED ON CERTAIN UIT CONFIRMATIONS THAT A SALES CHARGE DISCOUNT HAD BEEN APPLIED, WHEN, IN FACT, IT HAD NOT. CERTAIN CONFIRMATIONS INCLUDED A NOTATION THAT THE CUSTOMER RECEIVED A PARTICULAR BREAKPOINT DISCOUNT, WHEN EITHER A LESSER OR NO DISCOUNT WAS APPLIED TO THE PURCHASE. THIS INADVERTENT ERROR OCCURRED IN CERTAIN INSTANCES WHEN A TRADER INDICATED THAT A BREAKPOINT WAS TO BE APPLIED, BUT FAILED TO FOLLOW THROUGH ON THE MANUAL STEPS REQUIRED TO APPLY THE DISCOUNT TO THAT TRANSACTION.

Initiated By: FINRA

Date Initiated: 09/23/2010

Docket/Case Number: [2008015700901](#)

Principal Product Type: Unit Investment Trust(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: FINE, UNDERTAKING

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/23/2010

Sanctions Ordered: Censure



Monetary/Fine \$100,000.00

Other Sanctions Ordered:

UNDERTAKING

Sanction Details:

WITHOUT ADMITTING OR DENYING THE FINDINGS, RYAN BECK & CO., INC. (N/K/A STIFEL NICOLAUS & COMPANY, INC.) CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED, FINED \$100,000 AND AGREES TO COMPLETE AN UNDERTAKING. THE FIRM WILL PROVIDE REMEDIATION TO CUSTOMERS WHO PURCHASED UITs AND QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE SALES CHARGE DISCOUNT. WITHIN 90 DAYS OF THE EFFECTIVE DATE OF THE AWC, THE FIRM WILL SUBMIT TO FINRA A PROPOSED PLAN OF HOW IT WILL IDENTIFY AND COMPENSATE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE UIT SALES CHARGE DISCOUNTS. AT A MINIMUM, THE PLAN MUST INCLUDE THE FOLLOWING PROVISIONS: THE FIRM WILL REVIEW ALL CUSTOMER UIT PURCHASES EFFECTED, REGARDLESS OF DOLLAR AMOUNT, TO DETERMINE IF A CUSTOMER QUALIFIED FOR A BREAKPOINT, ROLLOVER, OR EXCHANGE DISCOUNT. WHEN DETERMINING A CUSTOMER'S ELIGIBILITY FOR A SALES CHARGE DISCOUNT, THE FIRM MUST AGGREGATE SAME-DAY PURCHASES BY A CUSTOMER, INCLUDING RELATED ACCOUNTS, AND UIT REDEMPTIONS AND TERMINATIONS BY A CUSTOMER WITHIN 30 DAYS OF A UIT PURCHASE. FOR EACH CUSTOMER WHO DID NOT RECEIVE AN APPROPRIATE SALES CHARGE DISCOUNT ON A UIT PURCHASE, THE FIRM WILL DETERMINE THE EXCESS SALE CHARGE PAID BY THE CUSTOMERS AND CALCULATE MONIES OWED, PLUS INTEREST. THE FIRM SHALL COMPLETE THE REMEDIATION PROCESS WITHIN 180 DAYS FROM THE NOTICE DATE. WITHIN 210 DAYS FROM THE NOTICE DATE, THE FIRM WILL SUBMIT TO FINRA A SCHEDULE OF ALL CUSTOMERS IDENTIFIED DURING THE FIRM'S REVIEW AS HAVING NOT RECEIVED AN APPROPRIATE SALES CHARGE DISCOUNT. THE SCHEDULE SHALL INCLUDE DETAILS OF THE QUALIFYING PURCHASES AND THE APPROPRIATE DISCOUNT AND TOTAL DOLLAR AMOUNTS OF RESTITUTION PROVIDED TO EACH CUSTOMER. WITHIN 210 DAYS FROM THE NOTICE DATE, THE FIRM WILL SUBMIT TO FINRA, THE RESULTS OF THE FIRM'S IMPLEMENTATION OF ITS PLAN TO IDENTIFY AND COMPENSATE QUALIFYING CUSTOMERS, INCLUDING THE AMOUNTS AND MANNER OF ALL RESTITUTION PAID.

Firm Statement

THE FINRA INQUIRY INVOLVED A TIME PERIOD FOR RYAN BECK & CO., IMMEDIATELY BEFORE, DURING AND SHORTLY AFTER ITS MERGER WITH STIFEL, NICOLAUS AND COMPANY. UNFORTUNATELY, RYAN BECK AND CO., FAILED TO PROPERLY CREDIT ITS CUSTOMERS BUYING OR SELLING UIT WITH THE APPROPRIATE SALES CREDIT DISCOUNTS. THIS PROBLEM WAS CAUSED BY A VARIETY OF FACTORS, INCLUDING THE DEPARTURE OF KEY PERSONNEL IN THE UIT DEPARTMENT AS WELL AS THE MERGER PROCESS WITH STIFEL. RYAN BECK HAS UNDERTAKEN TO MAKE ALL



AFFECTED CLIENTS WHOLE, WITH INTEREST.

Disclosure 75 of 135

Reporting Source:	Firm
Current Status:	Final
Allegations:	FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF RHODE ISLAND
Date Initiated:	08/10/2010
Docket/Case Number:	NONE
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	08/10/2010
Sanctions Ordered:	Monetary/Fine \$1,050.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 76 of 135

Reporting Source:	Firm
Current Status:	Final
Allegations:	FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF KANSAS SECURITIES COMMISSIONER
Date Initiated:	08/19/2010
Docket/Case Number:	KSC NO. 2010-5756



Principal Product Type: Other
Other Product Type(s): AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought: Cease and Desist
Other Sanction(s)/Relief Sought:
Resolution: Consent
Resolution Date: 08/19/2010
Sanctions Ordered: Monetary/Fine \$13,597.95
 Cease and Desist/Injunction
Other Sanctions Ordered:
Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSECT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 77 of 135

Reporting Source: Firm
Current Status: Final
Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES
Initiated By: STATE OF COLORADO SECURITIES COMMISSIONER
Date Initiated: 08/24/2010
Docket/Case Number: XY 2009-002
Principal Product Type: Other
Other Product Type(s): AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought: Cease and Desist
Other Sanction(s)/Relief Sought:
Resolution: Consent
Resolution Date: 08/24/2010
Sanctions Ordered: Monetary/Fine \$24,720.67
 Cease and Desist/Injunction

**Other Sanctions Ordered:****Sanction Details:**

THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 78 of 135

Reporting Source:	Regulator
Current Status:	Final
Allegations:	STIFEL FAILED TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.
Initiated By:	OKLAHOMA DEPARTMENT OF SECURITIES
Date Initiated:	07/19/2010
Docket/Case Number:	10-078
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	REPURCHASE AT PAR VALUE OF CERTAIN AUCTION RATE SECURITIES
Resolution:	Consent
Resolution Date:	07/19/2010
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:	Monetary/Fine \$1,050.00 Cease and Desist/Injunction
Other Sanctions Ordered:	CEASE AND DESIST FROM VIOLATING THE SECURITIES LAW AND WILL COMPLY WITH THE SECURITIES LAW. STIFEL WILL REPURCHASE ELIGIBLE AUCTION RATE SECURITIES AT PAR PER THE TERMS IN THE CONSENT ORDER. STIFEL HAS OR WILL RETAIN, AT ITS EXPENSE, AN OUTSIDE CONSULTANT TO CONDUCT A REVIEW AND MAKE WRITTEN RECOMMENDATIONS CONCERNING STIFEL'S SUPERVISORY AND COMPLIANCE POLICIES AND PROCEDURES RELATING TO PRODUCT



REVIEW OF NONCONVENTIONAL INVESTMENTS AND THE TRAINING,
MARKETING AND SALE OF NONCONVENTIONAL INVESTMENTS.

Sanction Details:

STIFEL FAILED TO REASONABLY SUPERVISE ITS REGISTERED AGENTS BY
FAILING TO PROVIDE PERTINENT INFORMATION AND COMPREHENSIVE
TRAINING TO ITS REGISTERED AGENTS AND OTHER SALE AND
MARKETING STAFF REGARDING ARS AND THE MECHANICS OF THE
AUCTION PROCESS

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.

Initiated By: STATE OF OKLAHOMA DEPARTMENT OF SECURITIES

Date Initiated: 07/14/2010

Docket/Case Number: 10-078

Principal Product Type: Other

Other Product Type(s):

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 07/14/2010

Sanctions Ordered: Monetary/Fine \$1,050.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY
MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-
10-05.

Disclosure 79 of 135

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES



Initiated By: DELAWARE SECURITIES COMMISSION
Date Initiated: 07/08/2010
Docket/Case Number: 10-6-3
Principal Product Type: Other
Other Product Type(s): AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought: Cease and Desist
Other Sanction(s)/Relief Sought:
Resolution: Consent
Resolution Date: 07/08/2010
Sanctions Ordered: Monetary/Fine \$1,182.08
 Cease and Desist/Injunction
Other Sanctions Ordered:
Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 80 of 135

Reporting Source: Firm
Current Status: Final
Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES
Initiated By: STATE OF WEST VIRGINIA SECURITIES COMMISSION
Date Initiated: 06/28/2010
Docket/Case Number: 60-793
Principal Product Type: Other
Other Product Type(s): AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought: Cease and Desist
Other Sanction(s)/Relief Sought:
Resolution: Consent



Resolution Date: 06/28/2010

Sanctions Ordered: Monetary/Fine \$1,050.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010,CASE NO. AP-10-05.

Disclosure 81 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: THE DIVISION ALLEGED THAT THE FIRM FAILED TO SUPERVISE THE SALE OF ARS IN VIOLATION OF SECTION 61-1-6(2)(A)(II)(J) OF THE UTAH UNIFORM SECURITIES ACT.

Initiated By: UTAH DIVISION OF SECURITIES

Date Initiated: 06/01/2010

Docket/Case Number: SD-10-0046

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought: FIRM WILL ALSO TAKE VARIOUS ACTIONS TO ADDRESS THE ELIGIBLE AUCTION RATE SECURITIES ("ARS") AND ELIGIBLE INVESTORS PURSUANT TO THE ARS SETTLEMENT. OF THE FIRM'S TOTAL TINES AND/OR PENALTIES, THE FIRM WILL PAY TO THE STATE OF UTAH \$1,116.04 WITHIN TEN (10) CALENDAR DAYS OF THE ORDER.

Resolution: Stipulation and Consent

Resolution Date: 06/01/2010

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: Monetary/Fine \$1,116.04



Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details:

THE TOTAL AMOUNT PAID TO THE STATES AND OTHER JURISDICTIONS PARTICIPATING IN THE NASAA MULTISTATE TASK FORCE WAS \$525,000 WITH \$1,116.04 BEING PAID TO UTAH. UTAH PORTION PAID IN FULL.

Regulator Statement

A COPY OF THE STIPULATION AND CONSENT ORDER CAN BE VIEWED ONLINE AT: [HTTP://SECURITIES.UTAH.GOV/DOCKETS/10004601.PDF](http://SECURITIES.UTAH.GOV/DOCKETS/10004601.PDF)

Reporting Source:

Firm

Current Status:

Final

Allegations:

FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.

Initiated By:

STATE OF UTAH DEPARTMENT OF COMMERCE, DIVISION OF SECURITIES

Date Initiated:

06/01/2010

Docket/Case Number:

SD-10-0046

Principal Product Type:

Other

Other Product Type(s):

AUCTION RATE SECURITIES

Principal Sanction(s)/Relief Sought:

Cease and Desist

Other Sanction(s)/Relief Sought:

Resolution:

Consent

Resolution Date:

06/01/2010

Sanctions Ordered:

Monetary/Fine \$1,116.04
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details:

THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 82 of 135

Reporting Source:

Firm

Current Status:

Final



Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES

Initiated By: TENNESSEE SECURITIES DIVISION

Date Initiated: 06/16/2010

Docket/Case Number: 10-003 (SI-2008-010)

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 06/16/2010

Sanctions Ordered: Monetary/Fine \$3,889.80
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 83 of 135

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES

Initiated By: STATE OF NEBRASKA DEPARTMENT OF BANKING AND FINANCE

Date Initiated: 05/10/2010

Docket/Case Number: NONE

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:



Resolution: Consent

Resolution Date: 05/10/2010

Sanctions Ordered: Monetary/Fine \$1,248.13
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 84 of 135

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.

Initiated By: STATE OF LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS

Date Initiated: 05/25/2010

Docket/Case Number: OFI-2010-0011

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 05/25/2010

Sanctions Ordered: Monetary/Fine \$1,116.04
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 85 of 135



Reporting Source: Regulator

Current Status: Final

Allegations: STIFEL WAS THE SUBJECT OF A NASAA AUCTION RATE SECURITIES TASK FORCE INVESTIGATION REGARDING ITS MARKETING AND SALES OF AUCTION RATE SECURITIES.

Initiated By: CALIFORNIA DEPARTMENT OF CORPORATIONS.

Date Initiated: 05/05/2010

Docket/Case Number:

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 05/05/2010

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: Monetary/Fine \$11,220.45
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: STIFEL CONSENTED TO REPURCHASE AUCTION RATE SECURITIES SOLD TO CERTAIN "ELIGIBLE INVESTORS" ON A GRADUAL SCHEDULED BASIS, AND TO PAY AGREED PENALTIES TO EACH STATE IN WHICH INVESTORS RESIDED.

Regulator Statement AN ADMINISTRATIVE CONSENT ORDER WAS EXECUTED 5/5/10, AND PENALTIES PAID IN THE ABOVE AMOUNT, BASED ON SALES IN CALIFORNIA OF APPROXIMATELY \$3,850,000. THE ORDER FINDS THAT STIFEL FAILED TO REASONABLY SUPERVISE ITS REGISTERED AGENTS, IN VIOLATION OF CALIFORNIA CORPORATIONS CODE SECTION 25218 AND 10 CCR 260.218. 4(A), BY FAILING TO TRAIN AND INFORM THEM RE ARS AND THE



 MECHANICS OF THE AUCTION PROCESS.

Reporting Source: Firm
Current Status: Final
Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES
Initiated By: STATE OF CALIFORNIA COMMISSIONER OF CORPORATIONS
Date Initiated: 05/05/2010
Docket/Case Number: NONE
Principal Product Type: Other
Other Product Type(s): AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought: Cease and Desist
Other Sanction(s)/Relief Sought:
Resolution: Consent
Resolution Date: 05/05/2010
Sanctions Ordered: Monetary/Fine \$11,220.45
 Cease and Desist/Injunction
Other Sanctions Ordered:
Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05

Disclosure 86 of 135

Reporting Source: Regulator
Current Status: Final
Allegations: THE COMMISSION ENTERED INTO CONSENT ORDER NO.CO-2010-0024 WITH STIFEL, NICHOLAS & CO., INC. AND AS A RESULT, RECEIVED PAYMENT OF \$1,050.00 TO THE ALABAMA SECURITIES COMMISSION. THE COMMISSION'S ORDER CITED THE FIRM WITH FAILURE TO REASONABLY SUPERVISE IT'S AGENTS BY FAILING TO PROVIDE PERTINENT INFORMATION AND COMPREHENSIVE TRAINING TO IT'S REGISTERED AGENTS AND OTHER SALES AND MARKETING STAFF REGARDING AUCTION RATE SECURITIES AND THE MECHANICS OF THE AUCTION



PROCESS.

Initiated By: ALABAMA SECURITIES COMMISSION**Date Initiated:** 05/13/2010**Docket/Case Number:** CO-2010-0024**URL for Regulatory Action:****Principal Product Type:** Other**Other Product Type(s):** AUCTION RATE SECURITIES**Principal Sanction(s)/Relief Sought:** Other**Other Sanction(s)/Relief Sought:** CONSENT ORDER**Resolution:** Consent**Resolution Date:** 05/13/2010**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:** Monetary/Fine \$1,050.00**Other Sanctions Ordered:** \$1,050.00**Sanction Details:** \$1,050.00

Regulator Statement THE COMMISSION ENTERED INTO CONSENT ORDER NO.CO-2010-0024 WITH STIFEL, NICHOLAS & CO., INC. AND AS A RESULT, RECEIVED PAYMENT OF \$1,050.00 TO THE ALABAMA SECURITIES COMMISSION. THE COMMISSION'S ORDER CITED THE FIRM WITH FAILURE TO REASONABLY SUPERVISE IT'S AGENTS BY FAILING TO PROVIDE PERTINENT INFORMATION AND COMPREHENSIVE TRAINING TO IT'S REGISTERED AGENTS AND OTHER SALES AND MARKETING STAFF REGARDING AUCTION RATE SECURITIES AND THE MECHANICS OF THE AUCTION PROCESS.

Reporting Source: Firm**Current Status:** Final**Allegations:** FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES



Initiated By: ALABAMA SECURITIES COMMISSION
Date Initiated: 05/13/2010
Docket/Case Number: CO-2010-0024
Principal Product Type: Other
Other Product Type(s): AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought: Cease and Desist
Other Sanction(s)/Relief Sought:
Resolution: Consent
Resolution Date: 05/13/2010
Sanctions Ordered: Monetary/Fine \$1,050.00
 Cease and Desist/Injunction
Other Sanctions Ordered:
Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 87 of 135

Reporting Source: Firm
Current Status: Final
Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.
Initiated By: IOWA INSURANCE DIVISION
Date Initiated: 04/19/2010
Docket/Case Number: 67188
Principal Product Type: Other
Other Product Type(s): AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought: Cease and Desist
Other Sanction(s)/Relief Sought:
Resolution: Consent



Resolution Date: 04/19/2010

Sanctions Ordered: Monetary/Fine \$2,172.71
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 88 of 135

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.

Initiated By: SOUTH DAKOTA DEPARTMENT OF REVENUE AND REGULATION

Date Initiated: 04/19/2010

Docket/Case Number: NONE

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 04/19/2010

Sanctions Ordered: Monetary/Fine \$1,050.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 89 of 135

Reporting Source: Firm



Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.

Initiated By: STATE OF VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION

Date Initiated: 04/22/2010

Docket/Case Number: 10-031-S

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 04/22/2010

Sanctions Ordered: Monetary/Fine \$1,116.04
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05.

Disclosure 90 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: ON APRIL 26, 2010, THE SECURITIES DIVISION ENTERED INTO A CONSENT ORDER WITH STIFEL, NICOLAUS & COMPANY, INC. ("STIFEL") TO SETTLE ALLEGATIONS THAT STIFEL FAILED TO REASONABLY SUPERVISE ITS SALESPERSONS IN CONNECTION WITH THE OFFER AND SALE OF AUCTION RATE SECURITIES ("ARS"). IN SETTLING THE MATTER, STIFEL NEITHER ADMITTED NOR DENIED THE ALLEGATIONS, BUT AGREED TO CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF WASHINGTON. STIFEL FURTHER AGREED TO BUY BACK ARS AT PAR FROM CERTAIN CUSTOMERS AND PAY A FINE OF \$1,512.29. STIFEL WAIVED ITS RIGHT TO A HEARING AND TO JUDICIAL REVIEW OF THIS MATTER.

