

BrokerCheck Report

LARRY MICHAEL PHILLIPS

CRD# 362671

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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.

LARRY M. PHILLIPS

CRD# 362671

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
- 4 General Industry/Product Exams
- 2 State Securities Law Exams

Registration History

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

- B PURSHE KAPLAN STERLING INVESTMENTS**
CRD# 35747
WOODLAND HILLS, CA
12/2009 - 04/2016
- B RBC CAPITAL MARKETS CORPORATION**
CRD# 31194
WOODLAND HILLS, CA
12/2003 - 11/2009
- B WACHOVIA SECURITIES, LLC**
CRD# 19616
ST. LOUIS, MO
04/1996 - 11/2003

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	5
Customer Dispute	2
Termination	1

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, 4 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
B General Securities Sales Supervisor Examination (Options Module & General Module)	Series 8	02/22/1984

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	04/22/2016
B Foreign Currency Options Examination	Series 15	11/14/1985
B AMEX Put and Call Exam	PC	02/06/1979
B Registered Representative Examination	Series 1	06/14/1971

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	04/05/1994
B Uniform Securities Agent State Law Examination	Series 63	01/09/1984

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
B 12/2009 - 04/2016	PURSHE KAPLAN STERLING INVESTMENTS	35747	WOODLAND HILLS, CA
B 12/2003 - 11/2009	RBC CAPITAL MARKETS CORPORATION	31194	WOODLAND HILLS, CA
B 04/1996 - 11/2003	WACHOVIA SECURITIES, LLC	19616	ST. LOUIS, MO
B 08/1992 - 03/1996	PRUDENTIAL SECURITIES INCORPORATED	7471	NEW YORK, NY
B 02/1978 - 08/1992	DEAN WITTER REYNOLDS INC.	7556	PURCHASE, NY
B 05/1973 - 02/1978	DEAN WITTER & CO. INCORPORATED	6466	
B 06/1972 - 05/1973	DEAN WITTER & CO. INCORPORATED	209	
B 06/1971 - 05/1972	ALBERT & MAGUIRE SECURITIES CO., INC.	610	

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
11/2009 - 08/2016	TPG ADVISORS LLC	FINANCIAL ADVISOR	Y	WOODLAND HILLS, CA, United States
11/2009 - 04/2016	PURSHE KAPLAN STERLING INVESTMENTS, INC.	FINANCIAL ADVISOR	Y	WOODLAND HILLS, CA, 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) THE PHILLIPS GROUP; YES; 1031 VENTURA BL. 315, WOODLAND HILLS, CA 91364; INVESTMENT ADVISORY; FINANCIAL ADVISOR; PRESIDENT; 11/13/2009; 200; 130.
- 2) MEADOW OAKS HOMEOWNERS ASSOCIATION. NOT INVESTMENT RELATED. 23901 CALABASOS RD #200Y, CALBASOS, CA 91302.

Registration and Employment History



Other Business Activities, continued

HOME OWNERS ASSOCIATION. PRESIDENT. 12/2013. 5 HRS/MO. HELP MANAGE THE DEVELOPMENT IN WHICH WE LIVE.



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	1	4	0
Customer Dispute	0	2	N/A
Termination	N/A	1	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 4

Reporting Source:	Regulator
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Cease and Desist
Date Initiated:	04/19/2016
Docket/Case Number:	3-17217
Employing firm when activity occurred which led to the regulatory action:	TPG Advisors LLC d/b/a The Phillips Group Advisors,
Product Type:	Other: fraudulent scheme unspecified securities
Allegations:	SEC Admin Release 34-77649, IA Release 40-4372, Investment Company Act Release 40-32076 / April 19, 2016: The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b)(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 Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act") against Larry M. Phillips ("Phillips") ("Respondent"). After an investigation, the Division of Enforcement alleges that: Phillips, the sole owner and principal of his firm, an investment adviser registered with the Commission, engaged in fraudulent trade allocations - "cherry-picking."



From at least January 2010 to at least August 2014, Phillips, the firm's principal unfairly and systematically allocated profitable trades to a set of accounts while other accounts were harmed by the allocation of unprofitable trades. By this conduct Phillips willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and in the alternative, Phillips willfully aided and abetted and caused the firm's violations. Phillips willfully violated Sections 206(1) and 206(2) of the Advisers Act, and in the alternative, Phillips willfully aided and abetted and caused the firm's violations. Phillips willfully violated Section 207 of the Advisers Act, and in the alternative, Phillips willfully aided and abetted and caused the firm's violations.

