

BrokerCheck Report

EULAV SECURITIES, INC.

CRD# 848

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

Please contact FINRA with any concerns.

About BrokerCheck®

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

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

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

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

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

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

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

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

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

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

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

• **Thank you for using FINRA BrokerCheck.**



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



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



EULAV SECURITIES, INC.

CRD# 848

SEC# 8-11005

Main Office Location

220 EAST 42ND STREET
NEW YORK, NY 10017

Mailing Address

220 EAST 42ND STREET
NEW YORK, NY 10017

Business Telephone Number

(212) 907-1827

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 New York on 06/19/1962.
Its fiscal year ends in April.

Firm History

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

Firm Operations

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

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	6
Civil Event	1

The number of disclosures from non-registered control affiliates is 2

Registration Withdrawal Information

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



Date firm ceased business: 12/23/2010

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



Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 06/19/1962.

Its fiscal year ends in April.

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.

EULAV SECURITIES, INC.

Doing business as EULAV SECURITIES, INC.

CRD# 848

SEC# 8-11005

Main Office Location

220 EAST 42ND STREET
NEW YORK, NY 10017

Mailing Address

220 EAST 42ND STREET
NEW YORK, NY 10017

Business Telephone Number

(212) 907-1827



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): VALUE LINE, INC.

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

Position SHAREHOLDER

Position Start Date 06/1962

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): APPEL, MITCHELL ERIC
4878161

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

Position PRESIDENT, FINOP

Position Start Date 02/2009

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): SPINDEL, HOWARD
708042

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

Position CCO

Position Start Date 10/2009

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
<hr/>	
Legal Name & CRD# (if any):	STOCK, RAYMOND MARTIN 1718102
Is this a domestic or foreign entity or an individual?	Individual
Position	VICE PRESIDENT
Position Start Date	07/2006
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
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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 no longer registered.

The firm's registration was from 09/28/1962 to 06/14/2011.

Firm Operations



Types of Business

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

This firm currently conducts 2 types of businesses.

Types of Business

Mutual fund underwriter or sponsor
Trading securities for own account

Firm Operations



Clearing Arrangements

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

Introducing Arrangements

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

Firm Operations

Industry Arrangements



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

Name:	STATE STREET BANK AND TRUST COMPANY
Business Address:	2 AVENUE DE LAFAYETTE BOSTON, MA 02110
Effective Date:	03/19/1997
Description:	CERTAIN ACCOUNTING AND DISBURSING FUNCTIONS, RELATING TO THE SALE OF SHARES OF MUTUAL FUNDS OF WHICH THE APPLICANT IS THE PRINCIPAL UNDERWRITER ARE PERFORMED ON ITS BEHALF BY STATE STREET BANK AND TRUST COMPANY, THE CUSTODIAN AND FUND ACCOUNTANT OF THE VALUE LINE FUNDS. BFDS, AN AFFILIATE OF STATE STREET BANK, IS THE TRANSFER AGENT.

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

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

Control Persons/Financing

This firm does have individuals who control its management or policies through agreement.

Name:	ARNOLD BERNHARD & CO., INC.
Business Address:	220 EAST 42ND STREET 6TH FLOOR NEW YORK, NY 10017
Effective Date:	01/01/1988
Description:	ARNOLD BERNHARD & CO., INC. OWNS 25% OR MORE OF VALUE LINE, INC., THE PARENT COMPANY OF APPLICANT.

Name:	BUTTNER, JEAN BERNHARD
CRD #:	1820021
Business Address:	. . WESTPORT, CT 06883
Effective Date:	01/01/1988
Description:	JEAN B. BUTTNER INDIRECTLY OWNS 25% OR MORE OF VALUE LINE, INC., THE PARENT OF APPLICANT. VALUE LINE, INC. IS A PUBLIC REPORTING COMPANY.

Firm Operations

Industry Arrangements (continued)

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





Firm Operations

Organization Affiliates

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

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

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

CRD #:	147423
Business Address:	220 EAST 42ND STREET, 6TH FLOOR NEW YORK, NY 10017-5891
Effective Date:	05/01/2008
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	APPLICANT AND EULAV ASSET MANAGEMENT, LLC ARE BOTH OWNED AND CONTROLLED BY VALUE LINE, INC.

VALUE LINE, INC. controls the firm.

Business Address:	220 EAST 42ND STREET NEW YORK, NY 10017
Effective Date:	06/10/1962
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	APPLICANT IS CONTROLLED BY VALUE LINE, INC., 220 EAST 42ND STREET, NEW YORK, NY 10017, THE HOLDER OF ALL APPLICANT'S OUTSTANDING SECURITIES.