Initiated By: WASHINGTON



Date Initiated: 04/26/2010
Docket/Case Number: S-10-040-10-CO01
URL for Regulatory Action:
Principal Product Type: Other
Other Product Type(s): AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought: Cease and Desist
Other Sanction(s)/Relief Sought:
Resolution: Consent
Resolution Date: 04/26/2010
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 \$1,512.29
 Cease and Desist/Injunction
Other Sanctions Ordered: STIFEL WILL CEASE AND DESIST FROM VIOLATING THE ACT AND WILL COMPLY WITH THE ACT. WITHIN TEN (10) CALENDAR DAYS FOLLOWING THE ENTRY OF THIS ORDER, STIFEL SHALL PAY TO THE STATE OF WASHINGTON THE SUM OF \$1,512.29, WHICH AMOUNT CONSTITUTES WASHINGTON'S ALLOCATED SHARE OF THE TOTAL SETTLEMENT PAYMENT DESCRIBED IN THE PRECEDING PARAGRAPH.
Sanction Details: N/A
Regulator Statement JILL VALLELY - 360-902-8801

Reporting Source: Firm
Current Status: Final
Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.
Initiated By: STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS, SECURITIES DIVISION
Date Initiated: 04/26/2010



Docket/Case Number: S-10-040-10-CO01

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 04/26/2010

Sanctions Ordered: Monetary/Fine \$1,512.29
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FIRM IS TO COMPLY WITH THE TERMS OF THE CONSENT ORDER BY MISSOURI SECRETARY OF STATE DATED JANUARY 22, 2010, CASE NO. AP-10-05

Disclosure 91 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: THE ENFORCEMENT SECTION OF THE MISSOURI SECURITIES DIVISION HAS ALLEGED THAT RESPONDENT STIFEL NICOLAUS & COMPANY, INC, FAILED TO REASONABLY SUPERVISE A MISSOURI-REGISTERED AGENT WITH REGARD TO TRANSACTIONS IN CERTAIN SECURITIES ACCOUNTS OF THREE MISSOURI RESIDENTS.

Initiated By: MISSOURI

Date Initiated: 03/10/2010

Docket/Case Number: AP-10-03

URL for Regulatory Action:

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: CONSENT



Resolution: Consent

Resolution Date: 03/10/2010

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 \$211,617.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: RESPONDENT'S REGISTRATION IS HEREBY CENSURED. RESPONDENT IS ORDERED TO DISGORGE \$78,617.00 IN COMMISSIONS RECEIVED BY RESPONDENT YET NOT PREVIOUSLY DISGORGED BY THE AGENT AS TO THE THREE MISSOURI RESIDENTS REFERENCED HEREIN AND AS IDENTIFIED BY THE ENFORCEMENT SECTION. RESPONDENT SHALL PAY TO THE MISSOURI SECRETARY OF STATE'S INVESTOR EDUCATION AND PROTECTION FUND THE SUM OF \$85,000.00. RESPONDENT SHALL PAY A CIVIL PENALTY OF \$35,000.00. RESPONDENT SHALL PAY \$13,000 AS THE COST OF THIS INVESTIGATION. RESPONDENT SHALL PAY ITS OWN COSTS AND ATTORNEYS FEES WITH RESPECT TO THIS MATTER.

Reporting Source: Firm

Current Status: Final

Allegations: THE ENFORCEMENT SECTION OF THE MISSOURI SECURITIES DIVISION ALLEGED THAT THE FIRM FAILED TO REASONABLY SUPERVISE A MISSOURI-REGISTERED AGENT WITH REGARD TO TRANSACTIONS IN CERTAIN SECURITIES ACCOUNTS OF THREE MISSOURI RESIDENTS.

Initiated By: STATE OF MISSOURI, OFFICE OF SECRETARY OF STATE

Date Initiated: 03/10/2010

Docket/Case Number: AP-10-03

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure



Other Sanction(s)/Relief Sought: MONETARY, DISGORGEMENT

Resolution: Consent

Resolution Date: 03/10/2010

Sanctions Ordered: Censure
Monetary/Fine \$211,617.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: STIFEL IS ORDERED TO DISGORGE 78,617.00 IN COMMISSIONS RECEIVED, YET NOT PREVIOUSLY DISGORGED BY AGENT. STIFEL WILL PAY \$133,000 IN FINES AND COSTS TO THE STATE OF MISSOURI.

Disclosure 92 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES

Initiated By: MISSOURI SECURITIES DIVISION

Date Initiated: 01/22/2010

Docket/Case Number: AP-10-05

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: CONSENT ORDER

Resolution: Consent

Resolution Date: 01/22/2010

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: Monetary/Fine \$250,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: STIFEL WILL CEASE AND DESIST FROM VIOLATING AND COMPLY WITH THE MO SECURITIES ACT OF 2003. STIFEL WILL RETAIN, AT ITS EXPENSE, AN OUTSIDE CONSULTANT NOT UNACCPABLE TO THE COMMISSIONER TO CONDUCT A REVIEW AND MAKE WRITTEN RECOMMENDATIONS CONCERNING STIFEL'S SUPERVISORY AND COMPLIANCE POLICIES AND PROCEDURES. A REPORT PREPARED BY THE CONSULTANT DESCRIBING HIS OR HER RECOMMENDATIONS SHALL BE PROVIDED TO STIFEL, AND STIFEL WILL PROMPTLY PROVIDE TO THE ENFORCEMENT SECTION A COPY OF SUCH REPORT. STIFEL SHALL PAY THE SUM OF \$250,000 TO THE STATE OF MISSOURI FOR COSTS, EXPENSES AND PAYMENTS.

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE THE SALE OF AUCTION RATE SECURITIES.

Initiated By: OFFICE OF THE SECRETARY OF STATE, STATE OF MISSOURI

Date Initiated: 01/22/2010

Docket/Case Number: AP-10-05

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 01/22/2010

Sanctions Ordered: Monetary/Fine \$250,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: FIRM CONSENTED TO AN ORDER THAT PROVIDED, AMONG OTHER THINGS, FOR THE PAYMENT OF \$250,000 TO THE STATE OF MISSOURI FOR COSTS, EXPENSES AND OTHER PAYMENTS, THE RETENTION OF AN OUTSIDE CONSULTANT NOT UNACCEPTABLE TO THE COMMISSIONER CONCERNING SUPERVISORY POLICIES AND PROCEDURES REGARDING



CERTAIN TYPES OF INVESTMENT PRODUCTS.

Sanction Details: FIRM HAS PAID \$250,000 TO THE STATE OF MISSOURI PURSUANT TO THIS CONSENT ORDER.

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Reporting Source: Firm

Current Status: Final

Allegations: THE DIVISION ALLEGED THAT STIFEL VIOLATED THE ACT AND RELEVANT REGULATIONS PROMULGATED THEREUNDER IN CONNECTION WITH THE OFFER AND SALE OF ARS TO VIRGINIA RESIDENTS. STIFEL DENIED THAT IT HAD VIOLATED ANY PROVISION OF THE ACT OR REGULATION PROMULGATED THEREUNDER.

Initiated By: COMMONWEALTH OF VIRGINIA, STATE CORPORATION COMMISSION

Date Initiated: 09/18/2009

Docket/Case Number: SEC-2008-00095

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:

Resolution: Order

Resolution Date: 09/18/2009

Sanctions Ordered: Monetary/Fine \$17,500.00

Other Sanctions Ordered:

Sanction Details: AS PART OF THE SETTLEMENT ORDER, STIFEL, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, AGREES TO PAY TO THE TREASURER OF THE COMMONWEALTH OF VIRGINIA THE AMOUNT OF \$17,500 IN MONETARY PENALTIES; \$22,500 TO THE COMMISSION TO DEFRAY THE COST OF INVESTIGATION AND AGREES TO COMPLY IN ALL RESPECTS WITH THE TERMS AND CONDITIONS OF THE "OFFER TO REPURCHASE ELIGIBLE AUCTION RATE SECURITIES AT PAR" MADE TO VIRGINIA RESIDENTS DATED APRIL 9, 2009 AND SUPPLEMENTED APRIL 30, 2009.

Disclosure 94 of 135



Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 4632(D), 5430(B) - STIFEL, NICOLAUS & COMPANY, INCORPORATED FAILED TO REPORT TO THE NASDAQ MARKET CENTER (NMC) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES AND FAILED TO REPORT TO THE NMC THE SECOND LEG OF "RISKLESS" PRINCIPAL TRANSACTIONS.
Initiated By:	FINRA
Date Initiated:	04/06/2009
Docket/Case Number:	2007010636001
Principal Product Type:	Other
Other Product Type(s):	DESIGNATED SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/06/2009
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	NASD RULES 4632(D), 5430(B) - STIFEL, NICOLAUS & COMPANY, INCORPORATED FAILED TO REPORT TO THE NASDAQ MARKET CENTER



(NMC) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES AND FAILED TO REPORT TO THE NMC THE SECOND LEG OF "RISKLESS" PRINCIPAL TRANSACTIONS.

Initiated By: FINRA

Date Initiated: 04/06/2009

Docket/Case Number: 2007010636001

Principal Product Type: Other

Other Product Type(s): DESIGNATED SECURITIES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/06/2009

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000.

Firm Statement THE REVIEW CONDUCTED BY NASD INDICTED THE FIRM FAILED TO REPORT TO THE NASDAQ MARKET CENTER ("NMC") FIVE LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES AND THE FIRM FAILED TO REPORT TO NMC THE SECOND LEG OF 17 "RISKLESS" PRINCIPAL TRANSACTIONS.

Disclosure 95 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULE 605 OF REGULATION NMS - STIFEL, NICOLAUS & COMPANY, INCORPORATED FAILED TO MAKE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON.

Initiated By: FINRA

Date Initiated: 09/18/2007



Docket/Case Number: 20060061159-01

Principal Product Type: Other

Other Product Type(s): NATIONAL MARKET SYSTEM SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/18/2007

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

Sanctions Ordered: Censure
Monetary/Fine \$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: SEC RULE 605 OF REGULATION NMS- STIFEL, NICOLAUS & COMPANY, INCORPORATED FAILED TO MAKE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON.

Initiated By: FINRA

Date Initiated: 09/18/2007

Docket/Case Number: 20060061159-01

Principal Product Type: Other

Other Product Type(s): NATIONAL MARKET SYSTEM SECURITIES



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/18/2007

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.

Firm Statement STIFEL FINANCIAL CORP. PURCHASED PART OF THE LEGG MASON WOOD WALKER, INCORPORATED CAPITAL MARKETS BUSINESS ON DECEMBER 1, 2005. UNTIL APRIL 2006, STIFEL NICOLAUS UTILIZED TWO MARKET MAKER SYMBOLS, STFL AND SNM. ON APRIL 28, 2006, STIFEL NICOLAUS THOUGHT IT HAD TAKEN STEPS TO FORMALLY CEASE MAKING MARKETS UNDER THE MARKET MAKER SYMBOL STFL. THE RELATIVELY FEW TRANSACTIONS THAT OCCURRED AFTER APRIL 28, 2006 WERE THOUGHT TO HAVE OCCURRED UNDER SNM. THIS OVERSIGHT SHOULD BE PREVENTED GOING FORWARD AS STIFEL NICOLAUS VOLUNTARILY IMPLEMENTED A SYSTEM CHANGE IN OCTOBER 2006 SUCH THAT TRADING ACTIVITY FOR THE ENTIRE FIRM, WHICH INCLUDES, AMONG OTHERS, NASDAQ TRADING, CORPORATE BOND TRADING AND MUNICIPAL BOND TRADING, IS UNIVERSALLY TRANSACTED UNDER THE SYMBOL STFL.

Disclosure 96 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: MSRB RULE G-14 - STIFEL NICOLAUS & COMPANY, INC. FAILED TO REPORT INFORMATION ABOUT PURCHASE AND SALE TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) IN THE MANNER PRESCRIBED BY RULE G-14 RTRS PROCEDURES AND THE RTRS USERS MANUAL - THE FIRM FAILED TO REPORT INFORMATION ABOUT SUCH TRANSACTIONS WITHIN 15 MINUTES OF TIME OF TRADE TO AN RTRS PORTAL AND FAILED TO INCLUDE SPECIFIC ITEMS OF INFORMATION LISTED FOR SUCH TRANSACTIONS IN THE SPECIFICATIONS FOR REAL-TIME REPORTING OF MUNICIPAL SECURITIES TRANSACTIONS, NAMELY BY NOT USING THE SPECIAL



CONDITION INDICATOR FOR TRANSACTIONS THAT QUALIFIED FOR AN EXEMPTION PURSUANT TO MSRB RULE G-14 RTRS PROCEDURES.

Initiated By: FINRA

Date Initiated: 09/12/2007

Docket/Case Number: 20060058628-01

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: 09/12/2007

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

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000.

Reporting Source: Firm

Current Status: Final

Allegations: MSRB RULE G-14 - STIFEL NICOLAUS & COMPANY, INC. FAILED TO REPORT INFORMATION ABOUT PURCHASE AND SALE TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) IN THE MANNER PRESCRIBED BY RULE G-14 RTRS PROCEDURES AND THE RTRS USERS MANUAL - THE FIRM FAILED TO REPORT INFORMATION ABOUT SUCH TRANSACTIONS WITHIN 15 MINUTES OF TIME OF TRADE TO AN RTRS PORTAL AND FAILED TO INCLUDE SPECIFIC ITEMS OF INFORMATION LISTED FOR SUCH TRANSACTIONS IN THE SPECIFICATIONS FOR REAL-TIME REPORTING OF MUNICIPAL



SECURITIES TRANSACTIONS, NAMELY BY NOT USING THE SPECIAL CONDITION INDICATOR FOR TRANSACTIONS THAT QUALIFIED FOR AN EXEMPTION PURSUANT TO MSRB RULE G-14 RTRS PROCEDURES.

Initiated By: FINRA

Date Initiated: 09/12/2007

Docket/Case Number: 20060058628-01

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: 09/12/2007

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000.

Firm Statement STIFEL HAS TAKEN APPROPRIATE CORRECTIVE ACTION AND DISCUSSED THE RULES WITH THE RESPONSIBLE TRADERS.

Disclosure 97 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULE 604 OF REGULATION NMS - RESPONDENT MEMBER FAILED TO DISPLAY IMMEDIATELY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION WHEN EACH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED THE FIRM'S BID OR OFFER IN EACH SECURITY OR WHEN THE ORDER WAS PRICED EQUAL TO THE FIRM'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SECURITY AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SECURITY.

Initiated By: FINRA



Date Initiated: 08/21/2007

Docket/Case Number: [2005001643901](#)

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: 08/21/2007

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

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, STIFEL, NICOLAUS & COMPANY, INCORPORATED CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM WAS CENSURED AND FINED \$10,000.

Reporting Source: Firm

Current Status: Final

Allegations: SEC RULE 604 OF REGULATION NMS - RESPONDENT MEMBER FAILED TO DISPLAY IMMEDIATELY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION WHEN EACH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED THE FIRM'S BID OR OFFER IN EACH SECURITY OR WHEN THE ORDER WAS PRICED EQUAL TO THE FIRM'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SECURITY AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SECURITY.

Initiated By: FINRA



Date Initiated: 08/21/2007
Docket/Case Number: 20050016439-01
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: 08/21/2007
Sanctions Ordered: Censure
 Monetary/Fine \$10,000.00
Other Sanctions Ordered:
Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, STIFEL, NICOLAUS & COMPANY, INCORPORATED CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM WAS CENSURED AND FINED \$10,000.
Firm Statement THE FIRM HAS TAKEN CORRECTIVE ACTION.

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Reporting Source: Regulator
Current Status: Final
Allegations: MSRB RULES G-36, G-27 - STIFEL, NICOLAUS & COMPANY, INCORPORATED ACTED AS AN UNDERWRITER IN PRIMARY OFFERINGS OF MUNICIPAL SECURITIES AND FAILED TO FILE, OR CAUSE TO BE FILED, THE REQUIRED G-36 FORMS WITH THE MSRB IN A TIMELY MANNER. THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE FILING REQUIREMENTS OF MSRB RULE G-36.
Initiated By: NASD
Date Initiated: 03/07/2007
Docket/Case Number: [2006003988401](#)
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:** 03/07/2007**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No**Sanctions Ordered:** Censure
Monetary/Fine \$15,000.00**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 \$15,000.**Reporting Source:** Firm**Current Status:** Final**Allegations:** MSRB RULES G-36, G-27 - STIFEL, NICOLAUS & COMPANY, INCORPORATED ACTED AS AN UNDERWRITER IN PRIMARY OFFERINGS OF MUNICIPAL SECURITIES AND FAILED TO FILE, OR CAUSE TO BE FILED, THE REQUIRED G-36 FORMS WITH THE MSRB IN A TIMELY MANNER. THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE FILING REQUIREMENTS OF MSRB RULE G-36.**Initiated By:** NASD**Date Initiated:** 03/07/2007**Docket/Case Number:** 20060039884-01**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: 03/07/2007

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

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 \$15,000.

Disclosure 99 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: **8/23/06** STIPULATION AND CONSENT TO PENALTY FILED BY NYSE REGULATION INC. DIVISION OF ENFORCEMENT. CONSENT TO FINDINGS: AS SET FORTH IN THE STIPULATION OF FACTS AND CONSENT TO PENALTY, THE FIRM, WITHOUT ADMITTING OR DENYING GUILT, VIOLATED NYSE RULE 401 IN THAT THE FIRM FAILED TO ADHERE TO THE PRINCIPLES OF GOOD BUSINESS PRACTICES BY PROVIDING CUSTOMERS' NONPUBLIC PERSONAL INFORMATION TO A NONAFFILIATED THIRD PARTY WITHOUT ENTERING INTO A CONTRACTUAL AGREEMENT WITH THE THIRD PARTY THAT PROHIBITED THE THIRD PARTY FROM DISCLOSING OR USING THE INFORMATION, IN NONCOMPLIANCE WITH RULE 13(A)(I) AND (II) OF REGULATION S-P PROMULGATED UNDER SECTION 504 OF THE GRAMM-LEACH-BLILEY ACT; NYSE RULE 472(K) BY FAILING TO HAVE DISCLOSURES, AND REFERENCES TO DISCLOSURES, THAT WERE CLEAR, COMPREHENSIVE, AND PROMINENT IN RESEARCH REPORTS; RULES 17A-4(B)(4) AND 17A-4(F) PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934 AND NYSE RULE 440 BY FAILING TO PRESERVE AND MAINTAIN INSTANT MESSAGE COMMUNICATIONS IN THE REQUIRED FORMAT AND FOR THE REQUIRED RETENTION PERIOD; NYSE RULES 342(A) AND (B) IN THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION AND CONTROL, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, WITH RESPECT TO E-MAIL COMMUNICATIONS; NYSE RULE 304(H) FOR FAILING TO APPLY FOR APPROVAL BY THE NYSE OF AFFILIATED ENTITIES THAT



ENGAGED IN SECURITIES OR KINDRED BUSINESS AND THAT WERE UNDER COMMON CONTROL BY THE FIRM'S PARENT ENTITY; NYSE RULE 342.16/02 FOR FAILING TO OBTAIN APPROVAL FOR ONE BRANCH OFFICE MANAGER. THE FIRM HAS CONSENTED TO A CENSURE AND A FINE OF \$100,000.

