

## BrokerCheck Report

# MULTI-FINANCIAL SECURITIES CORPORATION

CRD# 10299

Report #21411-49811, data current as of Wednesday, September 16, 2009.

<b><u>Section Title</u></b>	<b><u>Page(s)</u></b>
Report Summary	1
Firm Profile	2 - 8
Firm History	9
Firm Operations	10 - 25
Disclosure of Arbitration Awards, Disciplinary, Financial, and Regulatory Events	26 - 63
About this BrokerCheck Report	64

## Dear Investor:

FINRA has generated the following BrokerCheck report for **MULTI-FINANCIAL SECURITIES CORPORATION**. The information contained within this report has been provided by a FINRA member firm(s) and securities regulators as part of the securities industry's registration and licensing process and represents the most current information reported to the Central Registration Depository (CRD®) system.

FINRA regulates the securities markets for the ultimate benefit and protection of the investor. FINRA believes the general public should have access to information that will help them determine whether to conduct, or continue to conduct, business with a FINRA member firm or any of the member's associated persons. To that end, FINRA has adopted a public disclosure policy to make certain types of information available to you. Examples of information FINRA provides include: actions by regulators, investment-related civil suits, customer disputes that contain allegations of sales practice violations against brokers, all felony charges and convictions, misdemeanor charges and convictions relating to securities violations, and financial events such as bankruptcies, compromises with creditors, judgments, and liens.

When evaluating this report, please keep in mind that it may include items that involve pending actions or allegations that may be contested and have not been resolved or proven. Such items may, in the end, be withdrawn or dismissed, or resolved in favor of the firm or broker, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

The information in this report is not the only resource you should consult. FINRA recommends that you learn as much as possible about the individual broker or brokerage firm from other sources, such as

professional references, local consumer and investment groups, or friends and family members who already have established investment business relationships.

FINRA BrokerCheck is governed by federal law, Securities and Exchange Commission (SEC) regulations and FINRA rules approved by the SEC. State disclosure programs are governed by state law, and may provide additional information on brokers and firms licensed by the state. Therefore, you should also consider requesting information from your state securities regulator. Refer to [www.nasaa.org](http://www.nasaa.org) for a complete list of state securities regulators.

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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)

## MULTI-FINANCIAL SECURITIES CORPORATION

CRD# 10299

SEC# 8-26892

### Main Office Location

1290 BROADWAY  
14TH FLOOR  
DENVER, CO 80203  
Regulated by FINRA Denver Office

### Mailing Address

1290 BROADWAY  
14TH FLOOR  
DENVER, CO 80203

### Business Telephone Number

303-860-2310

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

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

## Report Summary for this Firm



The report summary provides an overview of the firm's background. The firm and securities regulators have provided the information contained in this report as part of the securities industry registration and licensing process. More detailed information for this firm can be found in the firm's report. Select "View Full PDF Report" to view more detailed information about this firm. The information contained in this report was last updated by the firm via Uniform Application for Broker-Dealer Registration (Form BD), the Uniform Request for Broker-Dealer Withdrawal (Form BDW), or a securities regulator via a Uniform Disciplinary Action Reporting Form (Form U6) on 06/19/2009.

### Firm Profile

This firm is classified as a corporation.

This firm was formed in Colorado on 11/18/1979.

Its fiscal year ends in December.

### Firm History

Information relating to the firm's history such as Other Business Names, Other Business, and Successions (e.g., mergers or acquisitions) can be found in the firm's full report.

### Firm Operations

#### This firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 52 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 16 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

### Disclosure of Arbitration Awards, Disciplinary, Financial, and Regulatory Events

This section includes details regarding disclosure events reported by or about this firm to CRD as part of the securities industry registration and licensing process. Examples of such disclosure events include certain disciplinary actions initiated by regulators, certain criminal charges and/or convictions, financial disclosures such as bankruptcies, and summary information regarding arbitration awards involving securities and commodities disputes between public customers and the firm.

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

#### The following types of disclosures were reported:

Regulatory Event

Arbitration



## Firm Profile

This firm is classified as a corporation.

This firm was formed in Colorado on 11/18/1979.

Its fiscal year ends in December.

## Firm Names and Locations

This section includes details that were reported to CRD, regarding the firm's full legal name, business and mailing addresses, the firm's "Doing Business As" name (DBA) (if different from the full legal name), and any other name by which the firm conducts business and where such name is used.

### **MULTI-FINANCIAL SECURITIES CORPORATION**

**Doing business as MULTI-FINANCIAL SECURITIES CORPORATION**

**CRD#** 10299

**SEC#** 8-26892

### **Main Office Location**

1290 BROADWAY  
14TH FLOOR  
DENVER, CO 80203

**Regulated by FINRA Denver Office**

### **Mailing Address**

1290 BROADWAY  
14TH FLOOR  
DENVER, CO 80203

### **Business Telephone Number**

303-860-2310



## Firm Profile

This section provides information relating to all Direct Owners and Executive Officers as reported by the firm in CRD.

### Direct Owners and Executive Officers

**Legal Name & CRD# (if any):** MULTI-FINANCIAL GROUP, LLC

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

**Position** PARENT CORPORATION

**Position Start Date** 01/2004

**Percentage of Ownership** 75% or more

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** BRETON, BERNARD ANDRE  
2030660

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

**Position** CHIEF COMPLIANCE OFFICER

**Position Start Date** 05/2006

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** HARRISON, BRETT LAMAR  
4032238

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

**Position** COO, SENIOR VICE PRESIDENT, DIRECTOR

**Position Start Date** 10/2003

## Firm Profile



### Direct Owners and Executive Officers (continued)

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** MARR, NORMAN MARK  
2790881

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

**Position** CHAIRMAN, DIRECTOR, VP

**Position Start Date** 07/2002

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** MCEVOY, PATRICK HENRY  
1796543

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

**Position** PRESIDENT/CEO/DIRECTOR

**Position Start Date** 04/2002

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** SMILEY, STANLEY ROBERT

**Firm Profile****Direct Owners and Executive Officers (continued)**

3004604

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

**Position** VICE PRESIDENT

**Position Start Date** 02/2006

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** No

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** WOODS, ANITA FAYE  
3118458

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

**Position** CFO

**Position Start Date** 03/2005

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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## Firm Profile

This section provides information relating to Indirect Owners, if any, as reported by the firm in CRD.

### Indirect Owners

<b>Legal Name &amp; CRD# (if any):</b>	ING AMERICA INSURANCE HOLDINGS, INC. ("ING US")
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	LION CONNECTICUT HOLDINGS, INC.
<b>Relationship to Direct Owner</b>	SOLE SHAREHOLDER
<b>Relationship Established</b>	12/1999
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	ING BROKERS NETWORK, LLC.
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	MULTI-FINANCIAL GROUP, LLC.
<b>Relationship to Direct Owner</b>	SOLE SHAREHOLDER
<b>Relationship Established</b>	04/1998
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	ING GROEP, N.V.
<b>Is this a domestic or foreign entity or an individual?</b>	Foreign Entity

**Firm Profile****Indirect Owners (continued)**

<b>Company through which indirect ownership is established</b>	VERZEKERINGEN
<b>Relationship to Direct Owner</b>	SOLE SHAREHOLDER
<b>Relationship Established</b>	03/1991
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	Yes

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**Legal Name & CRD# (if any):** ING INSURANCE INTERNATIONAL B.V. ("ING INT'L")

**Is this a domestic or foreign entity or an individual?** Foreign Entity

**Company through which indirect ownership is established** ING US

**Relationship to Direct Owner** SOLE SHAREHOLDER

**Relationship Established** 04/1977

**Percentage of Ownership** 75% or more

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** ING VERZEKERINGEN N.V. ("VERZEKERINGEN")

**Is this a domestic or foreign entity or an individual?** Foreign Entity

**Company through which indirect ownership is established** ING INT'L

**Relationship to Direct Owner** SOLE SHAREHOLDER

**Relationship Established** 12/1963

**Firm Profile****Indirect Owners (continued)**

**Percentage of Ownership** 75% or more

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** LION CONNECTICUT HOLDINGS, INC.

