

UNITED STATES OF AMERICA
before the
SECURITIES EXCHANGE COMMISSION

In the Matter of the Application of

PAUL H. GILES, CRD# 2041288

For Review of Action Taken by Self-
Regulatory Organization,

PAUL GILES APPLICATION FOR REVIEW OF ACTION TAKEN BY FINRA

MURPHY & ANDERSON, P.A.

BY: */s/ Niels P. Murphy*

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April 21, 2021

1. Paul Giles files this Application for Review pursuant to 17 CFR § 201.420.¹ Section 19(d)(2) of the Securities Exchange Act of 1934 (the “Exchange Act”) provides that the SEC may review any self-regulatory organization action that “bars any person from becoming associated with a member.”

2. On March 24, 2021, FINRA notified Ameriprise Financial Services, LLC, Mr. Giles’ current member firm, that Mr. Giles is statutorily disqualified pursuant to Exchange Act Section 3(a)(39).² The notice from FINRA effectively bars Mr. Giles from associating with a member.

3. FINRA’s decision to statutorily disqualify Mr. Giles arose as a result of the Default Decision and Order of Revocation filed by the California Department of Insurance, File No. LBB 5008-AP, dated September 8, 2009, which revoked Mr. Giles’ insurance license in California (the “California Insurance Order”).³ The California Insurance Order revoked Mr. Giles’ license because he chose not to file a Notice of Defense upon being served with an Accusation and Statement to Respondent related to tax liens. At the time, Mr. Giles no longer needed his insurance license in California and the tax liens have all since been resolved.

4. FINRA’s notice identifies Section 3(a)(39) as the basis for its decision to statutorily disqualify Mr. Giles. FINRA staff further indicated that the specific relevant provision is Exchange Act Section (3)(a)(39)(F), which incorporates Exchange Act Section 15(b)(4)(H)(i), and provides for statutory disqualification of a person who is “subject to any final order of a . . . State insurance commission . . . that— bars such person from association with an entity regulated by such commission . . . or from engaging in the business of . . . insurance . . . activities.” (emphasis added). FINRA interprets the California Insurance Order that revoked Mr. Giles’ insurance license to also operate as a bar. A plain reading of the applicable Exchange Act Sections, FINRA’s own forms, California law, and a recent SEC decision all show that FINRA’s interpretation is incorrect.

¹ By filing this application, Mr. Giles expressly preserves and in no way waives all rights to seek relief in court.

² The written notice from FINRA is attached as **Exhibit A**.

³ The California Insurance Order is attached as **Exhibit B**.

5. The plain language of the Exchange Act demonstrates that revocations and bars are different because the terms are used separately in the context of statutory disqualification. Section 3(a)(39)(A)-(F) uses the terms “revocation” and “bar” to describe different circumstances by which a person could become statutorily disqualified. The two terms are never conflated. “Revocation” is only used in Section 3(a)(39)(B) in the context of securities licenses and is never used in the context of insurance licenses. FINRA should not conflate the terms and unilaterally decide Mr. Giles’ insurance license revocation is actually a bar despite the term “bar” never appearing in the California Insurance Order.⁴

6. FINRA’s Form U4 (Uniform Application for Securities Industry Registration or Transfer) also distinguishes between bars and revocations.⁵ For example, the Form U4 Regulatory Action disclosure reporting page includes a list of possible sanctions for brokers to select when disclosing certain regulatory events. Bars and revocations are separate items on the list. Moreover, the Form U4 requires disclosure of additional details for bars, but not revocations.

7. In addition, California law does not equate revocations and bars. Brokers like Mr. Giles may immediately reapply for an insurance license with California after a revocation.⁶

8. Finally, the SEC recently set aside a FINRA statutory disqualification involving a California insurance license revocation.⁷ Like Mr. Giles, Mr. Acosta received a FINRA statutory disqualification notice based solely on a California order revoking his insurance license. The SEC reversed FINRA’s statutory disqualification decision and held that FINRA did not have discretion to unilaterally expand the scope of the applicable Exchange Act Section (the section at issue in *Acosta* prohibited fraudulent, manipulative, or deceptive conduct).

⁴ FINRA advised that it considers some but not all insurance license revocations to be “bars” and that its determination is based on factors that FINRA considers internally but that have never disclosed to brokers like Mr. Giles.

⁵ The Form U4 with relevant sections highlighted is attached as **Exhibit C**.

⁶ FAQs on the California Department of Insurance website state as much and are attached as **Exhibit D**.

⁷ *Gregory Acosta*, Exchange Act Release No. 89121 (June 22, 2020). The opinion is attached as **Exhibit E**.

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PAUL H. GILES, CRD# 2041288

For Review of Action Taken by Self-
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PAUL H. GILES' INDEX OF ATTACHMENTS

| <u>Attachment</u> | <u>Description</u> |
|-------------------|--|
| A | FINRA Disqualification Notice dated March 24, 2021 |
| B | California Insurance Order dated August 8, 2009 |
| C | Form U4 with Highlighted Portions |
| D | California Department of Insurance Background FAQs |
| E | <i>Gregory Acosta</i> , Exchange Act Release No. 89121 (June 22, 2020) |

Paul H. Giles - Exhibit A



March 24, 2021

Sent via certified mail and email to REGULATORY.AFFAIRS@AMPF.COM

Lauren Holmes
Ameriprise Financial Services, LLC
5221 Ameriprise Financial Center
Minneapolis, MN 55474

Re: Paul Giles, CRD # 2041288

Dear Lauren Holmes,

Financial Industry Regulatory Authority (FINRA) has determined that Paul Giles, a person associated with your firm, is subject to a disqualification as defined in Section 3(a)(39) of the Securities Exchange Act of 1934. This disqualification arises as a result of the Default Decision and Order of Revocation filed by the State of California Department of Insurance, File No. LBB 5008-AP, dated September 8, 2009, in which Paul Giles' licenses and licensing rights were revoked, effective October 8, 2009.

Generally, no person who is, or who becomes, subject to a disqualification shall associate, or continue association, with a FINRA member unless the member requests and receives written approval from FINRA. However, in certain limited circumstances, such approval may not be required. (*See FINRA Regulatory Notice 09-19.*) To assist in FINRA's determination of whether such circumstances exist here, please provide the following information to **Pascal Goddard at SDGroup@finra.org no later than April 12, 2021:**

1. Proof that Paul Giles has complied with all sanctions imposed by the Order; and
2. An affidavit or declaration under 28 U.S.C. Section 1746 that sanctions imposed by the Order are no longer in effect and that Paul Giles is in compliance with the terms and conditions of the Order.

To the extent the firm is not able to provide the foregoing information by April 12, 2021, it must, by April 12, 2021, either initiate the Membership Continuance process in order to obtain approval for the association, or terminate the association.

To initiate the Membership Continuance process, the member must send a completed Form MC-400 Application (which includes an authorization to deduct the \$5000 application fee) to the email address listed above no later than April 12, 2021:

In connection with the Membership Continuance proceeding, the member will be required to provide proof that the disqualified individual is covered by the firm's fidelity bond. In addition, if the association is approved, FINRA will conduct periodic special examinations for the duration of the individual's statutory disqualification, for which FINRA will assess the member an annual fee in accordance with [Schedule A, Section 12\(b\) of FINRA's By-Laws](#).

If the firm instead decides to terminate the association, it should, by April 12, 2021, notify FINRA in writing, at the above email address, of the termination, and submit the Form U5 Termination Notice or an amended NRF, as applicable, to CRD within 30 days after the termination.

PLEASE NOTE: Failure to timely file the written request for relief or Form MC-400 Application, could result in a revocation of the registration of the disqualified person unless the Department of Member Regulation grants an extension for good cause (see FINRA Rule 9522). You may direct any questions about this process to Patricia Delk-Mercer, Senior Director and Counsel, FINRA's Statutory Disqualification Program at (240) 386-5461 or SDMailbox@FINRA.org.

For more information about our statutory disqualification and Membership Continuance process or to obtain a copy of the Form MC-400 Application, please visit our web site: <http://www.FINRA.org/sdprocess>.

We anticipate your firm's response no later than April 12, 2021. If you have any questions regarding the above information, please contact the undersigned at 240-386-5193.

Sincerely,

Pascalle Goddard

Pascalle Goddard
Credentialing, Registration, Education and Disclosure (CRED)
FINRA

cc:

AnnMarie McGarrigle, FINRA

Christine Kolber, FINRA

Patricia Delk-Mercer, FINRA

Glynnis Kirchmeier, FINRA

Paul Giles
245 Church St.
Romeo, MI 48065

Paul H. Giles - Exhibit B

hearing to contest the merits of the Accusation, the Insurance Commissioner will take action on the Accusation and documents on file in this matter without any hearing, as provided by Sections 11506 and 11520 of the California Government Code.

DECISION

The Insurance Commissioner makes the following Finding of Fact, Determination of Issues Presented, and Order:

FINDINGS OF FACTS

The facts alleged in the Accusation in the above-captioned proceedings are hereby found to be true.

DETERMINATION OF ISSUES PRESENTED

IT IS HEREBY DETERMINED:

That the Findings of Fact show that Respondent has violated the provisions of the Insurance Code as alleged in said Accusation and are grounds, as specified in said Accusation, for the disciplinary action stated therein.

WHEREFORE, the Insurance Commissioner makes the following Order:

ORDER

NOW, THEREFORE, pursuant to the authority of California Insurance Code Section 1668, in conjunction with Section 1738 of the California Insurance Code, the Insurance

Commissioner hereby orders that the licenses and licensing rights of Respondent, including, but not limited to those referenced herein above, be, and the same hereby are, REVOKED, effective thirty (30) days from the date of this order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal,
this 8th day of September, 2009.

STEVE POIZNER
Insurance Commissioner

By: /S/

ROBERT HAGEDORN
Assistant Chief Counsel

Paul H. Giles - Exhibit C

| | |
|-------------------------|--------------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

1. GENERAL INFORMATION

| | | | |
|---------------------------|--------------------------|-------------------------------------|----------------|
| FIRST NAME: | MIDDLE NAME: | LAST NAME: | SUFFIX: |
| FIRM CRD #: | FIRM NAME: | EMPLOYMENT DATE(MM/DD/YYYY): | |
| FIRM Billing Code: | INDIVIDUAL CRD #: | INDIVIDUAL SSN: | |

Do you have an independent contractor relationship with the above named firm?: Yes No

Office of Employment Address:

| | | | | | | |
|---|----------------------|---------------------------|---------------------------|---------------------------------------|--------------------|------------------|
| <input type="radio"/> Registered | CRD BRANCH #: | NYSE BRANCH CODE#: | FIRM BILLING CODE: | <input type="radio"/> Located At | START DATE: | END DATE: |
| <input type="radio"/> Non-Registered | | | | <input type="radio"/> Supervised From | | |
| OFFICE OF EMPLOYMENT ADDRESS STREET 1: | | CITY: | | STATE: | | |
| OFFICE OF EMPLOYMENT ADDRESS STREET 2: | | COUNTRY: | | POSTAL CODE: | | |

Private Residence Check Box: If the Office of Employment address is a private residence, check this box.

| | | | | | | |
|---|----------------------|---------------------------|---------------------------|---------------------------------------|--------------------|------------------|
| <input type="radio"/> Registered | CRD BRANCH #: | NYSE BRANCH CODE#: | FIRM BILLING CODE: | <input type="radio"/> Located At | START DATE: | END DATE: |
| <input type="radio"/> Non-Registered | | | | <input type="radio"/> Supervised From | | |
| OFFICE OF EMPLOYMENT ADDRESS STREET 1: | | CITY: | | STATE: | | |
| OFFICE OF EMPLOYMENT ADDRESS STREET 2: | | COUNTRY: | | POSTAL CODE: | | |

Private Residence Check Box: If the Office of Employment address is a private residence, check this box.

| | | | | | | |
|---|----------------------|---------------------------|---------------------------|---------------------------------------|--------------------|------------------|
| <input type="radio"/> Registered | CRD BRANCH #: | NYSE BRANCH CODE#: | FIRM BILLING CODE: | <input type="radio"/> Located At | START DATE: | END DATE: |
| <input type="radio"/> Non-Registered | | | | <input type="radio"/> Supervised From | | |
| OFFICE OF EMPLOYMENT ADDRESS STREET 1: | | CITY: | | STATE: | | |
| OFFICE OF EMPLOYMENT ADDRESS STREET 2: | | COUNTRY: | | POSTAL CODE: | | |

Private Residence Check Box: If the Office of Employment address is a private residence, check this box.

2. FINGERPRINT INFORMATION

Electronic Filing Representation

- By selecting this option, I represent that I am submitting, have submitted, or promptly will submit to the appropriate SRO a fingerprint card as required under applicable SRO rules; or
Fingerprint card barcode _____
- By selecting this option, I represent that I have been employed continuously by the filing firm since the last submission of a fingerprint card to CRD and am not required to resubmit a fingerprint card at this time; or,
- By selecting this option, I represent that I have been employed continuously by the filing firm and my fingerprints have been processed by an SRO other than FINRA. I am submitting, have submitted, or promptly will submit the processed results for posting to CRD.

Exceptions to the Fingerprint Requirement

- By selecting one or more of the following two options, I affirm that I am exempt from the federal fingerprint requirement because I/filing firm currently satisfy(ies) the requirements of at least one of the permissive exemptions indicated below pursuant to Rule 17f-2 under the Securities Exchange Act of 1934, including any notice or application requirements specified therein:
 - Rule 17f-2(a)(1)(i)
 - Rule 17f-2(a)(1)(iii)

Investment Adviser Representative Only Applicants

- I affirm that I am applying only as an investment adviser representative and that I am not also applying or have not also applied with this firm to become a broker-dealer representative. If this radio button/box is selected, continue below.
 - I am applying for registration only in jurisdictions that do not have fingerprint card filing requirements, or
 - I am applying for registration in jurisdictions that have fingerprint card filing requirements and I am submitting, have submitted, or promptly will submit the appropriate fingerprint card directly to the jurisdictions for processing pursuant to applicable jurisdiction rules.

| | |
|-------------------------|--------------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

3. REGISTRATION WITH UNAFFILIATED FIRMS

Some *jurisdictions* prohibit "dual registration," which occurs when an individual chooses to maintain a concurrent registration as a representative/agent with two or more *firms* (either BD or IA *firms*) that are not *affiliated*. *Jurisdictions* that prohibit dual registration would not, for example, permit a broker-dealer agent working with brokerage *firm* A to maintain a registration with brokerage *firm* B if *firms* A and B are not owned or controlled by a common parent. Before seeking a dual registration status, you should consult the applicable rules or statutes of the *jurisdictions* with which you seek registration for prohibitions on dual registrations or any liability provisions.

Please indicate whether the individual will maintain a "dual registration" status by answering the questions in this section. (Note: An individual should answer 'yes' only if the individual is currently registered and is seeking registration with a *firm* (either BD or IA) that is not *affiliated* with the individual's current employing *firm*. If this is an initial application, an individual must answer 'no' to these questions; a "dual registration" may be initiated only after an initial registration has been established).

| Answer "yes" or "no" to the following questions: | Yes | No |
|---|-----------------------|-----------------------|
| A. Will <i>applicant</i> maintain registration with a broker-dealer that is not <i>affiliated</i> with the <i>filing firm</i> ? If you answer "yes," list the <i>firm(s)</i> in Section 12 (Employment History). | <input type="radio"/> | <input type="radio"/> |
| B. Will <i>applicant</i> maintain registration with an investment adviser that is not <i>affiliated</i> with the <i>filing firm</i> ? If you answer "yes," list the <i>firm(s)</i> in Section 12 (Employment History). | <input type="radio"/> | <input type="radio"/> |

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| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

4. SRO REGISTRATIONS

Select appropriate *SRO* Registration requests.

Qualifying examinations will be automatically scheduled if needed. If you are only scheduling or rescheduling an exam, skip this section and complete section 7 (EXAMINATION REQUESTS).

REPRESENTATIVE LEVEL REGISTRATION CATEGORIES

| | FINRA | NYSE | NYSE-AMER | NYSE-ARCA | NYSE-CHI | NYSE-NAT | CBOE | CBOE C2 | CBOE BYX | CBOE BZX | CBOE EDGA | CBOE EDGX | NOX | BX | ISE | ISE GEMX | ISE MRX | PHLX | MIAX EMERALD | MIAX OPTIONS | MIAX PEARL | BOX | IEX | LTSE | MEMX |
|--|-------|------|-----------|-----------|----------|----------|------|---------|----------|----------|-----------|-----------|-----|----|-----|----------|---------|------|--------------|--------------|------------|-----|-----|------|------|
| REGISTRATION CATEGORIES | | | | | | | | | | | | | | | | | | | | | | | | | |
| IR - Investment Company and Variable Contracts Products Rep. (S6TO) | | | | | | | | | | | | | | | | | | | | | | | | | |
| GS - Full Registration/General Securities Representative (S7TO) | | | | | | | | | | | | | | | | | | | | | | | | | |
| DR - Direct Participation Program Representative (S22TO) | | | | | | | | | | | | | | | | | | | | | | | | | |
| MR - Municipal Securities Representative (S52TO) | | | | | | | | | | | | | | | | | | | | | | | | | |
| TD - Securities Trader (S57TO) | | | | | | | | | | | | | | | | | | | | | | | | | |
| IB - Investment Banking Representative (S79TO) | | | | | | | | | | | | | | | | | | | | | | | | | |
| PR - Limited Representative - Private Securities Offerings (S82TO) | | | | | | | | | | | | | | | | | | | | | | | | | |
| RS - Research Analyst (S86 and S87) | | | | | | | | | | | | | | | | | | | | | | | | | |
| OS - Operations Professional (S99TO) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other (Paper Form Only) | | | | | | | | | | | | | | | | | | | | | | | | | |
| RETIRED REGISTRATION CATEGORIES | | | | | | | | | | | | | | | | | | | | | | | | | |
| AR - Assistant Representative/Order Processing | | | | | | | | | | | | | | | | | | | | | | | | | |
| CD - Canada-Limited General Securities Registered Representative | | | | | | | | | | | | | | | | | | | | | | | | | |
| CN - Canada-Limited General Securities Registered Representative | | | | | | | | | | | | | | | | | | | | | | | | | |
| CS - Corporate Securities Representative | | | | | | | | | | | | | | | | | | | | | | | | | |
| FA - Foreign Associate | | | | | | | | | | | | | | | | | | | | | | | | | |
| IE - United Kingdom - Limited General Securities Registered Representative | | | | | | | | | | | | | | | | | | | | | | | | | |
| OR - Options Representative | | | | | | | | | | | | | | | | | | | | | | | | | |
| RG - Government Securities Representative | | | | | | | | | | | | | | | | | | | | | | | | | |

