

**BrokerCheck Report**

**CECIL ALLEN ROSS**

CRD# 2391047

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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](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://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.**

**CECIL A. ROSS**

CRD# 2391047

**Currently employed by and registered with the following Firm(s):****B INTERNATIONAL ASSETS ADVISORY, LLC**

5301 KNICKERBOCKER ROAD  
SUITE 110  
SAN ANGELO, TX 76904  
CRD# 10645

Registered with this firm since: 12/13/2019

**IA INTERNATIONAL ASSETS INVESTMENT MANAGEMENT, LLC**

5301 KNICKERBOCKER ROAD  
SUITE 110  
SAN ANGELO, TX 76904  
CRD# 144426

Registered with this firm since: 12/13/2019

**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
- 4 U.S. states and territories

**This broker has passed:**

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

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

CRD# 6413  
FORT MILL, SC  
09/2014 - 12/2019

**B LPL FINANCIAL LLC**

CRD# 6413  
SAN ANGELO, TX  
09/2014 - 12/2019

**IA RAYMOND JAMES FINANCIAL SERVICES ADVISORS, INC**

CRD# 149018  
SAINT PETERSBURG, FL  
01/2009 - 10/2014

**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	1
Customer Dispute	2



## 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 4 U.S. states and territories through his or her employer.**

### Employment 1 of 2

Firm Name: **INTERNATIONAL ASSETS ADVISORY, LLC**

Main Office Address: **390 NORTH ORANGE AVENUE  
STE 750  
ORLANDO, FL 32801**

Firm CRD#: **10645**

SRO	Category	Status	Date
<b>B</b> FINRA	General Securities Representative	APPROVED	12/13/2019
<b>B</b> FINRA	General Securities Sales Supervisor	APPROVED	12/13/2019

U.S. State/ Territory	Category	Status	Date
<b>B</b> Connecticut	Agent	APPROVED	09/24/2020
<b>B</b> Texas	Agent	APPROVED	12/17/2019
<b>B</b> Washington	Agent	APPROVED	09/25/2020
<b>B</b> Wyoming	Agent	APPROVED	09/23/2020

### Branch Office Locations

**INTERNATIONAL ASSETS ADVISORY, LLC**  
5301 KNICKERBOCKER ROAD  
SUITE 110  
SAN ANGELO, TX 76904

### Employment 2 of 2

Firm Name: **INTERNATIONAL ASSETS INVESTMENT MANAGEMENT, LLC**

Main Office Address: **390 NORTH ORANGE AVENUE**



## Broker Qualifications

### Employment 2 of 2, continued

SUITE 750  
ORLANDO, FL 32801

Firm CRD#: 144426

U.S. State/ Territory	Category	Status	Date
<b>IA</b> Texas	Investment Adviser Representative	APPROVED	12/13/2019

## Branch Office Locations

This individual does not have any registered Branch Office where the individual is located.

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## 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 2 principal/supervisory exams, 2 general industry/product exams, and 3 state securities law exams.**

### Principal/Supervisory Exams

Exam	Category	Date
<b>B</b> General Securities Sales Supervisor - General Module Examination	Series 10	11/30/2004
<b>B</b> General Securities Sales Supervisor - Options Module Examination	Series 9	10/25/2004

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> General Securities Representative Examination	Series 7	12/22/1993

### State Securities Law Exams

Exam	Category	Date
<b>B IA</b> Uniform Combined State Law Examination	Series 66	07/24/2007
<b>IA</b> Uniform Investment Adviser Law Examination	Series 65	02/20/1996
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	12/31/1993