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

**Company through which indirect ownership is established** ING BROKERS NETWORK, LLC

**Relationship to Direct Owner** SOLE SHAREHOLDER

**Relationship Established** 12/2006

**Percentage of Ownership** 75% or more

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

## Firm History

This section provides information relating to successions (e.g., mergers or acquisitions), if any, as reported by the firm in CRD.



No information reported.



## Firm Operations

### Registrations

This section provides information about the regulators (e.g., U.S. Securities and Exchange Commission (SEC), self-regulatory organizations, states and U.S. territories) in which the firm is currently registered and licensed, and the date the registration became effective, as well as certain information about the firm's SEC registration.

**This firm is currently registered with the SEC, 1 SRO and 52 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	12/01/1981

### SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	01/04/1982



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	02/21/1984
Alaska	Approved	02/02/1990
Arizona	Approved	11/18/1985
Arkansas	Approved	02/23/1990
California	Approved	06/22/1983
Colorado	Approved	02/01/1983
Connecticut	Approved	11/22/1988
Delaware	Approved	04/12/1989
District of Columbia	Approved	10/18/1986
Florida	Approved	08/23/1983
Georgia	Approved	11/18/1983
Hawaii	Approved	10/17/1990
Idaho	Approved	12/06/1985
Illinois	Approved	09/28/1984
Indiana	Approved	10/10/1984
Iowa	Approved	07/14/1983
Kansas	Approved	10/14/1982
Kentucky	Approved	03/27/1985
Louisiana	Approved	05/17/1985
Maine	Approved	01/06/1989
Maryland	Approved	02/10/1987
Massachusetts	Approved	01/04/1989
Michigan	Approved	10/22/1986
Minnesota	Approved	11/15/1984
Mississippi	Approved	06/29/1989
Missouri	Approved	07/19/1983
Montana	Approved	06/29/1988
Nebraska	Approved	08/06/1984
Nevada	Approved	07/18/1983
New Hampshire	Approved	05/10/1990
New Jersey	Approved	01/03/1989
New Mexico	Approved	10/29/1982
New York	Approved	03/24/1986

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	04/03/1985
North Dakota	Approved	08/10/1988
Ohio	Approved	08/01/1983
Oklahoma	Approved	01/29/1985
Oregon	Approved	07/08/1987
Pennsylvania	Approved	07/11/1985
Rhode Island	Approved	04/18/1990
South Carolina	Approved	07/28/1986
South Dakota	Approved	07/25/1983
Tennessee	Approved	07/27/1987
Texas	Approved	11/04/1983
Utah	Approved	01/01/1985
Vermont	Approved	07/18/1990
Virgin Islands	Approved	04/25/2006
Virginia	Approved	03/02/1984
Washington	Approved	06/02/1986
West Virginia	Approved	12/01/1989
Wisconsin	Approved	03/24/1986
Wyoming	Approved	04/02/1985



## Firm Operations

### Types of Business

This section provides the types of business and any other business or other non-securities business the firm is engaged in or is expected to be engaged in as reported by the firm in CRD.

**This firm currently conducts 16 types of businesses.**

#### Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Solicitor of time deposits in a financial institution
Broker or dealer selling oil and gas interests
Put and call broker or dealer or option writer
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Non-exchange member arranging for transactions in listed securities by exchange member
Private placements of securities
Broker or dealer involved in a networking, kiosk or similar arrangement with a: bank, savings bank or association, or credit union
Broker or dealer involved in a networking, kiosk or similar arrangement with a: insurance company or agency
Other

#### Other Types of Business

This firm does affect transactions in commodities, commodity futures, or commodity options.

This firm does not engage in other non-securities business.

Non-Securities Business Description:

## Firm Operations



### Clearing Arrangements

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

### Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

<b>Name:</b>	PERSHING LLC
<b>CRD #:</b>	7560
<b>Business Address:</b>	1 PERSHING PLAZA 320 W GROVE STREET JERSEY CITY, NJ 07399
<b>Effective Date:</b>	01/01/1985
<b>Description:</b>	FULLY DISCLOSED CUSTOMER CLEARING AGREEMENT

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## **Firm Operations**

### **Industry Arrangements**



**This firm does not have books or records maintained by a third party.**

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

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

#### **Control Persons/Financing**

**This firm does not have individuals who control its management or policies through agreement.**

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



## Firm Operations

### Organization Affiliates

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

**This firm is, directly or indirectly:**

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

**POMONA CAPITAL is under common control with the firm.**

<b>CRD #:</b>	148269
<b>Business Address:</b>	780 THIRD AVENUE , FLOOR 46 NEW YORK, NY 10017
<b>Effective Date:</b>	12/05/2008
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	UNDER COMMON CONTROL.

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**ING INVESTMENT ADVISORS, LLC is under common control with the firm.**

<b>CRD #:</b>	3989
<b>Business Address:</b>	400 ATRIUM DRIVE SOMERSET, NJ 08873-4172
<b>Effective Date:</b>	07/01/2008
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	IS UNDER COMMON CONTROL WITH APPLICANT

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**SHAREBUILDER ADVISORS, LLC is under common control with the firm.**

**Firm Operations****Organization Affiliates (continued)**

**CRD #:** 136865

**Business Address:** 1445 120TH AVENUE NE  
BELLEVUE, WA 98005

**Effective Date:** 11/15/2007

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** APPLICANT AND CONTROL AFFILIATE ARE UNDER COMMON CONTROL THROUGH THE INDIRECT OWNERSHIP OF THE ULTIMATE PARENT, ING GROEP, N.V.

**SHAREBUILDER SECURITIES CORPORATION is under common control with the firm.**

**CRD #:** 45744

**Business Address:** 1445 120TH AVENUE NE  
BELLEVUE, WA 98005

**Effective Date:** 11/15/2007

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** APPLICANT AND CONTROL AFFILIATE ARE UNDER COMMON CONTROL THROUGH THE INDIRECT OWNERSHIP OF THE ULTIMATE PARENT, ING GROEP, N.V.

**ING INVESTMENT MANAGEMENT ASIA/PACIFIC (HONG KONG) LTD. is under common control with the firm.**

**CRD #:** 136016

**Business Address:** 39/F ONE INTERNATIONAL FINANCE CENTRE  
NO. 1 HARBOUR VIEW STREET, CENTRAL  
HONG KONG, CHINA

**Effective Date:** 03/31/2006

**Foreign Entity:** Yes

**Firm Operations****Organization Affiliates (continued)**

<b>Country:</b>	CHINA
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	UNDER COMMON CONTROL AS AFFILIATE

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**ING CLARION CAPITAL LLC is under common control with the firm.**

<b>CRD #:</b>	111289
<b>Business Address:</b>	230 PARK AVENUE, 12TH FLOOR NEW YORK, NY 10169
<b>Effective Date:</b>	08/19/2002
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	ENTITY IS UNDER COMMON CONTROL

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**ING CLARION REAL ESTATE SECURITIES LP is under common control with the firm.**

<b>CRD #:</b>	106256
<b>Business Address:</b>	201 KING OF PRUSSIA ROAD SUITE 600 RADNOR, PA 19087
<b>Effective Date:</b>	11/06/1998
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	UNDER COMMON CONTROL

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**ING CLARION PARTNERS, LLC is under common control with the firm.**

**Firm Operations****Organization Affiliates (continued)**

**CRD #:** 108803

**Business Address:** 230 PARK AVENUE  
12TH FLOOR  
NEW YORK, NY 10169

**Effective Date:** 11/06/1998

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** UNDER COMMON CONTROL

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**ING DIRECT FUNDS LIMITED is under common control with the firm.**

**Business Address:** 111 GORDON BAKER ROAD  
SUITE 900  
TORONTO, ONTARIO M2H 3R1, CANADA

**Effective Date:** 11/26/1999

**Foreign Entity:** Yes

**Country:** CANADA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** ING DIRECT FUNDS LIMITED AND APPLICANT ARE UNDER COMMON CONTROL THROUGH THE ULTIMATE PARENT COMPANY, ING GROEP N.V.

