

BrokerCheck Report

LESLIE RHODES KOONCE

CRD# 1131758

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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.



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)

Thank you for using FINRA BrokerCheck.

LESLIE R. KOONCE

CRD# 1131758

This broker is not currently registered.

Report Summary for this Broker



This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

Broker Qualifications

This broker is not currently registered.

This broker has passed:

- 1 Principal/Supervisory Exam
- 2 General Industry/Product Exams
- 2 State Securities Law Exams

Registration History

This broker was previously registered with the following securities firm(s):

EK RILEY INVESTMENTS, LLC

CRD# 121003
Menlo Park, CA
12/2015 - 11/2017

CETERA ADVISOR NETWORKS LLC

CRD# 13572
MENLO PARK, CA
12/2015 - 12/2015

LPL FINANCIAL LLC

CRD# 6413
MENLO PARK, CA
09/2009 - 12/2015

Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	4
Termination	2

Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at

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

Broker Qualifications



Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.



Broker Qualifications

Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

This individual has passed 1 principal/supervisory exam, 2 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
General Securities Principal Examination	Series 24	06/08/2005

General Industry/Product Exams

Exam	Category	Date
Securities Industry Essentials Examination	SIE	11/30/2017
General Securities Representative Examination	Series 7	05/19/1984

State Securities Law Exams

Exam	Category	Date
Uniform Combined State Law Examination	Series 66	08/31/2006
Uniform Securities Agent State Law Examination	Series 63	12/06/1985

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
12/2015 - 11/2017	EK RILEY INVESTMENTS, LLC	121003	Menlo Park, CA
12/2015 - 12/2015	CETERA ADVISOR NETWORKS LLC	13572	MENLO PARK, CA
09/2009 - 12/2015	LPL FINANCIAL LLC	6413	MENLO PARK, CA
05/2004 - 09/2009	ASSOCIATED SECURITIES CORP.	12969	MENLO PARK, CA
12/1999 - 05/2004	MAIN STREET MANAGEMENT COMPANY	547	BOSTON, MA
05/1984 - 09/1998	HORNOR, TOWNSEND & KENT, INC.	4031	HORSHAM, PA

Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

Employment Dates	Employer Name	Employer Location
09/2009 - 11/2015	LPL FINANCIAL CORPORATION	MENLO PARK, CA
09/2006 - 09/2009	ASSOCIATED PLANNERS INVESTMENT ADVISORY, INC.	LOS ANGELES, CA
05/2004 - 09/2009	ASSOCIATED SECURITIES CORP.	LOS ANGELES, CA

Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

1. Name of other business: Fixed insurance with various companies
 Investment related: Yes
 Address: Same as Registered Location
 Nature of business: Fixed Insurance
 Start Date: 04/2015
 Apx number of hours per week: varies



Registration and Employment History

Other Business Activities, continued

Apx number of hours during trading hours: varies

Position/title/relationship: Insurance Agent

Brief description of duties: Sells Life, Health and Long Term Care

2. Name of other business: Jean Weingarten School for Deaf

Investment related: No

Address: 3518 Jefferson City Redwood City, CA 94062

Nature of business: volunteer

Start date: 2012

Apx number of hours per week: 1

Apx number of hours during trading hours: minimal

Brief description of duties: Serve on Board of Directors

3. Name of other business: Koonce Financial Services

Investment related: Yes

Address: Same as Registered Location

Nature of business: Financial Services

Start date: 2000

Apx number of hours per week: 40

Apx number of hours during trading hours: 40

Brief description of duties: Owner, DBA name to provide financial services to clients



Disclosure Events

What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
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 broker is required to disclose a particular criminal event.
 - o A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
 - o
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all 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.
 - o
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 brokers and brokerage 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.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Pending	Final	On Appeal
Regulatory Event	0	4	0



Termination	N/A	2	N/A
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Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Regulatory - Final

This type of disclosure event may involve (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of a broker's authority to act as an attorney, accountant, or federal contractor.