Initiated By: NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

Date Initiated: 08/23/2006

Docket/Case Number: HBD# 06-178

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 10/26/2006

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

Other Sanctions Ordered:

Sanction Details: ****9/26/06**** DECISION 06-178 ISSUED BY NYSE HEARING BOARD
DECISION: BASED UPON A STIPULATION OF FACTS AND CONSENT TO PENALTY, THE FIRM, WITHOUT ADMITTING OR DENYING GUILT, VIOLATED NYSE RULE 401 BY PROVIDING CUSTOMERS' NONPUBLIC PERSONAL INFORMATION TO A NONAFFILIATED THIRD PARTY WITHOUT ENTERING INTO A CONTRACTUAL AGREEMENT THAT PROHIBITED THE THIRD PARTY FROM DISCLOSING OR USING INFORMATION, IN NONCOMPLIANCE WITH RULE 13(A)(I) AND (II) OF REGULATION S-P PROMULGATED UNDER SECTION 504 OF THE GRAMM-LEACH-BLILEY ACT; VIOLATED NYSE RULE 472(K) BY FAILING TO HAVE DISCLOSURES, AND REFERENCES TO DISCLOSURES, THAT WERE CLEAR, COMPREHENSIVE, AND PROMINENT IN RESEARCH REPORTS; VIOLATED RULES 17A-4(B)(4) AND 17A-4(F) PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934 AND NYSE RULE 440 BY FAILING TO PRESERVE AND MAINTAIN INSTANT MESSAGE COMMUNICATIONS IN THE REQUIRED FORMAT AND FOR THE REQUIRED RETENTION PERIOD; VIOLATED NYSE RULES 342(A) AND (B) BY FAILING TO ESTABLISH AND MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION AND CONTROL, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, WITH RESPECT TO E-MAIL COMMUNICATIONS; VIOLATED NYSE RULE 304(H) BY FAILING TO APPLY FOR APPROVAL BY THE



NYSE OF AFFILIATED ENTITIES THAT ENGAGED IN A SECURITIES OR KINDRED BUSINESS AND THAT WERE UNDER COMMON CONTROL BY THE PARENT ENTITY; VIOLATED NYSE 342.15 BY FAILING TO OBTAIN APPROVAL FOR A BRANCH OFFICE MANAGER. THE FIRM HAS CONSENTED TO A CENSURE AND A FINE OF \$100,000.

Regulator Statement

****10/26/06**** THE DECISION BECAME FINAL AS OF THE CLOSE OF BUSINESS ON OCTOBER 23, 2006. CONTACT: PEGGY GERMINO
212-656-8450.

Reporting Source:

Firm

Current Status:

Final

Allegations:

****8/23/06**** STIPULATION AND CONSENT TO PENALTY FILED BY NYSE REGULATION INC. DIVISION OF ENFORCEMENT. CONSENT TO FINDINGS: AS SET FORTH IN THE STIPULATION OF FACTS AND CONSENT TO PENALTY, THE FIRM, WITHOUT ADMITTING OR DENYING GUILT, VIOLATED NYSE RULE 401 IN THAT THE FIRM FAILED TO ADHERE TO THE PRINCIPLES OF GOOD BUSINESS PRACTICES BY PROVIDING CUSTOMERS' NONPUBLIC PERSONAL INFORMATION TO A NONAFFILIATED THIRD PARTY WITHOUT ENTERING INTO A CONTRACTUAL AGREEMENT WITH THE THIRD PARTY THAT PROHIBITED THE THIRD PARTY FROM DISCLOSING OR USING THE INFORMATION, IN NONCOMPLIANCE WITH RULE 13(A)(I) AND (II) OF REGULATION S-P PROMULGATED UNDER SECTION 504 OF THE GRAMM-LEACH-BLILEY ACT; NYSE RULE 472(K) BY FAILING TO HAVE DISCLOSURES, AND REFERENCES TO DISCLOSURES, THAT WERE CLEAR, COMPREHENSIVE, AND PROMINENT IN RESEARCH REPORTS; RULES 17A-4(B)(4) AND 17A-4(F) PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934 AND NYSE RULE 440 BY FAILING TO PRESERVE AND MAINTAIN INSTANT MESSAGE COMMUNICATIONS IN THE REQUIRED FORMAT AND FOR THE REQUIRED RETENTION PERIOD; NYSE RULES 342(A) AND (B) IN THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION AND CONTROL, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, WITH RESPECT TO E-MAIL COMMUNICATIONS; NYSE RULE 304(H) FOR FAILING TO APPLY FOR APPROVAL BY THE NYSE OF AFFILIATED ENTITIES THAT ENGAGED IN SECURITIES OR KINDRED BUSINESS AND THAT WERE UNDER COMMON CONTROL BY THE FIRM'S PARENT ENTITY; NYSE RULE 342.16/02 FOR FAILING TO OBTAIN APPROVAL FOR ONE BRANCH OFFICE MANAGER. THE FIRM HAS CONSENTED TO A CENSURE AND A FINE OF \$100,000.

Initiated By:

NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

Date Initiated:

08/23/2006

Docket/Case Number:

HBD# 06-178



Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 10/26/2006

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

Other Sanctions Ordered: NONE

Sanction Details: DECISION BECAME FINAL AS OF THE CLOSE OF BUSINESS ON OCTOBER 23,2006. ****9/26/06**** DECISION 06-178 ISSUED BY NYSE HEARING BOARD
DECISION: BASED UPON A STIPULATION OF FACTS AND CONSENT TO PENALTY, THE FIRM, WITHOUT ADMITTING OR DENYING GUILT, VIOLATED NYSE RULE 401 BY PROVIDING CUSTOMERS' NONPUBLIC PERSONAL INFORMATION TO A NONAFFILIATED THIRD PARTY WITHOUT ENTERING INTO A CONTRACTUAL AGREEMENT THAT PROHIBITED THE THIRD PARTY FROM DISCLOSING OR USING INFORMATION, IN NONCOMPLIANCE WITH RULE 13(A)(I) AND (II) OF REGULATION S-P PROMULGATED UNDER SECTION 504 OF THE GRAMM-LEACH-BLILEY ACT; VIOLATED NYSE RULE 472(K) BY FAILING TO HAVE DISCLOSURES, AND REFERENCES TO DISCLOSURES, THAT WERE CLEAR, COMPREHENSIVE, AND PROMINENT IN RESEARCH REPORTS; VIOLATED RULES 17A-4(B)(4) AND 17A-4(F) PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934 AND NYSE RULE 440 BY FAILING TO PRESERVE AND MAINTAIN INSTANT MESSAGE COMMUNICATIONS IN THE REQUIRED FORMAT AND FOR THE REQUIRED RETENTION PERIOD; VIOLATED NYSE RULES 342(A) AND (B) BY FAILING TO ESTABLISH AND MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION AND CONTROL, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, WITH RESPECT TO E-MAIL COMMUNICATIONS; VIOLATED NYSE RULE 304(H) BY FAILING TO APPLY FOR APPROVAL BY THE NYSE OF AFFILIATED ENTITIES THAT ENGAGED IN A SECURITIES OR KINDRED BUSINESS AND THAT WERE UNDER COMMON CONTROL BY THE PARENT ENTITY; VIOLATED NYSE 342.15 BY FAILING TO OBTAIN APPROVAL FOR A BRANCH OFFICE MANAGER. THE FIRM HAS CONSENTED TO A CENSURE AND A FINE OF \$100,000.

Firm Statement ****10/26/06**** THE DECISION BECAME FINAL AS OF THE CLOSE OF BUSINESS ON OCTOBER 23, 2006. CONTACT: PEGGY GERMINO 212-656-8450.



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Reporting Source:	Regulator
Current Status:	Final
Allegations:	MSRB RULE G-36 - RESPONDENT MEMBER FAILED TO FILE FORMS G-36(OS) AND FORMS G-36(ARD) WITH THE MSRB IN A TIMELY MANNER.
Initiated By:	NASD
Date Initiated:	09/02/2005
Docket/Case Number:	E0420040111-01
Principal Product Type:	Other
Other Product Type(s):	MUNICIPAL SECURITIES
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/02/2005
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:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, STIFEL, NICOLAUS & COMPANY, INCORPORATED, CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS FINED \$5,000.

Reporting Source:	Firm
Current Status:	Final
Allegations:	MSRB RULE G-36 - RESPONDENT MEMBER FAILED TO FILE FORMS G-36(OS) AND FORMS G-36(ARD) WITH THE MSRB IN A TIMELY MANNER.



Initiated By: NASD
Date Initiated: 09/02/2005
Docket/Case Number: E0420040111-01
Principal Product Type: Debt - Municipal
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: 09/02/2005
Sanctions Ordered: Monetary/Fine \$5,000.00
Other Sanctions Ordered:
Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, STIFEL, NICOLAUS & COMPANY, INCORPORATED, CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS FINED \$5,000. WHICH WAS PAID 9/29 /05.

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Reporting Source: Regulator
Current Status: Final
Allegations: SEC RULE 11AC1-4, NASD RULES 2110, 3010, 6955(A) - RESPONDENT MEMBER 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 FIRM'S BID OR OFFER IN EACH SUCH SECURITY, OR WHEN THE ORDER WAS PRICED EQUAL TO 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 CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH FIRM'S BID OR OFFER IN EACH SUCH SECURITY; TRANSMITTED TO OATS REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA AND FAILED TO SUBMIT THE CORRECT ORDER RECEIPT TIME TO OATS; THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND



REGULATIONS CONCERNING THE LIMIT ORDER DISPLAY RULE.

Initiated By: NASD

Date Initiated: 01/28/2005

Docket/Case Number: [CLG050006](#)

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: 01/28/2005

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 \$20,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, STIEFEL, NICOLAUS & COMPANY INCORPORATED, CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$20,000.

Reporting Source: Firm

Current Status: Final

Allegations: AS A RESULT OF AN NASD REVIEW OF THE FIRM'S TRADING ACTIVITY FOR THE PERIOD JANUARY THROUGH MARCH 2002, STIFEL CONSENTED TO FINDINGS, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RELATING TO NASD RULES 2110, 3010, 6955(A) AND SEC RULE 11AC1-4, THAT ON CERTAIN OCCASIONS THE FIRM FAILED TO IMMEDIATELY DISPLAY A LIMITED NUMBER OF CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION, WHEN SUCH ORDER WAS EQUAL TO OR WOULD HAVE IMPROVED THE FIRM'S BID OR OFFER AND THE



NATIONAL BEST BID OR OFFER FOR SUCH SECURITY, AND THE SIZE OF SUCH ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY. THE FIRM ALSO TRANSMITTED A LIMITED NUMBER OF ORDERS TO THE OATS SYSTEM THAT CONTAINED IMPROPERLY FORMATTED, INACCURATE OR INCOMPLETE DATA, OR ON SOME OCCASIONS THE CORRECT ORDER RECEIPT TIME. THE FIRM'S WRITTEN SUPERVISORY SYSTEM, AT THAT TIME, DID NOT ADEQUATELY PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING THE LIMIT ORDER DISPLAY RULE. BY NOVEMBER 2002, STIFEL UPGRADED ITS SYSTEMS AND ADDRESSED THE ISSUES RAISED. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, AN ACCEPTANCE, WAIVER AND CONSENT FORM WAS ACCEPTED BY THE NASD FEBRUARY 2005, WHERE STIFEL CONSENTED TO THE FINDINGS AND IMPOSITION OF SANCTIONS OF CENSURE AND A FINE OF \$20,000.

Initiated By: NASD

Date Initiated: 01/28/2005

Docket/Case Number: [CLG050006](#)

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: 01/28/2005

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, AN ACCEPTANCE, WAIVER AND CONSENT FORM WAS ACCEPTED BY THE NASD FEBRUARY 2005, WHERE STIFEL CONSENTED TO THE FINDINGS AND IMPOSITION OF SANCTIONS OF CENSURE AND A FINE OF \$20,000.

Disclosure 102 of 135

Reporting Source: Regulator



Current Status: Final

Allegations: NASD RULES 2110, 3010(A) AND (B) - STIFEL NICOLAUS & COMPANY FAILED TO ESTABLISH, MAINTAIN, OR ENFORCE A SUPERVISORY SYSTEM AND WRITTEN PROCEDURES REASONABLY DESIGNED TO PREVENT AND DETECT LATE TRADING; THE FIRM'S SYSTEMS DID NOT PRECLUDE CUSTOMERS FROM COMMUNICATING ORDERS TO THE FIRM'S REPRESENTATIVES AFTER 4:00 P.M. NOR DID THE FIRM PREVENT ITS REPRESENTATIVES FROM ACCEPTING AND ENTERING POST-CLOSING ORDERS AT THE CURRENT DAY'S NAV; THE FIRM'S WRITTEN PROCEDURES DID NOT INSTRUCT REPRESENTATIVES THAT LATE TRADING WAS PROHIBITED AND DID NOT REQUIRE SUPERVISORY REVIEW OR APPROVAL OF MUTUAL FUND ORDERS AFTER 4:00 P.M. EST; AND THE FIRM MADE NO SURVEILLANCE OR AUDITING EFFORTS TO ENSURE THAT ORDERS ACCEPTED AFTER 4:00 P.M. EST WERE NOT BEING ENTERED AT THE CURRENT DAY'S NET ASSET VALUE (NAV).

Initiated By: NASD

Date Initiated: 06/17/2004

Docket/Case Number: CAF040047

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: 06/17/2004

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:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, STIFEL NICOLAUS CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF



FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$125,000.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110, 3010(A) AND (B) - STIFEL NICOLAUS & COMPANY FAILED TO ESTABLISH, MAINTAIN, OR ENFORCE A SUPERVISORY SYSTEM AND WRITTEN PROCEDURES REASONABLY DESIGNED TO PREVENT AND DETECT LATE TRADING; THE FIRM'S SYSTEMS DID NOT PRECLUDE CUSTOMERS FROM COMMUNICATING ORDERS TO THE FIRM'S REPRESENTATIVES AFTER 4:00 P.M. NOR DID THE FIRM PREVENT ITS REPRESENTATIVES FROM ACCEPTING AND ENTERING POST-CLOSING ORDERS AT THE CURRENT DAY'S NAV; THE FIRM'S WRITTEN PROCEDURES DID NOT INSTRUCT REPRESENTATIVES THAT LATE TRADING WAS PROHIBITED AND DID NOT REQUIRE SUPERVISORY REVIEW OR APPROVAL OF MUTUAL FUND ORDERS AFTER 4:00 P.M. EST; AND THE FIRM MADE NO SURVEILLANCE OR AUDITING EFFORTS TO ENSURE THAT ORDERS ACCEPTED AFTER 4:00 P.M. EST WERE NOT BEING ENTERED AT THE CURRENT DAY'S NET ASSET VALUE (NAV).

Initiated By: NASD

Date Initiated: 06/17/2004

Docket/Case Number: CAF040047

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: 06/17/2004

Sanctions Ordered: Censure
Monetary/Fine \$125,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, STIFEL NICOLAUS CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$125,000.

Firm Statement STIFEL NICOLAUS ENTERED INTO AN ACCEPTANCE, WAIVER AND



CONSENT (AWC) WITH THE NASD AS OF JUNE 17, 2004, WHERE THE FIRM ACCEPTED AND CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS AND SOLELY FOR THE PURPOSES OF SETTLING THE MATTER, TO FINDINGS BY THE NASD THAT STIFEL VIOLATED NASD RULES 3010 (A) AND (B) AND 2110 AND A CENSURE AND FINE. IN SUMMARY, STIFEL FAILED TO ESTABLISH AND IMPLEMENT ADEQUATE SUPERVISORY SYSTEMS AND WRITTEN PROCEDURES REASONABLY DESIGNED TO PREVENT AND DETECT LATE TRADING AND TO CONDUCT THOROUGH SURVEILLANCE OR AUDITING TO ENSURE THAT AN ORDER PROCESSED DURING A LIMITED PERIOD AFTER THE MARKET'S CLOSE WAS DOCUMENTED AS BEING ACTUALLY ACCEPTED PRIOR TO THE MARKET'S CLOSE. PRIOR TO THE NASD EXAMINATION STIFEL CONDUCTED A REVIEW OF ITS MUTUAL FUND ORDER PROCESSING POLICIES AND PROCEDURES IDENTIFYING POTENTIAL WEAKNESSES, WHICH WERE IMMEDIATELY ADDRESSED. IT IS IMPORTANT TO NOTE THAT THE REVIEW DID NOT IDENTIFY ANY INSTANCES OF LATE TRADING OF MUTUAL FUNDS AND THAT THE NASD'S FINDINGS RELATE TO SUPERVISORY SYSTEMS AND WRITTEN PROCEDURES, NOT ACTUAL INSTANCES OF LATE TRADING.

Disclosure 103 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: **3/17/03**STIPULATION AND CONSENT TO PENALTY FILED BY NYSE DIVISION OF ENFORCEMENT. CHARGES: AS SET FORTH IN THE STIPULATION OF FACTS AND CONSENT TO PENALTY, STIFEL, NICOLAUS & COMPANY, INC. (THE "FIRM") VIOLATED EXCHANGE RULE 342 IN THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION AND CONTROL, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, WITH RESPECT TO THE: (I) ACTIVITIES OF ITS QUALIFYING MEMBER ON THE TRADING FLOOR OF THE EXCHANGE; (II) TIMELY FILING OF ACCURATE FORM U-5AS AND FORM RE-3S WITH THE EXCHANGE, AS REQUIRED BY EXCHANGE RULES 345.17 AND 351(A) AND (D); (III) PREVENTING OF ONE OR MORE EMPLOYEES WITH INACTIVE REGISTRATIONS FROM PERFORMING DUTIES AND FUNCTIONS WHICH REQUIRED REGISTRATION, AND WITHHOLDING OF COMPENSATION FROM SUCH PERSONS DURING PERIODS WHEN THEIR REGISTRATIONS WERE INACTIVE, AS REQUIRED BY EXCHANGE RULE 345A; (IV) APPROVAL AND REVIEW OF CERTAIN EMPLOYEE-RELATED ACCOUNTS HELD OUTSIDE THE FIRM, TO ENSURE COMPLIANCE WITH EXCHANGE RULE 407; (V) OBTAINING OF EXCHANGE APPROVAL FOR VARIOUS OFFICERS AND DIRECTORS TO BE ALLIED MEMBERS, AS REQUIRED BY EXCHANGE RULES 304(H) AND 311(B); AND (VI) SUBMISSION TO ITS CLEARING AGENT OF ACCURATE ACCOUNT TYPE INDICATORS FOR CERTAIN TRANSACTIONS, AS



REQUIRED BY EXCHANGE RULE 132. IN ADDITION, THE FIRM VIOLATED EXCHANGE RULE 301.36(3), BY, ON NUMEROUS OCCASIONS, FAILING TO RECEIVE ALL COMMISSIONS OF ITS FLOOR BROKER; VIOLATED SEC RULE 15C3-1 BY FAILING TO PROPERLY ACCRUE COMMISSIONS RECEIVED FROM ITS FLOOR BROKER; AND VIOLATED EXCHANGE RULES 410 AND 440, SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SECURITIES AND EXCHANGE COMMISSION SEC REGULATIONS SECTIONS 240.17A-3 AND 240.17A-4 BY FAILING TO PRESERVE CERTAIN REQUIRED BOOKS AND RECORDS. THE FIRM CONSENTED TO A A CENSURE AND A FINE \$50,000.