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**ING INVESTMENT MANAGEMENT is under common control with the firm.**

**CRD #:** 107183

**Business Address:** PRINCESS BEATRIXLAAN15  
THE HAGUE, THE NETHERLANDS

**Effective Date:** 05/01/1998

**Foreign Entity:** Yes

**Country:** THE NETHERLANDS

**Securities Activities:** No

**Firm Operations****Organization Affiliates (continued)**

**Investment Advisory Activities:** Yes

**Description:** IS UNDER COMMON CONTROL WITH THE APPLICANT

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**ING INVESTMENT MANAGEMENT CO. is under common control with the firm.**

**CRD #:** 106494

**Business Address:** 230 PARK AVENUE  
NEW YORK, NY 10169

**Effective Date:** 12/13/2000

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** IS UNDER COMMON CONTROL WITH APPLICANT

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**FINANCIAL NETWORK INVESTMENT CORPORATION is under common control with the firm.**

**CRD #:** 13572

**Business Address:** 200 N. SEPULVEDA BLVD, #1300  
EL SEGUNDO, CA 90245

**Effective Date:** 12/13/2000

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** IS UNDER COMMON CONTROL WITH APPLICANT

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**SYSTEMATIZED BENEFITS ADMINISTRATORS, INC. is under common control with the firm.**

**CRD #:** 19242

**Business Address:** ONE ORANGE WAY  
WINDSOR, CT 06095

**Effective Date:** 12/17/2007

**Firm Operations****Organization Affiliates (continued)**

**Foreign Entity:** No  
**Country:**  
**Securities Activities:** Yes  
**Investment Advisory Activities:** No  
**Description:** IS UNDER COMMON CONTROL WITH APPLICANT

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**ING FINANCIAL ADVISERS, LLC is under common control with the firm.**

**CRD #:** 34815  
**Business Address:** ONE ORANGE WAY  
 WINDSOR, CT 06095  
**Effective Date:** 12/17/2007  
**Foreign Entity:** No  
**Country:**  
**Securities Activities:** Yes  
**Investment Advisory Activities:** Yes  
**Description:** IS UNDER COMMON CONTROL WITH APPLICANT  
 NAME CHANGE

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**ING INVESTMENTS, LLC is under common control with the firm.**

**CRD #:** 111091  
**Business Address:** 7337 EAST DOUBLETREE RANCH ROAD  
 SCOTTSDALE, AZ 85258-2034  
**Effective Date:** 09/01/2000  
**Foreign Entity:** No  
**Country:**  
**Securities Activities:** No  
**Investment Advisory Activities:** Yes  
**Description:** IS UNDER COMMON CONTROL WITH APPLICANT

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**Firm Operations****Organization Affiliates (continued)****ING FUNDS DISTRIBUTOR, INC. is under common control with the firm.**

**CRD #:** 37886

**Business Address:** 7337 EAST DOUBLETREE RANCH ROAD  
SCOTTSDALE, AZ 85258-2034

**Effective Date:** 09/01/2000

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** IS UNDER COMMON CONTROL WITH APPLICANT

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**BANCNORTH INVESTMENT GROUP, INC. is under common control with the firm.**

**CRD #:** 31299

**Business Address:** 400 FIRST STREET SOUTH  
SUITE300  
ST. CLOUD, MN 56301

**Effective Date:** 09/01/2000

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** IS UNDER COMMON CONTROL WITH APPLICANT

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**GUARANTY BROKERAGE SERVICES, INC. is under common control with the firm.**

**CRD #:** 23302

**Business Address:** 400 FIRST STREET SOUTH  
SUITE300  
ST. CLOUD, MN 56301

**Effective Date:** 09/01/2000

**Foreign Entity:** No

**Firm Operations****Organization Affiliates (continued)****Country:****Securities Activities:** Yes**Investment Advisory Activities:** No**Description:** IS UNDER COMMON CONTROL WITH APPLICANT**PRIMEVEST FINANCIAL SERVICES, INC. is under common control with the firm.****CRD #:** 15340**Business Address:** 400 FIRST STREET SOUTH  
SUITE300  
ST. CLOUD, MN 56301**Effective Date:** 09/01/2000**Foreign Entity:** No**Country:****Securities Activities:** Yes**Investment Advisory Activities:** Yes**Description:** IS UNDER COMMON CONTROL WITH APPLICANT**ING FINANCIAL PARTNERS, INC. is under common control with the firm.****CRD #:** 2882**Business Address:** 909 LOCUST STREET  
DES MOINES, IA 50309**Effective Date:** 09/01/2000**Foreign Entity:** No**Country:****Securities Activities:** Yes**Investment Advisory Activities:** Yes**Description:** IS UNDER COMMON CONTROL WITH APPLICANT**ING FINANCIAL MARKETS LLC is under common control with the firm.****CRD #:** 28872

**Firm Operations****Organization Affiliates (continued)**

**Business Address:** 1325 AVENUE OF THE AMERICAS  
NEW YORK, NY 10019

**Effective Date:** 05/01/1998

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** IS UNDER COMMON CONTROL WITH APPLICANT

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**ING ALTERNATIVE ASSET MANAGEMENT LLC is under common control with the firm.**

**CRD #:** 107235

**Business Address:** 230 PARK AVENUE  
NEW YORK, NY 10169

**Effective Date:** 01/01/2006

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** IS UNDER COMMON CONTROL WITH APPLICANT

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**ING INVESTMENT MANAGEMENT SERVICES LLC is under common control with the firm.**

**CRD #:** 21644

**Business Address:** 230 PARK AVENUE  
NEW YORK, NY 10169

**Effective Date:** 05/01/1998

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Firm Operations****Organization Affiliates (continued)**

**Description:** IS UNDER COMMON CONTROL WITH APPLICANT

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**ING INVESTMENT MANAGEMENT LLC is under common control with the firm.**

**CRD #:** 108934

**Business Address:** 5780 POWERS FERRY ROAD  
ATLANTA, GA 30327

**Effective Date:** 05/01/1998

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory  
Activities:** Yes

**Description:** IS UNDER COMMON CONTROL WITH APPLICANT

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**DIRECTED SERVICES LLC is under common control with the firm.**

**CRD #:** 21675

**Business Address:** 1475 DUNWOODY DRIVE  
WEST CHESTER, PA 19380

**Effective Date:** 05/01/1998

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory  
Activities:** Yes

**Description:** IS UNDER COMMON CONTROL WITH APPLICANT

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**ING AMERICA EQUITIES, INC. is under common control with the firm.**

**CRD #:** 36259

**Business Address:** 1290 BROADWAY  
DENVER, CO 80203

**Effective Date:** 05/01/1998

**Foreign Entity:** No

## Firm Operations



### Organization Affiliates (continued)

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** IS UNDER COMMON CONTROL WITH APPLICANT

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

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

## Disclosure of Arbitration Awards, Disciplinary, Financial, and Regulatory Events



Firms are required to answer a series of disclosure questions on Form BD and provide corresponding details to certain events as part of the securities industry registration and licensing process. The disclosure questions concern certain criminal events, civil actions, financial disclosures (e.g., bankruptcy or liquidation proceedings filed within the past ten years), bond actions and unpaid judgments and liens. The firm must answer either "yes" or "no" to each question as it applies to the firm itself or to any of its control affiliates (i.e., an individual, partnership, corporation, trust, or other organization that directly or indirectly controls, is under common control with, or is controlled by the firm). This section lists the various disclosure questions and their corresponding answers as reported by the firm on Form BD.



