

BrokerCheck Report

RICHARD ALLEN BAIRD

CRD# 2266227

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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.

**RICHARD A. BAIRD**

CRD# 2266227

Currently employed by and registered with the following Firm(s):

IA LPL FINANCIAL LLC
 1550 W. WALNUT HILL LANE #100
 IRVING, TX 75038
 CRD# 6413
 Registered with this firm since: 12/09/2010

B LPL FINANCIAL LLC
 1550 W. WALNUT HILL LANE #100
 IRVING, TX 75038-0000
 CRD# 6413
 Registered with this firm since: 09/08/2009

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 registered with:**

- 1 Self-Regulatory Organization
- 15 U.S. states and territories

This broker has passed:

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

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

- IA ASSOCIATED PLANNERS INVESTMENT ADVISORY INC**
 CRD# 104790
 BOSTON, MA
 01/2004 - 10/2009
- B ASSOCIATED SECURITIES CORP.**
 CRD# 12969
 IRVING, TX
 11/2003 - 09/2009
- IA ASSOCIATED SECURITIES CORP.**
 CRD# 12969
 BOSTON, MA
 02/2004 - 12/2008

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
Customer Dispute	8



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 individual is currently registered with 1 SRO and is licensed in 15 U.S. states and territories through his or her employer.

Employment 1 of 1

Firm Name: **LPL FINANCIAL LLC**

Main Office Address: **1055 LPL WAY
FORT MILL, SC 29715**

Firm CRD#: **6413**

	SRO	Category	Status	Date
B	FINRA	General Securities Principal	Approved	09/08/2009
B	FINRA	General Securities Representative	Approved	09/08/2009
B	FINRA	Municipal Fund	Approved	09/08/2009

	U.S. State/ Territory	Category	Status	Date
B	Alabama	Agent	Approved	09/08/2009
B	Arizona	Agent	Approved	09/08/2009
B	California	Agent	Approved	09/08/2009
B	Florida	Agent	Approved	01/13/2010
B	Georgia	Agent	Approved	09/08/2009
B	Illinois	Agent	Approved	09/08/2009
B	New Mexico	Agent	Approved	09/08/2009
B	New York	Agent	Approved	09/08/2009
B	North Carolina	Agent	Approved	09/08/2009
IA	North Carolina	Investment Adviser Representative	Approved	02/05/2024

Broker Qualifications



Employment 1 of 1, continued

	U.S. State/ Territory	Category	Status	Date
B	Oklahoma	Agent	Approved	09/08/2009
B	Pennsylvania	Agent	Approved	09/08/2009
B	South Carolina	Agent	Approved	09/08/2009
B	Texas	Agent	Approved	09/08/2009
IA	Texas	Investment Adviser Representative	Approved	12/09/2010
B	Virginia	Agent	Approved	09/08/2009
B	Washington	Agent	Approved	09/08/2009

Branch Office Locations

LPL FINANCIAL LLC
1550 W. WALNUT HILL LANE #100
IRVING, TX 75038-0000



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. A passed exam or exam waiver does not permit a broker to do business without an active SRO or state registration.

This individual has passed 2 principal/supervisory exams, 3 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
B Municipal Fund Securities Principal Examination	Series 51	03/27/2003
B General Securities Principal Examination	Series 24	04/15/1998

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	10/01/2018
B General Securities Representative Examination	Series 7	11/13/1996
B Investment Company Products/Variable Contracts Representative Examination	Series 6	09/23/1993

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	11/12/1998
B Uniform Securities Agent State Law Examination	Series 63	11/27/1992

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/.

Broker Qualifications



Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
IA 01/2010 - 01/2010	LPL FINANCIAL CORPORATION	6413	FORT MILL, SC
IA 01/2004 - 10/2009	ASSOCIATED PLANNERS INVESTMENT ADVISORY INC	104790	IRVING, TX
B 11/2003 - 09/2009	ASSOCIATED SECURITIES CORP.	12969	IRVING, TX
IA 02/2004 - 12/2008	ASSOCIATED SECURITIES CORP.	12969	IRVING, TX
B 10/1998 - 12/2004	BAIRD MANAGEMENT CORPORATION	45556	IRVING, TX
IA 07/1998 - 12/2004	FSG ADVISORY SERVICES INC	109470	IRVING, TX
B 06/1998 - 12/1998	RETIREMENT INVESTMENT GROUP	7421	HOUSTON, TX
B 08/1997 - 06/1998	FFP SECURITIES, INC.	16337	CHESTERFIELD, MO
B 05/1996 - 08/1997	INVESTMENT PROFESSIONALS, INC.	30184	SAN ANTONIO, TX
B 12/1993 - 06/1996	XCU CAPITAL CORPORATION, INC.	19899	RALEIGH, NC