Initiated By: NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

Date Initiated: 03/17/2003

Docket/Case Number: HPD#: 03-86

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 06/13/2003

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

Other Sanctions Ordered:

Sanction Details: **5/7/03**DECISION 03-86 ISSUED BY NYSE HEARING PANEL. DECISION: AS SET FORTH IN THE HEARING PANEL DECISION, WHICH WAS BASED ON A STIPULATION OF FACTS AND CONSENT TO PENALTY, STIFEL, NICOLAUS & COMPANY (THE "FIRM") VIOLATED RULE 342 BY FAILING TO MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION ANAD CONTROL; VIOLATED RULE 301.36(3) BY FAILING TO RECEIVE ALL COMMISSIONS OF ITS FLOOR BROKER; VIOLATED SEC RULE 15C3-1 BY FAILING TO PROPERLY ACCRUE COMMISSIONS RECEIVED FROM ITS FLOOR BROKER; AND VIOLATED EXCHANGE RULES 410 AND 440 AND SEA SECTION 17(A) AND SEC REGULATIONS 17A-3 AND 17A-4 BY FAILING TO PRESERVE REQUIRED BOOKS AND RECORDS. THE FIRM WAS CENSURED AND FINED \$50,000.

Regulator Statement **6/13/03*THE DECISION IS NOW FINAL AND EFFECTIVE IMMEDIATELY. CONTACT:EVELYN PENA 212-656-5211



Reporting Source: Firm

Current Status: Final

Allegations: **3/17/03**STIPULATION AND CONSENT TO PENALTY FILED BY NYSE DIVISION OF ENFORCEMENT. CHARGES: AS SET FORTH IN THE STIPULATION OF FACTS AND CONSENT TO PENALTY, STIFEL, NICOLAUS & COMPANY, INC. (THE "FIRM") VIOLATED EXCHANGE RULE 342 IN THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION AND CONTROL, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, WITH RESPECT TO THE: (I) ACTIVITIES OF ITS QUALIFYING MEMBER ON THE TRADING FLOOR OF THE EXCHANGE; (II) TIMELY FILING OF ACCURATE FORM U-5AS AND FORM RE-3S WITH THE EXCHANGE, AS REQUIRED BY EXCHANGE RULES 345.17 AND 351(A) AND (D); (III) PREVENTING OF ONE OR MORE EMPLOYEES WITH INACTIVE REGISTRATIONS FROM PERFORMING DUTIES AND FUNCTIONS WHICH REQUIRED REGISTRATION, AND WITHHOLDING OF COMPENSATION FROM SUCH PERSONS DURING PERIODS WHEN THEIR REGISTRATIONS WERE INACTIVE, AS REQUIRED BY EXCHANGE RULE 345A; (IV) APPROVAL AND REVIEW OF CERTAIN EMPLOYEE-RELATED ACCOUNTS HELD OUTSIDE THE FIRM, TO ENSURE COMPLIANCE WITH EXCHANGE RULE 407; (V) OBTAINING OF EXCHANGE APPROVAL FOR VARIOUS OFFICERS AND DIRECTORS TO BE ALLIED MEMBERS, AS REQUIRED BY EXCHANGE RULES 304(H) AND 311(B); AND (VI) SUBMISSION TO ITS CLEARING AGENT OF ACCURATE ACCOUNT TYPE INDICATORS FOR CERTAIN TRANSACTIONS, AS REQUIRED BY EXCHANGE RULE 132. IN ADDITION, THE FIRM VIOLATED EXCHANGE RULE 301.36(3), BY, ON NUMEROUS OCCASIONS, FAILING TO RECEIVE ALL COMMISSIONS OF ITS FLOOR BROKER; VIOLATED SEC RULE 15C3-1 BY FAILING TO PROPERLY ACCRUE COMMISSIONS RECEIVED FROM ITS FLOOR BROKER; AND VIOLATED EXCHANGE RULES 410 AND 440, SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND SECURITIES AND EXCHANGE COMMISSION SEC REGULATIONS SECTIONS 240.17A-3 AND 240.17A-4 BY FAILING TO PRESERVE CERTAIN REQUIRED BOOKS AND RECORDS. THE FIRM CONSENTED TO A A CENSURE AND A FINE \$50,000

Initiated By: NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT.

Date Initiated: 03/17/2003

Docket/Case Number: HPD#: 03-86

Principal Product Type: Other

Other Product Type(s):



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision
Resolution Date: 06/13/2003
Sanctions Ordered: Censure
 Monetary/Fine \$50,000.00

Other Sanctions Ordered:

Sanction Details: **5/7/03**DECISION 03-86 ISSUED BY NYSE HEARING PANEL. DECISION: AS SET FORTH IN THE HEARING PANEL DECISION, WHICH WAS BASED ON A STIPULATION OF FACTS AND CONSENT TO PENALTY, STIFEL, NICOLAUS & COMPANY (THE "FIRM") VIOLATED RULE 342 BY FAILING TO MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION ANAD CONTROL; VIOLATED RULE 301.36(3) BY FAILING TO RECEIVE ALL COMMISSIONS OF ITS FLOOR BROKER; VIOLATED SEC RULE 15C3-1 BY FAILING TO PROPERLY ACCRUE COMMISSIONS RECEIVED FROM ITS FLOOR BROKER; AND VIOLATED EXCHANGE RULES 410 AND 440 AND SEA SECTION 17(A) AND SEC REGULATIONS 17A-3 AND 17A-4 BY FAILING TO PRESERVE REQUIRED BOOKS AND RECORDS. THE FIRM WAS CENSURED AND FINED \$50,000.

Firm Statement **6/13/03*THE DECISION IS NOW FINAL AND EFFECTIVE IMMEDIATELY. CONTACT:EVELYN PENA 212-656-5211

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Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULE 11AC1-4 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT MEMBER CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO DISPLAY IMMEDIATELY THE 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 IN SUCH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH ITS BID OR OFFER IN EACH SUCH SECURITY.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.



Date Initiated: 10/10/2002
Docket/Case Number: CMS020185
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: 10/10/2002
Sanctions Ordered: Censure
 Monetary/Fine \$10,000.00
Other Sanctions Ordered:
Sanction Details: A CENSURE AND A FINE OF \$10,000.

Reporting Source: Firm
Current Status: Final
Allegations: ON 55 OCCASIONS DURING THE PERIOD 10/2/00 - 10/31/00, STFL FAILED TO DISPLAY IMMEDIATELY 55 CUST LMT ORDS IN NASDAQ SECS IN ITS PUBLIC QUOTATION, WHEN EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED THE FIRM'S BID OFFER IN EACH SUCH SEC; OR WHEN THE ORDER WAS PRICED EQUAL TO THE FIRM'S BID/OFFER & THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SEC, & THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS.

Initiated By: NASD
Date Initiated: 10/10/2002
Docket/Case Number: CMS020185
Principal Product Type: Equity - OTC
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other



Other Sanction(s)/Relief Sought:	AWC
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	10/10/2002
Sanctions Ordered:	Censure Monetary/Fine \$10,000.00
Other Sanctions Ordered:	
Sanction Details:	A CENSURE AND A FINE OF \$10,000.00.
Firm Statement	STIFEL WAS CENSURED AND FINED \$10,000.00.

Disclosure 105 of 135

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 3010, 3320 AND 4613(B) AND SEC RULE 11AC1-1 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE FINDINGS THAT AN ORDER WAS PRESENTED TO THE FIRM AT THE FIRM'S PUBLISHED BID OR PUBLISHED OFFER IN AN AMOUNT UP TO ITS PUBLISHED QUOTATION SIZE. THE FIRM FAILED TO EXECUTE THE ORDERS UPON PRESENTMENT AND THEREBY FAILED TO HONOR ITS PUBLISHED QUOTATION; AND, THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING FIRM QUOTE COMPLIANCE. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR THE IDENTIFICATION OF THE PERSON RESPONSIBLE AT THE FIRM TO ENSURE COMPLIANCE WITH THE APPLICABLE RULES; A STATEMENT OF THE STEPS THAT SUCH PERSON SHOULD TAKE TO ENSURE COMPLIANCE; A STATEMENT AS TO HOW OFTEN SUCH PERSON SHOULD TAKE SUCH STEPS; AND A STATEMENT AS TO HOW ENFORCEMENT OF SUCH WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED AT THE FIRM.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated:	02/13/2002
Docket/Case Number:	CMS020031
Principal Product Type:	Equity - OTC
Other Product Type(s):	



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/13/2002

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered: REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING FIRM QUOTE COMPLIANCE WITHIN 30 BUSINESS DAYS.

Sanction Details: N/A

Reporting Source: Firm

Current Status: Final

Allegations: STIFEL'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SEC RULE 11AC1-1(C), NASD CONDUCT RULE 3320 & NASD MARKETPLACE RULE 4613(B)FROM 4-2-01 TO 6-29-01.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 02/13/2002

Docket/Case Number: CMS020031

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: AWC

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/13/2002

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered: REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO



THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING FIRM QUOTE COMPLIANCE WITHIN 30 BUSINESS DAYS.

Sanction Details: \$10,000.00 FOR BACKING AWAY & \$5,000.00 FOR SUPERVISORY PROCEDURE VIOLATION.

Disclosure 106 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: THE STATE ALLEGES BD FAILED TO REASONABLY SUPERVISE ITS AGENTS, ENGAGED IN DISHONEST AND UNETHICAL BUSINESS PRACTICES AND MADE UNSUITABLE TRADES AND RECOMMENDATIONS.

Initiated By: INDIANA SECURITIES DIVISION

Date Initiated: 10/02/2001

Docket/Case Number: 01-0174 SC

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: ORDER TO SHOW CAUSE WHY REGISTRATION SHOULD NOT BE REVOKED

Resolution: Consent

Resolution Date: 05/16/2002

Sanctions Ordered: Disgorgement/Restitution

Other Sanctions Ordered: TWO INDIANA INVESTORS WERE OFFERED RESTITUTION OF ONE HALF OF THEIR ORIGINAL INVESTMENT. THE DIVISION RECEIVED \$850.00 AS COSTS OF THE INVESTIGATION. ON MAY 28, 2002 THE ADMINISTRATIVE COMPLAINT WAS DISMISSED AND THE ORDER TO SHOW CAUSE WAS VACATED.

Sanction Details: STIFEL PROVIDED RESTITUTION TO TWO INDIANA INVESTORS IN THE AMOUNT OF \$12,250 EACH. STIFEL ALSO PAID \$850.00 TO THE DIVISION AS COSTS OF THE INVESTIGATION.

Regulator Statement THE STATE RECEIVED COMPLAINTS FROM A RESIDENTS REGARDING AN



INVESTMENT IN FREEDOM CHOICE, INC.

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE STATE ALLEGES BD FAILED TO REASONABLY SUPERVISE IT AGENTS, ENGAGED IN DISHONEST AND UNETHICAL BUSINESS PRACTICES AND MADE UNSUITABLE TRADES AND RECOMMENDATIONS.
Initiated By:	INDIANA SECURITIES DIVISION
Date Initiated:	10/02/2001
Docket/Case Number:	01-0174 SC
Principal Product Type:	Other
Other Product Type(s):	CREDIT CARD PRODUCT. NOT A SECURITY. SOLD AWAY FROM STIFEL.
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	ORDER TO SHOW CAUSE WHY REGISTRATION SHOULD NOT BE REVOKED.
Resolution:	Consent
Resolution Date:	05/16/2002
Sanctions Ordered:	Monetary/Fine \$24,500.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	STIFEL PAID \$12,250.00 EACH TO JAMES ROBERTS & JAMES TYLER
Firm Statement	THE STATE RECEIVED COMPLAINTS FROM A RESIDENTS REGARDING AN INVESTMENT IN FREEDOM CHOICE, INC.

Disclosure 107 of 135

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110 AND 6240 - FAILED TO REPORT NON-MANDATORY FIPS SECURITIES TRANSACTIONS BEFORE THE CLOSE OF BUSINESS ON TRADE DATE
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS



Date Initiated: 08/24/2001
Docket/Case Number: C04010032
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: 08/24/2001
Sanctions Ordered: Monetary/Fine \$3,000.00
Other Sanctions Ordered:
Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, STIFEL, NICOLAUS CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS FINED \$3,000.

Reporting Source: Firm
Current Status: Final
Allegations: DURING A ROUTINE NASD EXAMINATION, INCONSISTENCIES IN REPORTING NON-MANDATORY FIPS SECURITIES TRANSACTIONS WERE DISCOVERED DUE TO A CLERICAL ERROR FOR A VERY LIMITED PERIOD.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 03/15/2001
Docket/Case Number: C04010032
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought: ACCEPTANCE, WAIVER & CONSENT
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 08/22/2001



Sanctions Ordered:	Monetary/Fine \$3,000.00
Other Sanctions Ordered:	
Sanction Details:	AN AWC WAS ACCEPTED AUGUST 22, 2001 AND A FINE OF \$3,000 WAS IMPOSED.
Firm Statement	AS A RESULT OF THE LATEST NASDR EXAMINATION, STIFEL WAS FOUND IN VIOLATION OF NASD SYSTEMS AND PROGRAMS RULE 6240 AND NASD CONDUCT RULE 2110. AN ACCEPTANCE, WAIVER AND CONSENT FORM WAS ACCEPTED AUGUST 22, 2001, AND A FIND OF \$3,000 WAS IMPOSED.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 1021, 2110, IM-2110-2, 3010 - AND SEC RULE 11AC1-4(B)(2)(I)- A FORMER REGISTERED REPRESENTATIVE ENGAGED IN A PATTERN OF MAKING UNSUITABLE RECOMMENDATIONS TO PUBLIC CUSTOMERS IN CONNECTION WITH THE SALE OF MUTUAL FUNDS. RECOMMENDATION AND SALES OF CLASS B MUTUAL FUND SHARES WERE MADE TO INDIVIDUALS BY THE INDIVIDUAL, THAT WERE UNSUITABLE FOR THESE CUSTOMERS IN LIGHT OF THE AMOUNT SOLD, THE SALES AND DISTRIBUTION CHARGES INCURRED, AND THE ABILITY TO PURCHASE CLASS A SHARES WITH SUBSTANTIALLY LOWER SALES CHARGES, AND THE FACT THAT CUSTOMERS WERE ELIGIBLE TO PURCHASE CERTAIN CLASS A MUTUAL FUND SHARES WITH NO SALES CHARGES THROUGH A TEMPORARY MARKETING PROMOTION OFFERED BY THE MUTUAL FUND. IN CONNECTION WITH THE ACTIVITIES DESCRIBED ABOVE, RESPONDENT MEMBER FAILED TO ADEQUATELY SUPERVISE THE REPRESENTATIVE TO ENSURE COMPLIANCE BY THE INDIVIDUAL WITH NASD CONDUCT RULES 2110 AND 2310 AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN SUPERVISORY PROCEDURES AND SUPERVISORY SYSTEMS TO DETECT AND PREVENT SALES PRACTICE VIOLATIONS WITH RESPECT TO THE SALE OF MUTUAL FUNDS PRODUCTS; ALLOWED A SENIOR EXECUTIVE OFFICER TO ACT AS A GENERAL SECURITIES PRINCIPAL, ALTHOUGH HE WAS REGISTERED ONLY AS A FINANCIAL AND OPERATIONS PRINCIPAL; TRADED AT A PRICE THAT WAS EQUAL OR SUPERIOR TO A CUSTOMER LIMIT ORDER, AND FAILED TO EXECUTE THE CUSTOMERS' ORDERS WITHIN ONE MINUTE, OR AT ALL; AND, FAILED TO DISPLAY CUSTOMER LIMIT ORDERS IN ITS NASDAQ QUOTATIONS FOR STOCKS IN WHICH IT WAS A MARKET MAKER WHEREIN THE CUSTOMERS' LIMITED ORDERS IMPROVED THE BID/ASK QUOTATIONS DISPLAYED BY THE FIRM IN NASDAQ AT THE TIME THE LIMIT ORDERS WERE RECEIVED BY THE FIRM.



Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 03/20/2001

Docket/Case Number: C04010012

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: 03/20/2001

Sanctions Ordered: Censure
Monetary/Fine \$41,000.00
Disgorgement/Restitution

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, STIFEL, NICOLAUS CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS THEREFORE, THE FIRM IS CENSURED, FINED \$41,000, OF WHICH \$25,000 IS JOINT AND SEVERAL. IN ADDITION, WITHIN 30 DAYS OF THE ACCEPTANCE OF THIS AWC, THE FIRM'S LEGAL COUNSEL AND CONSULTANT SHALL COMPLETE THEIR PROPOSED WORK PLAN AND WITHIN 30 DAYS THEREAFTER, PROVIDE A WRITTEN REPORT CONTAINING SPECIFIC RECOMMENDATIONS TO REVISE THE FIRM'S COMPLIANCE AND WRITTEN SUPERVISORY PROCEDURES. ALSO, WITHIN 20 BUSINESS DAYS OF THE ACCEPTANCE OF THIS AWC, THE FIRM WILL OFFER CUSTOMERS WHO PURCHASED CLASS B SHARES RATHER THAN CLASS A SHARES AT NET ASSET VALUE UNDER THE TEMPORARY MARKETING PROMOTION AN EXCHANGE OF THE CLASS B SHARES OWNED BY THESE CUSTOMERS FOR THE NUMBER OF CLASS A SHARES THEY WOULD HOLD AS OF THE DATE OF THE OFFER HAD THEY INITIALLY PURCHASED CLASS A SHARES AT NET ASSET VALUE. WITH RESPECT TO THE CUSTOMERS WHO WOULD HAVE QUALIFIED TO PURCHASE CLASS A SHARES WITH REDUCED SALES CHARGES, THE FIRM WILL OFFER THESE CUSTOMERS THE OPPORTUNITY TO EXCHANGE THE CLASS B SHARES THEY HOLD FOR CLASS A SHARES AT THE PRICE, INCLUDING THE APPLICABLE FRONT-END SALES CHARGES, AT WHICH THE CLASS A SHARES COULD HAVE BEEN PURCHASED AT THE TIME THE CUSTOMERS PURCHASED THE CLASS B SHARES. THE FIRM WILL INCUR ALL CHARGES RELATING TO THE EXCHANGE BY ANY OF THE CUSTOMERS. SATISFACTORY PROOF SHALL BE PROVIDED TO THE NASD



STAFF NO LATER THAN 90 DAYS AFTER ACCEPTANCE OF THIS AWC. IT IS ESTIMATED THAT THE COST TO THE FIRM FOR THIS OFFER WILL BE APPROXIMATELY \$225,000 WHICH WILL BE PAID BY THE FIRM, IF EACH CUSTOMER ELECTS TO EXCHANGE.

Reporting Source: Firm

Current Status: Final

Allegations: NASD REGULATION CENSURED AND FINED STIFEL, AND TWO INDIVIDUALS, MICHAEL G. GRIMES AND HIS SUPERVISOR, WILLIAM J. LASKO, FOR VIOLATING NASD RULES IN CONNECTION WITH THE SALE OF CLASS B MUTUAL FUND SHARES. NASD REGULATION FOUND THAT BETWEEN JUNE 1996 AND MAY 1998, GRIMES MADE UNSUITABLE SALES TOTALING OVER \$7 MILLION TO 44 CUSTOMERS IN CLASS B MUTUAL FUND SHARES, AND THAT LASKO AND THE FIRM FAILED TO SUPERVISE GRIMES WITH RESPECT TO THESE UNSUITABLE SALES.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION INC.