Disclosure 1 of 4

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought:

Date Initiated: 12/14/2017

Docket/Case Number: [2015048088401](#)

Employing firm when activity occurred which led to the regulatory action: LPL Financial, LLC

Product Type: Promissory Note

Allegations: Without admitting or denying the findings, Koonce consented to the sanction and to the entry of findings that he participated in several private securities transactions without providing prior written notice to his member firm. The findings stated that among other things, Koonce solicited at least 30 prospective investors (including several firm customers) to invest in convertible promissory notes being offered by a private company, sent the prospective investors information about the private company from his firm email account, took part in arranging meetings where prospective investors could meet with representatives of the private company to obtain additional information, facilitated the movement of funds for three firm customers so they could make investments in the convertible promissory notes



aggregating \$175,000, and ultimately invested \$50,000 of his own money in the convertible promissory notes. Separately, Koonce personally invested \$50,000 to purchase shares of stock in a second private company. The findings also stated that Koonce completed firm compliance questionnaires in which he falsely denied participating in private securities transactions during the months since completing his previous questionnaire. The findings also included that Koonce provided false responses to FINRA requests for information during its investigation of this matter.

Current Status:

Final

Resolution:

Acceptance, Waiver & Consent(AWC)

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

No

Resolution Date:

12/14/2017

Sanctions Ordered:

Bar (Permanent)

If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?

No

(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?



(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Sanction 1 of 1

Sanction Type:	Bar (Permanent)
Capacities Affected:	All capacities
Duration:	Indefinite
Start Date:	12/14/2017
End Date:	



Disclosure 2 of 4

Reporting Source: Regulator

Regulatory Action Initiated By: Massachusetts

Sanction(s) Sought: Undertaking

Date Initiated: 12/28/2016

Docket/Case Number: R-2016-0049

URL for Regulatory Action:

Employing firm when activity occurred which led to the regulatory action:

Product Type: No Product

Allegations: On or about November 30, 2016, EKRI submitted to FINRA's Central Registration Depository (the "CRD") a Uniform Application for Securities Industry Registration or Transfer (Form U4) seeking the registration of Koonce in Massachusetts as an investment adviser representative of EKRI (the "Application"). Koonce has been the subject of seven (7) disclosable incidents between October 1995 and December 2015. Koonce was the subject of two (2) Judgment/Lien disclosures. On or about November 28, 1995, a creditor filed an action to collect an unpaid debt owed by Koonce. This debt has since been satisfied. On or about August 6, 1997, a different creditor filed an action to collect an unpaid debt owed by Koonce. This debt has since been satisfied. Koonce was the subject of an internal review, initiated on or about August 7, 1998, which led to Koonce's termination from Hornor, Townsend & Kent, Inc. on or about September 15, 1998. This termination resulted from Koonce signing client names to two client forms without authorization. Koonce was the subject of a Regulatory Action taken by FINRA (f/k/a the National Association of Securities Dealers, Inc.) on or about August 30, 1999. This action was brought to address the allegations that Koonce violated NASD Rule 2110, specifically, that he signed his customer's name to forms requesting the release of medical information and authorizing the transfer of a retirement account, and then submitted those forms for processing. As a result of this action, Koonce was suspended from associating with any member of the NASD for a period of 60 days, and fined \$5,000. This regulatory action was initiated to address the same conduct which resulted in Koonce's termination from Hornor, Townsend & Kent, Inc. in 1998. On or about July 9, 2015, LPL Financial, LLC, initiated an internal review into allegations that Koonce was selling away. On or about November 18, 2015, Koonce was terminated from LPL for participating in private securities



transactions, which were not approved by LPL, and which involved products not approved by LPL. This was a violation of LPL's policies and procedures concerning agent conduct. Review of the foregoing incidents involving Koonce has moved the Division to place conditions on his registration as an investment adviser representative of EKRI.

Current Status:

Final

Resolution:

Order

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

No

Resolution Date:

01/03/2017

Sanctions Ordered:

Undertaking

Regulator Statement

The Division approved Koonce's application for registration in Massachusetts as an investment adviser representatives upon the conditions set forth below, which are effective for five (5) years from the date of entry of the order: a) Koonce shall provide financial services to only one Massachusetts customer, and members of that customer's family; b) Koonce shall be supervised, on a heightened basis; c) EKRI shall not permit Koonce to have any principal, supervisory, or managerial duties while associated with EKRI; d) Koonce shall not be allowed to exercise discretion over individual Massachusetts customer accounts; e) should Koonce become the subject of any written or oral customer complaint, any regulatory investigation, internal investigation, arbitration proceeding, or securities-related litigation concerning allegations arising from his conduct of securities business, EKRI shall notify the Director, in writing, within fifteen (15) business days of the event; f) Koonce shall notify his supervisor of the following events, within five (5) business days of their occurrence, concerning allegations arising from his conduct of securities business, the receipt of any customer complaint, oral or written, the initiation of any arbitration proceeding, regulatory investigation, or securities-related litigation; g) Koonce shall notify his supervisor of any inaccuracy in any representation made to the Division herein, or the breach of any provision of his Undertakings and Representations; and h) twenty-four (24) months after the entry of the Order, Koonce shall submit to EKRI and the Director an affidavit stating that he has fully complied with all conditions of the Order referenced in Part 11 of the Undertakings, or, in the event that Koonce cannot submit the required affidavit, he shall instead submit a statement explaining why.

Reporting Source:

Broker



Regulatory Action Initiated By:	Commonwealth of Massachusetts Securities Division
Sanction(s) Sought:	Undertaking
Date Initiated:	12/28/2016
Docket/Case Number:	R-2016-0049
Employing firm when activity occurred which led to the regulatory action:	Hornor, Townsend & Kent, Inc. and LPL Financial LLC
Product Type:	No Product
Allegations:	The State of MA agreed to register Mr. Koonce as an investment adviser but under an Order of heightened supervision due to the DRPs previously reported between 1995 and 2015 on Mr. Koonce's FINRA record. See State of MA U6 filing 1916089 for details of the Order.
Current Status:	Final
Resolution:	Order
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	01/03/2017
Sanctions Ordered:	Undertaking

Disclosure 3 of 4

Reporting Source:	Regulator
Regulatory Action Initiated By:	Massachusetts
Sanction(s) Sought:	Undertaking
Date Initiated:	05/11/2016
Docket/Case Number:	2016-0049
URL for Regulatory Action:	



Employing firm when activity occurred which led to the regulatory action:

Product Type:

No Product

Allegations:

On or about December 9, 2015, EKRI submitted to FINRA's Central Registration Depository (the "CRD") a Uniform Application for Securities Industry Registration or Transfer (Form U4) seeking the registration of Koonce in Massachusetts as an agent of EKRI (the "Application"). Koonce has been the subject of seven (7) disclosable incidents between October 1995 and December 2015. Koonce was the subject of two (2) Judgment/Lien disclosures. On or about November 28, 1995, a creditor filed an action to collect an unpaid debt owed by Koonce. This debt has since been satisfied. On or about August 6, 1997, a different creditor filed an action to collect an unpaid debt owed by Koonce. This debt has since been satisfied. Koonce was the subject of an internal review, initiated on or about August 7, 1998, which led to Koonce's termination from Hornor, Townsend & Kent, Inc. on or about September 15, 1998. This termination resulted from Koonce signing client names to two client forms without authorization. Koonce was the subject of a Regulatory Action taken by FINRA (f/k/a the National Association of Securities Dealers, Inc.) on or about August 30, 1999. This action was brought to address the allegations that Koonce violated NASD Rule 2110, specifically, that he signed his customer's name to forms requesting the release of medical information and authorizing the transfer of a retirement account, and then submitted those forms for processing. As a result of this action, Koonce was suspended from associating with any member of the NASD for a period of 60 days, and fined \$5,000. This regulatory action was initiated to address the same conduct which resulted in Koonce's termination from Hornor, Townsend & Kent, Inc. in 1998. On or about July 9, 2015, LPL Financial, LLC, initiated an internal review into allegations that Koonce was selling away. On or about November 18, 2015, Koonce was terminated from LPL for participating in private securities transactions, which were not approved by LPL, and which involved products not approved by LPL. This was a violation of LPL's policies and procedures concerning agent conduct. Review of the foregoing incidents involving Koonce has moved the Division to place conditions on his registration as an agent of EKRI.