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	Employer Name	Position	Investment Related	Employer Location
09/2009 - Present	LPL FINANCIAL, LLC	Registered Representative	Y	IRVING, TX, United States

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. 12/28/2009: ONE SAFE PLACE MEDIA CORP - OTHER-FAMILY BUSINESS - ONE SAFE PLACE MEDIA CORP. HAS BEEN OWNED AND



Registration and Employment History

Other Business Activities, continued

RUN BY MY FAMILY FOR 25 YEARS. ONE SAFE PLACE IS AN OFFSITE DATA STORAGE COMPANY. I AM IN CHARGE OF BUSINESS DEVELOPMENT (SALES) AND HAVE BEEN WITH THE COMPANY FOR APPROXIMATELY 10 YEARS - 20% TIME SPENT.

2. 1/27/2010: RESOURCING EDGE - OTHER-HR SERVICES - RESOURCING EDGE IS A PAYROLL / HR OUTSOURCING COMPANY. I HAVE HAD A 10 YEAR RELATIONSHIP WITH THEM WHERE I AM COMPENSATED A PORTION OF THE SALES ON CUSTOMERS THAT I REFER TO THEM THAT SIGN UP FOR THEIR PAYROLL / HR OUTSOURCING SOLUTIONS - 0% TIME SPENT.

3. 12/14/2011: THE FINANCIAL SOURCE GROUP, INC - Business Entity For Tax/Investment Purposes Only - INV REL - AT REPORTED BUSINESS LOCATION - The Financial Source Group, Inc. is a C Corp used for Payroll/HR benefits and employer of any future employees.

4. 10/27/2023 - Other - Coaching - Professional Pickleball Coach - Not Investment Related - Various pickleball courts - Start Date 11/01/2023 - 8 Hours Per Month/ 0 Hours During Trading

5. 12/05/2023 - No Business Name - Non-Inv Related - Northlake, TX - Other - Pickleball Ambassador - Started: 10/1/2023 - 4 Hrs/Mo; 0 Hr During Trading.

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:**
 - A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
 - 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.
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3. **Disclosure events in BrokerCheck reports come from different sources:**
 - 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.
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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 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
Customer Dispute	1	7	N/A



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.

Customer Dispute - Award / Judgment

This type of disclosure event involves a final, consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the broker that resulted in an arbitration award or civil judgment for the customer.

Disclosure 1 of 1

Reporting Source:	Regulator
Employing firm when activities occurred which led to the complaint:	BAIRD MANAGEMENT CORPORATION
Allegations:	COMMON LAW FRAUD-MISREPRESENTATIONS AND OMISSIONS
Product Type:	Other
Other Product Type(s):	UNSPECIFIED SECURITIES, VARIABLE ANNUITIES
Alleged Damages:	\$400,000.00
Arbitration Information	
Arbitration/Reparation Claim filed with and Docket/Case No.:	NASD - CASE #03-05374
Date Notice/Process Served:	07/22/2003
Arbitration Pending?	No
Disposition:	Award
Disposition Date:	09/15/2004
Disposition Detail:	RESPONDENT IS JOINTLY AND SEVERALLY LIABLE FOR \$300,000.00 IN COMPENSATORY DAMAGES

Reporting Source:	Broker
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Employing firm when activities occurred which led to the complaint: BAIRD MANAGEMENT CORPORATION

Allegations: ALLEGATIONS OF MISREPRESENTATION AND OMISSION OF MATERIAL FACTS; JUST AND EQUITABLE PRINCIPLES OF TRADE; CUSTOMER SUITABILITY; FAILURE TO SUPERVISE; BREACH OF CONTRACT AND BREACH OF FIDUCIARY DUTY

Product Type: Annuity(ies) - Variable

Alleged Damages: \$400,000.00

Customer Complaint Information

Date Complaint Received: 07/01/2002

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 08/22/2003

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: THIS MATTER WAS SUBMITTED ON JULY 28, 2003 TO NASD DISPUTE RESOLUTION - CASE NUMBER 03-05374

Date Notice/Process Served: 07/28/2003

Arbitration Pending? No

Disposition: Award to Customer

Disposition Date: 09/15/2004

Monetary Compensation Amount: \$300,000.00

Individual Contribution Amount: \$0.00



Customer Dispute - Settled

This type of disclosure event involves a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit containing allegations of sale practice violations against the broker that resulted in a monetary settlement to the customer.