PRINCIPAL LEVEL REGISTRATION CATEGORIES

| | FINRA | NYSE | NYSE-AMER | NYSE-ARCA | NYSE-CHI | NYSE-NAT | CBOE | CBOE C2 | CBOE BYX | CBOE BZX | CBOE EDGA | CBOE EDGX | NOX | BX | ISE | ISE GEMX | ISE MRX | PHLX | MIAX EMERALD | MIAX OPTIONS | MIAX PEARL | BOX | IEX | LTSE | MEMX |
|---|-------|------|-----------|-----------|----------|----------|------|---------|----------|----------|-----------|-----------|-----|----|-----|----------|---------|------|--------------|--------------|------------|-----|-----|------|------|
| REGISTRATION CATEGORIES | | | | | | | | | | | | | | | | | | | | | | | | | |
| OP - Registered Options Principal (S4) | | | | | | | | | | | | | | | | | | | | | | | | | |
| SU - General Securities Sales Supervisor (S9 and S10) | | | | | | | | | | | | | | | | | | | | | | | | | |
| CO - Compliance Official (S14) | | | | | | | | | | | | | | | | | | | | | | | | | |
| CR - Compliance Officer (S14) | | | | | | | | | | | | | | | | | | | | | | | | | |

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| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

| | FINRA | NYSE | NYSE-AMER | NYSE-ARCA | NYSE-CHI | NYSE-NAT | CBOE | CBOE C2 | CBOE BYX | CBOE BZX | CBOE EDGA | CBOE EDGX | NOX | BX | ISE | ISE GEMX | ISE MRX | PHLX | MIA X EMERALD | MIA X OPTIONS | MIA X PEARL | BOX | IEX | LTSE | MEMX |
|---|-------|------|-----------|-----------|----------|----------|------|---------|----------|----------|-----------|-----------|-----|----|-----|----------|---------|------|---------------|---------------|-------------|-----|-----|------|------|
| REGISTRATION CATEGORIES | | | | | | | | | | | | | | | | | | | | | | | | | |
| SA – Supervisory Analyst (S16) | | | | | | | | | | | | | | | | | | | | | | | | | |
| GP – General Securities Principal (S24) | | | | | | | | | | | | | | | | | | | | | | | | | |
| RP – Research Principal (S24) | | | | | | | | | | | | | | | | | | | | | | | | | |
| BP – Investment Banking Principal (S24) | | | | | | | | | | | | | | | | | | | | | | | | | |
| TP – Securities Trader Principal (S24) | | | | | | | | | | | | | | | | | | | | | | | | | |
| PO – Private Securities Offerings Principal (S24) | | | | | | | | | | | | | | | | | | | | | | | | | |
| IP – Investment Company and Variable Contracts Products Principal (S26) | | | | | | | | | | | | | | | | | | | | | | | | | |
| FN – Financial and Operations Principal (S27) | | | | | | | | | | | | | | | | | | | | | | | | | |
| FI – Introducing Broker-Dealer/Financial and Operations Principal (S28) | | | | | | | | | | | | | | | | | | | | | | | | | |
| DP – Direct Participation Program Principal (S39) | | | | | | | | | | | | | | | | | | | | | | | | | |
| FP – Municipal Fund (S51) | | | | | | | | | | | | | | | | | | | | | | | | | |
| MP – Municipal Securities Principal (S53) | | | | | | | | | | | | | | | | | | | | | | | | | |
| PG – Government Securities Principal | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other _____ (Paper Form Only) | | | | | | | | | | | | | | | | | | | | | | | | | |
| RETIRED REGISTRATION CATEGORIES | | | | | | | | | | | | | | | | | | | | | | | | | |
| SM – Securities Manager | | | | | | | | | | | | | | | | | | | | | | | | | |

EXCHANGE-SPECIFIC REGISTRATION CATEGORIES

| | FINRA | NYSE | NYSE-AMER | NYSE-ARCA | NYSE-CHI | NYSE-NAT | CBOE | CBOE C2 | CBOE BYX | CBOE BZX | CBOE EDGA | CBOE EDGX | NOX | BX | ISE | ISE GEMX | ISE MRX | PHLX | MIA X EMERALD | MIA X OPTIONS | MIA X PEARL | BOX | IEX | LTSE | MEMX |
|---|-------|------|-----------|-----------|----------|----------|------|---------|----------|----------|-----------|-----------|-----|----|-----|----------|---------|------|---------------|---------------|-------------|-----|-----|------|------|
| REGISTRATION CATEGORIES | | | | | | | | | | | | | | | | | | | | | | | | | |
| AP – Approved Person | | | | | | | | | | | | | | | | | | | | | | | | | |
| CF – Compliance Official Specialist | | | | | | | | | | | | | | | | | | | | | | | | | |
| FE – Floor Employee | | | | | | | | | | | | | | | | | | | | | | | | | |
| LE – Securities Lending Representative | | | | | | | | | | | | | | | | | | | | | | | | | |
| LS – Securities Lending Supervisor | | | | | | | | | | | | | | | | | | | | | | | | | |
| ME - Member Exchange | | | | | | | | | | | | | | | | | | | | | | | | | |
| MT – Market Maker Authorized Trader-Equities | | | | | | | | | | | | | | | | | | | | | | | | | |
| OM – Options Member (S57TO) | | | | | | | | | | | | | | | | | | | | | | | | | |
| CT – Securities Trader Compliance Officer (S14) | | | | | | | | | | | | | | | | | | | | | | | | | |
| FL – Floor Clerk – Equities (S19) | | | | | | | | | | | | | | | | | | | | | | | | | |

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|-------------------------|--------------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

5. JURISDICTION REGISTRATIONS

Check appropriate *jurisdiction(s)* for broker-dealer agent (AG) and/or investment adviser representative (RA) registration requests.

| JURISDICTION | AG | RA | JURISDICTION | AG | RA | JURISDICTION | AG | RA | JURISDICTION | AG | RA |
|----------------------|--------------------------|--------------------------|---------------|--------------------------|--------------------------|----------------|--------------------------|--------------------------|----------------|--------------------------|--------------------------|
| Alabama | <input type="checkbox"/> | <input type="checkbox"/> | Illinois | <input type="checkbox"/> | <input type="checkbox"/> | Montana | <input type="checkbox"/> | <input type="checkbox"/> | Puerto Rico | <input type="checkbox"/> | <input type="checkbox"/> |
| Alaska | <input type="checkbox"/> | <input type="checkbox"/> | Indiana | <input type="checkbox"/> | <input type="checkbox"/> | Nebraska | <input type="checkbox"/> | <input type="checkbox"/> | Rhode Island | <input type="checkbox"/> | <input type="checkbox"/> |
| Arizona | <input type="checkbox"/> | <input type="checkbox"/> | Iowa | <input type="checkbox"/> | <input type="checkbox"/> | Nevada | <input type="checkbox"/> | <input type="checkbox"/> | South Carolina | <input type="checkbox"/> | <input type="checkbox"/> |
| Arkansas | <input type="checkbox"/> | <input type="checkbox"/> | Kansas | <input type="checkbox"/> | <input type="checkbox"/> | New Hampshire | <input type="checkbox"/> | <input type="checkbox"/> | South Dakota | <input type="checkbox"/> | <input type="checkbox"/> |
| California | <input type="checkbox"/> | <input type="checkbox"/> | Kentucky | <input type="checkbox"/> | <input type="checkbox"/> | New Jersey | <input type="checkbox"/> | <input type="checkbox"/> | Tennessee | <input type="checkbox"/> | <input type="checkbox"/> |
| Colorado | <input type="checkbox"/> | <input type="checkbox"/> | Louisiana | <input type="checkbox"/> | <input type="checkbox"/> | New Mexico | <input type="checkbox"/> | <input type="checkbox"/> | Texas | <input type="checkbox"/> | <input type="checkbox"/> |
| Connecticut | <input type="checkbox"/> | <input type="checkbox"/> | Maine | <input type="checkbox"/> | <input type="checkbox"/> | New York | <input type="checkbox"/> | <input type="checkbox"/> | Utah | <input type="checkbox"/> | <input type="checkbox"/> |
| Delaware | <input type="checkbox"/> | <input type="checkbox"/> | Maryland | <input type="checkbox"/> | <input type="checkbox"/> | North Carolina | <input type="checkbox"/> | <input type="checkbox"/> | Vermont | <input type="checkbox"/> | <input type="checkbox"/> |
| District of Columbia | <input type="checkbox"/> | <input type="checkbox"/> | Massachusetts | <input type="checkbox"/> | <input type="checkbox"/> | North Dakota | <input type="checkbox"/> | <input type="checkbox"/> | Virgin Islands | <input type="checkbox"/> | <input type="checkbox"/> |
| Florida | <input type="checkbox"/> | <input type="checkbox"/> | Michigan | <input type="checkbox"/> | <input type="checkbox"/> | Ohio | <input type="checkbox"/> | <input type="checkbox"/> | Virginia | <input type="checkbox"/> | <input type="checkbox"/> |
| Georgia | <input type="checkbox"/> | <input type="checkbox"/> | Minnesota | <input type="checkbox"/> | <input type="checkbox"/> | Oklahoma | <input type="checkbox"/> | <input type="checkbox"/> | Washington | <input type="checkbox"/> | <input type="checkbox"/> |
| Hawaii | <input type="checkbox"/> | <input type="checkbox"/> | Mississippi | <input type="checkbox"/> | <input type="checkbox"/> | Oregon | <input type="checkbox"/> | <input type="checkbox"/> | West Virginia | <input type="checkbox"/> | <input type="checkbox"/> |
| Idaho | <input type="checkbox"/> | <input type="checkbox"/> | Missouri | <input type="checkbox"/> | <input type="checkbox"/> | Pennsylvania | <input type="checkbox"/> | <input type="checkbox"/> | Wisconsin | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | | | | | Wyoming | <input type="checkbox"/> | <input type="checkbox"/> |

AGENT OF THE ISSUER REGISTRATION (AI) Indicate 2 letter *jurisdiction* code(s): _____

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

6. REGISTRATION REQUESTS WITH AFFILIATED FIRMS

Will applicant maintain registration with firm(s) under common ownership or control with the filing firm? Yes No
 If "yes", fill in the details to indicate a request for registration with additional firm(s).
 If the individual seeks registration with firm(s) affiliated with the filing firm, complete the following to make a request for registration with the additional affiliated firm(s) other than the filing firm.

| | |
|------------------------|---|
| AFFILIATED FIRM CRD #: | AFFILIATED FIRM NAME: |
| EMPLOYMENT DATE: | Do you have an independent contractor relationship with the above named firm?: <input type="radio"/> Yes <input type="radio"/> No |

AFFILIATED FIRM BILLING CODE:

Office of Employment Address:

| | | | | | | |
|--------------------------------------|---------------|--------------------|--------------------|---------------------------------------|-------------|-----------|
| <input type="radio"/> Registered | CRD BRANCH #: | NYSE BRANCH CODE#: | FIRM BILLING CODE: | <input type="radio"/> Located At | START DATE: | END DATE: |
| <input type="radio"/> Non-Registered | | | | <input type="radio"/> Supervised From | | |

OFFICE OF EMPLOYMENT ADDRESS STREET 1: CITY: STATE:

OFFICE OF EMPLOYMENT ADDRESS STREET 2: COUNTRY: POSTAL CODE:

Private Residence Check Box: If the Office of Employment address is a private residence, check this box.

| | | | | | | |
|--------------------------------------|---------------|--------------------|--------------------|---------------------------------------|-------------|-----------|
| <input type="radio"/> Registered | CRD BRANCH #: | NYSE BRANCH CODE#: | FIRM BILLING CODE: | <input type="radio"/> Located At | START DATE: | END DATE: |
| <input type="radio"/> Non-Registered | | | | <input type="radio"/> Supervised From | | |

OFFICE OF EMPLOYMENT ADDRESS STREET 1: CITY: STATE:

OFFICE OF EMPLOYMENT ADDRESS STREET 2: COUNTRY: POSTAL CODE:

Private Residence Check Box: If the Office of Employment address is a private residence, check this box.

| | | | | | | |
|--------------------------------------|---------------|--------------------|--------------------|---------------------------------------|-------------|-----------|
| <input type="radio"/> Registered | CRD BRANCH #: | NYSE BRANCH CODE#: | FIRM BILLING CODE: | <input type="radio"/> Located At | START DATE: | END DATE: |
| <input type="radio"/> Non-Registered | | | | <input type="radio"/> Supervised From | | |

OFFICE OF EMPLOYMENT ADDRESS STREET 1: CITY: STATE:

OFFICE OF EMPLOYMENT ADDRESS STREET 2: COUNTRY: POSTAL CODE:

Private Residence Check Box: If the Office of Employment address is a private residence, check this box.

Check here to request the same SRO and jurisdiction registrations for this affiliated firm that are requested on this application for the filing firm.

Check here to request different SRO and jurisdiction registrations than requested on this application for your filing firm.

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

AFFILIATED FIRM FINGERPRINT INFORMATION

Electronic Filing Representation

- By selecting this option, I represent that I am submitting, have submitted, or promptly will submit to the appropriate SRO a fingerprint card as required under applicable SRO rules; or
Fingerprint card barcode _____
- By selecting this option, I represent that I have been employed continuously by the *affiliated firm* since the last submission of a fingerprint card to CRD and am not required to resubmit a fingerprint card at this time; or,
- I am not required to submit a fingerprint card at this time because the fingerprint card submitted by the *filing firm* applies; or,
- By selecting this option, I represent that I have been employed continuously by the *affiliated firm* and my fingerprints have been processed by an SRO other than FINRA. I am submitting, have submitted, or promptly will submit the processed results for posting to CRD.

Exceptions to the Fingerprint Requirement

- By selecting one or more of the following two options, I affirm that I am exempt from the federal fingerprint requirement because *filing firm* currently satisfy(ies) the requirements of at least one of the permissive exemptions indicated below pursuant to Rule 17f-2 under the Securities Exchange Act of 1934, including any notice or application requirements specified therein:
 - Rule 17f-2(a)(1)(i)
 - Rule 17f-2(a)(1)(iii)

Investment Adviser Representative Only Applicants

- I affirm that I am applying only as an investment adviser representative and that I am not also applying or have not also applied with this *firm* to become a broker-dealer representative. If this radio button/box is selected, continue below.
 - I am applying for registration only in *jurisdictions* that do not have fingerprint card filing requirements, or
 - I am applying for registration in *jurisdictions* that have fingerprint card filing requirements and I am submitting, have submitted, or promptly will submit the appropriate fingerprint card directly to the *jurisdictions* for processing pursuant to applicable *jurisdiction* rules.

7. EXAMINATION REQUESTS

Scheduling or Rescheduling Examinations. Complete this section only if you are scheduling or rescheduling an examination or continuing education session. Do not select the Series 63 (S63) or Series 65 (S65) examinations in this section if you have completed Section 5 (JURISDICTION REGISTRATION) and have selected registration in a *jurisdiction*. If you have completed Section 5 (JURISDICTION REGISTRATION), and requested an AG registration in a *jurisdiction* that requires that you pass the S63 examination, an S63 examination will be automatically scheduled for you upon submission of this Form U4. If you have completed Section 5 (JURISDICTION REGISTRATION), and requested an RA registration in a *jurisdiction* that requires that you pass the S65 examination, an S65 examination will be automatically scheduled for you upon submission of this Form U4.

| | | | | | | | |
|-------------------------------|--------------------------------|------------------------------|--------------------------------|--------------------------------|--|--|--|
| <input type="checkbox"/> SIE | <input type="checkbox"/> S16 | <input type="checkbox"/> S30 | <input type="checkbox"/> S52TO | <input type="checkbox"/> S79TO | | | |
| <input type="checkbox"/> S3 | <input type="checkbox"/> S22TO | <input type="checkbox"/> S31 | <input type="checkbox"/> S53 | <input type="checkbox"/> S82TO | | | |
| <input type="checkbox"/> S4 | <input type="checkbox"/> S23 | <input type="checkbox"/> S32 | <input type="checkbox"/> S54 | <input type="checkbox"/> S86 | | | |
| <input type="checkbox"/> S6TO | <input type="checkbox"/> S24 | <input type="checkbox"/> S34 | <input type="checkbox"/> S57TO | <input type="checkbox"/> S87 | | | |
| <input type="checkbox"/> S7TO | <input type="checkbox"/> S26 | <input type="checkbox"/> S39 | <input type="checkbox"/> S63 | <input type="checkbox"/> S99TO | | | |
| <input type="checkbox"/> S9 | <input type="checkbox"/> S27 | <input type="checkbox"/> S50 | <input type="checkbox"/> S65 | <input type="checkbox"/> S101 | | | |
| <input type="checkbox"/> S10 | <input type="checkbox"/> S28 | <input type="checkbox"/> S51 | <input type="checkbox"/> S66 | <input type="checkbox"/> S201 | | | |
| <input type="checkbox"/> S14 | | | | | | | |

Other _____ (Paper Form Only)

OPTIONAL: Foreign Exam City _____ Date (MM/DD/YYYY) _____

If you have taken an exam prior to registering through the CRD system enter the exam type and date taken.