Current Status:

Final

Resolution:

Order

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

No



Resolution Date: 05/11/2016

Sanctions Ordered: Undertaking
 Other: The Division approved Koonce's application for registration in Massachusetts as an agent of EKRI upon the conditions set forth below, which are effective for five (5) years from the date of entry of the order: a) Koonce shall provide financial services to only one Massachusetts customer, and members of that customer's family; b) Koonce shall be supervised, on a heightened basis; c) EKRI shall not permit Koonce to have any principal, supervisory, or managerial duties while associated with EKRI; d) Koonce shall not be allowed to exercise discretion over individual Massachusetts customer accounts; e) should Koonce become the subject of any written or oral customer complaint, any regulatory investigation, internal investigation, arbitration proceeding, or securities-related litigation concerning allegations arising from his conduct of securities business, EKRI shall notify the Director, in writing, within fifteen (15) business days of the event; f) Koonce shall notify his supervisor of the following events, within five (5) business days of their occurrence, concerning allegations arising from his conduct of securities business, the receipt of any customer complaint, oral or written, the initiation of any arbitration proceeding, regulatory investigation, or securities-related litigation; g) Koonce shall notify his supervisor of any inaccuracy in any representation made to the Division herein, or the breach of any provision of his Undertakings and Representations; and h) twenty-four (24) months after the entry of the Order, Koonce shall submit to EKRI and the Director an affidavit stating that he has fully complied with all conditions of the Order referenced in Part 11 of the Undertakings, or, in the event that Koonce cannot submit the required affidavit, he shall instead submit a statement explaining why.

Reporting Source: Broker

Regulatory Action Initiated By: Commonwealth of Massachusetts Securities Division

Sanction(s) Sought: Undertaking
 Other: Heightened Supervision

Date Initiated: 05/05/2016

Docket/Case Number: R-2016-0049

Employing firm when activity occurred which led to the regulatory action: LPL, Horner Townsend

Product Type: Other: no security



Allegations:	The State of MA agreed to register Mr. Koonce but under an Order of heightened supervision due to the DRPs previously reported between 1995 and 2015 on Mr. Koonce's FINRA record. See State of MA U6 filing for details of the Order.
Current Status:	Final
Resolution:	Order
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	05/05/2016
Sanctions Ordered:	Undertaking

Disclosure 4 of 4

Reporting Source:	Regulator
Regulatory Action Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Sanction(s) Sought:	Suspension
Other Sanction(s) Sought:	\$5,000.00 FINE
Date Initiated:	08/19/1999
Docket/Case Number:	C01990015
Employing firm when activity occurred which led to the regulatory action:	HORNOR, TOWNSEND & KENT, INC.
Product Type:	Other
Other Product Type(s):	
Allegations:	RESPONDENT: SIGNED CUSTOMER'S NAME TO AN AUTHORIZATION TO RELEASE MEDICAL INFORMATION AND SUBMITTED THAT AUTHORIZATION; SIGNED CUSTOMER'S NAME TO AN AUTHORIZATION TO AN AUTHORIZATION TO TRANSFER RETIREMENT ACCOUNT AND SUBMITTED IT. (NASD RULE 2110)
Current Status:	Final



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/19/1999

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

Other Sanctions Ordered:

Sanction Details: SUSPENSION FROM ASSOCIATION WITH ANY MEMBER OF THE NASD IN ANY CAPACITY FOR 60 DAYS; \$5,000.00 FINE

09-07-00, \$5,000 PAID 11/10/99, INVOICE #99-01-883

Regulator Statement 12-03-99, SUSPENSION WILL COMMENCE WITH THE OPENING OF BUSINESS ON OCTOBER 1, 1999 AND CONCLUDE AT THE CLOSE OF BUSINESS ON NOVEMBER 29, 1999.

Reporting Source: Broker

Regulatory Action Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC

Sanction(s) Sought: Suspension

Other Sanction(s) Sought: FINE \$5,000 AND 60 DAY SUSPENSION

Date Initiated: 08/30/1999

Docket/Case Number: C01990015, DISTRICT 1

Employing firm when activity occurred which led to the regulatory action: HORNOR, TOWNSEND & KENT

Product Type: Annuity(ies) - Variable

Other Product Type(s): VARIABLE UNIVERSAL LIFE

Allegations: B/D ALLEDGED I HAD SIGNED TWO FORMS FBO CLIENT-REFERRED TO AS "SIGNATURES OF CONVENIECE". THESE TRANSACTIONS OCCURRED IN 1996 ALONG WITH PERHAPS 30+ SIGNATURES BY MY CLIENT ON ALL FORMS. IT WAS MY HANDWRITING ON THESE TWO FORMS AND THUS THE INSURER(PENN MUTUAL) AND BROKER/DEALER (HTK) FELT THEY HAD NO CHOICE BUT TO TERMINATE ME. THIS PROMPTED THE NASD INVESTIGATION WHICH INCAPLICABLY TOOK 11 MONTHS. I SIGNED AN AWC AND THE SUSPENSION AND FINE WAS LEVIED.