Firm Operations



Organization Affiliates (continued)

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

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



Disclosure Events

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

	Pending	Final	On Appeal
Regulatory Event	0	6	0
Civil Event	0	1	0

Disclosure Event Details

What you should know about reported disclosure events:

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

Regulatory - Final

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

Disclosure 1 of 6

Reporting Source: Regulator

Current Status: Final

**Allegations:**

SEC ADMINISTRATIVE RELEASES 33-9081, 34-60936, IA 40-2945, INVESTMENT COMPANY ACT OF 1940 RELEASE 28989, NOVEMBER 4, 2009: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT"), SECTIONS 15(B)(4), 15(B)(6) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT"), SECTIONS 203(E), 203(F) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AND SECTIONS 9(B) AND 9(F) OF THE INVESTMENT COMPANY ACT OF 1940 ("INVESTMENT COMPANY ACT"), AGAINST VALUE LINE SECURITIES, INC. NKA EULAV SECURITIES, INC. ("VLS" OR "RESPONDENT"). FROM 1986 TO NOVEMBER 2004 VLS ENGAGED IN A FRAUDULENT PRACTICE THAT MISAPPROPRIATED ASSETS FROM MUTUAL FUNDS IN THE FORM OF INFLATED BROKERAGE COMMISSION PAYMENTS TO VLS. DURING THE RELEVANT PERIOD, IT'S PARENT COMPANY ENTERED INTO ARRANGEMENTS WITH SEVERAL UNAFFILIATED BROKERAGE FIRMS TO EXECUTE, CLEAR AND SETTLE SECURITIES TRADES ON BEHALF OF THE FUNDS AT A DISCOUNTED COMMISSION RATE THAT VARIED DURING THE PERIOD FROM \$.02 PER SHARE TO AS LOW AS \$.01 PER SHARE. INSTEAD OF PASSING THIS DISCOUNT DIRECTLY TO THE FUNDS, THE RESPONDENTS ARRANGED FOR THE REBATE BROKERS TO CHARGE THE FUNDS A COMMISSION RATE OF \$.0488 PER SHARE AND THEN TO "REBATE" TO VLS BETWEEN \$.0288 AND \$.0388 PER SHARE, WHICH REPRESENTED BETWEEN 59% TO NEARLY 80% OF THE TOTAL COMMISSIONS. VLS, HOWEVER, DID NOT PROVIDE ANY BROKERAGE SERVICES TO THE FUNDS FOR THE COMMISSIONS IT RECEIVED ON THESE TRADES. IN TOTAL, THE PARENT COMPANY DIRECTED OVER \$24 MILLION OF THE FUNDS' ASSETS TO ITS AFFILIATED BROKER-DEALER, VLS, THROUGH THIS SO-CALLED "COMMISSION RECAPTURE" PROGRAM. THE RESPONDENTS MISLED THE INDEPENDENT DIRECTORS OF THE FUNDS' BOARD OF DIRECTORS/TRUSTEES AND THE FUNDS' SHAREHOLDERS INTO BELIEVING THAT VLS PROVIDED BONA FIDE BROKERAGE SERVICES FOR THE FUNDS' SECURITIES TRADES WHEN, IN FACT, VLS DID NOT PROVIDE ANY SUCH SERVICES. RATHER, THE REBATE BROKERS PERFORMED THE NECESSARY BROKERAGE SERVICES, I.E., EXECUTION, CLEARING AND SETTLEMENT, FOR THE FUNDS' TRADES AND DID SO FOR AS LITTLE AS \$.01 PER SHARE. THE RESPONDENTS ALSO FAILED TO DISCLOSE TO THE INDEPENDENT DIRECTORS AND THE FUNDS' SHAREHOLDERS THAT THEY REQUIRED THAT A TARGET PERCENTAGE - AS MUCH AS 70% OF THE FUNDS' TRADES IN SECURITIES LISTED ON THE NEW YORK STOCK EXCHANGE, INC. ("NYSE") - BE ALLOCATED TO THE RECAPTURE PROGRAM. THE TARGET TRADING PERCENTAGES SERVED TO UNDERMINE THE PARENT'S OBLIGATION TO SEEK "BEST EXECUTION" FOR THE FUNDS' SECURITIES TRADES. THE RESPONDENTS ALSO MADE



MATERIALLY FALSE AND MISLEADING STATEMENTS AND OMISSIONS ABOUT VLS AND THE RECAPTURE PROGRAM TO THE INDEPENDENT DIRECTORS AT BOARD MEETINGS AND TO THE FUNDS' SHAREHOLDERS IN PUBLIC FILINGS WITH THE COMMISSION, INCLUDING IN THE FUNDS' REGISTRATION STATEMENTS.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 11/04/2009

Docket/Case Number: 3-13675

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED TYPE OF SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 11/04/2009