Exam type: _____ Date taken (MM/DD/YYYY): _____

8. PROFESSIONAL DESIGNATIONS

| | | |
|--|--|--|
| Select each designation you currently maintain. | | |
| <input type="checkbox"/> Certified Financial Planner | <input type="checkbox"/> Chartered Financial Consultant (ChFC) | <input type="checkbox"/> Personal Financial Specialist (PFS) |
| <input type="checkbox"/> Chartered Financial Analyst (CFA) | <input type="checkbox"/> Chartered Investment Counselor (CIC) | |

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

9. IDENTIFYING INFORMATION/NAME CHANGE

| | | | |
|-----------------------------|--------------------------|-------------------|---|
| FIRST NAME: | MIDDLE NAME: | LAST NAME: | SUFFIX: |
| DATE OF BIRTH (MM/DD/YYYY): | STATE/PROVINCE OF BIRTH: | COUNTRY OF BIRTH: | SEX: <input type="radio"/> Male <input type="radio"/> Female |
| HEIGHT (FT): | HEIGHT (IN): | WEIGHT (LBS): | HAIR COLOR: EYE COLOR: |

10. OTHER NAMES

Enter all other names that you have used or are using, or by which you are known or have been known, other than your legal name, since the age of 18. This field should include, for example, nicknames, aliases, and names used before or after marriage.

| | | | |
|-------------|--------------|------------|---------|
| FIRST NAME: | MIDDLE NAME: | LAST NAME: | SUFFIX: |
| FIRST NAME: | MIDDLE NAME: | LAST NAME: | SUFFIX: |

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

11. RESIDENTIAL HISTORY

Starting with the current address, give all addresses for the past 5 years. Report changes as they occur.

| | | | |
|----------------|--------------|------------------|------------------|
| FROM (MM/YYYY) | TO (MM/YYYY) | STREET ADDRESS 1 | STREET ADDRESS 2 |
| CITY | STATE | COUNTRY | POSTAL CODE |
| FROM (MM/YYYY) | TO (MM/YYYY) | STREET ADDRESS 1 | STREET ADDRESS 2 |
| CITY | STATE | COUNTRY | POSTAL CODE |
| FROM (MM/YYYY) | TO (MM/YYYY) | STREET ADDRESS 1 | STREET ADDRESS 2 |
| CITY | STATE | COUNTRY | POSTAL CODE |
| FROM (MM/YYYY) | TO (MM/YYYY) | STREET ADDRESS 1 | STREET ADDRESS 2 |
| CITY | STATE | COUNTRY | POSTAL CODE |
| FROM (MM/YYYY) | TO (MM/YYYY) | STREET ADDRESS 1 | STREET ADDRESS 2 |
| CITY | STATE | COUNTRY | POSTAL CODE |
| FROM (MM/YYYY) | TO (MM/YYYY) | STREET ADDRESS 1 | STREET ADDRESS 2 |
| CITY | STATE | COUNTRY | POSTAL CODE |
| FROM (MM/YYYY) | TO (MM/YYYY) | STREET ADDRESS 1 | STREET ADDRESS 2 |
| CITY | STATE | COUNTRY | POSTAL CODE |
| FROM (MM/YYYY) | TO (MM/YYYY) | STREET ADDRESS 1 | STREET ADDRESS 2 |
| CITY | STATE | COUNTRY | POSTAL CODE |
| FROM (MM/YYYY) | TO (MM/YYYY) | STREET ADDRESS 1 | STREET ADDRESS 2 |
| CITY | STATE | COUNTRY | POSTAL CODE |
| FROM (MM/YYYY) | TO (MM/YYYY) | STREET ADDRESS 1 | STREET ADDRESS 2 |
| CITY | STATE | COUNTRY | POSTAL CODE |
| FROM (MM/YYYY) | TO (MM/YYYY) | STREET ADDRESS 1 | STREET ADDRESS 2 |
| CITY | STATE | COUNTRY | POSTAL CODE |
| FROM (MM/YYYY) | TO (MM/YYYY) | STREET ADDRESS 1 | STREET ADDRESS 2 |
| CITY | STATE | COUNTRY | POSTAL CODE |
| FROM (MM/YYYY) | TO (MM/YYYY) | STREET ADDRESS 1 | STREET ADDRESS 2 |
| CITY | STATE | COUNTRY | POSTAL CODE |
| FROM (MM/YYYY) | TO (MM/YYYY) | STREET ADDRESS 1 | STREET ADDRESS 2 |
| CITY | STATE | COUNTRY | POSTAL CODE |

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

12. EMPLOYMENT HISTORY

Provide complete employment history for the past 10 years. Include the *firm(s)* noted in Section 1 (GENERAL INFORMATION) and Section 6 (REGISTRATION REQUESTS WITH AFFILIATED FIRMS). Include all *firm(s)* from Section 3 (REGISTRATION WITH UNAFFILIATED FIRMS). Account for all time including full and part-time employments, self-employment, military service, and homemaking. Also include statuses such as unemployed, full-time education, extended travel, or other similar statuses.

Report changes as they occur.

| | | | |
|----------------|--------------|--|---------------|
| FROM (MM/YYYY) | TO (MM/YYYY) | NAME OF FIRM OR COMPANY | CITY |
| STATE | COUNTRY | INVESTMENT-RELATED BUSINESS? <input type="radio"/> Yes <input type="radio"/> No | POSITION HELD |
| FROM (MM/YYYY) | TO (MM/YYYY) | NAME OF FIRM OR COMPANY | CITY |
| STATE | COUNTRY | INVESTMENT-RELATED BUSINESS? <input type="radio"/> Yes <input type="radio"/> No | POSITION HELD |
| FROM (MM/YYYY) | TO (MM/YYYY) | NAME OF FIRM OR COMPANY | CITY |
| STATE | COUNTRY | INVESTMENT-RELATED BUSINESS? <input type="radio"/> Yes <input type="radio"/> No | POSITION HELD |
| FROM (MM/YYYY) | TO (MM/YYYY) | NAME OF FIRM OR COMPANY | CITY |
| STATE | COUNTRY | INVESTMENT-RELATED BUSINESS? <input type="radio"/> Yes <input type="radio"/> No | POSITION HELD |
| FROM (MM/YYYY) | TO (MM/YYYY) | NAME OF FIRM OR COMPANY | CITY |
| STATE | COUNTRY | INVESTMENT-RELATED BUSINESS? <input type="radio"/> Yes <input type="radio"/> No | POSITION HELD |
| FROM (MM/YYYY) | TO (MM/YYYY) | NAME OF FIRM OR COMPANY | CITY |
| STATE | COUNTRY | INVESTMENT-RELATED BUSINESS? <input type="radio"/> Yes <input type="radio"/> No | POSITION HELD |
| FROM (MM/YYYY) | TO (MM/YYYY) | NAME OF FIRM OR COMPANY | CITY |
| STATE | COUNTRY | INVESTMENT-RELATED BUSINESS? <input type="radio"/> Yes <input type="radio"/> No | POSITION HELD |
| FROM (MM/YYYY) | TO (MM/YYYY) | NAME OF FIRM OR COMPANY | CITY |
| STATE | COUNTRY | INVESTMENT-RELATED BUSINESS? <input type="radio"/> Yes <input type="radio"/> No | POSITION HELD |
| FROM (MM/YYYY) | TO (MM/YYYY) | NAME OF FIRM OR COMPANY | CITY |
| STATE | COUNTRY | INVESTMENT-RELATED BUSINESS? <input type="radio"/> Yes <input type="radio"/> No | POSITION HELD |
| FROM (MM/YYYY) | TO (MM/YYYY) | NAME OF FIRM OR COMPANY | CITY |
| STATE | COUNTRY | INVESTMENT-RELATED BUSINESS? <input type="radio"/> Yes <input type="radio"/> No | POSITION HELD |
| FROM (MM/YYYY) | TO (MM/YYYY) | NAME OF FIRM OR COMPANY | CITY |
| STATE | COUNTRY | INVESTMENT-RELATED BUSINESS? <input type="radio"/> Yes <input type="radio"/> No | POSITION HELD |
| FROM (MM/YYYY) | TO (MM/YYYY) | NAME OF FIRM OR COMPANY | CITY |
| STATE | COUNTRY | INVESTMENT-RELATED BUSINESS? <input type="radio"/> Yes <input type="radio"/> No | POSITION HELD |
| FROM (MM/YYYY) | TO (MM/YYYY) | NAME OF FIRM OR COMPANY | CITY |
| STATE | COUNTRY | INVESTMENT-RELATED BUSINESS? <input type="radio"/> Yes <input type="radio"/> No | POSITION HELD |

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

13. OTHER BUSINESS

Are you currently engaged in any other business either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise? (Please exclude non *investment-related* activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.) If YES, please provide the following details: the name of the other business, whether the business is *investment-related*, the address of the other business, the nature of the other business, your position, title, or relationship with the other business, the start date of your relationship, the approximate number of hours/month you devote to the other business, the number of hours you devote to the other business during securities trading hours, and briefly describe your duties relating to the other business.

Yes No

If "Yes," please enter details below.

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

14. DISCLOSURE QUESTIONS

IF THE ANSWER TO ANY OF THE FOLLOWING QUESTIONS IS 'YES', COMPLETE DETAILS OF ALL EVENTS OR PROCEEDINGS ON APPROPRIATE DRP(S)

REFER TO THE EXPLANATION OF TERMS SECTION OF FORM U4 INSTRUCTIONS FOR EXPLANATIONS OF ITALICIZED TERMS.

| | | YES | NO |
|-------------------------------------|---|-----------------------|-----------------------|
| Criminal Disclosure | | | |
| 14A. | (1) Have you ever: (a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any <i>felony</i> ? (b) been <i>charged</i> with any <i>felony</i> ? | <input type="radio"/> | <input type="radio"/> |
| | (2) Based upon activities that occurred while you exercised control over it, has an organization ever: (a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic or foreign court to any <i>felony</i> ? (b) been <i>charged</i> with any <i>felony</i> ? | <input type="radio"/> | <input type="radio"/> |
| 14B. | (1) Have you ever: (a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign or military court to a <i>misdemeanor involving</i> : investments or an <i>investment-related</i> business or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses? (b) been <i>charged</i> with a <i>misdemeanor</i> specified in 14B(1)(a)? | <input type="radio"/> | <input type="radio"/> |
| | (2) Based upon activities that occurred while you exercised control over it, has an organization ever: (a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic or foreign court to a <i>misdemeanor</i> specified in 14B(1)(a)? (b) been <i>charged</i> with a <i>misdemeanor</i> specified in 14B(1)(a)? | <input type="radio"/> | <input type="radio"/> |
| Regulatory Action Disclosure | | | |
| 14C. | Has the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission ever: (1) <i>found</i> you to have made a false statement or omission? (2) <i>found</i> you to have been <i>involved</i> in a violation of its regulations or statutes? (3) <i>found</i> you to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted? (4) entered an <i>order</i> against you in connection with <i>investment-related</i> activity? (5) imposed a civil money penalty on you, or <i>ordered</i> you to cease and desist from any activity? (6) <i>found</i> you to have 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 <i>found</i> you to have been unable to comply with any provision of such Act, rule or regulation? (7) <i>found</i> you to have 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? (8) <i>found</i> you to have failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation 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? | <input type="radio"/> | <input type="radio"/> |
| 14D. | (1) Has any other Federal regulatory agency or any state regulatory agency or foreign financial regulatory authority ever: (a) <i>found</i> you to have made a false statement or omission or been dishonest, unfair or unethical? (b) <i>found</i> you to have been <i>involved</i> in a violation of <i>investment-related</i> regulation(s) or statute(s)? (c) <i>found</i> you to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked or restricted? (d) entered an <i>order</i> against you in connection with an <i>investment-related</i> activity? (e) denied, suspended, or revoked your registration or license or otherwise, by <i>order</i> , prevented you from associating with an <i>investment-related</i> business or restricted your activities? | <input type="radio"/> | <input type="radio"/> |

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

14. DISCLOSURE QUESTIONS (CONTINUED)

| | YES | NO |
|--|-----------------------|-----------------------|
| (2) Have you been subject to any <i>final order</i> of a state securities commission (or any agency or office performing like functions), state authority that supervises or examines banks, savings associations, or credit unions, state insurance commission (or any agency or office performing like functions), an appropriate <i>federal banking agency</i> , or the National Credit Union Administration, that: | | |
| (a) bars you from association with an entity regulated by such commission, authority, agency, or officer, or from engaging in the business of securities, insurance, banking, savings association activities, or credit union activities; or | <input type="radio"/> | <input type="radio"/> |
| (b) constitutes a <i>final order</i> based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? | <input type="radio"/> | <input type="radio"/> |
| 14E. Has any self-regulatory organization ever: | | |
| (1) found you to have made a false statement or omission? | <input type="radio"/> | <input type="radio"/> |
| (2) found you to have been involved in a violation of its rules (other than a violation designated as a "minor rule violation" under a plan approved by the U.S. Securities and Exchange Commission)? | <input type="radio"/> | <input type="radio"/> |
| (3) found you to have been the cause of an investment-related business having its authorization to do business denied, suspended, revoked or restricted? | <input type="radio"/> | <input type="radio"/> |
| (4) disciplined you by expelling or suspending you from membership, barring or suspending your association with its members, or restricting your activities? | <input type="radio"/> | <input type="radio"/> |
| (5) found you to have 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 found you to have been unable to comply with any provision of such Act, rule or regulation? | <input type="radio"/> | <input type="radio"/> |
| (6) found you to have 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? | <input type="radio"/> | <input type="radio"/> |
| (7) found you to have failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation 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? | <input type="radio"/> | <input type="radio"/> |
| 14F. Have you ever had an authorization to act as an attorney, accountant or federal contractor that was revoked or suspended? | <input type="radio"/> | <input type="radio"/> |
| 14G. Have you been notified, in writing, that you are now the subject of any: | | |
| (1) regulatory complaint or proceeding that could result in a "yes" answer to any part of 14C, D or E? (If "yes", complete the Regulatory Action Disclosure Reporting Page.) | <input type="radio"/> | <input type="radio"/> |
| (2) investigation that could result in a "yes" answer to any part of 14A, B, C, D or E? (If "yes", complete the Investigation Disclosure Reporting Page.) | <input type="radio"/> | <input type="radio"/> |
| Civil Judicial Disclosure | YES | NO |
| 14H. (1) Has any domestic or foreign court ever: | | |
| (a) enjoined you in connection with any investment-related activity? | <input type="radio"/> | <input type="radio"/> |
| (b) found that you were involved in a violation of any investment-related statute(s) or regulation(s)? | <input type="radio"/> | <input type="radio"/> |
| (c) dismissed, pursuant to a settlement agreement, an investment-related civil action brought against you by a state or foreign financial regulatory authority? | <input type="radio"/> | <input type="radio"/> |
| (2) Are you named in any pending investment-related civil action that could result in a "yes" answer to any part of 14H(1)? | <input type="radio"/> | <input type="radio"/> |
| Customer Complaint/Arbitration/Civil Litigation Disclosure | YES | NO |
| 14I. (1) Have you ever been named as a respondent/defendant in an investment-related, consumer-initiated arbitration or civil litigation which alleged that you were involved in one or more sales practice violations and which: | | |
| (a) is still pending, or, | <input type="radio"/> | <input type="radio"/> |
| (b) resulted in an arbitration award or civil judgment against you, regardless of amount, or, | <input type="radio"/> | <input type="radio"/> |
| (c) was settled, prior to 05/18/2009, for an amount of \$10,000 or more, or, | <input type="radio"/> | <input type="radio"/> |
| (d) was settled, on or after 05/18/2009, for an amount of \$15,000 or more? | <input type="radio"/> | <input type="radio"/> |

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

14. DISCLOSURE QUESTIONS (CONTINUED)

| | | YES | NO |
|--|---|-----------------------|-----------------------|
| (2) | Have you ever been the subject of an <i>investment-related</i> , consumer-initiated (written or oral) complaint, which alleged that you were <i>involved</i> in one or more <i>sales practice violations</i> , and which: | | |
| | (a) was settled, prior to 05/18/2009, for an amount of \$10,000 or more, or; | <input type="radio"/> | <input type="radio"/> |
| | (b) was settled, on or after 05/18/2009, for an amount of \$15,000 or more? | <input type="radio"/> | <input type="radio"/> |
| (3) | Within the past twenty four (24) months, have you been the subject of an <i>investment-related</i> , consumer-initiated, written complaint, not otherwise reported under question 14I(2) above, which: | | |
| | (a) alleged that you were <i>involved</i> in one or more <i>sales practice violations</i> and contained a claim for compensatory damages of \$5,000 or more (if no damage amount is alleged, the complaint must be reported unless the <i>firm</i> has made a good faith determination that the damages from the alleged conduct would be less than \$5,000), or; | <input type="radio"/> | <input type="radio"/> |
| | (b) alleged that you were <i>involved</i> in forgery, theft, misappropriation or conversion of funds or securities? | <input type="radio"/> | <input type="radio"/> |
| Answer questions (4) and (5) below only for arbitration claims or civil litigation filed on or after 05/18/2009. | | | |
| (4) | Have you ever been the subject of an <i>investment-related</i> , consumer-initiated arbitration claim or civil litigation which alleged that you were <i>involved</i> in one or more <i>sales practice violations</i> , and which: | | |
| | (a) was settled for an amount of \$15,000 or more, or; | <input type="radio"/> | <input type="radio"/> |
| | (b) resulted in an arbitration award or civil judgment against any named respondent(s)/defendant(s), regardless of amount? | <input type="radio"/> | <input type="radio"/> |
| (5) | Within the past twenty four (24) months, have you been the subject of an <i>investment-related</i> , consumer-initiated arbitration claim or civil litigation not otherwise reported under question 14I(4) above, which: | | |
| | (a) alleged that you were <i>involved</i> in one or more <i>sales practice violations</i> and contained a claim for compensatory damages of \$5,000 or more (if no damage amount is alleged, the arbitration claim or civil litigation must be reported unless the <i>firm</i> has made a good faith determination that the damages from the alleged conduct would be less than \$5,000), or; | <input type="radio"/> | <input type="radio"/> |
| | (b) alleged that you were <i>involved</i> in forgery, theft, misappropriation or conversion of funds or securities? | <input type="radio"/> | <input type="radio"/> |
| Termination Disclosure | | YES | NO |
| 14J. | Have you ever voluntarily <i>resigned</i> , been discharged or permitted to <i>resign</i> after allegations were made that accused you of: | | |
| | (1) violating <i>investment-related</i> statutes, regulations, rules, or industry standards of conduct? | <input type="radio"/> | <input type="radio"/> |
| | (2) fraud or the wrongful taking of property? | <input type="radio"/> | <input type="radio"/> |
| | (3) failure to supervise in connection with <i>investment-related</i> statutes, regulations, rules or industry standards of conduct? | <input type="radio"/> | <input type="radio"/> |
| Financial Disclosure | | YES | NO |
| 14K. | Within the past 10 years: | | |
| | (1) have you made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition? | <input type="radio"/> | <input type="radio"/> |
| | (2) based upon events that occurred while you exercised <i>control</i> over it, has an organization made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition? | <input type="radio"/> | <input type="radio"/> |
| | (3) based upon events that occurred while you exercised <i>control</i> over it, has a broker or dealer been the subject of an involuntary bankruptcy petition, or had a trustee appointed, or had a direct payment procedure initiated under the Securities Investor Protection Act? | <input type="radio"/> | <input type="radio"/> |
| 14L. | Has a bonding company ever denied, paid out on, or revoked a bond for you? | <input type="radio"/> | <input type="radio"/> |
| 14M. | Do you have any unsatisfied judgments or liens against you? | <input type="radio"/> | <input type="radio"/> |

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

15. SIGNATURES

Please Read Carefully. All signatures required on this Form U4 filing must be made in this section.

A "signature" includes a manual signature or an electronically transmitted equivalent. For purposes of an electronic form filing, a signature is effected by typing a name in the designated signature field. By typing a name in this field, the signatory acknowledges and represents that the entry constitutes in every way, use, or aspect, his or her legally binding signature.

- 15A. INDIVIDUAL/APPLICANT'S ACKNOWLEDGMENT AND CONSENT This section must be completed on all initial or Temporary Registration form filings.
- 15B. FIRM/APPROPRIATE SIGNATORY REPRESENTATIONS This section must be completed on all initial or Temporary Registration form filings.
- 15C. TEMPORARY REGISTRATION ACKNOWLEDGMENT This section must be completed on Temporary Registration form filings to be able to receive Temporary Registration.
- 15D. INDIVIDUAL/APPLICANT'S AMENDMENT ACKNOWLEDGMENT AND CONSENT This section must be completed on any amendment filing that amends any information in Section 14 (Disclosure Questions) or any Disclosure Reporting Page (DRP).
- 15E. FIRM/APPROPRIATE SIGNATORY AMENDMENT REPRESENTATIONS This section must be completed on all amendment form filings.
- 15F. FIRM/APPROPRIATE SIGNATORY CONCURRENCE This section must be completed to concur with a U4 filing made by another firm (IA/BD) on behalf of an individual that is also registered with that other firm (IA/BD).