Disclosure 1 of 6

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	FINANCIAL SOURCE GROUP, INC.
Allegations:	CLAIMANT ALLEGES THAT THE VARIABLE ANNUITIES HE PURCHASED THROUGH MR. BAIRD'S FATHER, [THIRD PARTY], IN 1999 AND 2000 WERE UNSUITABLE AND THAT THE 3RD PARTY ADVISOR CLARK CAPITAL HIRED TO MANAGE THE VA SUB ACCOUNTS DID NOT MANAGE THE SUB ACCOUNTS PRUDENTLY
Product Type:	Annuity(ies) - Variable
Alleged Damages:	\$100,000.00

Customer Complaint Information

Date Complaint Received:	01/17/2006
Complaint Pending?	No
Status:	Arbitration/Reparation
Status Date:	01/17/2006

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.:	NASD ARBITRATION CASE NO. 05-06701
Date Notice/Process Served:	01/17/2006
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	01/31/2007
Monetary Compensation Amount:	\$65,000.00



Individual Contribution Amount: \$0.00

Broker Statement TO AVOID THE COST OF PROTRACTED LITIGATION, A GOOD FAITH SETTLEMENT WAS MADE AND ACCEPTED BY THE CLAIMANT WITH NO ADMISSION OF FAULT OR LIABILITY ON THE PART OF MR. RICHARD BAIRD. THE REPRESENTATIVE OF RECORD ON THIS TRANSACTION WAS [THIRD PARTY], MR. BAIRD'S FATHER, WHO IS DECEASED. MR. RICHARD BAIRD MAINTAINS THAT PROPER DISCLOSURES WERE MADE TO THE CLAIMANT AT THE TIME OF THE INVESTMENT AND THE INVESTMENT WAS SUITABLE GIVEN THE CLIENT'S NEEDS AND INVESTMENT OBJECTIVES. THE INVESTMENT WAS MADE AT THE HEIGHT OF THE UNPRECEDENTED DOWNTURN IN THE MARKET (2000-2002).

Disclosure 2 of 6

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: BAIRD MANAGEMENT CORP.

Allegations: CUSTOMER CLAIMS BREACH OF CONTRACT, NEGLIGENCE AND BREACH OF FIDUCIARY DUTY IN CONNECTION WITH HIS PURCHASE OF 3 VARIABLE ANNUITIES FROM [THIRD PARTY] (RICHARD BAIRD'S FATHER) IN 1995 AND 2000. THE CLAIM ONLY REFERENCES RICHARD BAIRD ONCE IN CONNECTION WITH CUSTOMER'S CONTACT WITH HIM IN 2001-2002 REGARDING THE PERFORMANCE OF HIS VARIABLE ANNUITY ACCOUNTS.

Product Type: Annuity(ies) - Variable

Alleged Damages: \$100,000.00

Customer Complaint Information

Date Complaint Received: 04/07/2006

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 04/07/2006

Settlement Amount:

Individual Contribution Amount:

Arbitration Information



Arbitration/Reparation Claim filed with and Docket/Case No.:	NASD 06-00406
Date Notice/Process Served:	04/07/2006
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	09/22/2006
Monetary Compensation Amount:	\$45,000.00
Individual Contribution Amount:	\$0.00
Broker Statement	I BELIEVE THERE IS NO MERIT TO THE CLAIMS AND WILL BE VIGOURSLY DEFENDING THIS MATTER. THE CLAIMS INVOLVED VARIABLE ANNUITIES SOLD BY MY FATHER WHO IS DECEASED. HIS TESTIMONY WOULD HAVE BEEN NECESSARY AND MATERIAL IN ORDER TO DEFEND THE CLAIMS AGAINST HIM AND OUR BROKER DEALER. TO AVOID THE COST OF PROTRACTED LITIGATION, THIS MATTER WAS SETTLED WITH NO ADMISSION OF LIABILITY AND THE ARBITRATION CLAIM WAS DISMISSED WITH PREJUDICE.