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

Sanctions Ordered: Censure
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: 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, RESPONDENTS CONSENT TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, SECTIONS 15(B)(4), 15(B)(6) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, SECTIONS 203(E), 203(F) AND 203(K) OF THE INVESTMENT



ADVISERS ACT OF 1940, AND SECTIONS 9(B) AND 9(F) OF THE INVESTMENT COMPANY ACT OF 1940. VLS WILLFULLY VIOLATED SECTION 17(A) OF THE SECURITIES ACT, SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER; WILLFULLY AIDED AND ABETTED AND CAUSED THE PARENT FIRM'S VIOLATIONS OF SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT; AND WILLFULLY VIOLATED SECTION 17(E)(1) OF THE INVESTMENT COMPANY ACT. ACCORDINGLY, PURSUANT TO SECTION 8A OF THE SECURITIES ACT, SECTIONS 15(B)(4), 15(B)(6) AND 21C OF THE EXCHANGE ACT, SECTIONS 203(E), 203(F) AND 203(K) OF THE ADVISERS ACT, AND SECTIONS 9(B) AND 9(F) OF THE INVESTMENT COMPANY ACT, IT IS HEREBY ORDERED THAT VLS SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A) OF THE SECURITIES ACT, SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER AND SECTION 17(E)(1) OF THE INVESTMENT COMPANY ACT, AND FROM CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT. VLS IS CENSURED.

Reporting Source:	Firm
Current Status:	Final
Allegations:	SEC ADMINISTRATIVE RELEASES 33-9081, 34-60936, IA 40-2945, INVESTMENT COMPANY ACT OF 1940 RELEASE 28989, NOVEMBER 4, 2009: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") ALLEGED THAT FROM 1986 TO NOVEMBER 2004 RESPONDENT PARTICIPATED IN A PRACTICE IN WHICH RESPONDENT CHARGED CERTAIN MUTUAL FUNDS MANAGED BY ITS PARENT COMPANY INFLATED BROKERAGE COMMISSION PAYMENTS IN VIOLATION OF SECTION 17(A) OF THE SECURITIES ACT OF 1933, 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10B-5 THEREUNDER, WILLFULLY AIDED AND ABETTED AND CAUSED THE RESPONDENT'S PARENT COMPANY VIOLATIONS OF SECTIONS 206(1), 206(2) OF THE INVESTMENT ADVISORS ACT OF 1940 AND SECTION 17(E)(1) OF THE INVESTMENT COMPANY ACT OF 1940.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	11/04/2009
Docket/Case Number:	3-13675
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED TYPE OF SECURITIES
Principal Sanction(s)/Relief Sought:	Cease and Desist



Other Sanction(s)/Relief Sought:	CENSURE
Resolution:	Order
Resolution Date:	11/04/2009
Sanctions Ordered:	Censure Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	CENSURE AND CEASE AND DESIST. SEE BELOW.
Firm Statement	FINAL CONSENT ORDER OF THE COMMISSION INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, SECTIONS 15(B)(4), 15(B)(6) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, SECTIONS 203(E), 203(F) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940, AND SECTIONS 9(B) AND 9(F) OF THE INVESTMENT COMPANY ACT OF 1940. THE ORDER FOUND THAT RESPONDENT WILLFULLY VIOLATED SECTION 17(A) OF THE SECURITIES ACT, SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER; WILLFULLY AIDED AND ABETTED AND CAUSED THE PARENT COMPANY TO VIOLATE SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT; AND WILLFULLY VIOLATED SECTION 17(E)(1) OF THE INVESTMENT COMPANY ACT. THE ORDER ORDERED RESPONDENT TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A) OF THE SECURITIES ACT, SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER AND SECTION 17(E)(1) OF THE INVESTMENT COMPANY ACT, AND FROM CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT. THE ORDER CENSURED RESPONDENT.

Disclosure 2 of 6

Reporting Source:	Regulator
Current Status:	Final
Allegations:	THE BUREAU ALLEGED THAT VALUE LINE HAD FAILED TO MAINTAIN AN IOWA REGISTERED PRINCIPAL OR TO MAINTAIN AN AGENT FOR A PERIOD OF FIVE AND 1/2 MONTHS. SALES DID OCCUR DURING THIS PERIOD.
Initiated By:	IOWA
Date Initiated:	10/17/1989



Docket/Case Number: DOCKET/CASE #C89-05-388

URL for Regulatory Action:

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 10/17/1989

Sanctions Ordered: Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details: ON 10/17/89, VALUE LINE CONSENTED TO A \$2,500 FINE, WITHOUT ADMITTING OR DENYING THE BUREAU'S ALLEGATIONS

Reporting Source: Firm

Current Status: Final

Allegations: IOWA SECURITIES BUREAU ALLEGED THAT VALUE LINE SECURITIES, INC. TERMINATED PRINCIPAL REGISTRATION FOR MARK K. TAVEL ON DECEMBER 8, 1988 AND DID NOT REPLACE THE IOWA REGISTERED PRINCIPAL UNTIL MAY 25, 1989.