15A. INDIVIDUAL/APPLICANT'S ACKNOWLEDGEMENT AND CONSENT

1. I swear or affirm that I have read and understand the items and instructions on this form and that my answers (including attachments) are true and complete to the best of my knowledge. I understand that I am subject to administrative, civil or criminal penalties if I give false or misleading answers.
2. I apply for registration with the jurisdictions and SROs indicated in Section 4 (SRO REGISTRATION) and Section 5 (JURISDICTION REGISTRATION) as may be amended from time to time and, in consideration of the jurisdictions and SROs receiving and considering my application, I submit to the authority of the jurisdictions and SROs and agree to comply with all provisions, conditions and covenants of the statutes, constitutions, certificates of incorporation, by-laws and rules and regulations of the jurisdictions and SROs as they are or may be adopted, or amended from time to time. I further agree to be subject to and comply with all requirements, rulings, orders, directives and decisions of, and penalties, prohibitions and limitations imposed by the jurisdictions and SROs, subject to right of appeal or review as provided by law.
3. I agree that neither the jurisdictions or SROs nor any person acting on their behalf shall be liable to me for action taken or omitted to be taken in official capacity or in the scope of employment, except as otherwise provided in the statutes, constitutions, certificates of incorporation, by-laws or the rules and regulations of the jurisdictions and SROs.
4. I authorize the jurisdictions, SROs, and the designated entity to give any information they may have concerning me to any employer or prospective employer, any federal, state or municipal agency, or any other SRO and I release the jurisdictions, SROs, and the designated entity, and any person acting on their behalf from any and all liability of whatever nature by reason of furnishing such information.
5. I agree to arbitrate any dispute, claim or controversy that may arise between me and my firm, or a customer, or any other person, that is required to be arbitrated under the rules, constitutions, or by-laws of the SROs indicated in Section 4 (SRO REGISTRATION) as may be amended from time to time and that any arbitration award rendered against me may be entered as a judgment in any court of competent jurisdiction.
6. For the purpose of complying with the laws relating to the offer or sale of securities or commodities or investment advisory activities, I irrevocably appoint the administrator of each jurisdiction indicated in Section 5 (JURISDICTION REGISTRATION) as may be amended from time to time, or such other person designated by law, and the successors in such office, my attorney upon whom may be served any notice, process, pleading, subpoena or other document in any action or proceeding against me arising out of or in connection with the offer or sale of securities or commodities, or investment advisory activities or out of the violation or alleged violation of the laws of such jurisdictions. I consent that any such action or proceeding against me may be commenced in any court of competent jurisdiction and proper venue by service of process upon the appointee as if I were a resident of, and had been lawfully served with process in the jurisdiction. I request that a copy of any notice, process, pleading, subpoena or other document served hereunder be mailed to my current residential address as reflected in this form or any amendment thereto.
7. I consent that the service of any process, pleading, subpoena, or other document in any investigation or administrative proceeding conducted by the SEC, CFTC or a jurisdiction or in any civil action in which the SEC, CFTC or a jurisdiction are plaintiffs, or the notice of any investigation or proceeding by any SRO against the applicant, may be made by personal service or by regular, registered or certified mail or confirmed telegram to me at my most recent business or home address as reflected in this Form U4, or any amendment thereto.

by leaving such documents or notice at such address, or by any other legally permissible means. I further stipulate and agree that any civil action or administrative proceeding instituted by the SEC, CFTC or a jurisdiction may be commenced by the service of process as described herein, and that service of an administrative subpoena shall be effected by such service, and that service as aforesaid shall be taken and held in all courts and administrative tribunals to be valid and binding as if personal service thereof had been made.

8. I authorize all my employers and any other person to furnish to any jurisdiction, SRO, designated entity, employer, prospective employer, or any agent acting on its behalf, any information they have, including without limitation my creditworthiness, character, ability, business activities, educational background, general reputation, history of my employment and, in the case of former employers, complete reasons for my termination. Moreover, I release each employer, former employer and each other person from any and all liability, of whatever nature, by reason of furnishing any of the above information, including that information reported on the Uniform Termination Notice for Securities Industry Registration (Form U5). I recognize that I may be the subject of an investigative consumer report and waive any requirement of notification with respect to any investigative consumer report ordered by any jurisdiction, SRO, designated entity, employer, or prospective employer. I understand that I have the right to request complete and accurate disclosure by the jurisdiction, SRO, designated entity, employer or prospective employer of the nature and scope of the requested investigative consumer report.

9. I understand and certify that the representations in this form apply to all employers with whom I seek registration as indicated in Section 1 (GENERAL INFORMATION) or Section 6 (REGISTRATION REQUESTS WITH AFFILIATED FIRMS) of this form. I agree to update this form by causing an amendment to be filed on a timely basis whenever changes occur to answers previously reported. Further, I represent that, to the extent any information previously submitted is not amended, the information provided in this form is currently accurate and complete.

10. I authorize any employer or prospective employer to file electronically on my behalf any information required in this form or any amendment thereto; I certify that I have reviewed and approved the information to be submitted to any jurisdiction or SRO on this Form U4 Application; I agree that I will review and approve all disclosure information that will be filed electronically on my behalf; I further agree to waive any objection to the admissibility of the electronically filed records in any criminal, civil, or administrative proceeding.

Applicant or applicant's agent has typed applicant's name under this section to attest to the completeness and accuracy of this record. The applicant recognizes that this typed name constitutes, in every way, use or aspect, his or her legally binding signature.

Date (MM/DD/YYYY)

Signature of Applicant

Printed Name

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

15B. FIRM/APPROPRIATE SIGNATORY REPRESENTATIONS

THE FIRM MUST COMPLETE THE FOLLOWING:

To the best of my knowledge and belief, the *applicant* is currently bonded where required, and, at the time of approval, will be familiar with the statutes, constitution(s), rules and by-laws of the agency, *jurisdiction* or *SRO* with which this application is being filed, and the rules governing registered persons, and will be fully qualified for the position for which application is being made herein. I agree that, notwithstanding the approval of such agency, *jurisdiction* or *SRO* which hereby is requested, I will not employ the *applicant* in the capacity stated herein without first receiving the approval of any authority that may be required by law.

This *firm* has communicated with all of the *applicant's* previous employers for the past three years and has documentation on file with the names of the persons contacted and the date of contact. In addition, I have taken appropriate steps to verify the accuracy and completeness of the information contained in and with this application.

I have provided the *applicant* an opportunity to review the information contained herein and the *applicant* has approved this information and signed the Form U4.

Date (MM/DD/YYYY)

Printed Name

Signature of Appropriate Signatory

15C. TEMPORARY REGISTRATION ACKNOWLEDGEMENT

If an *applicant* has been registered in a *jurisdiction* or *self regulatory organization (SRO)* in the 30 days prior to the date an application for registration is filed with the Central Registration Depository or Investment Adviser Registration Depository, he or she may qualify for a Temporary Registration to conduct securities business in that *jurisdiction* or *SRO* if this acknowledgment is executed and filed with the Form U4 at the *applicant's* *firm*.

This acknowledgment must be signed only if the *applicant* intends to apply for a Temporary Registration while the application for registration is under review.

I request a Temporary Registration in each *jurisdiction* and/or *SRO* requested on this Form U4, while my registration with the *jurisdiction(s)* and/or *SRO(s)* requested is under review;

I am requesting a Temporary Registration with the *firm* filing on my behalf for the *jurisdiction(s)* and/or *SRO(s)* noted in Section 4 (SRO REGISTRATION) and/or Section 5 (JURISDICTION REGISTRATION) of this Form U4;

I understand that I may request a Temporary Registration only in those *jurisdiction(s)* and/or *SRO(s)* in which I have been registered with my prior *firm* within the previous 30 days;

I understand that I may not engage in any securities activities requiring registration in a *jurisdiction* and/or *SRO* until I have received notice from the CRD or IARD that I have been granted a Temporary Registration in that *jurisdiction* and/or *SRO*;

I agree that until the Temporary Registration has been replaced by a registration, any *jurisdiction* and/or *SRO* in which I have applied for registration may withdraw the Temporary Registration;

If a *jurisdiction* or *SRO* withdraws my Temporary Registration, my application will then be held pending in that *jurisdiction* and/or *SRO* until its review is complete and the registration is granted or denied, or the application is withdrawn;

I understand and agree that, in the event my Temporary Registration is withdrawn by a *jurisdiction* and/or *SRO*, I must immediately cease any securities activities requiring a registration in that *jurisdiction* and/or *SRO* until it grants my registration;

I understand that by executing this Acknowledgment I am agreeing not to challenge the withdrawal of a Temporary Registration; however, I do not waive any right I may have in any *jurisdiction* and/or *SRO* with respect to any decision by that *jurisdiction* and/or *SRO* to deny my application for registration.

Date (MM/DD/YYYY)

Signature of Applicant

Printed Name

15D. AMENDMENT INDIVIDUAL/APPLICANT'S ACKNOWLEDGEMENT AND CONSENT

Date (MM/DD/YYYY)

Signature of Applicant

Printed Name

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

15E. FIRM/APPROPRIATE SIGNATORY AMENDMENT REPRESENTATIONS

THE FIRM MUST COMPLETE THE FOLLOWING:

| | |
|-------------------|---|
| _____ | _____ |
| Date (MM/DD/YYYY) | Signature of <i>Appropriate Signatory</i> |
| _____ | |
| Printed Name | |

15F. FIRM/APPROPRIATE SIGNATORY CONCURRENCE

By typing an appropriate signatory's name in this field, I swear or affirm that I have reviewed and that I concur with this filing:

| | |
|-------------------|---|
| _____ | _____ |
| Date (MM/DD/YYYY) | Signature of <i>Appropriate Signatory</i> |
| _____ | |
| Printed Name | |

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

ATTACHMENT SHEET

Use this attachment to report continued information.

| SECTION NUMBER | ANSWER |
|----------------|--------|
| | |

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

DISCLOSURE REPORTING PAGES

U4 - BANKRUPTCY/SIPC/COMPROMISE WITH CREDITORS DRP

Rev. DRP (05/2009)

This Disclosure Reporting Page is an INITIAL or AMENDED response to report details for affirmative response(s) to **Question(s) 14K** on Form U4;

Check the question(s) you are responding to, regardless of whether you are answering the question(s) "yes" or amending the answer(s) to "no":

14K(1) 14K(2) 14K(3)

If events result in affirmative answers to both 14K(1) and 14K(2), details to each must be provided on separate DRPs.

1. Action Type (select appropriate item):

- Bankruptcy [Circle one: Chapter 7, Chapter 11, Chapter 13, Other]
- Compromise Declaration Liquidation Receivership Other:

2. Action Date (MM/DD/YYYY) (Provide date bankruptcy was filed, or date SIPC was initiated, or date of compromise with creditor): _____ Exact Explanation
 If not exact, provide explanation:

3. If the financial action relates to an organization over which you exercise(d) control, provide:

- A. Organization Name: _____
- B. Position, title or relationship: _____
- C. Investment-related business? Yes No

4. Court action brought in: Federal Court State Court Foreign Court Other: _____
 A. Name of Court: _____
 B. Location of Court (City or County and State or Country): _____
 C. Docket/Case#: _____
 Check this box if the Docket/Case# is your SSN, a Bank Card number, or a Personal Identification Number.

5. Is action currently pending? Yes No

6. If not pending, provide Disposition Type (select appropriate item):
 Direct Payment Procedure Discharged Dismissed Dissolved SIPA Trustee Appointed
 Satisfied/Released Other: _____

7. Disposition Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

8. If a compromise with creditors, provide:

- A. Name of Creditor: _____
- B. Original amount owed: \$ _____
- C. Terms/Compromise reached with creditor:

9. If a SIPA trustee was appointed or a direct payment procedure was begun:

- A. Provide the amount paid or agreed to be paid by you: \$ _____; or
 The name of the Trustee: _____
- B. Currently Open? Yes No
- C. Date Direct Payment Initiated/Filed or Trustee Appointed
 (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - BANKRUPTCY/SIPC/COMPROMISE WITH CREDITORS DRP (CONTINUED)

Rev. DRP (05/2009)

10. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the action as well as the current status or final disposition. Your information must fit within the space provided.

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - BOND DRP

Rev. DRP (05/2009)

This Disclosure Reporting Page is an INITIAL or AMENDED response to report details for affirmative response(s) to **Question(s) 14L** on Form U4;

Check the question(s) you are responding to, regardless of whether you are answering the question(s) "yes" or amending the answer(s) to "no":

14L

If multiple, unrelated events result in the same affirmative answer, details must be provided on separate DRPs.

1. Firm Name (Policy Holder): _____

2. Bonding Company Name: _____

3. Disposition Type: Denied Payout Revoked

4. Disposition Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation: _____

5. If disposition resulted in Payout:

A. Payout Amount: \$ _____

B. Date Paid (MM/DD/YYYY): _____ Exact Explanation

If not exact, provide explanation: _____

6. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the action as well as the current status or final disposition. Your information must fit within the space provided.

U4 - CIVIL JUDICIAL DRP

Rev. DRP (05/2009)

This Disclosure Reporting Page is an INITIAL or AMENDED response to report details for affirmative response(s) to **Question(s) 14H** on Form U4;

Check the question(s) you are responding to, regardless of whether you are answering the question(s) "yes" or amending

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

the answer(s) to "no":

- 14H(1)(a)
 14H(1)(b)
 14H(1)(c)
 14H(2)

One event may result in more than one affirmative answer to the above items. Use only one DRP to report details related to the same event. Unrelated civil judicial actions must be reported on separate DRPs.

1. Court Action initiated by:
 A. (Select appropriate item):
 SEC
 Other Federal Agency
 Jurisdiction
 Foreign Financial Regulatory Authority
 Firm
 Private Plaintiff
 B. Name of party initiating the proceeding: _____

2. Relief Sought: (select all that apply):
 Cease and Desist
 Injunction
 Restraining Order
 Civil and Administrative Penalty(ies)/Fine(s)
 Monetary Penalty other than Fines
 Other: _____
 Disgorgement
 Restitution

3. A. Filing Date of Court Action (MM/DD/YYYY): _____
 Exact
 Explanation
 If not exact, provide explanation: _____

B. Date notice/process was served (MM/DD/YYYY): _____
 Exact
 Explanation
 If not exact, provide explanation: _____

4. Product Type(s): (select all that apply)
 No Product
 Derivative
 Mutual Fund
 Annuity-Charitable
 Direct Investment-DPP & LP Interest
 Oil & Gas
 Annuity-Fixed
 Equipment Leasing
 Options
 Annuity-Variable
 Equity Listed (Common & Preferred Stock)
 Penny Stock
 Banking Product (other than CD)
 Equity-OTC
 Prime Bank Instrument
 CD
 Futures Commodity
 Promissory Note
 Commodity Option
 Futures-Financial
 Real Estate Security
 Debt-Asset Backed
 Index Option
 Security Futures
 Debt-Corporate
 Insurance
 Unit Investment Trust
 Debt-Government
 Investment Contract
 Viatical Settlement
 Debt-Municipal
 Money Market Fund
 Other: _____

5. Formal Action was brought in:
 Federal Court
 State Court
 Foreign Court
 Military Court
 Other: _____
 A. Name of Court: _____
 B. Location of Court (City or County and State or Country): _____
 C. Docket/Case#: _____

6. Employing Firm when activity occurred which led to the civil judicial action: _____

7. Describe the allegations related to this civil action. (Your information must fit within the space provided.):

8. Current Status?
 Pending
 On Appeal
 Final

9. If pending and any limitations or restrictions are currently in effect, provide details:

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

10. If on appeal:

- A. Action appealed to (provide name of court): _____
- B. Court Location: _____
- C. Docket/Case#: _____
- D. Date appeal filed (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

E. Appeal details (including status):

F. If on Appeal and any limitations or restrictions are currently in effect, provide details:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

11. Resolution Detail:

- A. How was matter resolved? (select appropriate item):
- | | | |
|---------------------------------|---|---------------------------------|
| <input type="radio"/> Consent | <input type="radio"/> Judgment Rendered | <input type="radio"/> Settled |
| <input type="radio"/> Vacated | <input type="radio"/> Vacated Nunc Pro Tunc / ab initio | <input type="radio"/> Dismissed |
| <input type="radio"/> Withdrawn | <input type="radio"/> Other: _____ | |
- B. Resolution Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

12. Sanction Detail:

- A. Were any of the following Sanctions Ordered or Relief Granted? (select all that apply):
- | | |
|--|--|
| <input type="checkbox"/> Civil and Administrative Penalty(ies)/Fine(s) | <input type="checkbox"/> Injunction |
| <input type="checkbox"/> Cease and Desist | <input type="checkbox"/> Monetary Penalty other than fines |
| <input type="checkbox"/> Disgorgement | <input type="checkbox"/> Restitution |
- B. Other Sanctions: _____
- C. If enjoined, provide:

Injunction Details

Registration Capacities Affected (e.g., General Securities Principal, Financial Operations Principal, All Capacities, etc.):

- Duration (length of time): _____ Exact Explanation
 If not exact, provide explanation:
- Start Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:
- End Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - CIVIL JUDICIAL DRP (CONTINUED)

Rev. DRP (05/2009)

Injunction Details

Registration Capacities Affected (e.g., General Securities Principal, Financial Operations Principal, All Capacities, etc.):

Duration (length of time): _____ Exact Explanation
 If not exact, provide explanation:

Start Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

End Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

Injunction Details

Registration Capacities Affected (e.g., General Securities Principal, Financial Operations Principal, All Capacities, etc.):

Duration (length of time): _____ Exact Explanation
 If not exact, provide explanation:

Start Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

End Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

D. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide:

Monetary Related Sanction Details

Monetary Related Sanction Type: Monetary Fine Disgorgement Restitution Other (requires explanation)
 Explanation:

Total Amount: \$ _____
 Portion levied against you: \$ _____
 Date Paid by You (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

Was any portion of penalty waived? Yes No
 If yes, amount: \$ _____

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - CIVIL JUDICIAL DRP (CONTINUED)

Rev. DRP (05/2009)

Monetary Related Sanction Details

Monetary Related Sanction Type: Monetary Fine Disgorgement Restitution Other (requires explanation)
 Explanation:

Total Amount: \$ _____

Portion levied against you: \$ _____

Date Paid by You (MM/DD/YYYY): _____ Exact Explanation

If not exact, provide explanation:

Was any portion of penalty waived? Yes No

If yes, amount: \$ _____

Monetary Related Sanction Details

Monetary Related Sanction Type: Monetary Fine Disgorgement Restitution Other (requires explanation)
 Explanation:

Total Amount: \$ _____

Portion levied against you: \$ _____

Date Paid by You (MM/DD/YYYY): _____ Exact Explanation

If not exact, provide explanation:

Was any portion of penalty waived? Yes No

If yes, amount: \$ _____

13. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the action, as well as the current status or disposition and/or finding(s). Your information must fit within the space provided.