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/](http://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
<b>B</b> 09/2014 - 12/2019	LPL FINANCIAL LLC	6413	SAN ANGELO, TX
<b>IA</b> 09/2014 - 12/2019	LPL FINANCIAL LLC	6413	SAN ANGELO, TX
<b>IA</b> 01/2009 - 10/2014	RAYMOND JAMES FINANCIAL SERVICES ADVISORS, INC	149018	SAN ANGELO, TX
<b>B</b> 08/2004 - 10/2014	RAYMOND JAMES FINANCIAL SERVICES, INC.	6694	SAN ANGELO, TX
<b>IA</b> 08/2007 - 01/2009	RAYMOND JAMES FINANCIAL SERVICES	6694	SAN ANGELO, TX
<b>B</b> 01/1997 - 08/2004	EDWARD JONES	250	ST. LOUIS, MO
<b>B</b> 11/1995 - 02/1997	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	7691	NEW YORK, NY
<b>B</b> 12/1993 - 11/1995	EDWARD D. JONES & CO., L.P.	250	ST. LOUIS, MO

### 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
12/2019 - Present	INTERNATIONAL ASSETS ADVISORY, LLC	REGISTERED REPRESENTATIVE	Y	SAN ANGELO, TX, United States
12/2019 - Present	INTERNATIONAL ASSETS INVESTMENT MANAGEMENT, LLC	INVESTMENT ADVISOR REPRESENTATIVE	Y	SAN ANGELO, TX, United States
02/2014 - Present	TOURGREENS OF TEXAS, INC.	OFFICER CEO	Y	SAN ANGELO, TX, United States
07/2010 - Present	CECIL A ROSS INVESTMENT & INSURANCE GROUP	INDEPENDENT CONTRACTOR	Y	SAN ANGELO, TX, United States





## Registration and Employment History

### Employment History, continued

Employment	Employer Name	Position	Investment Related	Employer Location
09/2014 - 12/2019	LPL Financial LLC	REGISTERED REPRESENTATIVE	Y	SAN ANGELO, TX, United States
01/2009 - 09/2014	RAYMOND JAMES FINANCIAL SERVICES ADVISORS, INC	MASS TRANSFER	Y	SAN ANGELO, TX, United States
08/2004 - 09/2014	RAYMOND JAMES FINANCIAL SERVICES, INC.	FINANCIAL ADVISOR	Y	SAN ANGELO, 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) INTERNATIONAL ASSETS INVESTMENT MANAGEMENT LLC 390 N ORANGE AVE STE 750 ORLANDO, FL 32801 - RIA AFFILIATE OF INTERNATIONAL ASSETS ADVISORS - ADVISOR SINCE 12/2019 - APPROX 160 HRS/MO - FEE BASED COMPENSATION
- 2) TOUR GREENS OF TEXAS 809 JULIAN, SAN ANGELO, TX 76903 - SYNTHETIC GRASS INSTALLATIONS, CURRENT STATUS-DORMANT - SECRETARY SINCE 9/2014 - APPROX 0 HRS/MO - NO COMPENSATION
- 3) C A ROSS INSURANCE AGENCY, LLC 5301 KNICKERBOCKER ROAD, SUITE 119, SAN ANGELO, TX 76904 - COMMERCIAL & PERSONAL INSURANCE FIRM - PRESIDENT/OWNER/PARTNER SINCE 3/2012 - APPROX 5 HRS/MO - SALARY
- 4) C A ROSS WEALTH MANAGEMENT GROUP 5301 KNICKERBOCKER ROAD, SUITE 119, SAN ANGELO, TX 76904 - PRIVATE LABEL ENTITY FOR SECURITIES BUSINESS - ADVISOR SINCE 1/1/20 - APPROX 40 HRS/MO - FEES



## 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	1	0
Customer Dispute	0	2	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.

### 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 1

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:**

**Date Initiated:** 12/18/2019

**Docket/Case Number:** [2014042621701](#)

**Employing firm when activity occurred which led to the regulatory action:** Raymond James Financial Services

**Product Type:** Unit Investment Trust

**Allegations:** Without admitting or denying the findings, Ross consented to the sanctions and to the entry of findings that he engaged in an unsuitable pattern of short-term trading in Unit Investment Trusts (UITs) in customers' accounts. The findings stated that despite the costs associated with purchasing units in new UITs, Ross recommended that most of his customers sell and roll over their positions in UITs after less than one year. Ross' recommendations, which caused his customers to incur unnecessary excess sales charges, were unsuitable considering the frequency and cost of the transactions. Ross' member firm has agreed to pay restitution to customers relating to the early sale of UITs pursuant to a settlement with the Securities and Exchange Commission.