Date Initiated: 03/20/2001

Docket/Case Number: AWC NO. CO4010012

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

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

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/20/2001

Sanctions Ordered: Censure
Monetary/Fine \$41,000.00
Disgorgement/Restitution

Other Sanctions Ordered: UNDERTAKING

Sanction Details: CENSURE, FINE OF \$41,000.00, OF WHICH \$25,000.00 IS JOINT AND SEVERAL WITH LASKO. STIFEL AGREED TO COMPLY WITH CERTAIN UNDERTAKINGS RELATING TO ENHANCED PROCEDURES AND OFFERS TO BE MADE TO 44 IDENTIFIED CUSTOMERS.

Firm Statement NASD REG. TOOK FORMAL ACTION AGAINST STIFEL FOR VIOLATING NASD RULES IN CONNECTION WITH CLASS B MUTUAL FUND SALES. NASD



REGULATION FOUND THAT FORMER BROKER GRIMES MADE UNSUITABLE SALES IN CLASS B MUTUAL FUND SHARES AND THAT HIS MANAGER, LASKO, AND THE FIRM FAILED TO SUPERVISE GRIMES WITH RESPECT TO THESE SALES. AS A RESULT OF THE DISC. ACTION, GRIMES WAS SUSPENDED FOR 30 DAYS AND PAID A FINE OF \$30,000, LASKO WAS SUSPENDED FOR 10 DAYS IN A SUPERVISORY CAPACITY AND WAS FINED TOGETHER WITH STIFEL \$25,000. STIFEL AGREED TO PAY A TOTAL FINE OF \$41,000. OTHER MATTERS IN THE ACTION INCLUDE REGISTRATION ISSUES SURROUNDING AN EXECUTIVE OFFICER AND THE SEC LIMIT ORDER DISPLAY RULE AND THE LIMIT ORDER PROTECTION RULE.

Disclosure 109 of 135

Reporting Source:	Firm
Current Status:	Final
Allegations:	ALLEGED THAT STIFEL EMPLOYED AGENTS WHO UNLAWFULLY OFFERED AND SOLD SECURITIES TO MASSACHUSETTS RESIDENTS WITHOUT REGISTRATION WHICH CONSTITUTES A VIOLATION OF 201(B) OF THE ACT.
Initiated By:	STATE OF MASSACHUSETTS
Date Initiated:	06/01/1995
Docket/Case Number:	93-129-E & 92-176-E
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Disgorgement
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	06/01/1995
Sanctions Ordered:	Monetary/Fine \$1,500.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	STIFEL DISGORGED \$3,267.07 TO THE STATE, PAID A FINE OF \$1,500.00 AND CEASE AND DESIST FROM FURTHER VIOLATIONS OF THE ACT.



Disclosure 110 of 135

Reporting Source:	Firm
Current Status:	Final
Allegations:	VIOLATION OF SEC RULES 17A-3,15C3-1 AND ARTICLE II, SECT. 1 AND 21 OF THE NASD RULES OF FAIR PRACTICE. THE ALLEGED VOLATIONS WERE THE RESULT OF ACCOUNTING AND BOOKKEEPING ERRORS.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated:	07/17/1984
Docket/Case Number:	KC-309
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	COMPLAINT
Resolution:	Settled
Resolution Date:	04/16/1985
Sanctions Ordered:	Censure
Other Sanctions Ordered:	THE "OFFER OF SETTLEMENT" WAS ACCEPTED BY THE NASD. MR. KNOTT WAS CENSURED.
Sanction Details:	THE OFFER OF SETTLEMENT WAS ACCEPTED BY THE NASD. MR. KNOTT WAS CENSURED.

Disclosure 111 of 135

Reporting Source:	Regulator
Current Status:	Final
Allegations:	RESPONDENT MEMBER: FAILED TO REPORT TO FIPS TRANSACTIONS IN HIGH YIELD DEBT AND TRANSACTIONS IN FIPS SECURITIES THAT IT WAS REQUIRED TO REPORT; FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS REGARDING FIPS. [NASD RULES 2110, 3010, 6240(A), 6240(B)]
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.



Date Initiated: 02/25/1999
Docket/Case Number: CMS990028
Principal Product Type: Other
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 02/25/1999
Sanctions Ordered: Censure
 Monetary/Fine \$8,000.00
Other Sanctions Ordered:
Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, STIFEL, NICOLAUS & COMPANY CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$8,000.00.

Reporting Source: Firm
Current Status: Final
Allegations: RESPONDENT MEMBER: FAILED TO REPORT TO FIPS TRANSACTIONS IN HIGH YIELD DEBT AND TRANSACTIONS IN FIPS SECURITIES THAT IT WAS REQUIRED TO REPORT; FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS REGARDING FIPS. [NASD RULES 2110, 3010, 6240(A), 6240(B)]
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION INC.
Date Initiated: 02/25/1999
Docket/Case Number: AWC NO. CMS990028
Principal Product Type: Other
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure



Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/25/1999

Sanctions Ordered: Censure
Monetary/Fine \$8,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, STIFEL, NICOLAUS & COMPANY CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$8,000.00.

Disclosure 112 of 135

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 10/12/1962

Docket/Case Number:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Other

Resolution Date: 10/25/1962

Sanctions Ordered:

Other Sanctions Ordered:

Sanction Details: CPL. #K-MV-2 FILED 10-12-62
ON 10-25-62 RESPONDENT REJECTED MV PROCEDURE - FORMAL COMPLAINT
WILL BE FILED.



Reporting Source: Firm
Current Status: Final
Allegations: APPLICANT REJECTED MV PROCEDURES - FORMAL COMPLAINT WILL BE FILED.
Initiated By: NASD
Date Initiated: 10/12/1962
Docket/Case Number: K-MV-2
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought: THE COMPLAINT WAS WITHDRAWN
Resolution: Withdrawn
Resolution Date: 10/12/1962
Sanctions Ordered:
Other Sanctions Ordered: NONE
Sanction Details: THE COMPLAINT WAS WITHDRAWN.

Disclosure 113 of 135

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 02/13/1997
Docket/Case Number: C04960069
Principal Product Type:
Other Product Type(s):



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/13/1997

Sanctions Ordered: Censure
Monetary/Fine \$250.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

ON FEBRUARY 13, 1997, DISTRICT NO. 4 NOTIFIED RESPONDENT STIFEL NICOLAUS & COMPANY, INCORPORATED THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C04960069 WAS ACCEPTED; THEREFORE, THE FIRM IS CENSURED AND FINED \$250 - (MSRB RULE G-37 - RESPONDENT MEMBER FAILED TO INCLUDE ALL NEGOTIATED MUNICIPAL UNDERWRITINGS ON ITS ORIGINAL FILING OF FORM G-37/G-38).

\$250.00 PAID ON 3/17/97, INVOICE #97-04-166

Reporting Source: Firm

Current Status: Final

Allegations: FAILED TO INCLUDE ALL NEGOTIATED MUNICIPAL UNDERWRITINGS ON ORIGINAL FILING OF FORM G-37/G38.

Initiated By: NASD

Date Initiated: 02/13/1997

Docket/Case Number: C04960069

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: 02/13/1997

Sanctions Ordered: Censure
Monetary/Fine \$250.00

Other Sanctions Ordered:

Sanction Details: STIFEL ACCPETED THE AWC ON 2/13/1997 AND WAS CENSURED AND FINED \$250.00 WHICH WAS PAID ON 3/17/1997.

Firm Statement \$250 FINE PAID ON 3/17/1997

Disclosure 114 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: SEE RESULTS

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 10/18/1991

Docket/Case Number: 91-161

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/18/1991

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: STIFEL, NICOLAUS & COMPANY INCORPORATED, MEMBER ORGANIZATION VIOLATED SECURITIES EXCHANGE ACT REGULATION 240.15c3-3 WITH RESPECT TO REQUIREMENTS CONCERNING ITS SPECIAL RESERVE BANK ACCOUNT FOR THE EXCLUSIVE BENEFIT OF CUSTOMERS, OBTAINING AND MAINTAINING PHYSICAL POSSESSION AND CONTROL OF FULLY PAID FOR SECURITIES AND EXCESS MARGIN SECURITIES, AND



PURCHASING OR RECEIVING SECURITIES SOLD FOR CUSTOMERS;
 EXCHANGE
 RULES 345.11,346(f),351(a)(9), AND ENGAGED IN ACTS DETRIMENTAL
 TO THE INTEREST OR WELFARE OF THE EXCHANGE, BY EMPLOYING A
 STATUTORILY DISQUALIFIED PERSON; EXCHANGE RULE 342 BY FAILING
 TO PROPERLY SUPERVISE OR CONTROL ITS BUSINESS ACTIVITIES TO
 PREVENT SUCH ACTS OR FAILURES TO ACT ----- CONSENT TO CENSURE
 AND \$20,000 FINE.

Regulator Statement

SEE RESULTS

Reporting Source:

Firm

Current Status:

Final

Allegations:

VIOLATION OF SEA REG 240,15C3-3 SECTIONS (E)(G)&(B) BY FUNDING THE
 SPECIAL RESERVE BANK ACCT. FOR EXCLUSIVE BENEFIT OF CUSTOMERS
 WITH NON-QUALIFIED NFMA & JUMBO CD IN EXCESS OF APPLICANT THEN
 EXCESS NET CAPITAL. SECTIONS (M) & (N) BY NOT RECEIVING
 SECURITIES SOLD WITHIN 10 DAYS OF OBTAINING AN EXTENSION & IN
 FOUR INSTANCES RECEIVING AFTER THE EXPR. OF EXT., VIOLATE NYSE
 RULES BY EMPLOYING AN INDIVIDUAL TO SUPERVISE WHILE INDIVL. SUBJ.
 TO STAT. DISQUAL. W/O FIRST OBTAINING NYSE APPROVAL. VIOLATE
 FAILURE TO SUPERVISE AND CONTROL BUSINESS ACTIVITIES TO
 PREVENT THE RULE VIOLATION.

Initiated By:

NEW YORK STOCK EXCHANGE

Date Initiated:

09/12/1991

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:

DISCIPLINARY PROCEEDINGS

Resolution:

Decision

Resolution Date:

09/12/1991

Sanctions Ordered:

Censure
 Monetary/Fine \$20,000.00

Other Sanctions Ordered:



Sanction Details: THE APPLICANT WAS CENSURED AND FINED \$20,000.00.

Disclosure 115 of 135

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 06/14/1983

Docket/Case Number: KC-289

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 09/20/1984

Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

COMPLAINT #KC-289, 6/14/83, DIST. #4, ALLEGING VIOLATIONS OF ARTICLE III, SECTIONS 1 AND 27 OF THE RULES OF FAIR PRACTICE - RESPONDENT MEMBER, ACTING THRU RESPONDENT VIRGIL R. REESE, FAILED TO MAKE A BONA FIDE PUBLIC DISTRIBUTION OF SHARES IN GOTT CORP. STOCK, WHICH SHARES ADVANCED TO AN IMMEDIATE PREMIUM IN THE SECONDARY MARKET IN THAT SHARES WERE SOLD TO A RESTRICTED ACCOUNT IN CONTRAVENTION OF THE B/GS' INTERPRETATION REGARDING FREE-RIDING AND WITHHOLDING; MEMBER, ACTING THRU J. JOSEH SCHLAFELY, FAILED TO PROPERLY SUPERVISE THE SALES OF GOTT CORP. MADE BY REESE TO ENSURE COMPLIANCE WITH THE INTERPRETATION. ****2/11/85, DECISION RENDERED 9/20/84, WHEREIN THE OFFER OF SETTLEMENT SUBMITTED BY RESPONDENTS WAS ACCEPTED;



THEREFORE,
 MEMBER AND REESE ARE CENSURED AND FINED \$5,000, EACH, AND
 MEMBER
 AND SCHLAFLY ARE ISSUED A LETTER OF CAUTION AND FINED \$2,500,
 J&S, REGARDING THE ALLEGATIONS IN THE SECOND CAUSE OF
 COMPLAINT
 OF A FAILURE TO PROPERLY SUPERVISE RESPONDENT REESE AND THE
 MEMBER IS ISSUED A LETTER OF CAUTION REINFORCING THE MEMBER'S
 NEED TO AGAIN REVIEW THE PROHIBITIONS OF THE FREE-RIDING AND
 WITHHOLDING INTERPRETATION WITH ITS EMPLOYEES, THIS DECISION TO
 SERVE AS SUCH LETTERS OF CAUTION. ALL RIGHTS OF APPEAL AND
 REVIEW HAVE BEEN WAIVED, THIS DECISION WAS FINAL 9/20/84.
 ***11/7/84, FC# 8886, PAID IN FULL. ***11/7/84, FC# 8888, PAID
 IN FULL.

Reporting Source: Firm

Current Status: Final

Allegations: APPLICANT & VIRGIL REESE (FORMER EMPLOYEE) WERE FOUND TO HAVE VIOLATED THE NASD RULES OF FAIR PRACTICE FOR FAILURE TO MAKE A BONAFIDE PUBLIC DISTRIBUTION OF SHARES OF GOTT CORP. BY SELLING 10,000 SHARES TO RESTRICTED PERSONS AS DEFINED UNDER NASD RULES. FAILURE TO SUPERVISE THE SALES OF GOTT CORP. STOCK.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 09/20/1984

Docket/Case Number: KC-289

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: COMPLAINT

Resolution: Decision

Resolution Date: 09/20/1984

Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

Other Sanctions Ordered: LETTER OF CAUTION.



Sanction Details: APPLICANT AND VIRGIL WERE CENSURED AND FINED \$5000 EACH.
APPLICANT AND SCHLAFLY WERE ISSUED LETTER OF CAUTION AND FINED \$2,500 JOINTLY AND SEVERALLY.

Disclosure 116 of 135

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 07/29/1976

Docket/Case Number: Unknown

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 03/09/1977

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details:

Regulator Statement ND 76-147 07/29/76
REL 34-12667
PUBLIC PROCEEDINGS ORDERED.
ND 77-46 03/09/77
REL 34-13307
CENSURED, ORDERED TO PAY \$15,000 TO THE PERSON OR ORGANIZATION
SELECTED BY THE COMMISSION AND PROVIDING FOR AN UNDERTAKING THAT FIRM WILL REVISE AND AMEND ITS COMPLIANCE PROCEDURES IN A MANNER TO BE AGREED UPON BY FIRM AND THE STAFF OF THE COMMISSION'S CHICAGO REGIONAL OFFICE. PURSUANT TO OFFERS OF



SETTLEMENT IN WHICH FIRM CONSENTED TO ORDER WITHOUT
 ADMITTING
 OR DENYING THE CHARGES.

Reporting Source: Firm

Current Status: Final

Allegations: UNKNOWN

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 03/09/1977

Docket/Case Number: #77-46

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: PUBLIC PROCEEDING

Resolution: Consent

Resolution Date: 03/09/1977

Sanctions Ordered: Censure
 Monetary/Fine \$15,000.00
 Disgorgement/Restitution

Other Sanctions Ordered: REVISE COMPLIANCE PROCEDURES.

Sanction Details: APPLICANT WAS FINED \$15,000 AND AGREED TO REVISE ITS COMPLIANCE PROCEDURES.

Disclosure 117 of 135

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 11/13/1975

Docket/Case Number: K-189

**Principal Product Type:****Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Decision**Resolution Date:** 01/28/1977**Sanctions Ordered:** Censure
Monetary/Fine \$10,000.00**Other Sanctions Ordered:****Sanction Details:****Regulator Statement**

COMPLAINT #K-189 FILED 11/13/75
 DIST. #4
 DECISION 08/04/76: CENSURED; FINED \$25,000; SALES OFFICE
 SUSPENDED FOR 5 DAYS.
 ASSESSED COSTS \$3,747.33 J&S
 09/18/76: TO BE FINAL
 FINES & COSTS 03/10/77 FC# 6756 PD
 03/10/77 FC# 6758 PD
 APPEAL ACTION 08/12/76: APPEALED TO B/G. DBCC DEC. STAYED.
 12/29/76: PENALTIES REDUCED; CENSURED; FINED \$10,000;
 ASSESSED COSTS (DBCC) \$3,747.33 J&S.
 01/28/77: TO BE FINAL
 01/28/77: FINAL

Reporting Source: Firm**Current Status:** Final

Allegations: ALLEGED APPLICANT VIOLATED NASD RULES OF FAIR PRACTICE BY RECOMMENDING & CAUSING TO BE EFFECTED TRANS. WHICH WERE UNSUITABLE FOR THE CUSTOMERS INVOLVED. APPLICANT AND GEORGE NEWTON FAILED TO SUPERVISE THE ACTIVITIES OF KINGSLEY O. WRIGHT WHO WAS FOUND TO VIOLATED THE NASD RULES OF FAIR PRACTICE BY ENGAGING IN FRAUD & DECEPT. PRACTICES BY OMITTING TO STATE AND/OR MISSTATING MATERIAL FACT TO PUBLIC CUSTOMERS.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS



Date Initiated: 12/29/1976
Docket/Case Number: K-189
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought: COMPLAINT
Resolution: Other
Resolution Date: 12/29/1976
Sanctions Ordered: Censure
 Monetary/Fine \$10,000.00
Other Sanctions Ordered: GEORGE NEWTON WAS CENSURED. KINGSLEY O. WRIGHT, SR. WAS CENSURED, FINED \$10,000 AND SUSPENDED FOR 90 DAYS.
Sanction Details: APPLICANT WAS CENSURED AND FINED \$10,000. GEORGE A. NEWTON WAS CENSURED. KINGSLEY O. WRIGHT, SR. WAS CENSURED, FINED \$10,000 AND SUSPENDED FOR 90 DAYS.

Disclosure 118 of 135

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 02/25/1975
Docket/Case Number: K-183
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Decision



Resolution Date: 01/18/1976
Sanctions Ordered: Censure
Other Sanctions Ordered:
Sanction Details:
Regulator Statement #K-183 FILED 02/25/75
 12/04/75: CENSURED:
 ASSESSED COSTS OF \$627.00 EQUALLY.
 01/18/76: TO BE FINAL
 01/18/76: FINAL
 02/03/76: FC# 6448 PAID

Reporting Source: Firm
Current Status: Final
Allegations: APPLICANT VIOLATED NASD RULES REGARDING UNSUITABLE MUTUAL
 FUND TRANSACTIONS.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated: 02/25/1975
Docket/Case Number: K-183
Principal Product Type: Mutual Fund(s)
Other Product Type(s):
**Principal Sanction(s)/Relief
 Sought:** Other
**Other Sanction(s)/Relief
 Sought:**
Resolution: Decision
Resolution Date: 02/25/1975
Sanctions Ordered: Censure
Other Sanctions Ordered:
Sanction Details: APPLICANT WAS CENSURED.

Disclosure 119 of 135

Reporting Source: Regulator



Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 07/27/1972
Docket/Case Number: N-V-223
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Decision
Resolution Date: 08/30/1972
Sanctions Ordered: Monetary/Fine \$25.00
Other Sanctions Ordered:
Sanction Details:
Regulator Statement NASDAQ COMPLAINT N-V-223 FILED 07/27/72
 08/30/72: FINED \$25
 09/13/72: PAID
 08/30/72: FINAL

Reporting Source: Firm
Current Status: Final
Allegations: APPLICANT FAILED TO REPORT NASDAQ VOLUME.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated: 07/27/1972
Docket/Case Number: N-V-223
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other


Other Sanction(s)/Relief Sought:

Resolution: Other
Resolution Date: 07/27/1972
Sanctions Ordered: Monetary/Fine \$25.00
Other Sanctions Ordered:
Sanction Details: APPLICANT WAS FINED \$25.00.