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - CRIMINAL DRP

Rev. DRP (05/2009)

This Disclosure Reporting Page is an INITIAL or AMENDED response to report details for affirmative response(s) to **Question(s) 14A and 14B** on Form U4;

Check the question(s) you are responding to, regardless of whether you are answering the question(s) "yes" or amending the answer(s) to "no":

- 14A(1)(a) 14A(2)(a) 14B(1)(a) 14B(2)(a)
 14A(1)(b) 14A(2)(b) 14B(1)(b) 14B(2)(b)

Use this DRP to report all charges arising out of the same event. One event may result in more than one affirmative answer to the above items. Multiple counts of the same charge arising out of the same event should be reported on the same DRP. Unrelated criminal actions, including separate cases arising out of the same event, must be reported on separate DRPs.

Applicable court documents (i.e., criminal complaint, information or indictment as well as judgment of conviction or sentencing documents) must be provided to the CRD if not previously submitted.

1. If charge(s) were brought against an organization over which you exercise(d) control:

- A. Organization Name: _____
 B. Investment-related business? Yes No
 C. Position, title or relationship: _____

2. Formal action was brought in:

- Federal Court State Court Foreign Court Military Court Other: _____
 A. Name of Court: _____
 B. Location of Court (City or County and State or Country): _____
 C. Docket/Case#: _____

3. Event Status:

- A. Current status of the Event? Pending On Appeal Final
 B. Event Status Date (complete unless status is pending) (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

4. Event and Disposition Disclosure Detail (Use this for both organizational and individual charges.):

- A. Date First Charged (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

B. Event and Disposition Detail:

Charge Details (complete every field for each charge.)

Formal Charge/Description:

No. of Counts: _____

Felony or Misdemeanor: Felony Misdemeanor

Plea for each Charge: _____

Disposition of Charge:

- Acquitted Dismissed Pre-trial Intervention
 Amended Found not guilty Reduced
 Convicted Pled guilty Other (requires explanation)
 Deferred Adjudication Pled not guilty

Explanation:

Date of Amended Charge, if applicable: _____

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - CRIMINAL DRP (CONTINUED)

Rev. DRP (05/2009)

If original charge was amended or reduced, specify new charge (i.e., list amended charge or reduced charge):

No. of Counts (for amended or reduced charge): _____

Specify if amended or reduced charge is a *Felony* or *Misdemeanor*: *Felony* *Misdemeanor* Other: _____

Plea for each amended or reduced charge: _____

Disposition of amended or reduced charge:

- | | | |
|---|--|--|
| <input type="radio"/> Acquitted | <input type="radio"/> Dismissed | <input type="radio"/> Pre-trial Intervention |
| <input type="radio"/> Amended | <input type="radio"/> Found not guilty | <input type="radio"/> Reduced |
| <input type="radio"/> Convicted | <input type="radio"/> Pled guilty | <input type="radio"/> Other (requires explanation) |
| <input type="radio"/> Deferred Adjudication | <input type="radio"/> Pled not guilty | |

Explanation:

Charge Details (complete every field for each charge.)

Formal Charge/Description:

No. of Counts: _____

Felony or *Misdemeanor*: *Felony* *Misdemeanor*

Plea for each Charge: _____

Disposition of Charge:

- | | | |
|---|--|--|
| <input type="radio"/> Acquitted | <input type="radio"/> Dismissed | <input type="radio"/> Pre-trial Intervention |
| <input type="radio"/> Amended | <input type="radio"/> Found not guilty | <input type="radio"/> Reduced |
| <input type="radio"/> Convicted | <input type="radio"/> Pled guilty | <input type="radio"/> Other (requires explanation) |
| <input type="radio"/> Deferred Adjudication | <input type="radio"/> Pled not guilty | |

Explanation:

Date of Amended Charge, if applicable: _____

If original charge was amended or reduced, specify new charge (i.e., list amended charge or reduced charge):

No. of Counts (for amended or reduced charge): _____

Specify if amended or reduced charge is a *Felony* or *Misdemeanor*: *Felony* *Misdemeanor* Other: _____

Plea for each amended or reduced charge: _____

Disposition of amended or reduced charge:

- | | | |
|---|--|--|
| <input type="radio"/> Acquitted | <input type="radio"/> Dismissed | <input type="radio"/> Pre-trial Intervention |
| <input type="radio"/> Amended | <input type="radio"/> Found not guilty | <input type="radio"/> Reduced |
| <input type="radio"/> Convicted | <input type="radio"/> Pled guilty | <input type="radio"/> Other (requires explanation) |
| <input type="radio"/> Deferred Adjudication | <input type="radio"/> Pled not guilty | |

Explanation:

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

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|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - CRIMINAL DRP (CONTINUED)

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Charge Details (complete every field for each charge.)

Formal Charge/Description: _____

No. of Counts: _____

Felony or Misdemeanor:

Felony

Misdemeanor

Plea for each Charge: _____

Disposition of Charge:

Acquitted

Dismissed

Pre-trial Intervention

Amended

Found not guilty

Reduced

Convicted

Pled guilty

Other (requires explanation)

Deferred Adjudication

Pled not guilty

Explanation: _____

Date of Amended Charge, if applicable: _____

If original charge was amended or reduced, specify new charge (i.e., list amended charge or reduced charge): _____

No. of Counts (for amended or reduced charge): _____

Specify if amended or reduced charge is a *Felony or Misdemeanor*.

Felony

Misdemeanor

Other: _____

Plea for each amended or reduced charge: _____

Disposition of amended or reduced charge:

Acquitted

Dismissed

Pre-trial Intervention

Amended

Found not guilty

Reduced

Convicted

Pled guilty

Other (requires explanation)

Deferred Adjudication

Pled not guilty

Explanation: _____

C. Date of Disposition (MM/DD/YYYY): _____

Exact

Explanation

If not exact, provide explanation: _____

D. Sentence/Penalty; Duration (if suspension, probation, etc): Start Date of Penalty: (MM/DD/YYYY); End date of Penalty: (MM/DD/YYYY); If Monetary penalty/fine - Amount paid; Date monetary/penalty fine paid: (MM/DD/YYYY) if not exact, provide explanation.

5. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the charge(s) as well as the current status or final disposition. Your information must fit within the space provided.

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

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|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - CUSTOMER COMPLAINT/ARBITRATION/CIVIL LITIGATION DRP

Rev. DRP (05/2009)

This Disclosure Reporting Page is an INITIAL or AMENDED response to report details for affirmative response(s) to **Question(s) 14I** on Form U4;

Check the question(s) you are responding to, regardless of whether you are answering the question(s) "yes" or amending the answer(s) to "no":

- | | | | | |
|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <input type="checkbox"/> 14I(1)(a) | <input type="checkbox"/> 14I(2)(a) | <input type="checkbox"/> 14I(3)(a) | <input type="checkbox"/> 14I(4)(a) | <input type="checkbox"/> 14I(5)(a) |
| <input type="checkbox"/> 14I(1)(b) | <input type="checkbox"/> 14I(2)(b) | <input type="checkbox"/> 14I(3)(b) | <input type="checkbox"/> 14I(4)(b) | <input type="checkbox"/> 14I(5)(b) |
| <input type="checkbox"/> 14I(1)(c) | | | | |
| <input type="checkbox"/> 14I(1)(d) | | | | |

One matter may result in more than one affirmative answer to the above items. Use a single DRP to report details relating to a particular matter (i.e., a customer complaint/arbitration/CFTC reparation/civil litigation). Use a separate DRP for each matter.

DRP Instructions:

- Complete items 1-6 for all matters (i.e., customer complaints, arbitrations/CFTC reparations and civil litigation in which a customer alleges that you were *involved* in sales practice violations and you are not named as a party, as well as arbitrations/CFTC reparations and civil litigation in which you are named as a party).
- If the matter involves a customer complaint, or an arbitration/CFTC reparation or civil litigation in which a customer alleges that you were *involved* in sales practice violations and you are not named as a party, complete items 7-11 as appropriate.
- If a customer complaint has evolved into an arbitration/CFTC reparation or civil litigation, amend the existing DRP by completing items 9 and 10.
- If the matter involves an arbitration/CFTC reparation in which you are a named party, complete items 12-16, as appropriate. If the matter involves a civil litigation in which you are a named party, complete items 17-23.
- Item 24 is an optional field and applies to all event types (i.e., customer complaint, arbitration/CFTC reparation, civil litigation).

Complete items 1-6 for all matters (i.e., customer complaints, arbitrations/CFTC reparations, civil litigation).

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|--------------------------------------|---|--|------------------------------------|--|--|----------------------------------|---|---|--------------------------------------|--|-------------------------------------|--|-----------------------------|--|--|---|--|---|--|---------------------------------------|---|---|------------------------------------|--|--|--|--|---|--|---------------------------------------|
| 1. Customer Name(s): _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. A. Customer(s) State of Residence (select "not on list" when the customer's residence is a foreign address): _____ B. Other state(s) of residence/detail: _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Employing Firm when activities occurred which led to the customer complaint, arbitration, CFTC reparation or civil litigation: _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Allegation(s) and a brief summary of events related to the allegation(s) including dates when activities leading to the allegation(s) occurred: _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. Product Type(s): (select all that apply) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="0"> <tr> <td><input type="checkbox"/> No Product</td> <td><input type="checkbox"/> Derivative</td> <td><input type="checkbox"/> Mutual Fund</td> </tr> <tr> <td><input type="checkbox"/> Annuity-Charitable</td> <td><input type="checkbox"/> Direct Investment-DPP & LP Interest</td> <td><input type="checkbox"/> Oil & Gas</td> </tr> <tr> <td><input type="checkbox"/> Annuity-Fixed</td> <td><input type="checkbox"/> Equipment Leasing</td> <td><input type="checkbox"/> Options</td> </tr> <tr> <td><input type="checkbox"/> Annuity-Variable</td> <td><input type="checkbox"/> Equity Listed (Common & Preferred Stock)</td> <td><input type="checkbox"/> Penny Stock</td> </tr> <tr> <td><input type="checkbox"/> Banking Product (other than CD)</td> <td><input type="checkbox"/> Equity-OTC</td> <td><input type="checkbox"/> Prime Bank Instrument</td> </tr> <tr> <td><input type="checkbox"/> CD</td> <td><input type="checkbox"/> Futures Commodity</td> <td><input type="checkbox"/> Promissory Note</td> </tr> <tr> <td><input type="checkbox"/> Commodity Option</td> <td><input type="checkbox"/> Futures-Financial</td> <td><input type="checkbox"/> Real Estate Security</td> </tr> <tr> <td><input type="checkbox"/> Debt-Asset Backed</td> <td><input type="checkbox"/> Index Option</td> <td><input type="checkbox"/> Security Futures</td> </tr> <tr> <td><input type="checkbox"/> Debt-Corporate</td> <td><input type="checkbox"/> Insurance</td> <td><input type="checkbox"/> Unit Investment Trust</td> </tr> <tr> <td><input type="checkbox"/> Debt-Government</td> <td><input type="checkbox"/> Investment Contract</td> <td><input type="checkbox"/> Viatical Settlement</td> </tr> <tr> <td><input type="checkbox"/> Debt-Municipal</td> <td><input type="checkbox"/> Money Market Fund</td> <td><input type="checkbox"/> Other: _____</td> </tr> </table> | <input type="checkbox"/> No Product | <input type="checkbox"/> Derivative | <input type="checkbox"/> Mutual Fund | <input type="checkbox"/> Annuity-Charitable | <input type="checkbox"/> Direct Investment-DPP & LP Interest | <input type="checkbox"/> Oil & Gas | <input type="checkbox"/> Annuity-Fixed | <input type="checkbox"/> Equipment Leasing | <input type="checkbox"/> Options | <input type="checkbox"/> Annuity-Variable | <input type="checkbox"/> Equity Listed (Common & Preferred Stock) | <input type="checkbox"/> Penny Stock | <input type="checkbox"/> Banking Product (other than CD) | <input type="checkbox"/> Equity-OTC | <input type="checkbox"/> Prime Bank Instrument | <input type="checkbox"/> CD | <input type="checkbox"/> Futures Commodity | <input type="checkbox"/> Promissory Note | <input type="checkbox"/> Commodity Option | <input type="checkbox"/> Futures-Financial | <input type="checkbox"/> Real Estate Security | <input type="checkbox"/> Debt-Asset Backed | <input type="checkbox"/> Index Option | <input type="checkbox"/> Security Futures | <input type="checkbox"/> Debt-Corporate | <input type="checkbox"/> Insurance | <input type="checkbox"/> Unit Investment Trust | <input type="checkbox"/> Debt-Government | <input type="checkbox"/> Investment Contract | <input type="checkbox"/> Viatical Settlement | <input type="checkbox"/> Debt-Municipal | <input type="checkbox"/> Money Market Fund | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> No Product | <input type="checkbox"/> Derivative | <input type="checkbox"/> Mutual Fund | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Annuity-Charitable | <input type="checkbox"/> Direct Investment-DPP & LP Interest | <input type="checkbox"/> Oil & Gas | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Annuity-Fixed | <input type="checkbox"/> Equipment Leasing | <input type="checkbox"/> Options | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Annuity-Variable | <input type="checkbox"/> Equity Listed (Common & Preferred Stock) | <input type="checkbox"/> Penny Stock | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Banking Product (other than CD) | <input type="checkbox"/> Equity-OTC | <input type="checkbox"/> Prime Bank Instrument | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> CD | <input type="checkbox"/> Futures Commodity | <input type="checkbox"/> Promissory Note | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Commodity Option | <input type="checkbox"/> Futures-Financial | <input type="checkbox"/> Real Estate Security | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Debt-Asset Backed | <input type="checkbox"/> Index Option | <input type="checkbox"/> Security Futures | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Debt-Corporate | <input type="checkbox"/> Insurance | <input type="checkbox"/> Unit Investment Trust | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Debt-Government | <input type="checkbox"/> Investment Contract | <input type="checkbox"/> Viatical Settlement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Debt-Municipal | <input type="checkbox"/> Money Market Fund | <input type="checkbox"/> Other: _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. Alleged Compensatory Damage Amount: \$ _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="radio"/> Exact <input type="radio"/> Explanation (If no damage amount is alleged, the complaint must be reported unless the firm has made a good faith determination that the damages from the alleged conduct would be less than \$5,000): _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

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| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - CUSTOMER COMPLAINT/ARBITRATION/CIVIL LITIGATION DRP (CONTINUED)

Rev. DRP (05/2009)

If the matter involves a customer complaint, arbitration/CFTC reparation or civil litigation in which a customer alleges that you were involved in a sales practice violation and you are not named as a party, complete items 7-11 as appropriate. [Note: Report in items 12-16, or 17-23, as appropriate, only arbitrations/CFTC reparations or civil litigation in which you are named as a party.]

7. A. Is this an oral complaint? Yes No
 B. Is this a written complaint? Yes No
 C. Is this an arbitration/CFTC reparation or civil litigation? Yes No
 If yes, provide:
 i. Arbitration/reparation forum or court name and location: _____
 ii. Docket/Case#: _____
 iii. Filing date of arbitration/CFTC reparation or civil litigation (MM/DD/YYYY): _____
 D. Date received by/served on firm (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

8. Is the complaint, arbitration/CFTC reparation or civil litigation pending? Yes No
 If "No", complete item 9.

9. If the complaint, arbitration/CFTC reparation or civil litigation is not pending, provide status:
 Closed/No Action Withdrawn Denied Settled
 Arbitration Award/Monetary Judgment (for claimants/plaintiffs)
 Arbitration Award/Monetary Judgment (for respondents/defendants)
 Evolved into Arbitration/CFTC reparation (you are a named party)
 Evolved into Civil litigation (you are a named party)

If status is arbitration/CFTC reparation in which you are not a named party, provide details in item 7C.
 If status is arbitration/CFTC reparation in which you are a named party, complete items 12-16.
 If status is civil litigation in which you are a named party, complete items 17-23.

10. Status Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

11. Settlement/Award/Monetary Judgment:
 A. Settlement/Award/Monetary Judgment amount: \$ _____
 B. Your Contribution Amount: \$ _____

If the matter involves an arbitration or CFTC reparation in which you are a named respondent, complete items 12-16, as appropriate.

12. A. Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): _____
 B. Docket/Case#: _____
 C. Date notice/process was served (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

13. Is arbitration/ CFTC reparation pending? Yes No
 If "No", complete item 14.

14. If the arbitration/CFTC reparation is not pending, what was the disposition?
 Award to Applicant (Agent/Representative) Award to Customer Denied Dismissed
 Judgment (other than monetary) No Action Settled Withdrawn
 Other: _____

15. Disposition Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

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|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - CUSTOMER COMPLAINT/ARBITRATION/CIVIL LITIGATION DRP (CONTINUED)

Rev. DRP (05/2009)

16. Monetary Compensation Details (award, settlement, reparation amount):

- A. Total Amount: \$ _____
 B. Your Contribution Amount: \$ _____

If the matter involves a civil litigation in which you are a defendant, complete items 17-23.

17. Court in which case was filed:

- Federal Court State Court Foreign Court Military Court Other: _____

- A. Name of Court: _____
 B. Location of Court (City or County and State or Country): _____
 C. Docket/Case#: _____

18. Date received by/served on firm (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation: _____

19. Is the civil litigation pending? Yes No
 If "No", complete item 20.

20. If the civil litigation is not pending, what was the disposition?

- Denied Dismissed Judgment (other than monetary)
 Monetary Judgment to Applicant (Agent/Representative) Monetary Judgment to Customer
 No Action Settled Withdrawn
 Other: _____

21. Disposition Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation: _____

22. Monetary Compensation Details (judgment, restitution, settlement amount):

- A. Total Amount: \$ _____
 B. Your Contribution Amount: \$ _____

23. If action is currently on appeal:

A. Enter date appeal filed (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation: _____

B. Court appeal filed in:

- Federal Court State Court Foreign Court Military Court Other: _____

- i. Name of Court: _____
 ii. Location of Court (City or County and State or Country): _____
 iii. Docket/Case#: _____

24. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the customer complaint, arbitration/CFTC reparation and/or civil litigation as well as the current status or final disposition(s). Your information must fit within the space provided.