**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:** 12/18/2019

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**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**

<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	All Capacities
<b>Duration:</b>	four months
<b>Start Date:</b>	01/20/2020
<b>End Date:</b>	05/19/2020

**Monetary Sanction 1 of 1****Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)**Total Amount:** \$5,000.00**Portion Levied against individual:** \$5,000.00**Payment Plan:****Is Payment Plan Current:** Yes**Date Paid by individual:** 01/09/2020**Was any portion of penalty waived?** No**Amount Waived:****Reporting Source:** Broker**Regulatory Action Initiated By:** FINRA**Sanction(s) Sought:****Date Initiated:** 12/18/2019**Docket/Case Number:** [2014042621701](#)**Employing firm when activity occurred which led to the regulatory action:** RAYMOND JAMES FINANCIAL SERVICES**Product Type:** Unit Investment Trust

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, ROSS CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT HE ENGAGED IN AN UNSUITABLE PATTERN OF SHORT-TERM TRADING IN UNIT INVESTMENT TRUSTS (UITs) IN CUSTOMERS' ACCOUNTS. THE FINDINGS STATED THAT DESPITE THE COSTS ASSOCIATED WITH PURCHASING UNITS IN NEW UITs, ROSS RECOMMENDED THAT MOST OF HIS CUSTOMERS SELL AND ROLL OVER THEIR POSITIONS IN UITs AFTER LESS THAN ONE YEAR. ROSS' RECOMMENDATIONS, WHICH CAUSED HIS CUSTOMERS TO INCUR UNNECESSARY EXCESS SALES CHARGES, WERE UNSUITABLE CONSIDERING THE FREQUENCY AND COST OF THE TRANSACTIONS. ROSS' MEMBER FIRM HAS AGREED TO PAY RESTITUTION TO CUSTOMERS RELATING TO THE EARLY SALE OF UITs PURSUANT TO A SETTLEMENT



WITH THE SECURITIES AND EXCHANGE COMMISSION.

**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:** 12/18/2019

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** ALL CAPACITIES

**Duration:** FOUR MONTHS

**Start Date:** 01/20/2020

**End Date:** 05/19/2020

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$5,000.00

**Portion Levied against individual:** \$5,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:**

**Was any portion of penalty waived?** No

**Amount Waived:**

**Broker Statement** ALL TRADES WERE MADE IN CONSULTATION WITH THE CLIENT, WERE MARKET DRIVEN, AND MADE WITH THE CLIENT'S BEST INTEREST IN MIND. WE NEVER MADE A TRADE THAT WE BELIEVED WAS NOT IN KEEPING WITH



THAT STANDARD. THE TRADING ALSO CONFORMED TO THE RAYMOND JAMES POLICY IN EFFECT AT THE TIME INCLUDING ANY NECESSARY PRINCIPAL REVIEW. THE TRADE PERIODS WERE FROM 2010 TO 2014. I WAS FIRST NOTIFIED OF THESE ISSUES IN MARCH 2018.