Disclosure 120 of 135

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 11/05/1962
Docket/Case Number: K-37

Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:

Resolution: Decision
Resolution Date: 06/13/1983
Sanctions Ordered: Censure
 Monetary/Fine \$1,000.00

Other Sanctions Ordered:
Sanction Details:

Regulator Statement #K-37 FILED 11/05/62
 06/13/63 CENSURED & FINED
 \$1,000 ASSESSED COST OF
 \$105.82. PD. 06/21/83



Reporting Source: Firm
Current Status: Final
Allegations: APPLICANT VIOLATED REGULATION "T" OF THE FEDERAL RESERVE BOARD.
Initiated By: NASD
Date Initiated: 11/05/1962
Docket/Case Number: K-37
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought: FINED \$1,000.00.
Resolution: Other
Resolution Date: 11/05/1962
Sanctions Ordered: Censure
 Monetary/Fine \$1,000.00
Other Sanctions Ordered:
Sanction Details: APPLICANT WAS CENSURED AND FINED \$1000.00.

Disclosure 121 of 135

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 04/02/1992
Docket/Case Number: CMS920056-AWC
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief

**Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Consent**Resolution Date:** 06/03/1992**Sanctions Ordered:** Monetary/Fine \$250.00**Other Sanctions Ordered:****Sanction Details:****Regulator Statement** 6/10/92: MARKET SURVEILLANCE COMMITTEE COMPLAINT #CMS920056-AWC:

A LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED APRIL 2, 1992 AGAINST RESPONDENT MEMBER STIFEL, NICOLAUS & COMPANY, INCORPORATED ALLEGING VIOLATIONS OF PART VI, SECTION 5(a) OF SCHEDULE D IN THAT THE FOLLOWING RESPONDENTS FAILED TO REPORT THEIR NASDAQ VOLUME:

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON MAY 8, 1992 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON JUNE 3, 1992. \$250.00 FINE.

\$250.00 PAID ON 6/23/92 INVOICE #92-MS-578

Reporting Source: Firm**Current Status:** Final**Allegations:** APPLICANT WAS FOUND TO HAVE VIOLATED PART I, SECT. 5(A) OF SCHEDULE D OF THE NASD BY-LAWS BY FAILURE TO REPORT ITS NASDAQ VOLUME IN CERTAIN SECURITIES.**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS**Date Initiated:** 04/02/1992**Docket/Case Number:** AWC PROCEDURE NO. CMS920056 AWC**Principal Product Type:** No Product**Other Product Type(s):**



Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: AWC ACTION

Resolution: Other

Resolution Date: 04/02/1992

Sanctions Ordered: Monetary/Fine \$250.00

Other Sanctions Ordered:

Sanction Details: THE APPLICANT WAS FINED \$250.00.

Disclosure 122 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: FAILURE TO SUPERVISE

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 12/03/1991

Docket/Case Number: C04910041

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 07/21/1992

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: **\$5,000.00 PAID ON 8/19/92 INVOICE #92-04-716**

Regulator Statement COMPLAINT NO. C04910041 FILED 12/3/91 BY DISTRICT 4 AGAINST RESPONDENTS STIFEL, NICOLAUS & COMPANY, INC. MIKE KISHENDAS LULLA AND FRANK CLAYTON LESTER, SR. ALLEGING VIOLATIONS OF



ARTICLE III, SECTIONS 1, 18, 19 AND 27 OF THE RULES OF FAIR PRACTICE IN THAT RESPONDENT LULLA RECEIVED CHECKS TOTALING \$200,000 FROM A PUBLIC CUSTOMER FOR INVESTMENT PURPOSES WITH RESPONDENT MEMBER, AND INSTEAD, HE DEPOSITED THE FUNDS INTO HIS PERSONAL ACCOUNT AT RESPONDENT MEMBER AND CONVERTED THE FUNDS TO HIS OWN USE AND BENEFIT; RESPONDENT LESTER AIDED AND BETTED RESPONDENT LULLA IN THE AFOREMENTIONED CONVERSION OF CUSTOMER FUNDS; EXECUTED SECURITIES TRANSACTIONS IN THE ACCOUNT OF RESPONDENT LULLA AT RESPONDENT MEMBER WHILE KNOWING THAT THE MONIES IN THE ACCOUNT WERE THOSE OF THE AFOREMENTIONED CUSTOMER; AND, RESPONDENT MEMBER FAILED TO ADEQUATELY AND PROPERLY SUPERVISE RESPONDENT LESTER. DECISION 7/21/92, OFFER OF SETTLEMENT SUBMITTED BY RESPONDENT MEMBER ACCEPTED; THEREFORE, IT IS CENSURED, FINED \$5,000 AND MUST DEMONSTRATE TO THE NASD'S DISTRICT NO. 4 OFFICE WITHIN 60 DAYS FROM THE DATE OF ISSUANCE OF THIS DECISION AND ORDER OF ACCEPTANCE OF OFFER OF SETTLEMENT, THAT IT HAS MODIFIED ITS BRANCH OFFICE OPERATIONAL PROCEDURES TO REQUIRE THAT, PRIOR TO DEPOSITING A CASHIER'S CHECK CREDITING THE ACCOUNT OF A PERSON OTHER THAN THE REMITTER, WRITTEN APPROVAL WILL BE OBTAINED FROM THE REMITTER.
 \$5,000.00 PAID ON 8/19/92 INVOICE #92-04-716

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED APPLICANT VIOLATED ARTICLE III, SEC. 1 AND 27 OF THE RULES OF FAIR PRACTICE IN THAT, PRIOR TO DEPOSITING A CASHIERS CHECK CREDITING THE ACCOUNT OF A PERSON OTHER THAN THE REMITTER, WRITTEN APPROVAL WAS NOT OBTAINED FROM THE REMITTER.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 12/03/1991

Docket/Case Number: CO4910041

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: COMPLAINT



Resolution: Decision & Order of Offer of Settlement

Resolution Date: 07/21/1992

Sanctions Ordered: Censure
Monetary/Fine \$5,000.00

Other Sanctions Ordered: AGREED TO MODIFY CERTAIN CHECK HANDLING PROCEDURES.

Sanction Details: APPLICANT CONSENTED TO AN OFFERING SETTLEMENT WHEREBY APPLICANT WAS CENSURED, FINED \$5,0000 AND AGREED TO MODIFY CERTAIN CHECK HANDLING PROCEDURES. THE FINE WAS PAID ON OR ABOUT JULY 21, 1992.

Disclosure 123 of 135

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 02/25/1987

Docket/Case Number: KC-371-AWC

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 02/25/1987

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement ON FEBRUARY 25, 1987, THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. KC-371-AWC (DISTRICT NO. 4) SUBMITTED BY RESPONDENT STIFEL, NICOLAUS & COMPANY, INCORPORATED WAS ACCEPTED; THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000.00 (ARTICLE



III, SECTION 1 OF THE RULES OF FAIR PRACTICE - FAILED TO QUALIFY BY EXAMINATION TWO INDIVIDUALS FUNCTIONING IN THE CAPACITY OF PRINCIPALS). ***** \$10,000 PAID 3-11-87.

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED APPLICANT CONTRAVENED THE PROVISIONS OF SCHEDULE C11 OF THE NASD BY-LAWS, THEREBY VIOLATING ARTICLE III, SECT. I OF THE NASD'S RULES OF FAIR PRACTICE, IN THAT IT FAILED TO QUALIFY BY EXAM ROBERT COCHRANE AND JOSEPH SCHAFLY AS PRINCIPALS WHEN BOTH WERE FUNCTIONING IN CAPACITIES WHICH WOULD REQUIRE THE QUALIFICATIONS.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 02/25/1987

Docket/Case Number: KC-371-AWC

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: COMPLAINT

Resolution: Decision

Resolution Date: 02/05/1987

Sanctions Ordered: Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: APPLICANT WAS CENSURED AND FINED \$10,000.00.

Disclosure 124 of 135

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.



Date Initiated: 04/03/1986
Docket/Case Number: MS-300-AWC

Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent
Resolution Date: 06/24/1986
Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement 7/3/86: MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-300-AWC:

LETTER OF ACCEPTANCE, WAIVER AND CONSENT ISSUED ON APRIL 3, 1986, ALLEGING VIOLATIONS OF PART I, SECTION C.3.(c) OF D OF THE ASSOCIATION'S BY-LAWS IN THAT RESPONDENT FAILED TO REPORT ITS NASDAQ VOLUME IN THREE SECURITIES ON 1/15/86. AWC ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON 5/20/86 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON 6/24/86.

11/18/86: \$500 FINE PAID 7/16/86

Reporting Source: Firm

Current Status: Final

Allegations: APPLICANT WAS FOUND TO HAVE VIOLATED PART I, SECT. C.3(C) OF SCHEDULE D OF THE NASD BY-LAWS BY FAILURE TO REPORT ITS NASDAQ VOLUME IN CERTAIN SECURITIES.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 04/15/1986

Docket/Case Number: MS-300 AWC

Principal Product Type: No Product



Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: AWC ACTION

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/15/1986

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: APPLICANT WAS FINED \$500.00 - PAID ON APRIL 15, 1986.

Disclosure 125 of 135

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 07/13/1960

Docket/Case Number: K-15

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 08/12/1960

Sanctions Ordered: Censure
Monetary/Fine \$100.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement #K-15 FILED 07/13/60



08/12/60 CENSURE & FINED
\$100. ASSESSED COST OF \$6.74

Reporting Source: Firm

Current Status: Final

Allegations: VIOLATION OF REGULATION "T" OF THE FEDERAL RESERVE BOARD

Initiated By: NASD

Date Initiated: 07/13/1960

Docket/Case Number: K-15

Principal Product Type: Other

Other Product Type(s): VIOLATION OF REGULATION "T" OF THE FEDERAL RESERVE BOARD

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

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 07/13/1960

Sanctions Ordered: Censure
Monetary/Fine \$100.00

Other Sanctions Ordered:

Sanction Details: APPLICANT WAS FINED \$100.00 WHICH WAS PAID 7/13/1960.

Disclosure 126 of 135

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 01/27/1986

Docket/Case Number: MS-250-AWC

Principal Product Type:

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Consent**Resolution Date:** 04/01/1986**Sanctions Ordered:** Monetary/Fine \$500.00**Other Sanctions Ordered:****Sanction Details:****Regulator Statement**

MS-250-AWC: LETTER OF ACCEPTANCE, WAIVER AND CONSENT ISSUED ON JANUARY 27, 1986, ALLEGING VIOLATIONS OF PART I, SECTION C.3.(c) OF SCHEDULE D OF THE ASSOCIATION'S BY-LAWS IN THAT RESPONDENT FAILED TO REPORT ITS NASDAQ VOLUME ON APRIL 22, AUGUST 14, SEPTEMBER 26 AND OCTOBER 1, 1985. THE AWC WAS ACCEPTED BY THE MARKET SUREVEILLANCE COMMITTEE ON FEBRUARY 13 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON APRIL 1, 1986. AMOUNT OF FINE; \$500 ***4/21/86, NFC# 70, PAID IN FULL.

Reporting Source: Firm**Current Status:** Final**Allegations:** APPLICANT WAS FOUND TO HAVE VIOLATED PART I SEC. C.3(C) OF SCHEDULE D OF THE NASD BY-LAWS BY FAILURE TO REPORT ITS NASDAQ VOLUME IN CERTAIN SECURITIES.**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS**Date Initiated:** 01/27/1986**Docket/Case Number:** MS-250 AWC**Principal Product Type:** No Product**Other Product Type(s):****Principal Sanction(s)/Relief Sought:** Other



Other Sanction(s)/Relief Sought: AWC ACTION

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/27/1986

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: APPLICANT WAS FINED \$500.00

Disclosure 127 of 135

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 04/23/1970

Docket/Case Number: K-115

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 11/03/1971

Sanctions Ordered: Censure
Monetary/Fine \$1,500.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement COMPLAINT #K-115 FILED 4/23/70
DECISION CENSURED AND FINED \$1,500 10-15-70
ASSESSED \$191.66
11/13/70 CALLED BEFORE B/G FOR REVIEW. DBCC DEC. STAYED
B/G DECISION RENDERED 10/4/71. FINDINGS MADE BY DBCC ARE



AFFIRMED RESPONDENT CENSURED AND FINED \$1,500.ASSESSED
 \$191.66
 TO BE FINAL 11/3/71
 B/G DECISION FINAL 11/3/71
 FINE PAID

Reporting Source: Firm
Current Status: Final
Allegations: APPLICANT VIOLATED NASD RULES REGARDING FREE-RIDING INTERPRETATION.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated: 04/23/1970
Docket/Case Number: K-115
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought:
Resolution: Other
Resolution Date: 04/23/1970
Sanctions Ordered: Censure
 Monetary/Fine \$1,500.00
Other Sanctions Ordered:
Sanction Details: APPLICANT WAS CENSURED AND FINED \$1,500.00.

Disclosure 128 of 135

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 03/03/1970



Docket/Case Number: K-114

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 11/03/1971

Sanctions Ordered: Censure
Monetary/Fine \$1,000.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

COMPLAINT #K-114 FILED 3/3/70
DECISION 10/15/70, RESPONDENT CENSURED AND FINED \$1,000
11/13/70 CALLED BEFORE B/G FOR REVIEW - DBCC DECISION STAYED
10/4/71 B/G DECISION RENDERED. FINDINGS MADE BY DBCC ARE
AFFIRMED BUT PENALTIES ARE INCREASED. RESPONDENT MEMBER IS
CENSURED AND FINED \$1,000. ASSESSED COSTS OF \$191.66
TO BE FINAL 11/3/71
B/G DEC. FINAL 11/3/71
FINE PAID

Reporting Source: Firm

Current Status: Final

Allegations: APPLICANT VIOLATED NASD RULES REGARDING FREE-RIDING
INTERPRETATION.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 03/03/1970

Docket/Case Number: K-114

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other


Other Sanction(s)/Relief Sought:

Resolution: Other
Resolution Date: 03/03/1970
Sanctions Ordered: Censure
 Monetary/Fine \$1,000.00

Other Sanctions Ordered:

Sanction Details: APPLICANT WAS CENSURED AND FINED \$1000.00 WHICH WAS PAID ON MARCH 3, 1970.

Disclosure 129 of 135

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 03/03/1970
Docket/Case Number: K-106

Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:

Resolution: Decision
Resolution Date: 10/04/1971
Sanctions Ordered: Monetary/Fine \$3,000.00

Other Sanctions Ordered:
Sanction Details:

Regulator Statement COMPLAINT #K-106 FILED 3/3/70
 DECISION 10/15/70 RESPONDENT FINED \$1500
 11/13/70 CALLED BEFORE B/G FOR REVIEW DBCC DEC STAYED
 B/G DECISION RENDERED 10/4/71. FINDINGS MADE BY DBCC ARE



AFFIRMED BUT PENALTIES ARE INCREASED. RESPONDENT MEMBER
IS FINED \$3,000.
FINAL - 11/3/71
PAID

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED APPLICANT VIOLATED NASD RULES REGARDING FREE-RIDING INTERPRETATION.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 03/03/1970

Docket/Case Number: K-106

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought:

Resolution: Other

Resolution Date: 03/03/1970

Sanctions Ordered: Monetary/Fine \$3,000.00

Other Sanctions Ordered:

Sanction Details: APPLICANT WAS FINED \$3,000 WHICH WAS PAID ON MARCH 3, 1970.

Disclosure 130 of 135

Reporting Source: Regulator

Current Status: Final

Allegations: NONE

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 02/14/1972

Docket/Case Number: K-144



Principal Product Type: Other
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Decision
Resolution Date: 10/28/1973
Sanctions Ordered:
Other Sanctions Ordered:
Sanction Details: NONE
Regulator Statement COMPLAINT #K-144 FILED 2-14-72
 10-28-73: FINAL
 10-3-73: PAID (FC#5336)

Reporting Source: Firm
Current Status: Final
Allegations: ALLEGED APPLICANT VIOLATED NASD RULES REGARDING FREE-RIDING INTERPRETATION, FAILURE TO REGISTER AN OFFICER AS A PRINCIPAL AND INADEQUATE SUPERVISION.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated: 02/14/1972
Docket/Case Number: K-144
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought:
Resolution: Other
Resolution Date: 02/14/1972
Sanctions Ordered: Censure



Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details: APPLICANT WAS CENSURED AND FINED \$2,500.00.

Disclosure 131 of 135

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 04/08/1969

Docket/Case Number: K-97

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 09/18/1969

Sanctions Ordered: Censure
Monetary/Fine \$6,000.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement COMPLAINT K-97 FILED 4/8/69
DECISION 8/19/69, MEMBER CENSURED, FINED \$6,000
ASSESSED \$154.45
FINAL 9/18/69

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED APPLICANT VIOLATED NASD RULES REGARDING FREE-RIDING INTERPRETATION AND VIOLATION OF REGULATION "T" OF THE FEDERAL



RESERVE BOARD.

Initiated By: NASD
Date Initiated: 04/08/1969
Docket/Case Number: K-97
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: Decision
Resolution Date: 04/08/1969
Sanctions Ordered: Censure
 Monetary/Fine \$6,000.00
Other Sanctions Ordered:
Sanction Details: APPLICANT WAS CENSURED AND FINED \$6,000.00 WHICH WAS PAID ON APRIL 8, 1969.

Disclosure 132 of 135

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 02/16/1984
Docket/Case Number: KC-296
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:



Resolution: Consent
Resolution Date: 07/31/1984
Sanctions Ordered: Censure
 Monetary/Fine \$100.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

NASD COMPLAINT KC-296, FILED 2/16/84, DIST. 4, ALLEGING VIOLATIONS OF ARTICLE III, SECTION 1 AND 27 OF THE RULES OF FAIR PRACTICE IN THT RESPONDENT MEMBER, DEMANUELE AND SCHLAFLY FAILED TO ADEQUATELY SUPERVISE THE ATIVITIES OF RESPONDENT WOODY. *** DECISION RENDERED JULY 31, 1984, WHEREIN THE OFFER OF SETTLEMENT SUBMITTED BY THE RESPONDENTS WAS ACCEPTED; THEREFORE, RESPONDENTS MEMBER AND WOODY ARE CENSURED AND FINED \$100, JOINTLY AND SEVERALLY (ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE - RESPONDENT MEMBER, ACTING THROUGH RESPONDENT WOODY, FAILED TO MAKE A BONA FIDE PUBLIC DISTRUCTION OF SHARES OF INTEGRATED SOFTWARE SYSTEMS CORP., WHICH SHARES WENT TO AN IMMEDIATE PREMIUM IN THE SECONDARY MARKET IN THAT SHARES WERE SOLD TO A RESTRICTED ACCOUNT IN CONTRAVENTION OF THE BOARD OF GOVERNORS' INTERPRETATION WITH RESPECT TO FREE-RIDING AND WITHHOLDING). ALLEGATIONS AS CONTAINED IN THE SECOND CAUSE OF COMPLAINT OF A FAILURE BY THE RESPONDENTS MEMBER, DEMANUELE AND SCHLAFLY TO ADEQUATELY SUPERVISE THE ACTIVITIES OF RESPONDENT WOODY WERE DISMISSED IN THAT THE COMMITTEE DETERMINED THE FINDINGS DID NOT SUPPORT A FINDING OF VIOLATION, THEREFORE, THE COMPLAINT IS DISMISSED WITH REGARD TO RESPONDENTS SCHLAFLY DEMANUELE. AS ALL RIGHTS OF APPEAL AND REVIEW HAVE BEEN WAIVED, THIS DECISION WAS FINAL JULY 31, 1984.