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

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|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - INVESTIGATION DRP

Rev. DRP (05/2009)

This Disclosure Reporting Page is an INITIAL or AMENDED response to report details for affirmative response(s) to **Question(s) 14G(2)** on Form U4;
Check the question(s) you are responding to, regardless of whether you are answering the question(s) "yes" or amending the answer(s) to "no":

14G(2)

Complete this DRP only if you are answering "yes" to Item 14G(2). If you answered "yes" to Item 14G(1), complete the Regulatory Action DRP. If you have been notified that the *investigation* has been concluded without formal action, complete items 4 and 5 of this DRP to update. One event may result in more than one *investigation*. If more than one authority is investigating you, use a separate DRP to provide details.

1. *Investigation* initiated by:

A. Notice Received From (select appropriate item):

SRO Foreign Financial Regulatory Authority Jurisdiction SEC Other Federal Agency

Other: _____

B. Full name of regulator (if other than the SEC) that initiated the *investigation*: _____

2. Notice Date (MM/DD/YYYY): _____

Exact Explanation

If not exact, provide explanation:

3. Describe briefly the nature of the *investigation*, if known. (Your information must fit within the space provided.):

4. Is *investigation* pending? Yes No

If no, complete item 5. If yes, skip to item 6.

5. Resolution Details:

A. Date Closed/Resolved (MM/DD/YYYY): _____ Exact Explanation

If not exact, provide explanation:

B. How was *investigation* resolved? (select appropriate item):

Closed Without Further Action Closed - Regulatory Action Initiated Other: _____

6. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the *investigation*, as well as the current status or final disposition and/or finding(s). Your information must fit within the space provided.

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

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|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - JUDGMENT/LIEN DRP

Rev. DRP (05/2009)

This Disclosure Reporting Page is an INITIAL or AMENDED response to report details for affirmative response(s) to **Question(s) 14M** on Form U4;
Check the question(s) you are responding to, regardless of whether you are answering the question "yes" or amending the answer(s) to "no":

14M

If multiple, unrelated events result in the same affirmative answer, details must be provided on separate DRPs.

| |
|---|
| 1. Judgment/Lien Amount:\$ _____ |
| 2. Judgment/Lien Holder: _____ |
| 3. Judgment/Lien Type: <input type="radio"/> Civil <input type="radio"/> Tax |
| 4. A. Date Filed with Court (MM/DD/YYYY): _____ <input type="radio"/> Exact <input type="radio"/> Explanation If not exact, provide explanation: _____ |
| B. Date individual learned of the Judgment/Lien (MM/DD/YYYY): _____ <input type="radio"/> Exact <input type="radio"/> Explanation If not exact, provide explanation: _____ |
| 5. Court action brought in: <input type="radio"/> Federal Court <input type="radio"/> State Court <input type="radio"/> Foreign Court <input type="radio"/> Other: _____ A. Name of Court: _____ B. Location of Court (City or County <u>and</u> State or Country): _____ C. Docket/Case#: _____ Check this box if the Docket/Case# is your SSN, a Bank Card number, or a Personal Identification Number. |
| 6. Is Judgment/Lien outstanding? <input type="radio"/> Yes <input type="radio"/> No If "No", complete item 7. If "Yes", skip to item 8. |
| 7. If Judgment/Lien is not outstanding, provide: A. Status Date (MM/DD/YYYY): _____ <input type="radio"/> Exact <input type="radio"/> Explanation If not exact, provide explanation: _____ B. How was matter resolved? (select appropriate item): <input type="radio"/> Discharged <input type="radio"/> Released <input type="radio"/> Removed <input type="radio"/> Satisfied |
| 8. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the action as well as the current status or final disposition. Your information must fit within the space provided. |

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - REGULATORY ACTION DRP

Rev. DRP (05/2009)

This Disclosure Reporting Page is an INITIAL or AMENDED response to report details for affirmative response(s) to **Question(s) 14C, 14D, 14E, 14F and 14G(1)** on Form U4;

Check the question(s) you are responding to, regardless of whether you are answering the question(s) "yes" or amending the answer(s) to "no":

- | | | | |
|---------------------------------|------------------------------------|---------------------------------|---------------------------------|
| <input type="checkbox"/> 14C(1) | <input type="checkbox"/> 14D(1)(a) | <input type="checkbox"/> 14E(1) | <input type="checkbox"/> 14F |
| <input type="checkbox"/> 14C(2) | <input type="checkbox"/> 14D(1)(b) | <input type="checkbox"/> 14E(2) | |
| <input type="checkbox"/> 14C(3) | <input type="checkbox"/> 14D(1)(c) | <input type="checkbox"/> 14E(3) | <input type="checkbox"/> 14G(1) |
| <input type="checkbox"/> 14C(4) | <input type="checkbox"/> 14D(1)(d) | <input type="checkbox"/> 14E(4) | |
| <input type="checkbox"/> 14C(5) | <input type="checkbox"/> 14D(1)(e) | <input type="checkbox"/> 14E(5) | |
| <input type="checkbox"/> 14C(6) | <input type="checkbox"/> 14D(2)(a) | <input type="checkbox"/> 14E(6) | |
| <input type="checkbox"/> 14C(7) | <input type="checkbox"/> 14D(2)(b) | <input type="checkbox"/> 14E(7) | |
| <input type="checkbox"/> 14C(8) | | | |

One event may result in more than one affirmative answer to the above items. Use only one DRP to report details to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

1. Regulatory Action initiated by:

A. (Select appropriate item):

- SEC
 Other Federal Agency
 Jurisdiction
 SRO
 CFTC
 Foreign Financial Regulatory Authority
 Federal Banking Agency
 National Credit Union Administration
 Other: _____

B. Full name of regulator (if other than the SEC) that initiated the action: _____

2. Sanction(s) Sought (select all that apply):

- | | | |
|--|--|---------------------------------------|
| <input type="checkbox"/> Bar | <input type="checkbox"/> Cease and Desist | <input type="checkbox"/> Censure |
| <input type="checkbox"/> Civil and Administrative Penalty(ies)/Fine(s) | <input type="checkbox"/> Denial | <input type="checkbox"/> Disgorgement |
| <input type="checkbox"/> Expulsion | <input type="checkbox"/> Monetary Penalty other than Fines | <input type="checkbox"/> Prohibition |
| <input type="checkbox"/> Reprimand | <input type="checkbox"/> Requalification | <input type="checkbox"/> Rescission |
| <input type="checkbox"/> Restitution | <input type="checkbox"/> Revocation | <input type="checkbox"/> Suspension |
| <input type="checkbox"/> Undertaking | <input type="checkbox"/> Other: _____ | |

3. Date Initiated (MM/DD/YYYY): _____

- Exact Explanation

If not exact, provide explanation: _____

4. Docket/Case#: _____

5. Employing Firm when activity occurred which led to the regulatory action: _____

6. Product Type(s) (select all that apply):

- | | | |
|--|---|--|
| <input type="checkbox"/> No Product | <input type="checkbox"/> Derivative | <input type="checkbox"/> Mutual Fund |
| <input type="checkbox"/> Annuity-Charitable | <input type="checkbox"/> Direct Investment-DPP & LP Interest | <input type="checkbox"/> Oil & Gas |
| <input type="checkbox"/> Annuity-Fixed | <input type="checkbox"/> Equipment Leasing | <input type="checkbox"/> Options |
| <input type="checkbox"/> Annuity-Variable | <input type="checkbox"/> Equity Listed (Common & Preferred Stock) | <input type="checkbox"/> Penny Stock |
| <input type="checkbox"/> Banking Product (other than CD) | <input type="checkbox"/> Equity-OTC | <input type="checkbox"/> Prime Bank Instrument |
| <input type="checkbox"/> CD | <input type="checkbox"/> Futures Commodity | <input type="checkbox"/> Promissory Note |
| <input type="checkbox"/> Commodity Option | <input type="checkbox"/> Futures-Financial | <input type="checkbox"/> Real Estate Security |
| <input type="checkbox"/> Debt-Asset Backed | <input type="checkbox"/> Index Option | <input type="checkbox"/> Security Futures |
| <input type="checkbox"/> Debt-Corporate | <input type="checkbox"/> Insurance | <input type="checkbox"/> Unit Investment Trust |
| <input type="checkbox"/> Debt-Government | <input type="checkbox"/> Investment Contract | <input type="checkbox"/> Viatical Settlement |
| <input type="checkbox"/> Debt-Municipal | <input type="checkbox"/> Money Market Fund | <input type="checkbox"/> Other: _____ |

7. Describe the allegations related to this regulatory action. (Your information must fit within the space provided.):

8. Current Status? Pending On Appeal Final

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - REGULATORY ACTION DRP (CONTINUED)

Rev. DRP (05/2009)

9. If pending, are there any limitations or restrictions currently in effect? Yes No

If the answer is 'yes', provide details:

10. If on appeal:

A. Action appealed to:

SEC SRO CFTC Federal Court State Agency or Commission State Court

Other: _____

B. Date appeal filed (MM/DD/YYYY): _____ Exact Explanation

If not exact, provide explanation:

C. Are there any limitations or restrictions currently in effect while on appeal? Yes No

If the answer is 'yes', provide details:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 14 only.

11. Resolution Detail:

A. How was matter resolved? (select appropriate item):

Acceptance, Waiver & Consent (AWC) Consent Decision

Decision & Order of Offer of Settlement Dismissed Order

Settled Stipulation and Consent Vacated

Vacated Nunc Pro Tunc/ab initio Withdrawn

Other: _____

B. Resolution Date (MM/DD/YYYY): _____ Exact Explanation

If not exact, provide explanation:

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

13. Sanction Detail:

A. Were any of the following sanctions ordered? (Select all appropriate items):

- | | | |
|--|--|--|
| <input type="checkbox"/> Bar (Permanent) | <input type="checkbox"/> Bar (Temporary/Time Limited) | <input type="checkbox"/> Cease and Desist |
| <input type="checkbox"/> Censure | <input type="checkbox"/> Civil and Administrative Penalty(ies)/Fine(s) | <input type="checkbox"/> Denial |
| <input type="checkbox"/> Disgorgement | <input type="checkbox"/> Expulsion | <input type="checkbox"/> Letter of Reprimand |
| <input type="checkbox"/> Monetary Penalty other than Fines | <input type="checkbox"/> Prohibition | <input type="checkbox"/> Requalification |
| <input type="checkbox"/> Rescission | <input type="checkbox"/> Restitution | <input type="checkbox"/> Revocation |
| <input type="checkbox"/> Suspension | <input type="checkbox"/> Undertaking | |

B. Other sanctions ordered: _____

C. If suspended or barred, provide:

Sanction Details

Sanction type: Bar (Permanent) Bar (Temporary/Time Limited) Suspension

Registration Capacities affected (e.g., General Securities Principal, Financial Operations Principal, All Capacities, etc.):

Duration (length of time): _____ Exact Explanation

If not exact, provide explanation:

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - REGULATORY ACTION DRP (CONTINUED)

Rev. DRP (05/2009)

Start Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

End Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

Sanction Details

Sanction type: Bar (Permanent) Bar (Temporary/Time Limited) Suspension
 Registration Capacities affected (e.g., General Securities Principal, Financial Operations Principal, All Capacities, etc.):

Duration (length of time): _____ Exact Explanation
 If not exact, provide explanation:

Start Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

End Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

Sanction Details

Sanction type: Bar (Permanent) Bar (Temporary/Time Limited) Suspension
 Registration Capacities affected (e.g., General Securities Principal, Financial Operations Principal, All Capacities, etc.):

Duration (length of time): _____ Exact Explanation
 If not exact, provide explanation:

Start Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

End Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - REGULATORY ACTION DRP (CONTINUED)

Rev. DRP (05/2009)

Is Payment Plan Current? Yes No
 Date Paid by you (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

Was any portion of penalty waived? Yes No
 If yes, amount: \$ _____

Monetary Sanction Details

Monetary Related Sanction Type: Civil and Administrative Penalty(ies)/Fine(s) Disgorgement
 Monetary Penalty other than Fines Restitution
 Total Amount: \$ _____
 Portion Levied against you: \$ _____
 Payment Plan:

Is Payment Plan Current? Yes No
 Date Paid by you (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

Was any portion of penalty waived? Yes No
 If yes, amount: \$ _____

14. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the action as well as the current status or disposition and/or finding(s). Your information must fit within the space provided.

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

| | |
|------------------|-------------------|
| INDIVIDUAL NAME: | INDIVIDUAL CRD #: |
| FIRM NAME: | FIRM CRD #: |

U4 - TERMINATION DRP

Rev. DRP (05/2009)

This Disclosure Reporting Page is an INITIAL or AMENDED response to report details for affirmative response(s) to **Question(s) 14J** on Form U4;

Check the question(s) you are responding to, regardless of whether you are answering the question(s) "yes" or amending the answer(s) to "no":

- 14J(1) 14J(2) 14J(3)

One event may result in more than one affirmative answer to the above items. Use only one DRP to report details related to the same termination. Use a separate DRP for each termination reported.

1. Firm Name: _____

2. Termination Type:
 Discharged Permitted to Resign Voluntary Resignation

3. Termination Date (MM/DD/YYYY): _____ Exact Explanation
 If not exact, provide explanation:

4. Allegation(s):

5. Product Type(s): (select all that apply)

- | | | |
|--|---|--|
| <input type="checkbox"/> No Product | <input type="checkbox"/> Derivative | <input type="checkbox"/> Mutual Fund |
| <input type="checkbox"/> Annuity-Charitable | <input type="checkbox"/> Direct Investment-DPP & LP Interest | <input type="checkbox"/> Oil & Gas |
| <input type="checkbox"/> Annuity-Fixed | <input type="checkbox"/> Equipment Leasing | <input type="checkbox"/> Options |
| <input type="checkbox"/> Annuity-Variable | <input type="checkbox"/> Equity Listed (Common & Preferred Stock) | <input type="checkbox"/> Penny Stock |
| <input type="checkbox"/> Banking Product (other than CD) | <input type="checkbox"/> Equity-OTC | <input type="checkbox"/> Prime Bank Instrument |
| <input type="checkbox"/> CD | <input type="checkbox"/> Futures Commodity | <input type="checkbox"/> Promissory Note |
| <input type="checkbox"/> Commodity Option | <input type="checkbox"/> Futures-Financial | <input type="checkbox"/> Real Estate Security |
| <input type="checkbox"/> Debt-Asset Backed | <input type="checkbox"/> Index Option | <input type="checkbox"/> Security Futures |
| <input type="checkbox"/> Debt-Corporate | <input type="checkbox"/> Insurance | <input type="checkbox"/> Unit Investment Trust |
| <input type="checkbox"/> Debt-Government | <input type="checkbox"/> Investment Contract | <input type="checkbox"/> Viatical Settlement |
| <input type="checkbox"/> Debt-Municipal | <input type="checkbox"/> Money Market Fund | <input type="checkbox"/> Other: _____ |

6. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the termination. Your information must fit within the space provided.

Paul H. Giles - Exhibit D

Background Review FAQs

Frequently Asked Questions

[What do I need to know about the background check before I apply for a license](#)

[How can I make sure I answer the background screening questions on the license application accurately and I can avoid denial of my license](#)

[What happens if I have a criminal conviction on my Record and how it could impact my ability to obtain a license](#)

[What happens if disciplinary proceedings are initiated by CDI](#)

[License background information for non-resident applicants](#)

Would you like to Chat?



What do I need to Know about the Background Check Before I Apply for a License?

1. What kind of background review check does the CDI perform on each application?

Prior to license issuance, the California Department of Insurance (CDI) completes detailed background checks on all license applications. This includes the receipt and review of criminal offender record information (CORI) from the California Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) resulting from the [fingerprints submitted on each applicant](#). The National Association of Insurance Commissioner's (NAIC's) Regulatory Information Retrieval System (RIRS), State Producer Licensing Data Base (SPLD), and Special Activities Data Base (SAD) are also checked for any disciplinary actions.

2. How can an applicant expedite the Licensing Background review?

Answer all background screening questions truthfully and provide all required background documentation at the time of application. The number one reason that an application may be denied is the applicant's failure to accurately disclose their conviction record. Therefore, checking the "Yes" box when appropriate and providing the required information regarding each conviction are the most important things that an applicant can do to avoid unnecessary delays.

3. Why am I being told I must wait 45 days before contacting the Producer Licensing Background Section (PLBS) for a status on my background review?

Many applicants contact PLBS only days after receiving notice that their application has been sent for additional background review. Handling these calls takes considerable time away from the actual background review process. The PLBS staff will contact the applicant directly by letter when they need any additional information.

4. What information should I provide if I contact the Producer Licensing Background Section for a status on my case?

Your full name, the name of the corporate filing (if different from the applicant); return phone number, case number or file number (if known); name of background analyst assigned to the matter (if known).

5. How long will it take for someone in the Producer Licensing Background Section to contact me with a status?

If you leave a message at the PLBS Main line number (916) 492-3650, our staff can usually pull the file and return the call within 24 to 72 hours. However, the time for a return call does fluctuate, depending on our workload and staffing.

Because of the legal nature of our work, and security concerns, we correspond with applicants undergoing background reviews in writing.

6. Can anyone call PLBS for a status on my background review case?

No. Due to confidentiality provisions of law, and DOJ/FBI rules about security of CORI information, it is PLBS's policy to only discuss pending licensing background matters with the applicants undergoing background review. We do not discuss these matters with the applicants' employers so we ask that the employers not contact PLBS for case status checks on their applicants who are undergoing background review. The applicants should contact PLBS directly.

7. Can CDI pre-evaluate my criminal conviction to determine if my conviction would have an impact on licensure before I apply?

No. The CDI does not have the resources to pre-screen applications. Each application must be carefully documented and reviewed before a decision can be made. When reporting convictions, the applicant is required to provide a complete explanation of the underlying circumstances, and certified copy of the court documents. The CDI reviews these applications on a case by case basis to make a determination based on the underlying conduct and documentation provided. In many cases, the underlying arrest report is also obtained and reviewed.

Sections 1668 and 1669 are the California Insurance Code (CIC) sections relied upon most often to deny licensure in most cases. See Question 21 for a link to the Producer Background Review Regulations that are relied upon in determining licensing suitability.

If you have a felony conviction involving dishonesty or breach of trust, you must apply for written consent under Title 18 USC 1033 from the Commissioner before engaging in the business of insurance. [Instructions, applications, and forms for obtaining 1033 consent](#) consent are available on this website.

8. Does the CDI perform background checks after a license is issued?

Yes. CDI also receives subsequent CORI reports on criminal violations and disciplinary actions after licenses are issued. Furthermore, when licenses are renewed, licensees are required to disclose criminal violations and background changes since their last renewal application.

Under [CIC 1729.2](#) licensees also have an ongoing duty to report background changes to CDI. These background change disclosures are reviewed by PLBS to determine if any disciplinary action against the license is warranted.

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How Can I Make Sure I Answer the Background Screening Questions on the License Application Accurately and How Can I Avoid Denial of my License?

9. How can I avoid Denial of my license application?

Answer the background screening questions on your application truthfully and completely. You must read the background screening questions on the application carefully and answer truthfully and completely. Provide all the information being requested at the time you file your application to prevent delays.