Initiated By: IOWA SECURITIES BUREAU

Date Initiated: 10/17/1989

Docket/Case Number: C89-05-388

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:

Resolution: Consent

Resolution Date: 10/17/1989



Sanctions Ordered: Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details: ON MAY 25, 1989 VALUE LINE SECURITIES, INC. HAD A NEW REGISTERED PRINCIPAL IN IOWA.ON OCTOBER 17, 1989 VALUE LINE SECURITIES, INC. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CONSENTED TO THE ORDER AND PAID A PENALTY OF \$2,500.00 TO THE IOWA SECURITIES BUREAU.

Firm Statement ON OCTOBER 17, 1989 VALUE LINE SECURITIES, INC. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CONSENTED TO THE ORDER AND PAID A PENALTY OF \$2,500.00.

PLEASE NOTE THAT THE NASD DISCLOSURE ROSTER HAS THE INCORRECT STATE REGULATORY AGENCY. IT SHOULD STATE IOWA NOT INDIANA. PLEASE CORRECT YOUR RECORDS.

Disclosure 3 of 6

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 02/26/1997

Docket/Case Number:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 02/26/1997

Sanctions Ordered: Suspension

Other Sanctions Ordered:

Sanction Details:

Regulator Statement VALUE LINE SECURITIES WAS SUSPENDED FROM MEMBERSHIP IN THE



NASD
FOR FAILURE TO COMPLY WITH FORMAL WRITTEN REQUESTS TO SUBMIT
ANNUAL SCHEDULE I FOR THE PERIOD ENDING DECEMBER 31, 1996 TO
THE NASD. THE SUSPENSION COMMENCED FEBRUARY 26, 1997 AND WILL
CONCLUDE UPON COMPLIANCE.

** SUSPENSION LIFTED MARCH 3, 1997 - FINANCIAL RECEIVED

**

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE NASD ALLEGED THAT VALUE LINE SECURITIES, INC. FAILED TO FILE A SCHEDULE I FOCUS REPORT FOR THE PERIOD ENDING DECEMBER 31, 1996.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	02/26/1997
Docket/Case Number:	NONE
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Suspension
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	03/03/1997
Sanctions Ordered:	Suspension
Other Sanctions Ordered:	
Sanction Details:	ON FEBRUARY 26, 1997, NASD ALLEGED THAT VALUE LINE SECURITIES, INC. FAILED TO FILE A SCHEDULE I FOCUS REPORT FOR THE PERIOD ENDING DECEMBER 31, 1996. THE NASD PLACED A CONDITIONAL SUSPENSION THAT WOULD CONCLUDE UPON COMPLIANCE. SUSPENSION WAS LIFTED ON MARCH 3, 1997 WHEN FINANCIAL WAS RECEIVED.
Firm Statement	ON FEBRUARY 26, 1997, NASD ALLEGED THAT VALUE LINE SECURITIES, INC. FAILED TO FILE A SCHEDULE I FOCUS REPORT FOR THE PERIOD



ENDING DECEMBER 31, 1996. THE NASD PLACED A CONDITIONAL
SUSPENSION THAT WOULD CONCLUDE UPON COMPLIANCE. SUSPENSION
WAS LIFTED ON MARCH 3, 1997 WHEN FINANCIAL WAS RECEIVED.

Disclosure 4 of 6	
Reporting Source:	Regulator
Current Status:	Final
Allegations:	DID NOT PAY ASSESSMENT FEE
Initiated By:	CA
Date Initiated:	08/12/1992
Docket/Case Number:	
URL for Regulatory Action:	
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Decision
Resolution Date:	08/12/1992
Sanctions Ordered:	Revocation/Expulsion/Denial
Other Sanctions Ordered:	
Sanction Details:	BROKER DEALER CERTIFICATE SUMMARILY REVOKED FOR NON-PAYMENT OF ASSESSMENT FEE
Regulator Statement	Not Provided

Reporting Source:	Firm
Current Status:	Final
Allegations:	AUGUST 12, 1992, CALIFORNIA DEPARTMENT OF CORPORATION REVOKED VALUE LINE SECURITIES, INC. BROKER-DEALER CERTIFICATE FOR FAILURE TO PAY A \$75.00 ANNUAL ASSESSMENT FEE.
Initiated By:	CALIFORNIA DEPARTMENT OF CORPORATIONS



Date Initiated: 08/12/1992

Docket/Case Number: NONE

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Revocation

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 08/12/1992

Sanctions Ordered: Revocation/Expulsion/Denial

Other Sanctions Ordered:

Sanction Details: DECEMBER 30, 1992 AN APPLICATION WAS FILED WITH THE CALIFORNIA DEPARTMENT OF CORPORATIONS TO REINSTATE VALUE LINE SECURITIES, INC. BROKER-DEALER CERTIFICATE. CERTIFICATE WAS REINSTATED JANUARY 12, 1993.