Possible multiple reporting sources -- please note:

Disclosure event details may be reported by more than one source (i.e., regulator or firm). When this occurs, all versions of the reported event will appear in the firm's BrokerCheck report. The different versions of the same reported disclosure event are separated by a solid line with the reporting source clearly labeled.

	Pending	Final	On Appeal
Regulatory Event	0	8	0
Arbitration	N/A	22	N/A



## Disclosure Event Details

This section provides the specific details for each disclosure event that was reported in CRD which was reported as part of the securities industry registration and licensing process. It also includes summary information regarding arbitration awards in cases where the firm was named as a respondent in the consumer-initiated arbitration proceeding, if any.

Nothing will be displayed in this section of the firm's BrokerCheck Report when the firm has no reported disclosure information.

If the firm does have reported disclosure events, please keep the following in mind when evaluating the disclosure event details. Items may involve pending actions or allegations that may be contested and have not been resolved or proven. In the end, the items may be withdrawn, dismissed, or otherwise resolved in favor of the firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD by the firm and/or by regulators. Some of the specific data fields contained in this section of the report may be blank if the information was not provided to CRD.

Disclosure events may be reported by more than one source (i.e., regulator and firm). When this occurs, all versions of the event will appear on the firm's BrokerCheck report. A solid line separates the different versions of the same disclosure event with the reporting source labeled (e.g., Source: Firm or Source: Regulator).

### Regulatory - Final

This section provides information regarding any final, regulatory action as reported by the firm and/or a securities regulator to CRD as part of the securities industry registration and licensing process. Such event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the U.S. Securities and Exchange Commission (SEC) or the Commodity Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. In addition, a revocation or suspension of the authority of a firm's control affiliate to act as an attorney, accountant or federal contractor, if any, will appear here.

#### Disclosure 1 of 8

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULE 2110: THE BREAKPOINT SELF-ASSESSMENT FOLLOW-UP REVIEW CONDUCTED FOR THE FIRM FOUND THAT THE FIRM FAILED TO ACCURATELY COMPLETE THE SELF-ASSESSMENT OF BREAKPOINT COMPLIANCE AND THE FIRM'S SELF-ASSESSMENT UNDERREPORTED THE NUMBER OF TRANSACTIONS WITH MISSED BREAKPOINTS. HAD THE FIRM ACCURATELY COMPLETED ITS SELF-ASSESSMENT, FINRA WOULD HAVE DIRECTED THE FIRM TO UNDERTAKE ADDITIONAL REMEDIAL STEPS. THE FIRM DID NOT ACCURATELY COMPLETE THE REQUIRED TRADE-BY-TRADE REVIEWS OF ITS TRANSACTIONS AND THE TRANSACTIONS OF A FIRM IT



HAD ACQUIRED AS PART OF THE REMEDIATION PROCESS FOLLOWING THE SELF-ASSESSMENT.

**Initiated By:** FINRA

**Date Initiated:** 03/23/2009

**Docket/Case Number:** 2005001166601

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 03/23/2009

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$150,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS: THEREFORE, THE FIRM IS CENSURED AND FINED \$150,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Appealed To and Date Appeal Filed:** N/A

**Allegations:** FINRA ALLEGED THAT THE FIRM FAILED TO ACCURATELY COMPLETE ITS 2003 BREAKPOINT SELF-ASSESSMENT IN THAT IT UNDERREPORTED THE NUMBER OF MISSED BREAKPOINTS IN VIOLATION OF NASD CONDUCT RULE 2110. FINRA ALSO ALLEGED THAT IN 2003 THE FIRM FAILED TO ACCURATELY COMPLETE A TRADE-BY-TRADE REVIEW OF TRANSACTIONS FOR MISSED BREAKPOINTS FOR THE FIRM AND VESTAX, A



BROKER-DEALER ACQUIRED BY THE FIRM IN 2004. THE FIRM HAS NEITHER ADMITTED NOR DENIED THESE ALLEGATIONS.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY

**Date Initiated:** 05/30/2006

**Docket/Case Number:** NO. 2005001166601

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:** A FINE IN THE AMOUNT OF \$150,000.

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 03/23/2009

**Sanctions Ordered:** Censure  
Monetary/Fine \$150,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FINRA ALLEGED THAT THE FIRM FAILED TO ACCURATELY COMPLETE ITS 2003 BREAKPOINT SELF-ASSESSMENT IN THAT IT UNDERREPORTED THE NUMBER OF MISSED BREAKPOINTS IN VIOLATION OF NASD CONDUCT RULE 2110. FINRA ALSO ALLEGED THAT IN 2003 THE FIRM FAILED TO ACCURATELY COMPLETE A TRADE-BY-TRADE REVIEW OF TRANSACTIONS FOR MISSED BREAKPOINTS FOR THE FIRM AND VESTAX, A BROKER-DEALER ACQUIRED BY THE FIRM IN 2004. THE FIRM HAS NEITHER ADMITTED NOR DENIED THESE ALLEGATIONS.

#### Disclosure 2 of 8

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NEW YORK ALLEGED THAT THE FIRM FAILED TO TIMELY PROVIDE INFORMATION REGARDING SECURITIES ADMINISTRATIVE ACTIONS AS REQUIRED ON ITS INSURANCE LICENSE RENEWAL APPLICATIONS DATED JUNE 16, 2006 AND MAY 2, 2007.

**Initiated By:** STATE OF NEW YORK INSURANCE DEPARTMENT

**Date Initiated:** 01/15/2009

**Docket/Case Number:** 2008-0227-S



**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Stipulation and Consent

**Resolution Date:** 01/27/2009

**Sanctions Ordered:** Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

**Sanction Details:** PENALTY OF \$10,000 WAS IMPOSED AGAINST THE FIRM, WHICH WAS PAID ON 01/22/2009.

**Summary:** THE FIRM EXECUTED A STIPULATION REQUIRING THAT IT PAY A \$10,000 PENALTY AND TAKE ALL NECESSARY STEPS TO PREVENT THE REOCCURANCE OF SIMILAR VIOLATIONS.

### Disclosure 3 of 8

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 2110, 3010 - MULTI-FINANCIAL SECURITIES CORPORATION FAILED TO DETECT AN INDIVIDUAL'S ONGOING PRIVATE SECURITIES TRANSACTIONS; TO EITHER DISAPPROVE OR APPROVE THE TRANSACTIONS; TO SUPERVISE ANY APPROVED TRANSACTIONS AND TO RECORD THEM ON ITS BOOKS AND RECORDS.

**Initiated By:** FINRA

**Date Initiated:** 11/01/2007

**Docket/Case Number:** 2006004754301

**Principal Product Type:** Other

**Other Product Type(s):** PROMISSORY NOTES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)



**Resolution Date:** 11/01/2007

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$12,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$12,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINRA RULE 3010 AND 2110. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO FINDINGS THAT IT FAILED TO HAVE ADEQUATE SUPERVISORY SYSTEMS AND PROCEDURES TO DETECT UNAPPROVED PRIVATE SECURITIES TRANSACTIONS BY A FORMER REGISTERED REPRESENTATIVE WHO RAISED APPROXIMATELY \$1,154,000 FROM 14 INDIVIDUALS IN EXCHANGE FOR PROMISSORY NOTES.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY

**Date Initiated:** 10/30/2007

**Docket/Case Number:** 2006004754301

**Principal Product Type:** Other

**Other Product Type(s):** THE REGISTERED REPRESENTATIVE SOLD PROMISSORY NOTES ON AN UNAPPROVED BASIS.

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:** FINE OF \$12,000.00

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/30/2007



**Sanctions Ordered:** Censure  
Monetary/Fine \$12,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF THE FINDINGS; THEREFORE THE FIRM IS CENSURED AND FINED \$12,000.00.