Reporting Source: Firm

Current Status: Final

Allegations: APPLICANT & BERNARD WOODY (FORMER EMPLOYEE) WERE FOUND TO HAVE VIOLATED THE NASD RULES OF FAIR PRACTICE FOR FAILURE TO



MAKE A BONAFIDE PUBLIC DISTRIBUTION OF SHARES OF INTERGRATED SOFTWARE SYSTEMS CORP BY SELLING 50 SHARES TO A RESTRICTED PERSON AS DEFINED UNDER NASD RULES.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 07/03/1984

Docket/Case Number: KC-296

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: COMPLAINT

Resolution: Other

Resolution Date: 07/31/1984

Sanctions Ordered: Censure
Monetary/Fine \$100.00

Other Sanctions Ordered:

Sanction Details: APPLICANT AND MR. WOODY WERE CENSURED AND FINED \$100.00 JOINTLY AND SEVERALLY.

Disclosure 133 of 135

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 12/22/1983

Docket/Case Number: Unknown

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:



Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 12/22/1983

Sanctions Ordered: Censure

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

SEC NEWS DIGEST 12/22/83, ISSUE 83-246. THE COMMISSION HAS ACCEPTED AN OFFER OF SETTLEMENT FROM CARLTON R. JORGENSEN AND STIFEL, NICOLAUS & CO. IN CONNECTION WITH INSTITUTED ADMINISTRATIVE PROCEEDINGS AGAINST THEM. THE COMMISSION HAD ALLEGED THAT JORGENSEN VIOLATED THE ANTIFRAUD PROVISIONS OF THE CT BY EXECUTING UNAUTHORIZED TRADING IN AND CONVERSION OF CUSTOMER ACCOUNTS. THE FIRM WAS ALLEGED TO HAVE FAILED TO PROPERLY SUPERVISE THE AGENT. THE RESPONDENTS, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CONSENTED TO THE FINDINGS OF VIOLATIONS AS ALLEGED. JORGENSEN CONSENTED TO A BAR IN ALL CAPACITIES AND THE FIRM WAS CENSURED AND ORDERED TO COMPLY WITH CERTAIN UNDERTAKINGS. (REL. 34-20473)

Reporting Source: Firm

Current Status: Final

Allegations: APPLICANT FAILED, WITHIN THE MEANING OF SECT. 15(B)(4)(E) OF THE EXCHANGE ACT, REASONABLY TO SUPERVISE CARLETON R. JORGENSEN, ONE OF IT'S FORMER REGISTERED REPRESENTATIVES.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 12/12/1983

Docket/Case Number: FILE NO. 3-6314

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other



Other Sanction(s)/Relief Sought:	ADMINISTRATIVE PROCEEDING
Resolution:	Decision
Resolution Date:	12/12/1983
Sanctions Ordered:	Censure
Other Sanctions Ordered:	ORDERED TO ESTABLISH & MAINTAIN WRITTEN PROCEDURES CONCERNING CHECK WITHDRAWALS FROM CUSTOMER ACCOUNTS, AND THE EXECUTION OF TRANSACTIONS IN CUSTOMER ACCOUNTS BY FORMER EMPLOYEES.
Sanction Details:	CENSURE AND ORDERED TO ESTABLISH AND MAINTAIN WRITTEN PROCEDURES.

Disclosure 134 of 135

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	10/21/1981
Docket/Case Number:	K-245
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Decision
Resolution Date:	06/23/1983
Sanctions Ordered:	Censure Monetary/Fine \$1,000.00
Other Sanctions Ordered:	
Sanction Details:	
Regulator Statement	COMPLAINT K-245 FILED 10/21/81



DIST. #4
 DECISION 06/23/83: CENSURED AND FINED \$1,000, J&S.
 FINES & COSTS PD IN FULL: FC #8483. 07/12/83

Reporting Source: Firm

Current Status: Final

Allegations: WHEN DIRECTOR OF COMPLIANCE FOR APPLICANT, MR. KIRCHOFF WAS FOUND TO HAVE VIOLATED ART III, SEC 1 & 27 OF THE NASD RULES OF FAIR PRACTICE IN THAT DURING THE PERIOD FROM JANUARY, 1980 THROUGH JUNE, 1981, HE FAILED TO CONDUCT AN INSPECTION OF 5 OFFICES OF SUPERVISORY JURISDICTION ON A TIMELY ANNUAL BASIS AS REQUIRED UNDER THE RULE.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 06/23/1983

Docket/Case Number: K-245

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: COMPLAINT

Resolution: Other

Resolution Date: 06/23/1983

Sanctions Ordered: Censure
Monetary/Fine \$1,000.00

Other Sanctions Ordered:

Sanction Details: APPLICANT AND MR. KIRCHOFF WERE CENSURED AND FINED \$1000 JOINTLY AND SEVERALLY.

Disclosure 135 of 135

Reporting Source: Regulator

Current Status: Final

Allegations:



Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 11/14/1961
Docket/Case Number: K-25
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Decision
Resolution Date: 05/19/1962
Sanctions Ordered: Censure
Other Sanctions Ordered:
Sanction Details:
Regulator Statement #K-25 FILED 11/14/61
 05/19/62 CENSURED

Reporting Source: Firm
Current Status: Final
Allegations: VIOLATION OF NASD RULES REGARDING FREE RIDING INTERPRETATION.
Initiated By: NASD
Date Initiated: 11/14/1961
Docket/Case Number: K-25
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought:
Resolution: Other



Resolution Date: 11/14/1961
Sanctions Ordered: Censure
Other Sanctions Ordered:
Sanction Details: APPLICANT WAS CENSURED.



Civil - Final

This type of disclosure event involves (1) an injunction issued by a foreign or domestic court within the last 10 years in connection with investment-related activity, (2) a finding by a court of a violation of any investment-related statute or regulation, or (3) an action dismissed by a court pursuant to a settlement agreement.

Disclosure 1 of 2

Reporting Source: Regulator

Current Status: Final

Allegations: SEC LITIGATION RELEASE 22064, AUGUST 10, 2011: THE SECURITIES AND EXCHANGE COMMISSION CHARGED STIFEL, NICOLAUS & CO., INC., A ST. LOUIS-BASED BROKER-DEALER, AND A FORMER STIFEL SENIOR VICE PRESIDENT WITH DEFRAUDING FIVE WISCONSIN SCHOOL DISTRICTS BY SELLING THEM UNSUITABLY RISKY AND COMPLEX INVESTMENTS FUNDED LARGELY WITH BORROWED MONEY. THE SEC'S COMPLAINT ALLEGES THAT STIFEL AND THE SVP CREATED A PROPRIETARY PROGRAM TO HELP THE SCHOOL DISTRICTS FUND RETIREE BENEFITS BY INVESTING IN NOTES LINKED TO THE PERFORMANCE OF SYNTHETIC COLLATERALIZED DEBT OBLIGATIONS (CDOS). THE SCHOOL DISTRICTS ESTABLISHED TRUSTS THAT INVESTED \$200 MILLION IN THREE TRANSACTIONS FROM JUNE TO DECEMBER 2006, PAID FOR LARGELY WITH BORROWED FUNDS. ACCORDING TO THE SEC'S COMPLAINT, STIFEL AND THE SVP MISREPRESENTED THE RISK OF THE INVESTMENTS AND FAILED TO DISCLOSE MATERIAL FACTS TO THE SCHOOL DISTRICTS. IN THE END, THE INVESTMENTS WERE A COMPLETE FAILURE, BUT GENERATED SIGNIFICANT FEES FOR STIFEL AND THE SVP. THE SEC ALLEGES THAT STIFEL AND THE SVP MADE SWEEPING ASSURANCES TO THE SCHOOL DISTRICTS, MISREPRESENTING THAT IT WOULD TAKE "15 ENRONS" - A CATASTROPHIC, OVERNIGHT COLLAPSE - FOR THE INVESTMENTS TO FAIL. THEY ALSO MISREPRESENTED THAT 30 OF THE 105 COMPANIES IN THE PORTFOLIO WOULD HAVE TO DEFAULT AND THAT 100 OF THE TOP 800 COMPANIES IN THE WORLD WOULD HAVE TO FAIL BEFORE THE SCHOOL DISTRICTS WOULD SUFFER A LOSS OF THEIR PRINCIPAL. THE SEC ALLEGES THAT AMONG MATERIAL FACTS THAT STIFEL AND THE SVP FAILED TO DISCLOSE WERE THE PORTFOLIO IN THE FIRST TRANSACTION PERFORMING POORLY FROM THE OUTSET, CREDIT RATING AGENCIES PLACING 10 PERCENT OF THE PORTFOLIO ON NEGATIVE WATCH WITHIN 36 DAYS OF CLOSING, AND CERTAIN CDO PROVIDERS EXPRESSING CONCERNS ABOUT THE RISKS OF STIFEL'S PROPRIETARY PROGRAM AND DECLINING TO PARTICIPATE IN IT. ACCORDING TO THE SEC'S COMPLAINT, STIFEL AND THE SVP SOLD THE SCHOOL DISTRICTS AN UNSUITABLE PRODUCT THAT DID NOT MEET THEIR INVESTMENT NEEDS. THE SCHOOL DISTRICTS HAD NO PRIOR EXPERIENCE WITH INVESTING IN CDOS AND RELATED INSTRUMENTS. STIFEL AND THE SVP KNEW THAT THE SCHOOL DISTRICTS LACKED THE REQUISITE SOPHISTICATED AND EXPERIENCE



TO INDEPENDENTLY EVALUATE THE RISKS OF THE INVESTMENT, AND KNEW THAT THE SCHOOL DISTRICTS RELIED ON STIFEL AND THE SVP'S RECOMMENDATIONS. THE SCHOOL DISTRICTS CONTRIBUTED \$37.3 MILLION TOWARD THE \$200 MILLION INVESTMENT AND BORROWED THE REMAINING \$162.7 MILLION. THE SEC ALLEGES THAT THE HEAVY USE OF LEVERAGE AND THE STRUCTURE OF THE SYNTHETIC CDOS EXPOSED THE SCHOOL DISTRICTS TO A HEIGHTENED RISK OF CATASTROPHIC LOSS. THE INVESTMENTS STEADILY DECLINED IN VALUE IN 2007 AND 2008 AS THE CDO PORTFOLIOS SUFFERED A SERIES OF DOWNGRADES. BY 2010, THE SCHOOL DISTRICTS LEARNED THAT THE SECOND AND THIRD INVESTMENTS WERE A COMPLETE LOSS AND THAT THE LENDER HAD SEIZED ALL OF THE TRUSTS' ASSETS. THE SCHOOL DISTRICTS SUFFERED A COMPLETE LOSS OF THEIR INVESTMENT AND SUFFERED CREDIT RATING DOWNGRADES FOR FAILING TO PROVIDE ADDITIONAL FUNDS TO THE TRUSTS THEY ESTABLISHED. THE SEC ALLEGES THAT STIFEL AND THE SVP VIOLATED SECTION 17(A) OF THE SECURITIES ACT OF 1933, AND SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10B-5 THEREUNDER. THE SEC ALSO ALLEGES THAT STIFEL VIOLATED AND THE SVP AIDED AND ABETTED VIOLATIONS OF SECTION 15(C)(1)(A) OF THE SECURITIES EXCHANGE ACT OF 1934. THE SEC SEEKS PERMANENT INJUNCTIONS, DISGORGEMENT OF ILL-GOTTEN GAINS WITH PREJUDGMENT INTEREST, AND FINANCIAL PENALTIES.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Court Details: UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF WISCONSIN, CASE NO. 11-CV-755

Date Court Action Filed: 08/10/2011

Principal Product Type: Other

Other Product Types: COLLATERALIZED DEBT OBLIGATIONS

Relief Sought: Injunction

Other Relief Sought: DISGORGEMENT OF ILL-GOTTEN GAINS WITH PREJUDGMENT INTEREST, AND FINANCIAL PENALTIES

Resolution: Judgment Rendered

Resolution Date: 12/06/2016

Sanctions Ordered or Relief Granted: Monetary/Fine \$22,000,000.00
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions:

Sanction Details: ON DECEMBER 6, 2016, A FINAL JUDGMENT WAS ENTERED BY CONSENT AGAINST STIFEL NICOLAUS AND COMPANY, INC. ("STIFEL") WHEREIN IT



WAS PERMANENTLY RESTRAINED AND ENJOINED FROM VIOLATING SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT OF 1933. IT WAS ALSO ORDERED THAT STIFEL IS JOINTLY AND SEVERALLY LIABLE FOR DISGORGEMENT OF \$1,660,000, REPRESENTING PROFITS GAINED AS A RESULT OF THE CONDUCT ALLEGED IN THE COMPLAINT, TOGETHER WITH PREJUDGMENT INTEREST THEREON IN THE AMOUNT OF \$840,000. STIFEL IS ALSO LIABLE FOR A CIVIL PENALTY IN THE AMOUNT OF \$22,000,000.

Reporting Source: Firm

Current Status: Final

Allegations: THE SEC ALLEGED THAT STIFEL NICOLAUS ACTED FRAUDULENTLY IN CONNECTION WITH ITS ROLE IN THE PURCHASE OF SYNTHETIC COLLATERALIZED DEBT OBLIGATIONS BY 5 WISCONSIN SCHOOL DISTRICTS WHICH WERE LARGELY FUNDED WITH BORROWED MONEY. THE SEC FURTHER ALLEGED THAT THE CDO'S WERE UNSUITABLE INVESTMENTS FOR THE SCHOOL DISTRICTS.

Initiated By: THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Court Details: UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF WISCONSIN

Date Court Action Filed: 08/10/2011

Principal Product Type: Other

Other Product Types: COLLATERIZED DEBT OBLIGATIONS

Relief Sought: Injunction

Other Relief Sought: DISGORGEMENT, PREJUDGMENT INTEREST, FINANCIAL PENALTIES

Resolution: Judgment Rendered

Resolution Date: 12/06/2016

Sanctions Ordered or Relief Granted: Monetary/Fine \$22,000,000.00
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions:

Sanction Details: ON DECEMBER 6, 2016, A FINAL JUDGMENT ("JUDGMENT") WAS ENTERED AGAINST STIFEL, NICOLAUS & COMPANY, INC. ("STIFEL NICOLAUS") BY THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF WISCONSIN (CIVIL ACTION NO. 2:11-CV-00755) RESOLVING A CIVIL LAWSUIT FILED BY THE U.S. SECURITIES & EXCHANGE COMMISSION (THE "SEC") IN



2011 INVOLVING VIOLATIONS OF SEVERAL ANTIFRAUD PROVISIONS OF THE FEDERAL SECURITIES LAWS IN CONNECTION WITH THE SALE OF SYNTHETIC COLLATERALIZED DEBT OBLIGATIONS ("CDOS") TO FIVE WISCONSIN SCHOOL DISTRICTS IN 2006.

AS A RESULT OF THE ORDER, STIFEL IS REQUIRED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT, AND STIFEL AND A FORMER EMPLOYEE ARE JOINTLY LIABLE TO PAY DISGORGEMENT AND PREJUDGMENT INTEREST OF \$2.5 MILLION. STIFEL WAS ALSO REQUIRED TO PAY A CIVIL PENALTY OF \$22 MILLION. THE JUDGMENT ALSO REQUIRED STIFEL TO DISTRIBUTE \$12.5 MILLION OF THE ORDERED DISGORGEMENT AND CIVIL PENALTY TO THE SCHOOL DISTRICTS INVOLVED IN THIS MATTER.

Disclosure 2 of 2

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Court Details:	
Date Court Action Filed:	08/03/1995
Principal Product Type:	
Other Product Types:	
Relief Sought:	
Other Relief Sought:	
Resolution:	Consent
Resolution Date:	08/03/1995
Sanctions Ordered or Relief Granted:	Monetary/Fine \$250,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions:	
Sanction Details:	
Regulator Statement	[TOP] 8/7/95 SEC NEWS DIGEST, ISSUE NO. 95-149, 8/3/95: "CIVIL ACTION AGAINST STIFEL, NICOLAUS AND COMPANY, INC."; SEC FILED A



COMPLAINT IN U.S. DISTRICT COURT FOR THE WESTERN DISTRICT OF OKLAHOMA AGAINST STIFEL, NICOLAUS AND COMPANY. STIFEL VIOLATED SECTION 17(a) OF THE SECURITIES ACT, SECTIONS 10(b), 17(a)(1) AND 15B(c)(1) OF THE SECURITIES EXCHANGE ACT AND RULES 10b-5, 17a-3, AND 17a-4 THEREUNDER. STIFEL VIOLATED RULES G-8, G-9 AND G-17 OF THE MUNICIPAL SECURITIES RULEMAKING BOARD. COMPLAINT ALLEGES FROM 1989 TO 1993, STIFEL RECEIVED MILLIONS OF DOLLARS IN UNDISCLOSED PAYMENTS FROM THIRD PARTIES THAT SOLD OR BROKERED INVESTMENTS TO MUNICIPAL ISSUERS AND UNDERMINED THE INTEGRITY OF THE BIDDING PROCESS SET UP FOR THE PURCHASE OF CERTAIN OF THOSE INVESTMENTS. STIFEL DEFRAUDED INVESTORS BY FAILING TO DISCLOSE THE PAYMENTS, WHICH DEPRIVED INVESTORS OF INFORMATION MATERIAL TO ASSESS THE TAX EXEMPT STATUS OF THE BONDS. COMPLAINT ALLEGES FROM AT LEAST 1990-93, IN CONNECTION WITH THE ISSUE OF CERTIFICATES OF PARTICIPATION FOR THE BENEFIT OF OKLAHOMA SCHOOL DISTRICTS AND COUNTIES, STIFEL PREPARED OR ASSISTED OTHERS IN PREPARING, MATERIALLY OVERSTATED PROJECTED CUMULATIVE CASH FLOW DEFICITS RESULTING IN INFLATED PARTICIPATION AMOUNTS BY THE SCHOOL DISTRICTS AND COUNTIES. STIFEL'S ACTIONS CREATED A RISK THAT BONDS ISSUED WOULD BE DEEMED ARBITRAGE BONDS BY IRS. WITHOUT ADMITTING OR DENYING ALLEGATIONS, STIFEL CONSENTED TO A FINAL JUDGMENT OF PERMANENT INJUNCTION AGAINST VIOLATIONS OF THE PROVISIONS OF THE FEDERAL SECURITIES LAWS CITED ABOVE. HE AGREED TO PAY \$922,741 FOR DISGORGEMENT OF UNDISCLOSED PAYMENTS, PREJUDGMENT INTEREST ON THAT AMOUNT OF \$263,637 AND CIVIL MONEY PENALTY PURSUANT TO SECTION 20(d) OF THE SECURITIES ACT AND SECTION 21(d)(3) OF THE EXCHANGE ACT OF \$250,000. [SEC V. STIFEL, NICOLAUS AND COMPANY, INC., UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF OKLAHOMA, CIVIL ACTION NO. 95-1190] (LR-14587)

Reporting Source: Firm

Current Status: Final

Allegations: STIFEL RECEIVED MONEY IN UNDISCLOSED PAYMENTS FROM THIRD PARTIES THAT SOLD OR BROKERED INVESTMENTS TO MUNICIPAL ISSUERS AND UNDERMINED THE INTEGRITY OF THE BIDDING PROCESS SET UP FOR THE PURCHASE OF CERTAIN OF THOSE INVESTMENTS.