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?	Yes
Resolution Date:	12/15/2016
Sanctions Ordered:	Bar (Permanent) Cease and Desist Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Monetary Penalty other than Fines Prohibition
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?	Yes



(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?

Yes

(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

No



(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?

No

Sanction 1 of 2

Sanction Type: Bar (Permanent)
Capacities Affected: participating in any offering of a penny stock
Duration: Indefinite
Start Date: 12/15/2016

End Date:

Sanction 2 of 2

Sanction Type: Bar (Permanent)
Capacities Affected: association with a broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or NRSRO
Duration: Indefinite
Start Date: 12/15/2016

End Date:

Monetary Sanction 1 of 3

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)
Total Amount: \$300,000.00
Portion Levied against individual: \$300,000.00



Payment Plan:	jointly and severally
Is Payment Plan Current:	
Date Paid by individual:	
Was any portion of penalty waived?	No
Amount Waived:	
Monetary Sanction 2 of 3	
Monetary Related Sanction:	Monetary Penalty other than Fines
Total Amount:	\$3,142.69
Portion Levied against individual:	\$3,142.69
Payment Plan:	prejudgment interest on disgorgement, jointly and severally
Is Payment Plan Current:	
Date Paid by individual:	
Was any portion of penalty waived?	No
Amount Waived:	
Monetary Sanction 3 of 3	
Monetary Related Sanction:	Disgorgement
Total Amount:	\$25,295.00
Portion Levied against individual:	\$25,295.00
Payment Plan:	jointly and severally
Is Payment Plan Current:	
Date Paid by individual:	
Was any portion of penalty waived?	No
Amount Waived:	
Regulator Statement	SEC Admin Release 34-79568, IA Release 40-4588, INVESTMENT COMPANY ACT OF 1940 Release 32394, December 15, 2016: Respondents have submitted an Offer of Settlement ("Offer") that the Commission



has determined to accept.

Phillips was found to have willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; and Sections 206(1), 206(2), and 207 of the Advisers Act.

It is ordered that Phillips cease and desist from committing or causing any violations and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; and Sections 206(1), 206(2), and 207 of the Advisers Act.

It is also ordered that Phillips is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization;

prohibited 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 affiliated person of such investment adviser, depositor, or principal underwriter; and

barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer, or issuer for purposes of the issuance or trading in any penny stock or inducing or attempting to induce the purchase or sale of any penny stock.

It is also ordered that Phillips pay, jointly and severally, disgorgement of \$25,295.00 with prejudgment interest of \$3,142.69 and shall pay, jointly and severally, a civil money penalty in the amount of \$300,000 to the Securities and Exchange Commission.

Reporting Source:	Broker
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Cease and Desist
Date Initiated:	04/19/2016
Docket/Case Number:	3-17217
Employing firm when activity occurred which led to the regulatory action:	THE PHILLIPS GROUP ADVISORS
Product Type:	Equity Listed (Common & Preferred Stock) Options
Allegations:	THE SEC ALLEGES THAT ADVISER UNFAIRLY ALLOCATED PROFITABLE TRADES TO FAVORED ACCOUNTS AND ALLOCATED UNPROFITABLE TRADES TO DISFAVORED ACCOUNTS BY PLACING TRADES THROUGH A MASTER ACCOUNT AND DISTRIBUTING THEM IN AN INEQUITABLE FASHION TO CLIENT ACCOUNTS.



Current Status: Pending

Disclosure 2 of 4

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Other: N/A

Date Initiated: 04/27/2015

Docket/Case Number: [2011027842701](#)

Employing firm when activity occurred which led to the regulatory action: PURSHE KAPLAN STERLING INVESTMENTS

Product Type: CD
Debt-Municipal
Other: NOTES

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, PHILLIPS CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT HE OVERCHARGED CERTAIN CUSTOMERS BY CHARGING BOTH A MARKUP AND INVESTMENT ADVISORY FEES ON THE SAME PRODUCTS.