**Disclosure 4 of 8**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 2110, 3010, 6230(A), 6230(C)(8) - MULTI-FINANCIAL SECURITIES CORPORATION FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES EXECUTED ON A BUSINESS DAY DURING TRACE SYSTEM HOURS WITHIN 45 MINUTES OF THE TIME OF EXECUTION; FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES EXECUTED ON A BUSINESS DAY DURING TRACE SYSTEM HOURS WITHIN 30 MINUTES OF THE TIME OF EXECUTION; FAILED TO REPORT TO TRACE THE CORRECT TIME OF TRADE EXECUTION FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING TRACE REPORTING.

**Initiated By:** FINRA

**Date Initiated:** 09/21/2007

**Docket/Case Number:** 20070085804-01

**Principal Product Type:** Other

**Other Product Type(s):** TRACE-ELIGIBLE SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 09/21/2007



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$10,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED, FINED \$10,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO TRACE REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINRA RULES 2110, 3010, 6230(A) - MULTI-FINANCIAL SECURITIES CORPORATION FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES EXECUTED ON A BUSINESS DAY DURING TRACE SYSTEM HOURS WITHIN THE REQUIRED PERIOD OF TIME FOLLOWING THE TIME OF EXECUTION; THE FIRM FAILED TO REPORT THE CORRECT TIME OF TRADE EXECUTION IN TRACE-ELIGIBLE SECURITIES; AND THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO APPLICABLE SECURITIES LAWS, REGULATIONS AND FINRA RULES CONCERNING REPORTING OF TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY

**Date Initiated:** 09/21/2007

**Docket/Case Number:** 20070085804-01

**Principal Product Type:** Other

**Other Product Type(s):** TRACE-ELIGIBLE SECURITIES

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:**



**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 09/21/2007

**Sanctions Ordered:** Censure  
Monetary/Fine \$10,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$10,000.00 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO REPORTING OF TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

#### Disclosure 5 of 8

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 2110 AND 2830(K)(1) - RESPONDENT MAINTAINED A SHELF SPACE (REVENUE SHARING) PROGRAM KNOWN AS THE STRATEGIC PARTNERS PLATFORM IN CONNECTION WITH RETAIL SALES OF MUTUAL FUNDS. IN RETURN FOR PAYMENTS, MUTUAL FUND COMPLEXES THAT PARTICIPATED IN THE PROGRAM RECEIVED PREFERENTIAL TREATMENT FROM THE FIRM IN THE SALES AND MARKETING OF THEIR FUNDS. THE PROGRAM PROVIDED INCREASED ACCESS TO THE FIRM'S RETAIL BROKERAGE SALES FORCE, PLACEMENT OF MATERIALS ON THE FIRM'S WEBSITES, IDENTIFICATION AS A STRATEGIC PARTNER ON THE ITS INTRANET WEBSITES INCLUDING LINKS TO THE STRATEGIC PARTNERS' WEBSITES AND PAYMENT OF TICKET CHARGES FOR RETAIL BROKERAGE SALES OF STRATEGIC PARTNERS' FUNDS. SOME MUTUAL FUND COMPLEXES MADE PAYMENTS FOR PARTICIPATING IN THE PROGRAM BY DIRECTING APPROXIMATELY \$4.7 MILLION IN MUTUAL FUND PORTFOLIO BROKERAGE COMMISSIONS TO THE FIRM THROUGH CLEARING BROKERS.

**Initiated By:** NASD

**Date Initiated:** 07/27/2006

**Docket/Case Number:** EAF0400760002

**Principal Product Type:** Mutual Fund(s)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**



**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/27/2006

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$1,228,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, MULTI-FINANCIAL SECURITIES CORPORATION CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED AND FINED \$1,228,000.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** MULTI-FINANCIAL AND ITS CONTROL AFFILIATES, FINANCIAL NETWORK SECURITIES CORPORATION, ING FINANCIAL PARTNERS, FINANCIAL NETWORK INVESTMENT CORPORATION AND PRIMEVEST FINANCIAL SECURITIES, INC. ("THE FIRMS") SIGNED AN AWC IN WHICH THE NASD FOUND THAT THE FIRMS MAINTAINED A STRATEGIC PARTNERS PROGRAM ("THE PROGRAM") WHEREBY THE FIRMS RECEIVED DIRECTED BROKERAGE COMMISSIONS FROM MUTUAL FUNDS TO PAY FOR PARTICIPATION IN THE PROGRAM, WHICH VIOLATED NASD RULES 2830(K)(1) AND 2110.

**Initiated By:** NASD

**Date Initiated:** 07/27/2006

**Docket/Case Number:** EAF0400760002

**Principal Product Type:** Mutual Fund(s)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)



**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/27/2006

**Sanctions Ordered:** Censure  
Monetary/Fine \$1,228,000.00

**Other Sanctions Ordered:**

**Sanction Details:** TOTAL FINE - \$7,000,000.00  
MULTI-FINANCIAL SECURITIES CORPORATION - \$1,228,000.00  
FINANCIAL NETWORK SECURITIES CORPORATION - \$3,415,000.00  
ING FINANCIAL PARTNERS - \$1,291,000.00  
PRIMEVEST FINANCIAL SECURITIES, INC. \$1,066,000.00

**Summary:** MULTI-FINANCIAL AND ITS CONTROL AFFILIATES, FINANCIAL NETWORK SECURITIES CORPORATION, ING FINANCIAL PARTNERS, FINANCIAL NETWORK INVESTMENT CORPORATION AND PRIMEVEST FINANCIAL SECURITIES, INC. ("THE FIRMS") SIGNED AN AWC ON 07/27/2006. THE FIRMS WERE FINED A TOTAL OF \$7,000,000.00 AND CENSURED. MULTI-FINANCIAL SECURITIES CORPORATION IS RESPONSIBLE FOR A FINE IN THE AMOUNT OF \$1,228,000.00.

#### Disclosure 6 of 8

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 2110, 3010, 3011, MSRB RULE G-41 - RESPONDENT FAILED TO IMPLEMENT A WRITTEN ANTI-MONEY LAUNDERING PROGRAM REASONABLY DESIGNED TO ACHIEVE AND MONITOR COMPLIANCE WITH THE REQUIREMENTS OF THE BANK SECRECY ACT AND THE REGULATIONS PROMULGATED THEREUNDER. THE FINDINGS STATED THAT THE FIRM, FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM OR WRITTEN SUPERVISORY PROCEDURES THAT WERE REASONABLY DESIGNED TO ENABLE THE FIRM TO PREVENT AND DETECT THE CHARGING OF EXCESSIVE COMMISSIONS ON MUTUAL FUND LIQUIDATIONS.