Firm Statement AUGUST 12, 1992, CALIFORNIA DEPARTMENT OF CORPORATION REVOKED VALUE LINE SECURITIES, INC. BROKER-DEALER CERTIFICATE FOR FAILURE TO PAY A \$75.00 ANNUAL ASSESSMENT FEE. IN JUNE 1992 A CHECK WAS MAILED TO THE STATE OF CALIFORNIA DEPT. OF CORPORATION CHECK WAS LOST AND ASSESSMENT FEE WAS NEVER APPLIED. AN APPLICATION AND REQUIRED FEE WAS FILED ON DECEMBER 30, 1992. A NEW CERTIFICATE WAS ISSUED JANUARY 12, 1993.

Disclosure 5 of 6

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 06/01/1971

Docket/Case Number:

Principal Product Type:

Other Product Type(s):



Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 06/01/1971

Sanctions Ordered: Suspension

Other Sanctions Ordered:

Sanction Details:

Regulator Statement SUSPENDED FOR FORTY DAYS BY THE SEC WITH CERTAIN EXCEPTIONS, (SEE LITIGATION RELEASE 5017). SUSPENSION COMMENCED JUNE 1, 1971.

Reporting Source: Firm

Current Status: Final

Allegations: NOT AVAIAABLE

Initiated By: DUE TO PASSAGE OF TIME, COMPLETE INFORMATION IS NOT AVAILABLE

Date Initiated: 06/01/1971

Docket/Case Number: NOT AVAILABLE

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Suspension

Other Sanction(s)/Relief Sought:

Resolution: Decision

Resolution Date: 06/01/1971

Sanctions Ordered: Suspension

Other Sanctions Ordered:

Sanction Details: SUSPENDED BY THE SEC WITH CERTAIN EXCEPTION

Firm Statement SANCTIONS WERE IN REFERENCE TO STAFF'S REQUIREMENTS AT THE



TIME OF REORGANIZATION OF VALUE LINE INC.

Disclosure 6 of 6

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	09/25/1972
Docket/Case Number:	NY-1694
Principal Product Type:	
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	02/21/1973
Sanctions Ordered:	Monetary/Fine
Other Sanctions Ordered:	
Sanction Details:	
Regulator Statement	COMPLAINT #NY-1694 FILED 9-25-72 1-29-73: RIGHTS WAIVED 2-21-73: PAID (FC# 5034)

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE NASD'S DISTRICT CONDUCT COMMITTEE FOR THE DISTRICT NO. 12 FILED A COMPLAINT AGAINST VALUE LINE SECURITIES, INC. ("VLLSI") ALLEGING THAT VLSI FAILED TO NOTIFY THE NASD DURING THE PERIOD JULY 1969 THROUGH MARCH 1971 REGARDING THOSE TRANSACTIONS IN WHICH IT DID NOT RECEIVE PAYMENT FROM A MEMBER BROKER-DEALER WITHIN 10 BUSINESS DAYS FROM THE DATE OF ANY TRANSACTION INVOLVING MORE THAN \$100. IN JANUARY 1973, THE NASD ACCEPTED



VLSI'S OFFER OF SETTLEMENT AND FOUND THAT VLSI VIOLATED SECTION I ARTICLE III, OF THE RULES OF FAIR PRACTICE AND FINED VLSI \$5,000.

Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated:	09/10/1972
Docket/Case Number:	NY1694
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:	
Resolution:	Settled
Resolution Date:	02/21/1973
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	IN JANUARY 1973, THE NASD ACCEPTED VLSI'S OFFER OF SETTLEMENT AND FOUND THAT VLSI VIOLATED SECTION I ARTICLE III, OF THE RULES OF FAIR PRACTICE AND FINED VLSI \$5,000.
Firm Statement	THE NASD'S DISTRICT CONDUCT COMMITTEE FOR THE DISTRICT NO. 12 FILED A COMPLAINT AGAINST VALUE LINE SECURITIES, INC. ("VLLSI") ALLEGING THAT VLSI FAILED TO NOTIFY THE NASD DURING THE PERIOD JULY 1969 THROUGH MARCH 1971 REGARDING THOSE TRANSACTIONS IN WHICH IT DID NOT RECEIVE PAYMENT FROM A MEMBER BROKER-DEALER WITHIN 10 BUSINESS DAYS FROM THE DATE OF ANY TRANSACTION INVOLVING MORE THAN \$100. IN JANUARY 1973, THE NASD ACCEPTED VLSI'S OFFER OF SETTLEMENT AND FOUND THAT VLSI VIOLATED SECTION I ARTICLE III, OF THE RULES OF FAIR PRACTICE AND FINED VLSI \$5,000