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: 04/27/2015

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

Sanction Type: Suspension
Capacities Affected: ANY AND ALL CAPACITIES
Duration: 45 CALENDAR DAYS
Start Date: 05/18/2015
End Date: 07/01/2015

Monetary Sanction 1 of 2

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)
Total Amount: \$7,500.00
Portion Levied against individual: \$7,500.00
Payment Plan:
Is Payment Plan Current:
Date Paid by individual: 05/08/2015
Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 2 of 2



Monetary Related Sanction: Restitution
Total Amount: \$3,436.81
Portion Levied against individual: \$3,436.81
Payment Plan: PLUS INTEREST
Is Payment Plan Current:
Date Paid by individual:
Was any portion of penalty waived? No
Amount Waived:

Reporting Source: Broker
Regulatory Action Initiated By: FINRA
Sanction(s) Sought: Other: N/A
Date Initiated: 04/27/2015
Docket/Case Number: [2011027842701](#)
Employing firm when activity occurred which led to the regulatory action: PURSHE KAPLAN STERLING INVESTMENTS
Product Type: CD
 Debt-Municipal
 Other: NOTES
Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, PHILLIPS CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT HE OVERCHARGED CERTAIN CUSTOMERS BY CHARGING BOTH A MARKUP AND INVESTMENT ADVISORY FEES ON THE SAME PRODUCTS.
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: 04/27/2015

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

Sanction 1 of 1

Sanction Type: Suspension

Capacities Affected: ANY AND ALL CAPACITIES

Duration: 45 CALENDAR DAYS

Start Date: 05/18/2015

End Date: 07/01/2015

Monetary Sanction 1 of 2

Monetary Related Sanction: Restitution

Total Amount: \$3,436.81

Portion Levied against individual: \$3,436.81

Payment Plan: PLUS INTEREST

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 2 of 2

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

Total Amount: \$7,500.00

Portion Levied against individual: \$7,500.00

**Payment Plan:****Is Payment Plan Current:****Date Paid by individual:****Was any portion of penalty waived?** No**Amount Waived:****Disclosure 3 of 4****Reporting Source:** Regulator**Regulatory Action Initiated By:** ILLINOIS**Sanction(s) Sought:** Revocation**Other Sanction(s) Sought:****Date Initiated:** 08/30/2006**Docket/Case Number:** 0500301**Employing firm when activity occurred which led to the regulatory action:****Product Type:** Other**Other Product Type(s):****Allegations:** DISQUALIFICATION UNDER SECTION 8.E(1)(J) BASED ON NASD ORDER.**Current Status:** Final**Resolution:** Dismissed**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:** 10/13/2006**Sanctions Ordered:**

**Other Sanctions Ordered:**

Sanction Details: RESPONDENT SHALL NOT SERVE HIS DEALER IN THE CAPACITY OF DESIGNATED PRINCIPAL FOR THE OFFER OF SALE OF SECURITIES IN ILLINOIS UNTIL 10/31/2008. RESPONDENT IS LEVIED COSTS OF THE INVESTIGATION IN THE AMOUNT OF \$1,000.

Regulator Statement IF THERE ARE ANY QUESTIONS PLEASE FEEL FREE TO CONTACT MR. GREGORY SOLBERG AT 312-793-9643.

Reporting Source: Broker

Regulatory Action Initiated By: ILLINOIS

Sanction(s) Sought: Other: WOULD NOT SERVE AS PRINCIPAL FOR 2 YEARS IN ILLIONOIS AND \$1000 REIMBURSEMENT OF COSTS.

Date Initiated: 04/13/2005

Docket/Case Number: 0500301

Employing firm when activity occurred which led to the regulatory action: WACHOVIA SECURITIES INC.

Product Type: Annuity-Variable
Mutual Fund

Allegations: ACTION BASED SOLELY ON A WRITTEN COMMUNICATION IN 2005 RE NASD CLAIM THAT IA SENT CORRESPONDENCE AND SALES LITERATURE THAT MAY HAVE OMITTED FACTS OR EXAGGERATED CLAIMS.

Current Status: Final

Resolution: Settled

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: 11/13/2006

Sanctions Ordered: Bar (Temporary/Time Limited)
Other: \$1000 REIMBURSEMENT OF COSTS.

**Sanction 1 of 1**

Sanction Type: Bar (Temporary/Time Limited)
Capacities Affected: GENERAL SECURITIES PRINCIPAL
Duration: 2 YEARS
Start Date:
End Date:

Disclosure 4 of 4

Reporting Source: Regulator
Regulatory Action Initiated By: NASD
Sanction(s) Sought:
Date Initiated: 04/13/2005
Docket/Case Number: [CE2050007](#)
Employing firm when activity occurred which led to the regulatory action: WACHOVIA SECURITIES, LLC

Product Type: Annuity-Variable

Allegations: NASD CONDUCT RULES 2110, 2210(D)(1)(A), 2210(D)(1)(B), IM-2210-2 - LARRY PHILLIPS ACTING ON BEHALF OF HIS MEMBER FIRM, CREATED AND DISTRIBUTED WRITTEN COMMUNICATIONS THAT FAILED TO DISCLOSE ADEQUATELY MATERIAL FACTS REGARDING INVESTMENT PRODUCTS AND STRATEGIES, OR MADE EXAGGERATED, UNWARRANTED OR MISLEADING STATEMENTS OR CLAIMS REGARDING THOSE PRODUCTS, OR BOTH.