Failure to disclose disciplinary actions or crimes which occurred, can be considered an attempt to obtain a license by fraud or misrepresentation and could result in the Denial and/or Delay in processing of your application. Regardless of any advice that may have been received from others, the license applicant is held responsible, under penalty of perjury, for disclosing accurate and complete information.

Carefully review your entire history and provide complete and accurate information. You must provide accurate, complete and detailed background information regarding:

- ◆ Any disciplinary action taken against a business or professional license;
- ◆ Any criminal convictions (except juvenile offenses) (This includes DUIs, reckless driving convictions, driving on a suspended license convictions, misdemeanors, felonies, military offenses, etc.); and
- ◆ Any criminal charges pending at the time you submit your application.

When in doubt disclose. In the event you have one or more offenses to report, please make sure you disclose all convictions regardless of how long ago they occurred, or whether or not a conviction has been dismissed under California Penal Code Section 1203.4 or a similar statute. A clearance of this type does not eliminate all possible adverse consequences or release a person from all "penalties and disabilities" resulting from the charges in the case.

Would you like to Chat?



Warning: The failure to disclose charges/convictions will cause substantial delays in the processing of your application and may result in denial of your license application. Failure to disclose all conviction information falsification of the application which was signed under penalty of perjury and is grounds for denial.

Keep in mind that due to the severity and nature of the criminal history in some instances, the license application can still be denied irregardless of how well the applicant follows instructions in the application process in completing the background questions.

10. What is the definition of "crime" for purposes of answering the licensing background application crime question?

A crime includes a misdemeanor, felony or military offense. You may exclude juvenile offenses. A few examples of offenses which must be disclosed on the license application include, but are not limited to:

- ◆ Driving while under the influence of alcohol or drugs;
- ◆ Driving without a license or while license is suspended;
- ◆ Any criminal charges pending at the time you submit your application;
- ◆ Reckless driving;
- ◆ Hit and Run While Driving a Vehicle;
- ◆ Petty Theft;
- ◆ Shoplifting;
- ◆ Soliciting a Prostitute;

11. What is the definition of a "conviction" for purposes of the licensing background question on the application?

"Conviction" includes, but is not limited to, having ever been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere, having had any charge dismissed or plea withdrawn pursuant to California Penal Code Section 1203.4, or having been given probation, a suspended sentence, or a fine.

You can have a conviction even though you never served jail time and were given probation.

12. What happens if I fail to disclose all or part of my conviction(s) or an arrest resulting in charges being filed?

Failure to disclose all or part of your conviction(s) may be grounds for denial or disciplinary action as you falsified information required on your application for licensure or renewal of licensure. If you do not disclose an arrest resulting in charge being filed and/or resulting conviction, it is likely that your license will be denied or it may be issued subject to a period of probation (i.e. license restriction).

There will be a delay in issuance even if CDI decides to issue the license because applications with false answers are given less priority than those who are truthful and disclose their backgrounds.

13. Do I have to report an arrest on my license application if I was not convicted?

Only if charges were filed do you have to report an arrest. If no charges were filed, you do not have to report an "arrest only." You should check with the court and Police or Arresting Agency to find out if charges were filed before you answer the question on your application for licensure.

14. What happens if I can't obtain certified court documents on my conviction(s)?

You must submit written proof from the court specifying the inability to locate the required documents.

15. Do I have to report a conviction that was expunged (i.e. conviction was sealed, stricken or deleted from official records)?

Yes. Pursuant to California Penal Code Section 1203.4, you are required to report a conviction that was expunged. The law specifies that it does not relieve you from obligation to disclose the conviction in response to any direct question contained in any questionnaire or application for public office, for licensure by any state or local agency.

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What Happens if I Have a Criminal Conviction on my Record? How Could it Impact My Ability to Obtain a License?

16. How does a criminal conviction affect my insurance license application?

The CDI is unable to provide legal advice. The CDI assesses whether or not an individual should hold a license by reference to a number of areas. Those offenses that are substantially related to the qualifications and duties of the licensee are looked at the most closely. One of the more important criteria of our review is the disclosure of the conviction. All information related to an applicant's criminal history is considered such as the seriousness of the crime, the relevance to the current role being held and how long ago it was committed. A conviction that does not, at first glance appear to be substantially related to the qualifications, functions or duties of a licensee, may under closer scrutiny be revealed otherwise.

Section 1669 of the CIC allows CDI to summarily deny or revoke a license based on a criminal conviction for a felony violation of law or prior revocation administration action against a professional license without affording a hearing.

Section 1668 of the CIC allows CDI to deny or revoke a license based on a felony or misdemeanor conviction a hearing afforded to the applicant.

Section 1668 and 1669 are the most common Insurance Code sections relied upon in taking action against a license.

17. Can I get licensed in California if I have a criminal conviction?

You may or may not be granted licensure depending on the circumstances of the case, the length of time since the conviction, and actions you have taken for rehabilitation. If you are currently on probation, especially for a theft, violence, or dishonesty related offense, you may have to wait until the probation is completed before being granted a license. Each case is looked at on a case by case basis and the underlying facts and circumstances are evaluated in each case.

18. How can I get a probationary or "restricted" license issued to me?

In some cases, based on the applicant's criminal record, CDI may offer the applicant a restricted license under section 1742 of the CIC in lieu of denying the applicant because of the criminal conviction or in lieu of taking them to hearing. The restricted license is a fully functioning license that will remain on a probationary status (usually for a minimum of three years). The restricted license can be summarily revoked (i.e. without first holding a hearing) if a subsequent violation of law occurs. Upon the completion of three years under the restricted license with no further violations, the licensee can request to have the restrictions removed.

19. How do I get the restrictions on my insurance license removed?

Send your written request to the Producer Licensing Background Section at 320 Capitol Mall, Sacramento, CA 95814-4309 asking that the restrictions be removed. You can also fax your request to the Producer Licensing Background Section at (916) 323-1512. Your request will then be forwarded to our Legal Department for review. Please note that the normal benchmark for removing restrictions is typically 3-5 years.

20. How does CDI determine which violations are substantially related to the applicant's license or duties of the licensee?

Pursuant to Title 10, California Code of Regulations, Section 2183.2, 2183.3 and 2183.4, for purposes of denial, suspension, revocation, and/or restriction of a license or license application, in addition to matters specifically mentioned by statute as grounds, a crime or act that is substantially related to the qualifications, functions or duties of an insurance licensee includes, but is not limited to, the following:

(a) Any felony;

(b) Any misdemeanor which evidences present or potential unfitness to perform the functions authorized by the license in the manner consistent with the public health, safety, and welfare, including but not limited to soliciting, attempting, or committing crimes involving the following:

(1) Dishonesty or fraud;

(2) Any conviction arising out of acts performed in the business of insurance or any other licensed business or profession;

(3) Theft;

(4) Sexually related conduct affecting a person who is an observer or non-consenting participant in the conduct or convictions, or which requires registration pursuant to the provisions of Section 290 of the California Penal Code;

(5) Resisting, delaying, or obstructing a public officer in violation of California Penal Code Section 148;

(6) Any act or offense wherein the person willfully causes injury to the person or property of another;

OS Received 04/21/2021

- (7) Violation of a relation of trust or confidence, or breach of fiduciary duty;
- (8) Conduct which demonstrates a pattern of repeated and willful disregard of law.
- (9) Any act which demonstrates a willful attempt to derive a personal financial benefit through the nonpayment or underpayment of taxes, assessments, or levies duly imposed upon the licensee or applicant by federal, state or local government or a willful, failure to comply with a court order.

In considering discipline of a licensee or license applicant, the weight to be afforded to a substantially related conviction may be determined by the application of guidelines including, but not limited to the following:

- a) The extent to which the particular act or omission has adversely affected other person(s) or victim(s), including but not limited to, insurers, clients, employers, or other persons and the probability such adverse actions will continue;
- b) The recency or remoteness in time of the act, misconduct, or omission;
- c) The type of license applied for or held by the license applicant involved;
- d) The extenuating or aggravating circumstances surrounding the act, misconduct or omission;
- e) Whether the licensee or applicant has a history or prior license discipline, particularly where the prior discipline is for the same or similar type of conduct.

[Background review regulations](#) are accessible on this website.

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What happens if Disciplinary Proceedings are initiated by CDI?

21. If disciplinary proceedings to deny my application are initiated, what happens?

Process for Hearings:

If a Right to a Hearing is Being Afforded To You: You will receive formal legal notice by mail at your mailing address of record in the form of a "Statement of Issues" setting forth the grounds for denial and that you are being given the opportunity for a hearing via a "Notice of Defense."

In some cases, you may receive a "Special Notice of Defense" allowing you the option to voluntarily consent to a denial of your application and for the issuance of a restricted license, waiving your right to the hearing.

If you have no Right to a Hearing (e.g. such as a case under Section 1669 of the CIC), you will receive a "Summary Order of Denial" officially denying your pending application without right to a hearing. The Summary Order of Application Denial is usually effective in 30 days.

22. Can I represent myself at the Hearing?

Yes. The [Office of Administrative Hearing's web site](#) has information about the process and how you may represent yourself at hearing if you choose to do so.

23. How can I appeal the Denial decision?

Send a written request for reconsideration into the CDI's Legal Division within 30 days of the Final Order setting forth the reasons why you feel the reconsideration should be granted. You should include any and all additional evidence you would like reconsidered. It is important that you not just include the same information previously provided. Examples of the types of evidence to include would include rehabilitation evidence, letters of recommendation, witness statements, etc. You can mail the request to Department of Insurance, Legal Division, 300 Capitol Mall, Suite 1700, Sacramento, CA 95814 or send by Fax to (916) 324-1883.

24. Can I withdraw my application during the licensing background review process?

Yes. At any time you can elect to withdraw your application during the background review process. If your application is withdrawn the CDI will usually elect not to proceed on the matter. You can withdraw your application by sending a written request to the Producer Licensing Background Section at 320 Capitol Mall, Sacramento, CA 95814.

25. Will anyone be notified if my license application is denied by CDI?

Yes. The NAIC Regulatory Information Retrieval System (RIRS) will be notified of the final action and the [final Order of Denial will be published on CDI's public web site](#) for 10 years.

Would you like to Chat?



26. What happens if I do not respond to the PLBS during the background review process?

The CDI can initiate a Default decision against you or cite you for a violation for failure to respond to a CDI inquiry as required under CIC 1736.5. This disciplinary action could become a matter of public record and be reported to NAIC RIRS. As such, you are highly encouraged to respond and not ignore the PLBS.

27. How can I demonstrate rehabilitation?

Applicants are given the opportunity to explain any criminal conviction. You will be asked to do this in writing. In addition to providing any explanation, you may also provide evidence of rehabilitation such as counseling, gainful employment, completion of appropriate rehabilitation programs, letters from probation officers, evidence of completion of 12 step programs, certificates of rehabilitation, etc.

28. If my license is revoked, how long before I can reapply?

You can reapply at any time. However, under CIC 1669, CDI can summarily deny an applicant previously revoked within 5 years of the prior revocation.

29. If my license is revoked or denied can I get my filing fees refunded?

No. All application filing fees are non-refundable.

30. How can I obtain a copy of my own Criminal History Record (Rap sheet)?

You must contact the California Department of Justice for a copy. Instructions for obtaining a copy of your own sheet are contained at the [DOJ' web site](#). The CDI is prohibited from providing you with a copy as a DOJ rule prohibits us from disseminating copies of rap sheets, even to the licensing applicants whose fingerprints are involved.

31. Can I get my felony conviction reduced to a misdemeanor under 17b of the California Penal Code then apply or reapply for licensure?

Yes. You can try reapplying once the felony has been reduced to a misdemeanor. In most cases, a misdemeanor conviction resulting from a felony reduction will be looked at more favorably. Furthermore, a misdemeanor conviction usually entitles you to rights to a hearing, whereas a felony conviction does not in all instances. If the conviction was dishonesty related or recent it may still be a concern though. You may want to consult with an attorney to find out if your felony conviction can be reduced to a misdemeanor, before you apply for licensure.

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Licensing Background Information for Non-Resident Applicants

32. If I am a non-resident applying from another State and I have a criminal history and my home state has already licensed me, does it automatically qualify me for licensure in California?

No. California still conducts a fingerprint based background check on all non-resident applicants. The requirements for licensure and types and elements of crimes differ from State to State. Once uniform standards for underlying criteria for evaluating backgrounds are developed, California may reconsider its position.

33. Does California accept documents from the National Insurance Producer Registry (NIPR) Attachment Warehouse as part of the background review process on non-resident applicants?

Yes. California is a participating State. As long as the applicant is willing to provide certified original copies in the event the matter is taken to hearing or results in disciplinary action where the documents must be introduced as evidence. California is in the process of developing a paperless document submission system for residents to also submit such documents in an electronic format.

34. If California takes action against my non-resident license will they notify NAIC RIRS of the action against my non-resident license?

Yes. California will report the action to NAIC RIRS on your non-resident license. As a result, your home state will find out about the matter if they also check NAIC RIRS.

35. How do I comply with the fingerprint requirements in California as a non-resident applicant?

[Fingerprint instructions for non-residents](#) are on our website. They also explain what to do in the event your fingerprints are delayed.

36. Do the background questions on the NIPR application differ from the background questions on the California application form?

Yes. California's licensing application form requires disclosures pertaining to misdemeanor traffic convictions involving vehicle code violations, such as driving under the influence violations, driving without a license, reckless driving or driving on a suspended license and the NIPR and uniform non-resident applications currently do not.

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require such disclosures for these particular types of criminal convictions. Important: When applying in California, these types of criminal violations of law must be disclosed as part of the background screening review process by non-resident applicants even though the NAIC Uniform applications say they may be excluded.

37. If the Department denies my license based upon information received from the Department of Justice that is not verified by fingerprints what recourse do I have under Penal Code 11105.75(a)(1)?

If your license is denied, Penal Code 11105.75(a) (1) allows you to challenge the identification. You may also appeal the decision on the grounds that you as the applicant are not the person so identified.

The Department nor any of its employees or any requesting agency or entity shall be liable to any applicant for misidentifications made pursuant to this penal code section.

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Paul H. Giles - Exhibit E

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

SECURITIES EXCHANGE ACT OF 1934
Release No. 89121 / June 22, 2020

Admin. Proc. File No. 3-18637

In the Matter of the Application of

GREGORY ACOSTA

For Review of Action Taken by

FINRA

OPINION OF THE COMMISSION

REGISTERED SECURITIES ASSOCIATION — REVIEW OF FINRA ACTION

Former associated person of a FINRA member firm appeals a determination that he is subject to a statutory disqualification. *Held*, the Commission has jurisdiction to review the determination, and the determination is *set aside*.

APPEARANCES:

Richard D'Amura, D'Amura & Zaidman, PLLC, for Gregory Acosta.

Alan Lawhead and Michael M. Smith for FINRA.

Appeal filed: August 13, 2018
Last brief received: May 21, 2019

Gregory Acosta, formerly associated with Kestra Investment Services, LLC, a FINRA member firm, appeals from FINRA action notifying Kestra that Acosta is subject to a “statutory disqualification” under Section 3(a)(39) of the Securities Exchange Act of 1934.¹ FINRA notified Kestra that, as a result of the disqualification, Acosta could not continue to associate with Kestra unless the firm “request[ed] and receive[d]” FINRA’s approval.² Following the filing of his appeal, we directed the parties to submit briefs that addressed our jurisdiction to consider the matter, as well as the merits of the appeal.³ Having considered the parties’ briefs, we hold that because FINRA’s action effectively bars Acosta from associating with any FINRA member we have jurisdiction under Exchange Act Section 19(d).⁴ We further hold that FINRA’s action must be set aside pursuant to Exchange Act Section 19(f).⁵

I. BACKGROUND

A. Acosta settled a proceeding with the California Department of Insurance.

On January 10, 2018, the California Department of Insurance issued an “Accusation” against Acosta and Diamond Bar Executive Benefits Programs & Insurance Services, Inc. (“EBP”), a financial services company. The Accusation alleged that Acosta, EBP’s president, took out a \$750,000 life insurance policy in the name of an elderly customer (the “Customer”) and named EBP as the beneficiary without the Customer’s knowledge. The Accusation also alleged that the Customer had been a “business associate” and “client” of Acosta’s “for numerous years”; that Acosta had a substantial loan from the Customer that “provided a lower interest rate compared to any lender” yet “a better rate of return for” the Customer; and that Acosta was making monthly payments on the loan and paying premiums on the life insurance policy. According to the Accusation, when investigators interviewed the Customer he “could not recall details [on] the loan” or the policy, which were issued “10 years ago.”

The Accusation asserted that based on these allegations “Respondents are subject to discipline . . . for violations of Sections 1668(i) and (j)” of the California Insurance Code. Those sections authorize the California Insurance Commissioner to “deny an application for any license” if “[t]he applicant has previously engaged in a fraudulent practice or act or has conducted any business in a dishonest manner” or if “[t]he applicant has shown incompetency or untrustworthiness in the conduct of any business, or has by commission of a wrongful act or

¹ 15 U.S.C. § 78c(a)(39).

² See generally *Nicholas Savva*, Exchange Act Release No. 72485, 2014 WL 2887272 (Jun. 26, 2014) (providing background regarding statutory disqualifications and FINRA eligibility proceedings through the MC-400 membership continuance application process).

³ See *Gregory Acosta*, Exchange Act Release No. 84165, 2018 WL 4404615 (Sept. 17, 2018); *Gregory Acosta*, Exchange Act Release No. 85257, 2019 WL 1056550 (Mar. 6, 2019).

⁴ 15 U.S.C. § 78s(d).

⁵ 15 U.S.C. § 78s(f).

practice in the course of any business exposed the public or those dealing with him or her to the danger of loss.”⁶ The Accusation also asserted “that Respondents’ actions are violations of California Insurance Code sections 1668.1(a) and (b).” Those sections provide that “cause to suspend or revoke any permanent license” includes the “induce[ment]” of a client “to cosign or make a loan . . . to the licensee” or “to make the licensee . . . a beneficiary of a life insurance policy.”⁷ The Accusation cited provisions that permitted the California Insurance Commissioner to revoke Respondents’ licenses and issue restricted licenses on any ground for which an application could be denied under Section 1668 or suspended or revoked under Section 1668.1.⁸

In response to the Accusation, Acosta denied that his relationship with the Customer was fraudulent. Acosta submitted declarations from the Customer’s family members, attorney, and certified public accountant, which purported to show that the Customer and his family were long-time friends and associates of Acosta; that the Customer had lent money to Acosta and his wife over the years; and that the loan at issue was secured by the building that the loan was financing. All declarants attested that the Customer was aware of and consented to the loan and the life insurance policy at the time. As the Accusation noted, however, when California investigators interviewed the Customer he indicated that he was 87 years old, his “memory was not very good,” and he could not recall the details of the loans or whether he had consented to EBP being a beneficiary on a life insurance policy in his name.