**Initiated By:** NASD

**Date Initiated:** 05/30/2006

**Docket/Case Number:** E3A2005000101

**Principal Product Type:** Mutual Fund(s)

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 05/30/2006**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No**Sanctions Ordered:** Censure  
Monetary/Fine \$17,500.00**Other Sanctions Ordered:****Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, MULTI-FINANCIAL SECURITIES CORPORATION, CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$17,500.**Reporting Source:** Firm**Current Status:** Final**Allegations:** DURING A ROUTINE B/D EXAMINATION, THE NASD DETERMINED THAT FOR THE PERIOD JANUARY 2004 THROUGH NOVEMBER 2004, THE FIRM FAILED TO ESTABLISH A SUPERVISORY SYSTEM OR WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENABLE THE FIRM TO PREVENT THE CHARGING OF EXCESSIVE COMMISSIONS ON MUTUAL FUND LIQUIDATIONS IN VIOLATION OF NASD CR 2110 AND 3010. THE NASD FURTHER DETERMINED THAT IN VIOLATION OF NASD CR 2110 AND 3011 AND MSRB RULE G-41, THE FIRM FAILED TO IMPLEMENT THE FIRM'S ANTI-MONEY LAUNDERING PROCEDURES I) RELATING TO THE PROCESSING OF FINCEN REQUESTS FOR INFORMATION FROM FEBRUARY 18, 2003 TO JANUARY 2004 AND FOR THE MONTH OF MAY 2004; AND II) RELATING TO CHECKING THE OFAC LIST IN RELATION TO NEW ACCOUNTS FOR THE PERIOD JULY 2003 THROUGH MAY 2004. THE FIRM HAS NEITHER ADMITTED NOR DENIED THESE ALLEGATIONS.**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD)



**Date Initiated:** 05/30/2006  
**Docket/Case Number:** E3A2005000101  
**Principal Product Type:** No Product  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Censure  
**Other Sanction(s)/Relief Sought:** A FINE IN THE AMOUNT OF \$17,500.  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 05/30/2006  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$17,500.00  
**Other Sanctions Ordered:**  
**Sanction Details:** A FINE IN THE AMOUNT OF \$17,500.00

#### Disclosure 7 of 8

**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** RESPONDENT BATTEN ALLEGEDLY ENGAGED IN DECEPTIVE OR MANIPULATIVE ACTS AS DEFINED UNDER RULE 111(01) AND (02) OF THE RULES PURSUANT TO THE IDAHO SECURITIES ACT (IDAHO IDAPA 12.01.08.111). RESPONDENT BATTEN ALLEGEDLY VIOLATED IDAHO CODE SECTION 30-1403(3). RESPONDENTS LODGE AND MULTI-FINANCIAL ALLEGEDLY FAILED TO DILIGENTLY SUPERVISE THE SECURITIES ACTIVITIES OF RESPONDENT BATTEN AND ALLEGEDLY VIOLATED RULE 119(01) AND (03) OF THE RULES PURSUANT TO THE IDAHO SECURITEIS ACT (IDAHO IDAPA 12.01.08.119)  
**Initiated By:** STATE OF IDAHO, DEPARTMENT OF FINANCE, SECURITIES BUREAU  
**Date Initiated:** 06/07/2004  
**Docket/Case Number:** DOCKET NO. 2002-7-17  
**Principal Product Type:** Equity Listed (Common & Preferred Stock)  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)



**Other Sanction(s)/Relief Sought:** IN THE ORDER, MULTI-FINANCIAL AGREED TO OFFER RESCISSION TO 4 INVESTORS IN EXCHANGE FOR TENDER OF THEIR EAG SHARES.

**Resolution:** Order

**Resolution Date:** 06/07/2004

**Sanctions Ordered:** Monetary/Fine \$3,000.00  
Disgorgement/Restitution

**Other Sanctions Ordered:** N/A

**Sanction Details:** THE TOTAL AMOUNT OF RESCISSION IS ESTIMATED TO BE APPX. \$119,000.00. RESPONDENTS LODGE AND MULTI-FINANCIAL AGREE TO PAY COMPLAINANT A FINE IN THE AMOUNT OF \$3,000.00 AND INVESTIGATIVE COSTS IN THE AMOUNT OF \$2,000.00.

#### Disclosure 8 of 8

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** Not Provided

**Initiated By:** TEXAS STATE SECURITIES BOARD

**Date Initiated:** 02/05/1997

**Docket/Case Number:** CEN/FIN-1165

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order

**Resolution Date:** 02/05/1997

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

**Other Sanctions Ordered:**

**Sanction Details:** ON FEBRUARY 5, 1997, THE SECURITIES COMMISSIONER ENTERED AN ORDER AGAINST MULTI-FINANCIAL SECURITIES CORP. RESPONDENT OPERATED A BRANCH OFFICE WITHOUT HAVING IT PROPERLY REGISTERED WITH THE SECURITIES COMMISSIONER IN TEXAS AS



REQUIRED BY RULE 115.1(h) OF THE RULES & REGULATIONS OF THE STATE SECURITIES BOARD. PURSUANT TO SECTION 14 AND SECTION 23-1 OF THE SECURITIES ACT AN ORDER OF REPRIMAND IS ISSUED AND THEY WERE FINED \$5,000.00.

**Summary:** CONTACT: JOYCE MILLER (512) 305-8390

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** REGISTERED BRANCH OFFICE IN STATE OF TEXAS AFTER OPERATIONS BEGAN

**Initiated By:** STATE OF TEXAS

**Date Initiated:** 11/26/1996

**Docket/Case Number:** N/A

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:** CONSENT ORDER TO PROPERLY REGISTER ALL BRANCH OFFICES IN THE FUTURE; FINE OF \$5,000

**Resolution:** Consent

**Resolution Date:** 01/29/1997

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

**Other Sanctions Ordered:**

**Sanction Details:** CONSENT ORDER WAS SIGNED AND \$5,000 FINE WAS PAID

**Summary:** STATE OF TEXAS ASSESSED \$5,000 FINE FOR OPERATING IMPROPERLY REGISTERED BRANCH OFFICE. FIRM PAID FINE AND SUBSEQUENTLY TERMINATED BRANCH OFFICE AND REPRESENTATIVES.



## Arbitration Award - Award/Judgment

Firms are not required to report arbitration claims filed against them by customers on Form BD; however, FINRA provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and FINRA-registered firms in this section of the report. Note: An arbitration may contain multiple instances of a certain Relief Type ( e.g., Actual/Compensatory Damages) requested by or awarded to one or more Claimants.

The full text of arbitration awards issued by FINRA is available at [www.finra.org/awardsonline](http://www.finra.org/awardsonline).

### Disclosure 1 of 22

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT RELATED-BREACH OF CONTRACT; FRAUDULENT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; FRAUDULENT ACTIVITY-UNSUITABILITY
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	11/01/2001
<b>Case Number:</b>	<a href="#">01-05823</a>
<b>Disputed Product Type:</b>	UNKNOWN TYPE OF SECURITIES
<b>Relief Sought:</b>	ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$895,000.00 SEVERALLY; PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY; INTEREST, ASKED AMOUNT \$0.00 SEVERALLY; ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY; OTHER COSTS, ASKED AMOUNT \$0.00 SEVERALLY; OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	05/09/2003
<b>Relief Awarded:</b>	ACTUAL/COMPENSATORY DAMAGES, CLOSED-AWARDED, AWARD AMOUNT \$45,950.00; PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL; INTEREST, CLOSED-AWARDED, AWARD AMOUNT \$0.01; ATTORNEY'S FEES, CLOSED-DENIED IN FULL; OTHER COSTS, CLOSED-AWARDED, AWARD AMOUNT \$500.00; OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL



### Disclosure 2 of 22

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-FAILURE TO SUPERVISE; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	01/17/2002
<b>Case Number:</b>	<a href="#">01-06540</a>
<b>Disputed Product Type:</b>	MUTUAL FUNDS; COMMON STOCK
<b>Relief Sought:</b>	ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$174,797.00 JOINTLY AND SEVERALLY; PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$349,594.00 JOINTLY AND SEVERALLY; INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY; ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY; OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY; OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY
<b>Disposition:</b>	CLOSED-BY HEARING
<b>Disposition Date:</b>	05/08/2003
<b>Relief Awarded:</b>	ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL; PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL; INTEREST, CLOSED-DENIED IN FULL; ATTORNEY'S FEES, CLOSED-DENIED IN FULL; OTHER COSTS, CLOSED-DENIED IN FULL; OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL

### Disclosure 3 of 22

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	FRAUDULENT ACTIVITY-MISREPRESENTATION; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT; FRAUDULENT ACTIVITY-UNSUITABILITY
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	04/10/2002