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 1

Reporting Source:	Regulator
Current Status:	Final
Allegations:	
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Court Details:	
Date Court Action Filed:	06/25/1970
Principal Product Type:	
Other Product Types:	
Relief Sought:	
Other Relief Sought:	
Resolution:	Consent
Resolution Date:	06/25/1970
Sanctions Ordered or Relief Granted:	Cease and Desist/Injunction
Other Sanctions:	
Sanction Details:	
Regulator Statement	ON JUNE 25, 1970 THE SEC FILED A COMPLAINT IN THE USDC FOR THE SOUTHERN DISTRICT OF NEW YORK AGAINST VALUE LINE SECURITIES, INC., ARNOLD BERNHARD & CO., INC. AND CERTAIN OFFICERS AND DIRECTORS OF THOSE COMPANIES. THE COMPLAINT ALLEGED, AMONG OTHER THINGS, VIOLATIONS BY THE DEFENDANTS OF THE ANTIFRAUD PROVISIONS OF THE INVESTMENT ADVISERS ACT OF 1940, THE SECURITIES EXCHANGE ACT OF 1934 AND THE SECURITIES ACT OF 1933. ON MAY 26, 1971, AN ORDER OF THE USDC FOR THE SOUTHERN DISTRICT OF NEW YORK WAS ENTERED BY CONSENT, PERMANENTLY ENJOINING VALUE LINE SECURITIES, INC., ARNOLD BERNHARD & CO., INC., ARNOLD BERNHARD AND DAVID



HUXLEY FROM VIOLATIONS OF SECTION 206 OF THE INVESTMENT ADVISERS ACT OF 1940 AND THE RULES THEREUNDER AND SECTION 17(a) OF THE SECURITIES ACT OF 1940, AND THE RULES THEREUNDER, SECTION 10 (b) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10b-5 THEREUNDER AND SECTION 17(a) OF THE SECURITIES ACT OF 1933. DEFENDANTS CONSENTED TO THE ORDER WITHOUT ADMITTING OR DENYING THE ALLEGATIONS CONTAINED IN THE COMMISSIONER'S

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE COMPLAINT ALLEGED, AMONG OTHER THINGS, VIOLATIONS BY THE DEFENDANTS OF THE ANTIFRAUD PROVISIONS OF THE INVESTMENT ADVISERS ACT OF 1940, THE SECURITIES AND EXCHANGE ACT OF 1934 AND THE SECURITIES ACT OF 1933.
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Court Details:	SECURITIES AND EXCHANGE COMMISSION FILED A COMPLAINT IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AGAINST ARNOLD BERNHARD & CO., INC. AND CERTAIN OFFICERS AND/OR DIRECTORS (NOW DECEASED) OF THOSE COMPANIES.
Date Court Action Filed:	06/25/1970
Principal Product Type:	Mutual Fund(s)
Other Product Types:	
Relief Sought:	Injunction
Other Relief Sought:	
Resolution:	Consent
Resolution Date:	05/26/1971
Sanctions Ordered or Relief Granted:	Cease and Desist/Injunction
Other Sanctions:	
Sanction Details:	ON MAY 26, 1971, AN ORDER OF THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK WAS ENTERED BY CONSENT, PERMANENTLY ENJOINING ARNOLD BERNHARD & CO., INC. VALUE LINE SECURITIES, INC., AND ARNOLD BERNHARD (DECEASED) AND DAVID BRUCE HUXLEY (NO LONGER AFFILIATED WITH THE COMPANIES)FROM



VIOLATIONS OF SECTION 206 OF THE INVESTMENT ADVISERS ACT OF 1940, SECTION 15(A)(1), 17(E) AND 34(B) OF THE INVESTMENT COMPANY ACT OF 1940 AND THE RULES THEREUNDER, SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10B-5 THEREUNDER AND SECTION 17(A) OF THE SECURITIES ACT OF 1933.