Disclosure 3 of 6

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	FINANCIAL SOURCE GROUP; BAIRD MANAGEMENT
Allegations:	CLAIMS THAT VARIABLE ANNUITY PURCHASED WAS UNSUITABLE; PURPORTED MISMANAGEMENT OF ANNUITY BY THIRD PARTY ADVISOR CLARK CAPITAL; NO DATES SPECIFIED IN CLAIM
Product Type:	Annuity(ies) - Variable
Alleged Damages:	\$0.00

Customer Complaint Information

Date Complaint Received:	05/05/2005
Complaint Pending?	No
Status:	Arbitration/Reparation
Status Date:	05/05/2005

**Settlement Amount:****Individual Contribution Amount:****Arbitration Information**

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD 05-01941

Date Notice/Process Served: 05/05/2005

Arbitration Pending? No

Disposition: Settled

Disposition Date: 12/12/2005

Monetary Compensation Amount: \$72,000.00

Individual Contribution Amount: \$0.00

Broker Statement

WE BELIEVE CLAIM IS NOT MERITORIOUS AND IT WILL BE VIGOROUSLY DEFENDED. CLAIMANTS WERE PROVIDED FULL DISCLOSURE ON INVESTMENT AND AUTHORIZED MANAGEMENT OF VARIABLE CONTRACT BY 3RD PARTY ADVISOR. THEY ARE SEEKING TO RECOUP MARKET LOSSES BY NOW CLAIMING THAT THE INVESTMENTS WERE UNSUITABLE WHEN THEY WERE APPROPRIATE GIVEN THEIR OBJECTIVES AND NEEDS. THE FINANCIAL ADVISOR ON RECORD FOR THE INVESTMENTS WAS [THIRD PARTY] WHO DIED BEFORE THE CLAIM WAS BROUGHT.HIS TESTIMONY WOULD HAVE BEEN MATERIAL EVIDENCE NECESSARY TO DEFEND THE CLAIM. TO AVOID THE COST OF PROTRACTED LITIGATION, THE MATTER WAS SETTLED WITH NO ADMISSION OF LIABILITY ON THE PART OF MR. RICHARD BAIRD (HIS SON). THE ARBITRATION CLAIM WAS DIMISSED WITH PREJUDICE.

Disclosure 4 of 6

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: BAIRD MANAGEMENT CORPORATION

Allegations: ALLEGATIONS THAT VARIABLE ANNUITY AND MUTUAL FUNDS PURCHASED FOR EHR ACCOUNT BETWEEN 1998 AND 2001 WERE UNSUITABLE.



Product Type: Annuity(ies) - Variable

Other Product Type(s): MUTUAL FUNDS

Alleged Damages: \$163,354.63

Customer Complaint Information

Date Complaint Received: 10/05/2004

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 10/05/2004

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD-CASE NUMBER 04-06766

Date Notice/Process Served: 09/28/2004

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/20/2006

Monetary Compensation Amount: \$64,000.00

Individual Contribution Amount: \$0.00

Broker Statement I BELIEVE THERE IS NO MERIT TO THE CLAIMS AND IT WILL BE VIGOURSLY DEFENDING THIS MATTER. THE CLAIMS INVOLVED VARIABLE ANNUITIES SOLD BY MY FATHER WHO IS NOW DECEASED. HE PASSED AWAY BEFORE THIS CLAIM WAS FILED. HIS TESTIMONY WOULD HAVE BEEN NECESSARY AND MATERIAL IN ORDER TO DEFEND THE CLAIMS AGAINST HIM AND OUR BROKER DEALER. TO AVOID THE COST OF PROTRACTED LITIGATION, THIS MATTER WAS SETTLED WITH NO ADMISSION OF LIABILITY ON MY PART OR THAT OF OUR BROKER DEALER AND THE ARBITRATION CLAIM WAS DISMISSED WITH PREJUDICE.



Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: BAIRD MANAGEMENT CORP

Allegations: CUSTOMER CLAIMS THAT THE PURCHASE OF A VARIABLE ANNUITY IN OR ABOUT 2001 WAS UNSUITABLE. ALLEGATIONS OF COMMON LAW FRAUD - MISREPRESENTATIONS AND OMISSIONS; VIOLATIONS OF STATE AND FEDERAL SECURITIES LAWS; VIOLATIONS OF THE TEXAS DECEPTIVE TRADE PRACTICES ACT; NEGLIGENCE, INCLUDING RESPONDENT'S FAILURE TO SUPERVISE; BREACH OF CONTRACT; AND BREACH OF FIDUCIARY DUTY

Product Type: Annuity(ies) - Variable

Other Product Type(s): THIRD PARTY INVESTMENT ADVISOR.

Alleged Damages: \$244,770.00

Customer Complaint Information

Date Complaint Received: 03/01/2004

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 03/03/2004

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD DISPUTE RESOLUTION CASE NUMBER 04-00136

Date Notice/Process Served: 03/01/2004

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/20/2005

Monetary Compensation Amount: \$156,500.00



Individual Contribution Amount: \$0.00

Broker Statement CUSTOMER BECAME A CLIENT OF OURS APPROXIMATELY MIDYEAR 2000. HER PROFILE WAS THAT OF AN EQUITY INVESTOR. SHE HELD A VERY PORTION OF HER NET WORTH IN MERCK COMMON STOCK AND THE REST IN EQUITY MUTUAL FUNDS AND EQUITY POSITIONED VARIABLE ANNUITY SUB ACCOUNTS. A THIRD PARTY INVESTMENT ADVISOR, CLARK CAPITAL MANAGEMENT GROUP, LARGELY MANAGED HER NON-MERCK INVESTMENTS. CLARK CAPITAL MANAGEMENT GROUP IS AN INSTITUTIONAL MONEY MANAGER BASED OUT OF PHILADELPHIA, PA. WE FEEL THAT PROPER DISCLOSURE WAS MADE TO CUSTOMER ON ALL OF HER INVESTMENTS. CUSTOMER'S ACCOUNTS LOST VALUE DURING THE THREE-YEAR BEAR MARKET AND SHE IS SEEKING TO REGAIN HER MARKET LOSSES THROUGH ARBITRATION.

Disclosure 6 of 6

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: BAIRD MANAGEMENT CORPORATION

Allegations: CLAIMANT CLAIMS ECONOMIC LOSS IN THE AMOUNT OF \$20,000. HE CLAIMS INVESTMENT WAS INAPPROPRIATE IN LIGHT OF HIS FINANCIAL CIRCUMSTANCES AND NEEDS.

Product Type: Other

Other Product Type(s): PREFERRED STOCK IN A PRIVATE COMPANY

Alleged Damages: \$20,000.00

Customer Complaint Information

Date Complaint Received: 11/13/2002

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 04/23/2003

Settlement Amount: \$20,000.00

Individual Contribution Amount: \$0.00

Arbitration Information



Arbitration/Reparation Claim filed with and Docket/Case No.:	NASD DISPUTE RESOLUTION CASE NUMBER 02-07050
Date Notice/Process Served:	11/27/2002
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	04/23/2003
Monetary Compensation Amount:	\$20,000.00
Individual Contribution Amount:	
Broker Statement	SETTLED PRIOR TO ARBITRATION HEARING/AWARD, WITHOUT ANY ADMISSIONS OF LIABILITY. PREFERRED STOCK REPURCHASED FROM CUSTOMER AT THE ORIGINAL PRICE.



Customer Dispute - Pending

This type of disclosure event involves (1) a pending consumer-initiated, investment-related arbitration or civil suit that contains allegations of sales practice violations against the broker; or (2) a pending, consumer-initiated, investment-related written complaint containing allegations that the broker engaged in, sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities.

Disclosure 1 of 1

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	BAIRD MANAGEMENT
Allegations:	CLAIMS VARIABLE ANNUITY PURCHASED IN 1999 THROUGH BROKER WAS UNSUITABLE
Product Type:	Annuity(ies) - Variable
Alleged Damages:	\$30,000.00

Customer Complaint Information

Date Complaint Received:	01/15/2005
Complaint Pending?	Yes
Settlement Amount:	
Individual Contribution Amount:	

End of Report



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