**Case Number:** [02-01214](#)

**Disputed Product Type:** OTHER TYPES OF SECURITIES

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 05/12/2003

**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
INTEREST, CLOSED-AWARDED;  
ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
OTHER COSTS, CLOSED-DENIED IN FULL;  
OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL

#### Disclosure 4 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** FRAUDULENT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT; FRAUDULENT ACTIVITY-UNSUITABILITY

**Arbitration Forum:** NASD

**Case Initiated:** 01/09/2003

**Case Number:** [02-07684](#)

**Disputed Product Type:** COMMON STOCK

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$444,000.00 SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 SEVERALLY;  
OTHER COSTS, ASKED AMOUNT \$0.00 SEVERALLY;  
ATTORNEY'S FEES, ASKED AMOUNT \$0.00 SEVERALLY;  
PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 SEVERALLY

**Disposition:** CLOSED-BY HEARING

**Disposition Date:** 01/27/2004

**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;



INTEREST, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL

## Disclosure 5 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** FRAUDULENT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT; FRAUDULENT ACTIVITY-UNSUITABILITY

**Arbitration Forum:** NASD

**Case Initiated:** 01/15/2003

**Case Number:** [03-00074](#)

**Disputed Product Type:** COMMON STOCK

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$775,000.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$10,000.00 JOINTLY AND SEVERALLY;  
 INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$775,000.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$10,000.00 JOINTLY AND SEVERALLY;  
 INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY

**Disposition:** CLOSED-STIP. AWARD

**Disposition Date:** 03/30/2004

**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 INTEREST, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-DENIED IN FULL;



ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 INTEREST, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL

## Disclosure 6 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT

**Arbitration Forum:** NASD

**Case Initiated:** 06/30/2004

**Case Number:** [04-03810](#)

**Disputed Product Type:** UNKNOWN TYPE OF SECURITIES

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;





OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY

**Disposition:** CLOSED-BY HEARING

**Disposition Date:** 03/13/2006

**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL;





OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;

#### Disclosure 7 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT RELATED-NEGLIGENCE; FRAUDULENT  
 ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO  
 SUPERVISE; FRAUDULENT ACTIVITY-UNSUITABILITY

**Arbitration Forum:** NASD

**Case Initiated:** 03/16/2005

**Case Number:** [05-00575](#)

**Disputed Product Type:** ANNUITIES

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$311,932.90  
 JOINTLY AND SEVERALLY;  
 PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND  
 SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND  
 SEVERALLY;  
 ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND  
 SEVERALLY;  
 INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY

**Disposition:** AWARD AGAINST PARTY



**Disposition Date:** 12/23/2005

**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-AWARDED, AWARD AMOUNT \$125,000.00;  
PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL;  
OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
INTEREST, CLOSED-AWARDED, AWARD AMOUNT \$0.01;  
OTHER COSTS, CLOSED-DENIED IN FULL;  
OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
INTEREST, CLOSED-AWARDED, AWARD AMOUNT \$0.01

#### Disclosure 8 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-FAILURE TO SUPERVISE; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT;  
FRAUDULENT ACTIVITY-UNSUITABILITY

**Arbitration Forum:** NASD

**Case Initiated:** 06/14/2005

**Case Number:** [05-02521](#)

**Disputed Product Type:** UNKNOWN TYPE OF SECURITIES

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY

**Disposition:** CLOSED-BY HEARING

**Disposition Date:** 10/18/2007

**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL

#### Disclosure 9 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT



**Arbitration Forum:** NASD

**Case Initiated:** 08/16/2005

**Case Number:** [05-03037](#)

**Disputed Product Type:** UNKNOWN TYPE OF SECURITIES

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$1,000,000.00 JOINTLY AND SEVERALLY;  
ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$1,000,000.00 JOINTLY AND SEVERALLY;  
PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY

**Disposition:** CLOSED-BY HEARING

**Disposition Date:** 07/24/2007

**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL;  
OTHER COSTS, CLOSED-DENIED IN FULL;  
ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL

#### Disclosure 10 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** FRAUDULENT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT; FRAUDULENT ACTIVITY-UNSUITABILITY

**Arbitration Forum:** NASD

**Case Initiated:** 10/19/2005

**Case Number:** [05-04930](#)

**Disputed Product Type:** ANNUITIES; MUTUAL FUNDS

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$278,314.51 JOINTLY AND SEVERALLY;  
ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY



AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY  
 AND SEVERALLY;  
 INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND  
 SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND  
 SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND  
 SEVERALLY

**Disposition:** CLOSED-BY HEARING

**Disposition Date:** 06/16/2006

**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 INTEREST, CLOSED-DENIED IN FULL;  
 INTEREST, CLOSED-DENIED IN FULL;  
 INTEREST, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL

#### Disclosure 11 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT RELATED-BREACH OF CONTRACT; FRAUDULENT  
 ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO



SUPERVISE; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT

**Arbitration Forum:** NASD

**Case Initiated:** 11/14/2005

**Case Number:** [05-05774](#)

**Disputed Product Type:** MUTUAL FUNDS

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$3,000,000.00 JOINTLY AND SEVERALLY;  
PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY

**Disposition:** CLOSED-BY HEARING

**Disposition Date:** 02/22/2007

**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL;  
ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
OTHER COSTS, CLOSED-DENIED IN FULL;  
OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
INTEREST, CLOSED-DENIED IN FULL

#### Disclosure 12 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-FAILURE TO SUPERVISE; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT

**Arbitration Forum:** NASD

**Case Initiated:** 08/10/2006

**Case Number:** [06-03100](#)

**Disputed Product Type:** ANNUITIES; MUTUAL FUNDS; COMMON STOCK

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$161,454.28 SEVERALLY;  
PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 SEVERALLY;



ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 SEVERALLY;  
 INTEREST, ASKED AMOUNT \$0.00 SEVERALLY;  
 ATTORNEY'S FEES, ASKED AMOUNT \$0.00 SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 SEVERALLY

**Disposition:** CLOSED-BY HEARING

**Disposition Date:** 11/09/2007

**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 INTEREST, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL

#### Disclosure 13 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT RELATED-NEGLIGENCE; FRAUDULENT  
 ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO  
 SUPERVISE; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT

**Arbitration Forum:** NASD

**Case Initiated:** 12/28/2006

**Case Number:** [06-05160](#)

**Disputed Product Type:** OTHER TYPES OF SECURITIES

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND  
 SEVERALLY;  
 PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$250,000.00 JOINTLY  
 AND SEVERALLY;  
 ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND  
 SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY  
 AND SEVERALLY

**Disposition:** CLOSED-BY HEARING

**Disposition Date:** 01/16/2008



**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
 PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL

#### Disclosure 14 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE; FRAUDULENT ACTIVITY-MISREPRESENTATION; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT

**Arbitration Forum:** NASD

**Case Initiated:** 05/09/2007

**Case Number:** [07-01426](#)

**Disputed Product Type:** OTHER TYPES OF SECURITIES

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$37,000.00 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 12/21/2007

**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-AWARDED, AWARD AMOUNT \$20,836.53;  
 ACTUAL/COMPENSATORY DAMAGES, CLOSED-AWARDED, AWARD AMOUNT \$9,167.42;  
 PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL;  
 INTEREST, CLOSED-DENIED IN FULL;



ATTORNEY'S FEES, CLOSED-AWARDED, AWARD AMOUNT \$7,000.00;  
 OTHER COSTS, CLOSED-AWARDED, AWARD AMOUNT \$150.00;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-AWARDED;  
 ATTORNEY'S FEES, CLOSED-AWARDED

## Disclosure 15 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT RELATED-NEGLIGENCE; FRAUDULENT ACTIVITY-OMISSION OF FACTS; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT; FRAUDULENT ACTIVITY-UNSUITABILITY