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: 04/13/2005



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

Regulator Statement WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, PHILLIPS CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS THEREFORE, HE IS SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY FOR 10 BUSINESS DAYS AND FINED \$20,000. THE SUSPENSION WIL BEGIN JUNE 6, 2005 AND CONCLUDE JUNE 17, 2005. FINES PAID.

Reporting Source: Firm

Regulatory Action Initiated By: NASD

Sanction(s) Sought: Suspension

Other Sanction(s) Sought:

Date Initiated: 05/24/2004

Docket/Case Number: CE 205 0007

Employing firm when activity occurred which led to the regulatory action: FIRST UNION SECURITIES, INC AND WACHOVIA SECURITIES, INC

Product Type: No Product

Other Product Type(s):

Allegations: PHILLIPS DISTRIBUTED CORRESPONDENCE AND SALES LITERATURE THAT CONTAINED MISLEADING STATEMENTS, WERE UNBALANCED AND OMITTED MATERIAL FACTS IN VIOLATION OF 2110, 2210(D)(1)(A), 2210(D)(1)(B).

Current Status: Final

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/13/2005

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

Other Sanctions Ordered:

Sanction Details: SUSPENDED FOR A PERIOD OF 10 BUSINESS DAYS FROM ASSOCIATION WITH A MEMBER FIRM IN ANY CAPACITY.



Reporting Source: Broker
Regulatory Action Initiated By: NASD
Sanction(s) Sought: Suspension
Date Initiated: 05/24/2004
Docket/Case Number: CE 2050007
Employing firm when activity occurred which led to the regulatory action: WACHOVIA SECURITIES
Product Type: Annuity-Variable
 Mutual Fund
Allegations: CREATED AND DISTRIBUTED WRITTEN COMMUNICATION THAT FAILED TO DISCLOSE MATERIAL FACTS.
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: 04/13/2005
Sanctions Ordered: Suspension
Sanction 1 of 1
Sanction Type: Bar (Temporary/Time Limited)
Capacities Affected: ALL ACTIVITIES
Duration: 10 DAYS
Start Date: 06/06/2005
End Date: 06/17/2005



Regulatory - Pending

This type of disclosure event involves a pending formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory agency such as the Securities and Exchange Commission, foreign financial regulatory body) for alleged violations of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source:	Broker
Regulatory Action Initiated By:	NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
Sanction(s) Sought:	Civil and Administrative Penalty(ies)/Fine(s)
Date Initiated:	04/15/2016
Docket/Case Number:	CSB-2015-1116629
Employing firm when activity occurred which led to the regulatory action:	THE PHILLIPS GROUP ADVISORS
Product Type:	No Product
Allegations:	IT IS ALLEGED THAT MR. PHILLIPS PROVIDED UNTRUE AND INCORRECT INFORMATION ON HIS INITIAL AND RENEWAL APPLICATION FORM TO ACT AS A LIFE AND/OR ACCIDENT HEALTH AGENT.
Current Status:	Pending



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 2

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	WACHOVIA SECURITIES, LLC
Allegations:	ATTORNEY ON BEHALF OF CA RESIDENT WROTE TO CLIENT'S INSURANCE COMPANY STATING HIS CLIENT'S FA MISREPRESENTED THE FEATURES OF THE MINIMUM GUARANTEED INCOME BENEFIT (MGIB) OF HIS ING VARIABLE ANNUITY PURCHASED IN 12/00. ATTORNEY STATES FA TOLD CLIENT THAT IF ANNUITY DECLINED IN VALUE, THE MGIB WOULD PROTECT AGAINST LOSSES BY GUARANTEEING A 7% RETURN UNTIL THE EXERCISE DATE OF 12/2010. NOW, THE CUSTOMER HAS LEARNED THAT MGIB CAPS WHEN HE IS 80 YEARS OLD. ATTORNEY HAS REQUESTED FOR ING TO HONOR THE MGIB FOR 10 YEARS OR RETURN THE ORIGINAL INVESTMENT WITH INTEREST, AND DAMAGES ARE ESTIMATED TO BE \$8,000 PLUS INTEREST.
Product Type:	Annuity-Variable
Alleged Damages:	\$130,000.00
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:	01/08/2008
Complaint Pending?	No
Status:	Settled
Status Date:	12/03/2009
Settlement Amount:	\$25,000.00
Individual Contribution Amount:	\$0.00



Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	WACHOVIA SECURITIES, LLC
Allegations:	ATTORNEY ON BEHALF OF CA RESIDENT WROTE TO CLIENT'S INSURANCE COMPANY STATING HIS CLIENT'S FA MISREPRESENTED THE FEATURES OF THE MINIMUM GUARANTEED INCOME BENEFIT (MGIB) OF HIS ING VARIABLE ANNUITY PURCHASED IN 12/00. ATTORNEY STATES FA TOLD CLIENT THAT IF ANNUITY DECLINED IN VALUE, THE MGIB WOULD PROTECT AGAINST LOSSES BY GUARANTEEING A 7% RETURN UNTIL THE EXERCISE DATE OF 12/2010. NOW THE CUSTOMER HAS LEARNED THAT MGIB CAPS WHEN HE IS 80 YEARS OLD. ATTORNEY HAS REQUESTED FOR ING TO HONOR THE MGIB FOR 10 YEARS OR RETURN THE ORIGINAL INVESTMENT WITH INTEREST, AND DAMAGES ARE EXTIMATED TO BE \$8,000 PLUS INTEREST
Product Type:	Annuity-Variable
Alleged Damages:	\$130,000.00
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:	01/08/2008
Complaint Pending?	No
Status:	Settled
Status Date:	12/03/2009
Settlement Amount:	\$25,000.00
Individual Contribution Amount:	\$0.00
Broker Statement	U5 FILING BY WACHOVIA INDICATED THAT THIS COMPLAINT PREVIOUSLY THOUGHT BY MR. PHILLIPS TO BE CLOSED, WAS SETTLED FOR \$25,000.00

Disclosure 2 of 2

Reporting Source:	Firm
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Employing firm when activities occurred which led to the complaint: DEAN WITTER

Allegations:

Product Type:

Alleged Damages:

Customer Complaint Information

Date Complaint Received: 01/01/1983

Complaint Pending? No

Status: Settled

Status Date:

Settlement Amount: \$20,500.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: DEAN WITTER

Allegations: 1983 CLIENT ALLEGED UNAUTHORIZED AND UNSUITABLE TRANSACTIONS.

Product Type: Equity Listed (Common & Preferred Stock)
Options

Alleged Damages: \$70,000.00

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: 01/01/1983

Complaint Pending? No

Status: Settled



Status Date: 10/01/1991

Settlement Amount: \$20,500.00

Individual Contribution Amount: \$0.00

Broker Statement \$20,500 PAID BY DEAN WITTER TO [CUSTOMER]. NO MONETARY OR DISCIPLINARY ACTION TAKEN AGAINST ME. NO ADMISSION OF WRONGDOING WAS GIVEN. [CUSTOMER] CAME IN MY OFFICE DAILY AND MADE STOCK AND OPTIONS TRANSACTIONS WHICH WERE ALWAYS DISCUSSED IN ADVANCE. THE SUITABILITY DISCREPANCY CENTERED AROUND [CUSTOMER]'S STATEMENT OF INCOME TO ME VERSUS HIS TAX RETURN.



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 1

Reporting Source:	Broker
Employer Name:	PRUDENTIAL SECURITIES INCORPORATED
Termination Type:	Permitted to Resign
Termination Date:	02/20/1996
Allegations:	NOT PROVIDED IMPROPERLY HIRING AS SUPPORT PERSONNEL THROUGH A TEMPORARY AGENCY ONE EMPLOYED WHO WAS TERMINATED BY THE FIRM.
Product Type:	No Product
Broker Statement	PERMITTED TO RESIGN THE EMPLOYEE HAD COME TO PRUDENTIAL WITH A \$3 MILLION PRODUCER AS HIS SALES ASST. WHILE WAITING TO MOVE INTO PERMANENT OFFICES IT WAS DISCOVERED THAT SHE HAD NOT TOLD THE TRUTH ON HER EMPLOYMENT APPLICATION. AFTER A DISCUSSION WITH HE REGIONAL DIRECTOR, I WAS TOLD TO TERMINATE HER FROM THE PRUDENTIAL PAYROLL AND REHIRE HER THROUGH A TEMPORARY AGENCY. THIS WAS A SHORT TERM PLAN TO FACILITATE THE TRANSFER OF THE PRODUCER'S \$200 MILLION ASSET BASE.

End of Report



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