Firm Statement

ON MAY 26, 1971, AN ORDER OF THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK WAS ENTERED BY CONSENT, PERMANENTLY ENJOINING ARNOLD BERNHARD & CO., INC. VALUE LINE SECURITIES, INC., AND ARNOLD BERNHARD (DECEASED) AND DAVID BRUCE HUXLEY (NO LONGER AFFILIATED WITH THE COMPANIES) FROM VIOLATIONS OF SECTION 206 OF THE INVESTMENT ADVISERS ACT OF 1940, SECTION 15(A)(1), 17(E) AND 34(B) OF THE INVESTMENT COMPANY ACT OF 1940 AND THE RULES THEREUNDER, SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10B-5 THEREUNDER AND SECTION 17(A) OF THE SECURITIES ACT OF 1933 IN PUBLISHING OR DISTRIBUTING ARTICLES OR RECOMMENDATIONS WITH RESPECT TO THE PURCHASE OR SALE OF SECURITIES, OR PUBLISHING OR DISTRIBUTING SALES LITERATURE OR PROXY SOLICITATION MATERIALS WITHOUT DISCLOSURE OF AGREEMENTS BY OR ON BEHALF OF ARNOLD BERNHARD & CO., INC. OR ITS SUBSIDIARIES TO ACT AS FINDER OF MERGERS, ACQUISITIONS OR FINANCING OR COMPENSATION WITH RESPECT TO COMPANIES WHOSE SECURITIES ARE REVIEWED IN SUCH PUBLICATIONS OR HELD IN INVESTMENT PORTFOLIOS OF THE VALUE LINE FUNDS; IN ACCEPTING PAYMENT FOR SERVICES RELATED TO PURCHASE OR SALE SECURITIES BY ANY AFFILIATED REGISTERED INVESTMENT COMPANY EXCEPT AS AUTHORIZED BY SECTION 7(E) OF THE INVESTMENT COMPANY ACT OF 1940; AND IN ENTERING INTO ANY INVESTMENT ADVISORY CONTRACT WITH A REGISTERED INVESTMENT COMPANY WHICH FAILS TO DISCLOSE ALL COMPENSATION OF ARNOLD BERNHARD & CO., INC. FOR SERVICES RELATED TO PURCHASE OR SALE OF SECURITIES BY SUCH REGISTERED INVESTMENT COMPANY. DEFENDANTS CONSENTED TO THE ORDER WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMMISSION'S COMPLAINT.

Disclosure Events for Non-Registered Control Affiliates



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

	Pending	Final	On Appeal
Regulatory Event	0	2	0



Disclosure Event Details

Regulatory - Final

Disclosure 1 of 2

Reporting Source:	Firm
Affiliate:	BUTTNER, JEAN BERNHARD
Current Status:	Final
Allegations:	SEC ADMINISTRATIVE RELEASES 33-9081, 34-60936, IA 40-2945, INVESTMENT COMPANY ACT OF 1940 RELEASE 28989, NOVEMBER 4, 2009: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") ALLEGED THAT FROM 1986 TO NOVEMBER 2004 RESPONDENT AND AN AFFILIATED BROKER/DEALER PARTICIPATED IN A PRACTICE IN WHICH AN AFFILIATED BROKER/DEALER AND VLI CHARGED CERTAIN MUTUAL FUNDS MANAGED BY VLI INFLATED BROKERAGE COMMISSION PAYMENTS IN VIOLATION OF SECTION 17(A) OF THE SECURITIES ACT OF 1933, 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10B-5 THEREUNDER, 206(1), 206(2), AND 207 OF THE INVESTMENT ADVISORS ACT OF 1940 AND 15(C), 17(E)(1) AND 34(B) OF THE INVESTMENT COMPANY ACT OF 1940.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	11/04/2009
Docket/Case Number:	3-13675
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED TYPE OF SECURITIES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	MONETARY/FINE; BAR; CENSURE; CEASE AND DESIST; PROHIBITION
Resolution:	Order
Resolution Date:	11/04/2009
Sanctions Ordered:	Censure Monetary/Fine \$1,000,000.00 Cease and Desist/Injunction Bar
Other Sanctions Ordered:	PROHIBITION (PERMANENT): OFFICER OR DIRECTOR OF PUBLIC COMPANY
Sanction Details:	BAR (PERMANENT): ASSOCIATION WITH BROKER, DEALER, INVESTMENT



ADVISOR BUT W/ LIMITED CORPORATE FUNCTIONS FOR UP TO ONE YEAR
AS SPECIFIED IN THE SEC ORDER;

PROHIBITION (PERMANENT): OFFICER OR DIRECTOR OF PUBLIC
COMPANY.

\$1,000,000 CIVIL PENALTY PAID NOVEMBER 10, 2009.