**Arbitration Forum:** FINRA

**Case Initiated:** 12/10/2008

**Case Number:** [08-04600](#)

**Disputed Product Type:** MUTUAL FUNDS; COMMON STOCK

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$205,355.46 JOINTLY AND SEVERALLY;  
 ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$205,355.46 JOINTLY AND SEVERALLY;  
 PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 07/31/2009

**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-AWARDED, AWARD AMOUNT \$51,750.00;



ACTUAL/COMPENSATORY DAMAGES, CLOSED-AWARDED, AWARD AMOUNT \$0.01;  
 PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL;  
 PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL;  
 INTEREST, CLOSED-DENIED IN FULL;  
 INTEREST, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-AWARDED, AWARD AMOUNT \$300.00;  
 OTHER COSTS, CLOSED-AWARDED, AWARD AMOUNT \$0.01;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL

#### Disclosure 16 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** FRAUDULENT ACTIVITY-MISREPRESENTATION; FRAUDULENT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE; FRAUDULENT ACTIVITY-UNSUITABILITY

**Arbitration Forum:** NASD

**Case Initiated:** 03/25/1993

**Case Number:** [93-00864](#)

**Disputed Product Type:** REAL ESTATE INVESTMENT TRUST

**Relief Sought:** PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 SEVERALLY

**Disposition:** CLOSED-BY HEARING

**Disposition Date:** 02/14/1994

**Relief Awarded:** PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL;  
 INTEREST, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL

#### Disclosure 17 of 22

**Reporting Source:** Regulator



**Type of Event:** ARBITRATION

**Allegations:** FRAUDULENT ACTIVITY-MISREPRESENTATION; FRAUDULENT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE; FRAUDULENT ACTIVITY-MANIPULATION

**Arbitration Forum:** NASD

**Case Initiated:** 04/01/1993

**Case Number:** [93-01076](#)

**Disputed Product Type:**

**Relief Sought:** INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY

**Disposition:** CLOSED-BY HEARING

**Disposition Date:** 07/01/1994

**Relief Awarded:** INTEREST, CLOSED-DENIED IN FULL;  
OTHER COSTS, CLOSED-DENIED IN FULL;  
OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL

#### Disclosure 18 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** FRAUDULENT ACTIVITY-MISREPRESENTATION; FRAUDULENT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE; FRAUDULENT ACTIVITY-UNSUITABILITY

**Arbitration Forum:** NASD

**Case Initiated:** 09/28/1993

**Case Number:** [93-03059](#)

**Disputed Product Type:** OTHER TYPES OF SECURITIES; LIMITED PARTNERSHIPS

**Relief Sought:** INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;



OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY

**Disposition:** CLOSED-BY HEARING

**Disposition Date:** 12/21/1994

**Relief Awarded:** INTEREST, CLOSED-DENIED IN FULL;  
INTEREST, CLOSED-DENIED IN FULL;  
INTEREST, CLOSED-DENIED IN FULL;  
INTEREST, CLOSED-DENIED IN FULL;  
INTEREST, CLOSED-DENIED IN FULL;  
INTEREST, CLOSED-DENIED IN FULL;  
INTEREST, CLOSED-DENIED IN FULL;  
INTEREST, CLOSED-DENIED IN FULL;  
OTHER COSTS, CLOSED-DENIED IN FULL;  
OTHER COSTS, CLOSED-DENIED IN FULL;  
OTHER COSTS, CLOSED-DENIED IN FULL;  
OTHER COSTS, CLOSED-DENIED IN FULL;  
OTHER COSTS, CLOSED-DENIED IN FULL;  
OTHER COSTS, CLOSED-DENIED IN FULL;  
OTHER COSTS, CLOSED-DENIED IN FULL;  
OTHER COSTS, CLOSED-DENIED IN FULL;  
OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL;  
OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL



### Disclosure 19 of 22

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	FRAUDULENT ACTIVITY-MISREPRESENTATION; FRAUDULENT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE; FRAUDULENT ACTIVITY-UNSUITABILITY
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	10/15/1993
<b>Case Number:</b>	<a href="#">93-04014</a>
<b>Disputed Product Type:</b>	OTHER TYPES OF SECURITIES; LIMITED PARTNERSHIPS
<b>Relief Sought:</b>	INTEREST, ASKED AMOUNT \$0.00 SEVERALLY; INTEREST, ASKED AMOUNT \$0.00 SEVERALLY; OTHER COSTS, ASKED AMOUNT \$0.00 SEVERALLY; OTHER COSTS, ASKED AMOUNT \$0.00 SEVERALLY; OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 SEVERALLY; OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 SEVERALLY
<b>Disposition:</b>	CLOSED-BY HEARING
<b>Disposition Date:</b>	12/21/1994
<b>Relief Awarded:</b>	INTEREST, CLOSED-DENIED IN FULL; INTEREST, CLOSED-DENIED IN FULL; OTHER COSTS, CLOSED-DENIED IN FULL; OTHER COSTS, CLOSED-DENIED IN FULL; OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL; OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL

### Disclosure 20 of 22

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT RELATED-BREACH OF CONTRACT; FRAUDULENT ACTIVITY-MISREPRESENTATION; FRAUDULENT ACTIVITY-BRCH OF FIDUCIARY DT; FRAUDULENT ACTIVITY-UNSUITABILITY
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	01/05/1994



**Case Number:** [93-05034](#)

**Disputed Product Type:** LIMITED PARTNERSHIPS

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY

**Disposition:** CLOSED-BY HEARING

**Disposition Date:** 06/19/1996

**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL;  
ATTORNEY'S FEES, CLOSED-DENIED IN FULL

#### Disclosure 21 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** FRAUDULENT ACTIVITY-MISREPRESENTATION; FRAUDULENT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE

**Arbitration Forum:** NASD

**Case Initiated:** 11/02/1994

**Case Number:** [94-03157](#)

**Disputed Product Type:** LIMITED PARTNERSHIPS

**Relief Sought:** ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$66,812.17 JOINTLY AND SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
INTEREST, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
ATTORNEY'S FEES, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;



OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY;  
 OTHER COSTS, ASKED AMOUNT \$0.00 JOINTLY AND SEVERALLY

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 10/19/1995

**Relief Awarded:** ACTUAL/COMPENSATORY DAMAGES, CLOSED-AWARDED, AWARD AMOUNT \$66,812.17;  
 INTEREST, CLOSED-AWARDED;  
 INTEREST, CLOSED-AWARDED;  
 INTEREST, CLOSED-AWARDED;  
 INTEREST, CLOSED-AWARDED;  
 INTEREST, CLOSED-AWARDED;  
 INTEREST, CLOSED-AWARDED;  
 INTEREST, CLOSED-AWARDED;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 ATTORNEY'S FEES, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-DENIED IN FULL;  
 OTHER COSTS, CLOSED-DENIED IN FULL

## Disclosure 22 of 22

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** FRAUDULENT ACTIVITY-OTHER

**Arbitration Forum:** NASD

**Case Initiated:** 01/05/2000

**Case Number:** [99-03055](#)

**Disputed Product Type:** MUTUAL FUNDS

**Relief Sought:** PUNITIVE/EXEMPLARY DAMAGES, ASKED AMOUNT \$3,500.00 JOINTLY AND



SEVERALLY;  
ACTUAL/COMPENSATORY DAMAGES, ASKED AMOUNT \$5,500.00 JOINTLY  
AND SEVERALLY;  
OTHER MONETARY RELIEF, ASKED AMOUNT \$0.00 JOINTLY AND  
SEVERALLY

**Disposition:** CLOSED-BY PAPERS

**Disposition Date:** 10/03/2000

**Relief Awarded:** PUNITIVE/EXEMPLARY DAMAGES, CLOSED-DENIED IN FULL;  
ACTUAL/COMPENSATORY DAMAGES, CLOSED-DENIED IN FULL;  
OTHER MONETARY RELIEF, CLOSED-DENIED IN FULL



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