## 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

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	RAYMOND JAMES FINANCIAL SERVICES, INC
<b>Allegations:</b>	CLIENT'S ATTORNEY ALLEGING THAT FA SOLD UNSUITABLE INVESTMENTS AND ENGAGED IN EXCESSIVE TRADING.
<b>Product Type:</b>	Annuity-Variable
<b>Alleged Damages:</b>	\$904,431.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

### Customer Complaint Information

<b>Date Complaint Received:</b>	06/03/2014
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Arbitration/CFTC reparation (the individual is a named party)
<b>Status Date:</b>	11/20/2014
<b>Settlement Amount:</b>	

**Individual Contribution Amount:**

### Arbitration Information

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	<a href="#">14-02745</a>
<b>Date Notice/Process Served:</b>	11/20/2014
<b>Arbitration Pending?</b>	No



**Disposition:** Award to Customer

**Disposition Date:** 10/22/2015

**Monetary Compensation Amount:** \$100,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** RAYMOND JAMES FINANCIAL SERVICES, INC

**Allegations:** CLIENT'S ATTORNEY ALLEGING THAT FA SOLD UNSUITABLE INVESTMENTS AND ENGAGED IN EXCESSIVE TRADING.

**Product Type:** Annuity-Variable  
Unit Investment Trust

**Alleged Damages:** \$904,431.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 06/03/2014

**Complaint Pending?** No

**Status:** Evolved into Arbitration/CFTC reparation (the individual is a named party)

**Status Date:** 11/20/2014

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA



<b>Docket/Case #:</b>	<a href="#">14-02745</a>
<b>Date Notice/Process Served:</b>	11/20/2014
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Award to Customer
<b>Disposition Date:</b>	10/15/2015
<b>Monetary Compensation Amount:</b>	\$100,000.00
<b>Individual Contribution Amount:</b>	\$0.00



## Customer Dispute - Closed-No Action / Withdrawn / Dismissed / Denied

This type of disclosure event involves (1) a consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the individual broker that was dismissed, withdrawn, or denied; or (2) a 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, which was closed without action, withdrawn, or denied.

### Disclosure 1 of 1

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** EDWARD JONES

**Allegations:** CUSTOMER CLAIMS IR EMPLOYED BY EDWARD JONES TOLD HER SHE COULD MAKE A WITHDRAWAL OF HER ENTIRE ANNUITY WITHOUT ANY TAX CONSEQUENCE. SHE HAS SINCE BEEN ADVISED BY HER CPA THAT THE WITHDRAWAL OF THE ANNUITY RESULTED IN TAXABLE INCOME OF \$105,000 AND A TAX LIABILITY OF \$22,000. SHE ALSO QUESTIONS WHETHER THE TRANSFER FROM THE ANNUITIES INTO MUTUAL FUNDS WITH THE SAME INVESTMENT OBJECTIVES WERE IN HER BEST INTERESTS. SHE DOES NOT REQUEST A SPECIFIC MONETARY AMOUNT BUT DOES ASK THE FIRM FOR ASSISTANCE.

**Product Type:**

**Alleged Damages:**

### Customer Complaint Information

**Date Complaint Received:** 03/04/1999

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 04/06/1999

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement** THE IR CLAIMS THE CUSTOMER HAD REQUESTED THE LIQUIDATION OF THE ANNUITY AND UNDERSTOOD A TAX LIABILITY WOULD BE INCURRED. MONTHLY WITHDRAWALS WERE BEING MADE WITH TAXES WITHHELD UNTIL THE ANNUITY FELL BELOW THE \$89,963.78 AMOUNT OUR



RECORDS SHOW AS THE COST BASIS. THE ENTIRE AMOUNT WAS LIQUIDATED AT THAT TIME. IT WAS THEN DETERMINED THAT THE ANNUITY HAD BEEN 1035 EXCHANGED TO OUR FIRM BY THE CUSTOMER'S DECEASED HUSBAND AND THE ACTUAL COST BASIS WAS \$54,600. THE CUSTOMER IS UPSET ABOUT BEING LIABLE FOR TAXES ON AN ADDITIONAL \$33,058.98 OF INCOME. THE IR HAD NO INFORMATION CONCERNING THE LOWER COST BASIS AND WOULD HAVE HAD TO HAVE BEEN ADVISED OF THE AMOUNT BY THE CUSTOMER OR HER CPA. CLAIM DENIED. NOT PROVIDED

## End of Report



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