Firm Statement

FINAL CONSENT ORDER OF THE COMMISSION INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, SECTIONS 15(B)(4), 15(B)(6) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, SECTIONS 203(E), 203(F) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940, AND SECTIONS 9(B) AND 9(F) OF THE INVESTMENT COMPANY ACT OF 1940. THE ORDER FOUND THAT RESPONDENT WILLFULLY VIOLATED SECTION 17(A) OF THE SECURITIES ACT, SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER; WILLFULLY AIDED AND ABETTED AND CAUSED HER FIRM'S VIOLATIONS OF SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT; AND WILLFULLY VIOLATED SECTION 34(B) OF THE INVESTMENT COMPANY ACT. THE ORDER ORDERED RESPONDENT TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A) OF THE SECURITIES ACT, SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER AND SECTION 34(B) OF THE INVESTMENT COMPANY ACT, AND FROM CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT. THE ORDER CENSURED RESPONDENT AND ORDERED HER TO PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$1,000,000. THE ORDER PROHIBITS RESPONDENT FROM DATE OF ENTRY FROM ACTING AS AN OFFICER OR DIRECTOR OF ANY ISSUER THAT HAS A CLASS OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE EXCHANGE ACT OR THAT IS REQUIRED TO FILE REPORTS PURSUANT TO SECTION 15(D) OF THE EXCHANGE ACT AND BARRED HER FROM ASSOCIATION WITH ANY BROKER, DEALER, OR INVESTMENT ADVISER, AND PROHIBITED HER FROM SERVING OR ACTING AS AN EMPLOYEE, OFFICER, DIRECTOR, MEMBER OF AN ADVISORY BOARD, INVESTMENT ADVISER OR DEPOSITOR OF, OR PRINCIPAL UNDERWRITER FOR, A REGISTERED INVESTMENT COMPANY OR AS AN AFFILIATED PERSON OF SUCH INVESTMENT ADVISER, DEPOSITOR, OR PRINCIPAL UNDERWRITER, PROVIDED HOWEVER, THAT RESPONDENT MAY, FOR A PERIOD OF ONE YEAR FROM THE ENTRY OF THIS ORDER, PARTICIPATE IN CORPORATE FUNCTIONS WITH LIMITATIONS SPECIFIED IN THE ORDER.



Reporting Source:	Firm
Affiliate:	VALUE LINE, INC.
Current Status:	Final
Allegations:	SEC ADMINISTRATIVE RELEASES 33-9081, 34-60936, IA 40-2945, INVESTMENT COMPANY ACT OF 1940 RELEASE 28989, NOVEMBER 4, 2009: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") ALLEGED THAT FROM 1986 TO NOVEMBER 2004 RESPONDENT AND AN AFFILIATED BROKER/DEALER PARTICIPATED IN A PRACTICE IN WHICH AN AFFILIATED BROKER/DEALER AND RESPONDENT CHARGED CERTAIN MUTUAL FUNDS MANAGED BY RESPONDENT INFLATED BROKERAGE COMMISSION PAYMENTS IN VIOLATION OF SECTION 17(A) OF THE SECURITIES ACT OF 1933, 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10B-5 THEREUNDER, 206(1), 206(2), AND 207 OF THE INVESTMENT ADVISORS ACT OF 1940 AND 15(C), 17(E)(1) AND 34(B) OF THE INVESTMENT COMPANY ACT OF 1940.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	11/04/2009
Docket/Case Number:	3-13675
Principal Product Type:	Other
Other Product Type(s):	UNSPECIFIED TYPE OF SECURITIES
Principal Sanction(s)/Relief Sought:	Disgorgement
Other Sanction(s)/Relief Sought:	CENSURE; PRE-JUDGEMENT INTEREST; CIVIL MONEY PENALTY; CEASE AND DESIST
Resolution:	Order
Resolution Date:	11/04/2009
Sanctions Ordered:	Censure Monetary/Fine \$43,705,765.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	RESPONDENT PAID \$43,705,765 ON NOVEMBER 10, 2009 WHICH INCLUDED \$24,168,979 DISGORGEMENT, \$9,536,786 PREJUDGEMENT INTEREST, AND \$10,000,000 CIVIL MONEY PENALTY.
Sanction Details:	\$43,705,765 PAID ON NOVEMBER 10, 2009
Firm Statement	FINAL CONSENT ORDER OF THE COMMISSION INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, MAKING



FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, SECTIONS 15(B)(4), 15(B)(6) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, SECTIONS 203(E), 203(F) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940, AND SECTIONS 9(B) AND 9(F) OF THE INVESTMENT COMPANY ACT OF 1940. THE ORDER FOUND THAT RESPONDENT WILLFULLY VIOLATED SECTION 17(A) OF THE SECURITIES ACT, SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER; WILLFULLY VIOLATED SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT; WILLFULLY VIOLATED SECTION 207 OF THE ADVISERS ACT; AND WILLFULLY VIOLATED SECTION 15(C) OF THE INVESTMENT COMPANY ACT. THE ORDER ORDERED RESPONDENT TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A) OF THE SECURITIES ACT, SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 THEREUNDER AND SECTION 34(B) OF THE INVESTMENT COMPANY ACT, AND FROM CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT. THE ORDER CENSURED RESPONDENT AND ORDERED THE COMPANY TO PAY DISGORGEMENT, INTEREST, AND CIVIL MONEY PENALTY IN THE AMOUNT OF \$43,705,765.

End of Report



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