Current Status: Final



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/30/1999

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

Other Sanctions Ordered: NONE

Sanction Details: SUSPENSION FROM OCT. 1, 1999 TO NOVEMBER 29, 1999 FINE PAID IN EARLY NOVEMBER.
TERMINATED FROM PENN MUTUAL LIFE AND BROKER-DEALER (HTK)

Broker Statement ACTING AS GENERAL AGENT, A RELATIVELY NEW AGENT ASKED MY HELP IN WORKING WITH THESE NEW CLIENTS. SOME 2 YEARS LATER (1998) IT BECAME APPARENT THE 401(K) PLAN WAS NOT ESTABLISHED PROPERLY , A THIRD PARTY ADMINISTRATOR. THIS LED TO THE COMPLAINT BY THE CLIENTS AND A COMPLETE INVESTIGATION OF ALL TRANSACTIONS. IT WAS SHOWN AND CONFIRMED BY NASD THAT NO MONEY WAS DISPLACED OR CLIENT WISHES TAKEN ADVANTAGE OF. THE SIGNATURES WERE HOWEVER NOT THOSE OF THE CLIENT. I DO NOT REMEMBER THE SIGNATURES OR THE CIRCUMSTANCES-IT'S POSSIBLE I GOT THEIR APPROVAL BUT NO NOTES WERE IN THE FILE TO THAT EFFECT. THE INSURER AND B/D FELT I COULD NO LONGER BE ON THEIR E&O-THUS THE TERMINATION.

SIMPLY COULD NOT GET THE NASD TO ACT QUICKER, THUS WAS 14 MONTHS WITHOUT LICENSE. NO OTHER ISSUES IN 20 YEARS OF BUSINESS.



Employment Separation After Allegations

This type of disclosure event involves a situation where the broker voluntarily resigned, was discharged, or was permitted to resign after being accused of (1) violating investment-related statutes, regulations, rules or industry standards of conduct; (2) fraud or the wrongful taking of property; or (3) failure to supervise in connection with investment-related statutes, regulations, rules, or industry standards of conduct.

Disclosure 1 of 2

Reporting Source: Firm

Employer Name: LPL Financial LLC

Termination Type: Discharged

Termination Date: 11/18/2015

Allegations: Participated in private securities transactions without firm approval. Directed clients to unapproved investments, in violation to Firm policy.

Product Type: Other: Private Securities Transactions

Reporting Source: Broker

Employer Name: LPL

Termination Type: Discharged

Termination Date: 11/18/2015

Allegations: Selling Away

Product Type: Other: Business Startup

Broker Statement Mr. Koonce encourages any prospective or current client that has concerns regarding the above to speak with him personally.

Disclosure 2 of 2

Reporting Source: Broker

Employer Name: HORNOR, TOWNSEND & KENT

Termination Type: Discharged

Termination Date: 09/15/1998

Allegations: HTK ALLEGED I HAD SIGNED TWO FORMS WITHOUT CLIENTS' KNOWLEDGE. THE PRODUCT INVOLVED WAS A VARIABLE UNIVERSAL LIFE.



Product Type: Insurance

Other Product Types:

Broker Statement

ALONG WITH A AGENT (NEW), LES MET WITH A CLIENT THAT RESULTED IN TAKING A CLIENT APPLICATION ON TWO VARIABLE UNIVERSAL POLICIES. SOME TWO YEARS LATER (1998), THE CLIENTS HAD A PROBLEM WITH THE TAXATION OF THE ARRANGEMENT. THEY ASKED PENN MUTUAL TO BEGIN AN INVESTIGATION. THEY DISCOVERED THAT TWO OUT OF THE 35 SIGNATURES REQUIRED, WERE IN LES' HANDWRITING. HE COULD NOT PROVE THESE SIGNATURES WERE AUTHORIZED BY THE CLIENT. THUS THE DECISION WAS TO DISCHARGE HIM. ABSOLUTELY NO MONEY WAS LOST AND THE CLIENT WAS NOT COMPROMISED. TO HIS KNOWLEDGE, THE POLICIES ARE STILL EXISTING.

End of Report



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