DEFRAUDED INVESTORS BY FAILING TO DISCLOSE THE PAYMENTS, WHICH DEPRIVED INVESTORS OF INFO MATERIAL TO ASSESS THE TAX EXEMPT STATUS OF THE BONDS.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Court Details: U.S. DISTRICT COURT FOR THE WESTERN DISTRICT OF OKLAHOMA, CIVIL ACTION NO. 95-1190

Date Court Action Filed: 08/03/1995

Principal Product Type: Other

Other Product Types: UNKNOWN

Relief Sought: Civil Penalty(ies)/Fine(s)

Other Relief Sought:

Resolution: Consent

Resolution Date: 08/03/1995

Sanctions Ordered or Relief Granted: Monetary/Fine \$250,000.00
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions:

Sanction Details: WITHOUT ADMITTING OR DENYING ALLEGATIONS, STIFEL CONSENTED TO A FINAL JUDGEMENT OF PERMANENT INJUNCTION AGAINST VIOLATIONS OF THE PROVISIONS OF THE FEDERAL SECURITIES LAWS. AGREED TO PAY \$922,741 FOR DISGORGEMENT OF UNDISCLOSED PYAMENTS, PREJUDGEMENT INTREST ON THAT AMOUNT OF \$263,637 AND CIVIL MONEY PENALTY OF \$250,000.

Firm Statement WITHOUT ADMITTING OR DENYING ALLEGATIONS, STIFEL CONSENTED TO A FINAL JUDGEMENT OF PERMANENT INJUNCTION AGAINST VIOLATIONS OF THE PROVISIONS OF THE FEDERAL SECURITIES LAWS.

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 54

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:	06/12/2000
Case Number:	00-01471
Disputed Product Type:	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; REAL ESTATE INVESTMENT TRUST
Sum of All Relief Requested:	\$5,000,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	08/21/2001
Sum of All Relief Awarded:	\$12,000.00

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

Disclosure 2 of 54

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	05/18/2001
Case Number:	01-02611



Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$152,031.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 07/01/2002

Sum of All Relief Awarded: \$151,997.14

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 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD

Case Initiated: 06/07/2001

Case Number: [01-02950](#)

Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$11,765,376.95

Disposition: AWARD AGAINST PARTY - VACATED IN WHOLE OR PART

Disposition Date: 11/05/2003

Sum of All Relief Awarded: \$4,474,118.33

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 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE



Arbitration Forum: NASD
Case Initiated: 07/24/2001
Case Number: [01-03867](#)
Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested: \$443,113.92
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/10/2003
Sum of All Relief Awarded: \$250,256.64

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 54

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: 02/07/2002
Case Number: [02-00678](#)
Disputed Product Type: COMMON STOCK; CORPORATE BONDS; OTHER TYPES OF SECURITIES; PREFERRED STOCK
Sum of All Relief Requested: \$4,000,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/11/2003
Sum of All Relief Awarded: \$1,269.00

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 54

Reporting Source: Regulator



Type of Event: ARBITRATION

Allegations: DO NOT USE-NO OTHER CONTROVERSY INVOLVED; UNKNOWN TYPE OF CONTROVERSIES

Arbitration Forum: NASD

Case Initiated: 04/27/2002

Case Number: [02-01995](#)

Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$171,959.73

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/24/2003

Sum of All Relief Awarded: \$138,689.90

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 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD

Case Initiated: 01/28/2003

Case Number: [03-00495](#)

Disputed Product Type: COMMON STOCK; CORPORATE BONDS; MUTUAL FUNDS; OPTIONS

Sum of All Relief Requested: \$3,000,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 05/28/2004

Sum of All Relief Awarded: \$124,260.00

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 54

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	NASD
Case Initiated:	03/21/2003
Case Number:	03-01862
Disputed Product Type:	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	\$460,522.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	08/26/2004
Sum of All Relief Awarded:	\$200,000.00

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 54

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	08/21/2003
Case Number:	03-05952
Disputed Product Type:	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested:	\$3,500,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	06/10/2004



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 10 of 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD

Case Initiated: 09/26/2003

Case Number: [03-06829](#)

Disputed Product Type: COMMON STOCK; MUTUAL FUNDS; PREFERRED STOCK; REAL ESTATE INVESTMENT TRUST

Sum of All Relief Requested: Unspecified Damages

Disposition: AWARD AGAINST PARTY

Disposition Date: 12/21/2004

Sum of All Relief Awarded: \$34,081.66

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 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD

Case Initiated: 11/26/2003

Case Number: [03-07712](#)

Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE



Sum of All Relief Requested: \$1,680,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 04/11/2005

Sum of All Relief Awarded: \$134,194.52

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 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD

Case Initiated: 01/29/2004

Case Number: [04-00479](#)

Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$275,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 12/23/2004

Sum of All Relief Awarded: \$242,871.00

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 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD



Case Initiated: 04/28/2004
Case Number: [04-03049](#)
Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested: \$500,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/26/2005
Sum of All Relief Awarded: \$60,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-BREACH OF CONTRACT
Arbitration Forum: NASD
Case Initiated: 06/05/2006
Case Number: [06-02174](#)
Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested: \$200,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 04/30/2007
Sum of All Relief Awarded: \$90,000.00

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

Disclosure 15 of 54

Reporting Source: Regulator
Type of Event: ARBITRATION

Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	06/28/2006
Case Number:	06-02711
Disputed Product Type:	COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$195,728.11
Disposition:	AWARD AGAINST PARTY
Disposition Date:	05/25/2010
Sum of All Relief Awarded:	\$0.03

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

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Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum:	NASD
Case Initiated:	05/31/2007
Case Number:	07-01495
Disputed Product Type:	ANNUITIES; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$300,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	03/23/2009
Sum of All Relief Awarded:	\$220,944.00

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 54



Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 07/17/2008

Case Number: [08-02376](#)

Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; REAL ESTATE INVESTMENT TRUST

Sum of All Relief Requested: \$260,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 03/25/2009

Sum of All Relief Awarded: \$158,227.62

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 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS

Arbitration Forum: FINRA

Case Initiated: 10/23/2008

Case Number: [08-03255](#)

Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; OTHER TYPES OF SECURITIES

Sum of All Relief Requested: \$1,051,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 03/31/2010

Sum of All Relief Awarded: \$236,300.00



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

Disclosure 19 of 54

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	FINRA
Case Initiated:	11/19/2008
Case Number:	08-04259
Disputed Product Type:	COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested:	\$5,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	04/29/2009
Sum of All Relief Awarded:	\$4,978.71

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 54

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	01/16/2009
Case Number:	09-00235
Disputed Product Type:	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; OTHER TYPES OF SECURITIES
Sum of All Relief Requested:	\$94,032.00



Disposition: AWARD AGAINST PARTY
Disposition Date: 11/09/2009
Sum of All Relief Awarded: \$3,192.50

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

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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: 02/10/2009
Case Number: [09-00405](#)
Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; MUNICIPAL BOND FUNDS; OTHER TYPES OF SECURITIES
Sum of All Relief Requested: \$3,000,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/29/2010
Sum of All Relief Awarded: \$366,840.09

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 54

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 02/10/2009

Case Number: [09-00465](#)
Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$1,950,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/30/2010
Sum of All Relief Awarded: \$13,182.88

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY;
ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: FINRA
Case Initiated: 08/28/2009
Case Number: [09-04933](#)
Disputed Product Type: REAL ESTATE INVESTMENT TRUST; VARIABLE ANNUITIES
Sum of All Relief Requested: \$500,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/31/2011
Sum of All Relief Awarded: \$42,675.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-TRANSFER
Arbitration Forum: FINRA
Case Initiated: 09/03/2009

Case Number: [09-04998](#)
Disputed Product Type: OTHER TYPES OF SECURITIES
Sum of All Relief Requested:
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/23/2010
Sum of All Relief Awarded:

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 54

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 10/23/2009
Case Number: [09-05990](#)
Disputed Product Type: PREFERRED STOCK
Sum of All Relief Requested: \$50,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/28/2010
Sum of All Relief Awarded: \$31,460.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE



Arbitration Forum: FINRA
Case Initiated: 12/23/2011
Case Number: [11-04506](#)
Disputed Product Type: EXCHANGE-TRADED FUNDS; OPTIONS
Sum of All Relief Requested: \$800,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/28/2013
Sum of All Relief Awarded: \$200,375.00

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

Disclosure 27 of 54

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 08/16/2012
Case Number: [12-02897](#)
Disputed Product Type: MUTUAL FUNDS; OTHER TYPES OF SECURITIES; PRIVATE EQUITIES; VARIABLE ANNUITIES
Sum of All Relief Requested: \$10,000,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/31/2015
Sum of All Relief Awarded: \$1,542,342.01

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 54

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum:	FINRA
Case Initiated:	10/03/2012
Case Number:	12-03292
Disputed Product Type:	COMMON STOCK; MUTUAL FUNDS
Sum of All Relief Requested:	\$88,276.85
Disposition:	AWARD AGAINST PARTY
Disposition Date:	09/24/2013
Sum of All Relief Awarded:	\$62,500.85

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 54

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-FAILURE TO SUPERVISE
Arbitration Forum:	FINRA
Case Initiated:	02/01/2013
Case Number:	13-00130
Disputed Product Type:	COMMON STOCK; MUTUAL FUNDS; PREFERRED STOCK; REAL ESTATE INVESTMENT TRUST
Sum of All Relief Requested:	\$33,589.69
Disposition:	AWARD AGAINST PARTY

Disposition Date: 09/03/2013

Sum of All Relief Awarded: \$3,310.62

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 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY

Arbitration Forum: FINRA

Case Initiated: 11/05/2013

Case Number: [13-02950](#)

Disputed Product Type: LIMITED PARTNERSHIPS

Sum of All Relief Requested: \$75,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 07/16/2015

Sum of All Relief Awarded: \$143,470.10

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 54

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: FINRA

Case Initiated: 01/09/2014

Case Number: [14-00017](#)



Disputed Product Type: ANNUITIES; COMMODITIES FUTURES; COMMON STOCK; MUTUAL FUNDS
Sum of All Relief Requested: \$400,000.01
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/22/2016
Sum of All Relief Awarded: \$25,882.55

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

Disclosure 32 of 54

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; OTHER-UNDERWRITING
Arbitration Forum: FINRA
Case Initiated: 03/25/2015
Case Number: [15-00656](#)
Disputed Product Type: MUNICIPAL BONDS
Sum of All Relief Requested: \$58,431.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/21/2015
Sum of All Relief Awarded: \$12,800.00

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

Disclosure 33 of 54

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT ACTIVITY-VIOLATE OF BLUE SKY LWS; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE



Arbitration Forum: FINRA
Case Initiated: 01/06/2016
Case Number: [15-03427](#)
Disputed Product Type: COMMON STOCK
Sum of All Relief Requested: \$75,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/09/2017
Sum of All Relief Awarded: \$117,354.82

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

Disclosure 34 of 54

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-VIOLATE OF BLUE SKY LWS; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 06/16/2016
Case Number: [16-01640](#)
Disputed Product Type: COMMON STOCK; MUTUAL FUNDS; PREFERRED STOCK
Sum of All Relief Requested: \$32,950.34
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/17/2016
Sum of All Relief Awarded: \$9,850.00

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

Disclosure 35 of 54

Reporting Source: Regulator



Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	07/19/2016
Case Number:	16-01680
Disputed Product Type:	VARIABLE ANNUITIES
Sum of All Relief Requested:	\$100,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	11/24/2017
Sum of All Relief Awarded:	\$90,225.00

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

Disclosure 36 of 54

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	11/28/2016
Case Number:	16-03363
Disputed Product Type:	OTHER TYPES OF SECURITIES
Sum of All Relief Requested:	\$307,061.49
Disposition:	AWARD AGAINST PARTY
Disposition Date:	10/13/2017
Sum of All Relief Awarded:	\$90,000.00

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

Disclosure 37 of 54

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	03/23/2017
Case Number:	17-00712
Disputed Product Type:	COMMON STOCK
Sum of All Relief Requested:	\$500,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	06/06/2018
Sum of All Relief Awarded:	\$216,490.00

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

Disclosure 38 of 54

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum:	FINRA
Case Initiated:	05/30/2017
Case Number:	17-01369
Disputed Product Type:	COMMON STOCK
Sum of All Relief Requested:	\$586,000.00
Disposition:	AWARD AGAINST PARTY



Disposition Date: 07/18/2019

Sum of All Relief Awarded: \$30,605.00

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

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Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-SUITABILITY

Arbitration Forum: FINRA

Case Initiated: 08/28/2017

Case Number: [17-02271](#)

Disputed Product Type: COMMON STOCK

Sum of All Relief Requested: \$49,908.48

Disposition: AWARD AGAINST PARTY

Disposition Date: 01/23/2018

Sum of All Relief Awarded: \$13,500.00

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

Disclosure 40 of 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-ELDER ABUSE; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-MARGIN CALLS; ACCOUNT RELATED-NEGLIGENCE; TRADING DISPUTES-MANIPULATION; TRADING DISPUTES-MARK-UPS; TRADING DISPUTES-OTHER

Arbitration Forum: FINRA

Case Initiated: 12/14/2017



Case Number: [17-03299](#)

Disputed Product Type: COLLATERALIZED DEBT OBLIGATIONS; COLLATERALIZED MORTGAGE OBLIGATIONS; COMMON STOCK; CORPORATE BONDS; EXCHANGE-TRADED FUNDS; LIMITED PARTNERSHIPS; MUTUAL FUNDS; OPTIONS; OTHER TYPES OF SECURITIES; PREFERRED STOCK; PRIVATE EQUITIES; REAL ESTATE INVESTMENT TRUST; STRUCTURED PRODUCTS; UNIT INVESTMENT TRUST

Sum of All Relief Requested: \$38,000,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/03/2019

Sum of All Relief Awarded: \$1,524,176.00

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

Disclosure 41 of 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE

Arbitration Forum: FINRA

Case Initiated: 01/25/2018

Case Number: [18-00230](#)

Disputed Product Type: COMMON STOCK; CORPORATE BONDS; FANNIE MAE; FREDDIE MACS; MUNICIPAL BOND FUNDS; MUNICIPAL BONDS; PREFERRED STOCK

Sum of All Relief Requested: \$228,665.12

Disposition: AWARD AGAINST PARTY

Disposition Date: 09/30/2019

Sum of All Relief Awarded: \$29,336.75

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

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Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 07/20/2018

Case Number: [18-02477](#)

Disputed Product Type: COMMON STOCK

Sum of All Relief Requested: \$193,281.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 08/29/2019

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.

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Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-FRAUD; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-VIOLATE OF BLUE SKY LWS; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 08/21/2018

Case Number: [18-02824](#)

Disputed Product Type: 401(K); COMMON STOCK; MUTUAL FUNDS

Sum of All Relief Requested: \$4,000,000.02

Disposition: AWARD AGAINST PARTY - VACATED IN WHOLE OR PART

Disposition Date: 12/11/2020



Sum of All Relief Awarded: \$800,000.00

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

Disclosure 44 of 54

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: FINRA

Case Initiated: 12/04/2018

Case Number: [18-04121](#)

Disputed Product Type: COMMON STOCK; EXCHANGE-TRADED FUNDS; OPTIONS

Sum of All Relief Requested: \$1,170,000.02

Disposition: AWARD AGAINST PARTY

Disposition Date: 02/18/2020

Sum of All Relief Awarded: \$500,000.00

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

Disclosure 45 of 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-MARGIN CALLS; ACCOUNT RELATED-NEGLIGENCE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated:

Case Number: [88-02061](#)



Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; OPTIONS
Sum of All Relief Requested: \$186,803.52
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/23/1989
Sum of All Relief Awarded: \$48,319.08

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

Disclosure 46 of 54

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum: NASD
Case Initiated: 04/23/1993
Case Number: [93-01268](#)
Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
Sum of All Relief Requested: \$140,466.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/09/1994
Sum of All Relief Awarded: \$140,200.00

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

Disclosure 47 of 54

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE



Arbitration Forum: NASD
Case Initiated: 09/27/1994
Case Number: [94-03774](#)
Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
Sum of All Relief Requested: \$175,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/23/1996
Sum of All Relief Awarded: \$197,245.43

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 01/04/1996
Case Number: [95-06055](#)
Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; OPTIONS
Sum of All Relief Requested: \$20,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/01/1996
Sum of All Relief Awarded: \$25,557.36

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

Disclosure 49 of 54

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: 01/11/1996

Case Number: [95-06095](#)

Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; OPTIONS

Sum of All Relief Requested: \$50,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 07/09/1997

Sum of All Relief Awarded: \$25,882.10

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

Disclosure 50 of 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT

Arbitration Forum: NASD

Case Initiated: 01/24/1996

Case Number: [96-00213](#)

Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS

Sum of All Relief Requested: \$33,334.64

Disposition: AWARD AGAINST PARTY

Disposition Date: 09/30/1996

Sum of All Relief Awarded: \$4,138.84

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



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

Disclosure 51 of 54

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-TRANSFER; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
Arbitration Forum:	NASD
Case Initiated:	11/09/1996
Case Number:	96-04344
Disputed Product Type:	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; OTHER TYPES OF SECURITIES
Sum of All Relief Requested:	\$180,000.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	12/16/1997
Sum of All Relief Awarded:	\$20,000.00

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

Disclosure 52 of 54

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; DO NOT USE-EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum:	NASD
Case Initiated:	01/16/1997
Case Number:	96-04961
Disputed Product Type:	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; OPTIONS
Sum of All Relief Requested:	\$136,324.06
Disposition:	AWARD AGAINST PARTY
Disposition Date:	09/08/1997



Sum of All Relief Awarded: \$10,407.00

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

Disclosure 53 of 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY

Arbitration Forum: NASD

Case Initiated: 01/06/1997

Case Number: [96-05765](#)

Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; LIMITED PARTNERSHIPS

Sum of All Relief Requested: \$37,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 07/14/1997

Sum of All Relief Awarded: \$35,000.00

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

Disclosure 54 of 54

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-NEGLIGENCE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 11/19/1998

Case Number: [98-04233](#)

Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$158,018.00



Disposition: AWARD AGAINST PARTY
Disposition Date: 12/03/1999
Sum of All Relief Awarded: \$81,000.00

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



Civil Bond

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

Disclosure 1 of 2

Reporting Source:	Firm
Policy Holder:	STIFEL, NICOLAUS & CO., INC.
Bonding Company Name:	LLOYDE OF LONDON
Disposition:	Payout
Disposition Date:	01/01/1993
Payout Details:	\$298,483.58 ON JULY 19, 1993.
Firm Statement	ALLEGED FRAUDULENT OR DISHONEST ACTS OF A FORMER INVESTMENT EXECUTIVE.

Disclosure 2 of 2

Reporting Source:	Firm
Policy Holder:	STIFEL, NICOLAUS & CO., INC.
Bonding Company Name:	U.S.F. & G.
Disposition:	Payout
Disposition Date:	11/04/1977
Payout Details:	\$132,828.24 WAS PAID ON 11/4/1977.
Firm Statement	OUR BONDING COMPANY PAID A CLAIM OF \$132,828.24 ARISING OUT OF FRAUDULENT OR DISHONEST ACTS OF DONALD R. JACKSON, OUR FORMER TREASURER.

End of Report



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