Acosta asserts that, after submitting his declarations, he negotiated and agreed to a Stipulation and Waiver (“Stipulation”) with the California Department of Insurance to resolve the Accusation.⁹ As part of the Stipulation, Acosta and EBP:

Without admitting or denying the allegations contained in [the] Accusation, . . . acknowledge[d] that, if proven to be true and correct, the facts alleged in [the] Accusation are grounds for the discipline, by the Insurance Commissioner of the State of California, of Respondent’s licenses and licensing rights, pursuant to the provisions of the Insurance Code of the State of California referred to in [the] Accusation.

Acosta and EBP also consented to have the California Insurance Commissioner revoke their licenses and licensing rights, and in lieu thereof issue restricted licenses and licensing rights for

⁶ Cal. Ins. Code § 1668(i)-(j).

⁷ *Id.* § 1668.1(a)-(b).

⁸ *See id.* §§ 1738, 1738.5, 1739, 1742.

⁹ Acosta attached various documents related to the settlement with his pleadings. Under Rule of Practice 452, we may allow the submission of additional evidence if we find that it is “material and that there were reasonable grounds for failure to adduce such evidence previously.” 17 C.F.R. § 201.452. The attachments meet this standard, and we admit them.

five years under certain terms. They also agreed to within 30 days “come into compliance with California Insurance Code section 1668.1,” which prohibits a licensee from inducing a client to make a loan to the licensee or naming the licensee as the beneficiary of a life insurance policy.¹⁰ On May 21, 2018, the California Insurance Commissioner entered an order (the “California Order”) adopting the terms of the Stipulation, which it incorporated by reference.

B. FINRA determined that Acosta is subject to a statutory disqualification.

FINRA became aware of the California Order in June 2018, when Kestra disclosed it via an amendment to Acosta’s Uniform Application for Securities Industry Registration (Form U4). Kestra initially reported that it was not a “final order based on any violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct.” But FINRA disagreed and, on July 13, 2018, its Department of Member Regulation sent Kestra a letter (the “SD Notice”) stating that the California Order made Acosta statutorily disqualified under the Exchange Act. The SD Notice, which a FINRA Regulatory Review Analyst sent, stated that “FINRA has determined that Gregory Acosta, a person associated with your firm, is subject to a disqualification as defined in Section 3(a)(39)” of the Exchange Act.¹¹ The SD Notice further stated that “[t]he disqualification arises from the [California] Order” which revoked or restricted his licenses “based on a violation of Section 1668(i) of the California Insurance Code, a law or regulation that prohibits fraudulent, manipulative, or deceptive conduct.”

The SD Notice stated that “[g]enerally, no person who is, or who becomes, subject to a disqualification shall associate, or continue association, with a FINRA member unless the member requests and receives written approval from FINRA . . . referred to as the Membership Continuation process.” That process is initiated by an affected firm filing an MC-400 application with FINRA. The SD Notice directed that, if Kestra did not initiate the MC-400 application process, it “should immediately terminate its association with [Acosta], and notify FINRA in writing . . . of the termination by August 1, 2018.”

Kestra declined to submit the MC-400 application and, in accordance with FINRA’s instruction, terminated Acosta’s association with the firm.¹² Acosta’s counsel communicated with FINRA’s Associate Director of Regulatory Review by exchanging documents and raising grounds for why the California Order was not based on violations of laws or regulations prohibiting fraudulent, manipulative, or deceptive conduct. FINRA staff ultimately adhered to

¹⁰ See Cal. Ins. Code § 1668.1(a), (b).

¹¹ See 15 U.S.C. § 78c(a)(39); FINRA By-Laws, Art. III, § 3(b).

¹² FINRA states that, “[h]ad Kestra filed an MC-400, the firm could have continued associating with Acosta throughout the Membership Continuance process.”

its earlier determination that Acosta was statutorily disqualified. Acosta then initiated this proceeding by filing an application for review with the Commission.¹³

II. Analysis

Exchange Act Section 19(d) authorizes the Commission to review certain actions taken by a self-regulatory organization (“SRO”) such as FINRA. Section 19(e) and Section 19(f) provide the standards governing that review. As discussed above, we ordered the parties to brief the issue of our jurisdiction over Acosta’s appeal as well as the merits of that appeal. Acosta argued that we have jurisdiction under Section 19(d) and that FINRA’s action should be set aside on the merits. FINRA argued that we lack jurisdiction under Section 19(d) and that in any case its action should not be set aside. We conclude that we have jurisdiction under Section 19(d) to review FINRA’s determination that Acosta is subject to a statutory disqualification, and that FINRA’s determination must be set aside under Section 19(f).

A. We have jurisdiction over Acosta’s application for review.

1. We have jurisdiction to review FINRA’s determination that Acosta is subject to a statutory disqualification because that determination effectively bars Acosta from becoming associated with a FINRA member firm.

Exchange Act Section 19(d)(2) provides that we may review SRO action that “bars any person from becoming associated with a member.”¹⁴ We have held previously that “SRO action having the effect of ‘barring’ an individual from association with the SRO’s members—whether the individual is formally barred or not—is reviewable under Section 19(d).”¹⁵ FINRA’s determination that Acosta is subject to a statutory disqualification has this effect.

¹³ Acosta separately filed a complaint against FINRA in federal district court seeking injunctive and declaratory relief. The court has stayed that case pending “resolution of the SEC proceedings.” *Acosta v. FINRA*, No. 2:18-cv-7432-R-KS (C.D. Cal. Nov. 2, 2018), ECF No. 27. Acosta did not seek to stay FINRA’s determination of a statutory disqualification pending his appeal to the Commission. *See* 17 C.F.R. § 201.401(d). Although he subsequently requested that the Commission expedite its consideration of his appeal, he failed to provide a basis for his request for expedited consideration. In any case, that request is now moot.

¹⁴ *See* 15 U.S.C. § 78s(d)(2). Section 19(d)(2) provides three other jurisdictional bases for Commission review of SRO action: if the action prohibits or limits any person in respect to access to services offered by the SRO or a member; if it imposes a final disciplinary sanction on a member of the SRO or an associated person; or if it denies membership or participation to the applicant. *See id.* In light of our disposition, we need not address whether FINRA’s determination is reviewable under any of these other jurisdictional prongs.

¹⁵ *Lawrence Gage*, Exchange Act Release No. 54600, 2006 WL 2987058, at *5 (Oct. 13, 2006) (discussing authority in which the Commission has so held).

Exchange Act Section 15A(g)(2) provides that FINRA may “bar from becoming associated with a member any person, who is subject to a statutory disqualification.”¹⁶ Section 3 of Article III of FINRA’s By-Laws provides that “no person shall become associated with a member, continue to be associated with a member, or transfer association to another member . . . if such person is or becomes subject to a disqualification under Section 4.”¹⁷ Section 4 provides that a “person is subject to a ‘disqualification’ with respect to membership, or association with a member, if such person is subject to any ‘statutory disqualification’ as such term is defined in Section 3(a)(39) of the [Exchange] Act.”¹⁸ Accordingly, FINRA’s determination that Acosta is subject to a statutory disqualification “as defined in Section 3(a)(39)” effectively bars him from associating with a FINRA member firm and is therefore reviewable under Section 19(d).

Our precedent is consistent with this conclusion. In *Richard T. Sullivan*, we found jurisdiction to review SRO action revoking an associated person’s registrations as a result of his failure to pay fines assessed in an earlier disciplinary proceeding because that action “effectively bar[red] the applicant from association with a member firm.”¹⁹ Similarly, in *Frank R. Rubba*, we found jurisdiction to review SRO action where the SRO conditioned applicant’s request to reenter the securities industry on his requalifying by examination because the SRO had “effectively barred Rubba from applying for association with any NASD member until he satisfies the requalification requirement.”²⁰ In neither case did the SRO impose a “bar”; rather, the SRO’s action had the effect of preventing the applicant from associating with a member firm. As in *Sullivan* and *Rubba*, FINRA’s determination that Acosta is subject to a statutory disqualification prevents him from associating with a FINRA member firm and is reviewable.

The cases that FINRA cites in support of its argument that we lack jurisdiction here are inapposite. FINRA cites *Joseph Dillon & Co.*,²¹ where we held that we lacked jurisdiction to review an SRO’s determination to deny a firm’s request for an exemption from a rule that applied to all member firms.²² Although the firm argued that the determination effectively

¹⁶ 15 U.S.C. § 78o-3(g)(2).

¹⁷ FINRA By-Laws, Art. III, § 3(b).

¹⁸ *Id.* § 4.

¹⁹ *Richard T. Sullivan*, Exchange Act Release No. 40671, 1998 WL 786943, at *3 (Nov. 12, 1998).

²⁰ *Frank R. Rubba*, Exchange Act Release No. 40238, 1998 WL 404640, at *2 (July 21, 1998).

²¹ *Joseph Dillon & Co.*, Exchange Act Release No. 43523, 2000 WL 1664016 (Nov. 6, 2000).

²² *See id.* at *1, *4 (discussing the lack of jurisdiction to review NASD’s determination not to exempt a firm from the requirement that it have special supervisory procedures if it employed a certain number of persons that had previously been associated with a “disciplined firm”).

barred persons from associating with the firm because the firm could not comply with the rule, we recognized that “this is true of every rule violation involving any NASD member, i.e., any member firm’s failure to comply with NASD rules jeopardizes its membership and potentially inhibits the ability of registered persons to associate with that firm.”²³ And “[w]hatever the consequences to the Firm of the exemption denial, it [did] not constitute a bar of [the firm’s] registered representatives because they will remain free to associate with other firms.”²⁴ Unlike those representatives, Acosta is not free to begin a new association with any member firm unless he first persuades a member firm to sponsor him in a MC-400 application that FINRA approves.

FINRA also cites *Interactive Brokers*,²⁵ where we refused to consider a hearing panel’s determination in connection with a membership continuance application that the associated person at issue was subject to a statutory disqualification.²⁶ But unlike here, the firm had already filed a membership continuance application. We noted that “denials of a firm’s application to retain its membership if it employs a statutorily disqualified person are reviewable by the Commission” but also that FINRA had “not yet made a final determination to deny” the membership continuance application. Our holding in the case was that, having filed a membership continuance application, the firm could not yet obtain Commission review of a hearing panel’s ruling regarding that application because FINRA provided for further review of the application. We had no occasion to consider whether the Commission has jurisdiction to review a determination by FINRA’s staff that a person is subject to a statutory disqualification in the absence of a membership continuance application having been filed.

FINRA relies further on *WD Clearing, LLC*,²⁷ where we held that we lacked jurisdiction to review a member firm’s withdrawal of its application for approval of a change in ownership.²⁸ The member firm’s withdrawal of the application “was precipitated by FINRA’s warning” to the member firm “of a potential impediment to FINRA’s approval” of the application—a disciplinary action involving a person associated with the member firm’s proposed buyer.²⁹ We held that FINRA’s warning did not “constitute a final decision or an official FINRA action” on

²³ *Id.* at *3.

²⁴ *Id.*

²⁵ *Interactive Brokers LLC*, Exchange Act Release No. 80164, 2017 WL 1035745 (Mar. 6, 2017).

²⁶ *Id.* at *2-3.

²⁷ *WD Clearing, LLC*, Exchange Act Release No. 75868, 2015 WL 5245244 (Sept. 9, 2015).

²⁸ *Id.* at *1.

²⁹ *Id.* at *1, *2-3.

the application, and that the selling party was free to proceed with the application process.³⁰ FINRA argues that, here, the SD Notice did not terminate Acosta, and that Acosta remains free to find a firm to sponsor his membership continuance application. But, in this case, Acosta is seeking review of the SD Notice, and FINRA did not provide a procedure for any such review. The SD Notice was a final and official FINRA determination that Acosta is subject to a statutory disqualification. In *WD Clearing*, we also rejected the claim that the firm’s representatives were “effectively barred” from associating with a FINRA member due to interim restrictions that had been imposed during FINRA’s consideration of the application because the restrictions did not preclude associational status with any FINRA member firm.³¹ In contrast, that is the effect here—where FINRA has determined that a person is subject to a statutory disqualification.

2. The determination that Acosta is subject to a disqualification is reviewable notwithstanding the availability of the membership continuance application process.

FINRA does not dispute that we have jurisdiction to review action which effectively bars an associated person from associating with a FINRA member firm. Nor does it dispute that the SD Notice precluded Acosta from associating with a member firm absent the filing of an MC-400 application on his behalf or the issuance of a stay of the statutory disqualification determination. But FINRA argues that Acosta cannot appeal from the SD Notice because it is merely “FINRA’s initial action” on Acosta’s disqualified status and he has an “administrative remedy . . . through the Membership Continuance process”; in FINRA’s view, Acosta may appeal to the Commission only if a member submits an MC-400 application on Acosta’s behalf seeking to associate with Acosta despite his disqualification and FINRA denies the application.

FINRA’s By-Laws do not support its position. As discussed above, its By-Laws provide that a person subject to a statutory disqualification may not associate with a member firm, but they do not require such a prohibition only if FINRA denies an MC-400 application submitted on the person’s behalf.³² Rather, the By-Laws provide that statutorily disqualified persons are ineligible to “continue to be associated with a member”; that “no member shall be continued in membership, if any person associated with it is ineligible to be an associated person”; and that any such “member that is ineligible for continuance in membership may file with the Board an application requesting relief from the ineligibility . . . on its own behalf and on behalf of a current or prospective associated person.”³³ The fact that a member firm may seek permission to associate with a statutorily disqualified individual—and that FINRA may approve that relief—

³⁰ *Id.* at 4.

³¹ *Id.* at *5.

³² See <http://www.finra.org/industry/general-information-finras-eligibility-requirements> (“Generally speaking, a person who is subject to disqualification may not associate with a FINRA member in any capacity unless and until approved in an Eligibility Proceeding.”).

³³ FINRA By-Laws, Art. III, § 3(b) & (d).

does not mean that FINRA’s determination that the individual is subject to a statutory disqualification is any less of a bar from associating with a member firm.³⁴

Accepting FINRA’s argument would mean that individuals who could not persuade a member firm to file an MC-400 application on their behalf would be unable to appeal FINRA’s determination that they are subject to a statutory disqualification. FINRA acknowledges that “no individual has access to” the MC-400 process and that “there is no similar process open to individuals like Acosta.” We believe that because an SD Notice effectively bars an individual from associating with a FINRA member firm we have jurisdiction over an appeal of that notice.

To be sure, we agree with longstanding precedent that “aggrieved members of SROs must fully exhaust the remedies *made available* by those organizations before seeking Commission review.”³⁵ As discussed above, we have held that a firm may not appeal a hearing panel’s ruling regarding a statutory disqualification in a membership continuance proceeding to the Commission because FINRA provides for further review of the membership continuance application by its National Adjudicatory Council and possibly its Board of Governors.³⁶ But FINRA provides no formal process for Acosta to challenge the prerequisite that—as a result of its staff’s determination that he is subject to a statutory disqualification—he must get a member firm to file a membership continuance application on his behalf in the first place (which he may be unable to do). Under the circumstances, there are no administrative remedies available to Acosta that he has failed to exhaust, and he is challenging FINRA’s final action.

FINRA further argues that “[a] significant benefit of requiring statutorily disqualified persons to undergo the Membership Continuance process is that, should FINRA elect to approve an application, FINRA can require that the firm implement and administer a stringent plan of supervision over the disqualified person.” We agree that the MC-400 application process serves important policy objectives by ensuring that any future association of a statutorily disqualified person is in the public interest. Indeed, we have cited such objectives in denying requests to vacate bars because, by retaining a bar, regulatory authorities retain the ability to monitor and

³⁴ Cf. *Matthew D. Sample*, Exchange Act Release No. 75893, 2015 WL 5305992, at *3 & n.17 (Sept. 10, 2015) (providing that Commission Rule of Practice 193, which “provides a process by which barred individuals can apply to the Commission for consent to become associated with an entity that is not a member of an SRO,” does not “provide for modification of bars, which remain in effect even after consent to associate is granted”).

³⁵ *MFS Sec. Corp. v. SEC*, 380 F.3d 611, 621 (2d Cir. 2004) (emphasis added).

³⁶ *Interactive Brokers LLC*, Exchange Act Release No. 80164, 2017 WL 1035745, at *2 (Mar. 6, 2017).

approve or reject the arrangements governing any future association by the barred individual.³⁷ But the membership continuance application process is available only to individuals who can persuade a FINRA member firm to sponsor an application on their behalf. The fact that the membership continuance process for individuals who are subject to a statutory disqualification serves important objectives does not mean that FINRA's determination that an individual is subject to a statutory disqualification and thus must go through that process is itself unreviewable. The fact that such a determination acts as a bar means that it is reviewable.

Although we hold here that FINRA's SD Notices are reviewable under Exchange Act Section 19(d)(2), we reiterate the important role that disqualification plays in ensuring that persons who come within the statutory parameters for disqualification are monitored effectively and prevented from returning to the industry absent a finding that such association would be in the public interest. Our jurisdiction to review SD Notices does not alter the fact that they prohibit such persons from associating with member firms as of the time stated in the notice unless a firm sponsors an MC-400 application on their behalf, or unless the SD Notice is directly challenged by the person subject to it and, in connection with that challenge, a stay of the SD Notice is granted. And whether a firm files an MC-400 application either immediately upon receipt of the SD Notice or after an associated person unsuccessfully appeals an SD Notice to the Commission, the applicant firm would in either case still have the burden of establishing that, despite the disqualification, it is in the public interest to permit the requested association.³⁸

3. Neither the record in this case nor the ability of firms to terminate employees regardless of an SD Notice establishes that we lack jurisdiction to review FINRA's determination that Acosta is subject to a statutory disqualification.

FINRA argues that we should not find jurisdiction because “[t]he record here is markedly incomplete when compared to the record created in statutory disqualification applications,” that a “fully developed record [would] facilitate appellate review,” and that its absence here “underscores FINRA’s argument that the Commission lacks jurisdiction.” But FINRA’s determination in the SD Notice that Acosta is subject to a statutory disqualification is a question

³⁷ See, e.g., *Salim B. Lewis*, Exchange Act Release No. 51817, 2005 WL 1384087, at *4 & n.39 (June 10, 2005) (noting that, while the Commission “may permit barred individuals to re-enter the industry if . . . re-entry would not harm the public interest . . . [t]he bar remains in place” and the Commission “retains its continuing control over such barred individuals’ activities.”); see also *Laurie Jones Canady*, Exchange Act Release No. 41250, 1999 WL 183600, at *11 (Apr. 5, 1999) (stating that permanently barred individual’s employment status remains subject to Commission review so long as bar remains in effect even if the individual re-enters the securities industry by showing that such limited re-entry is consistent with public interest), *petition denied*, 230 F.3d 362 (D.C. Cir. 2000).

³⁸ See Exchange Act Section 15A(g)(2), 15 U.S.C. § 78o-3(g)(2); see also *Savva*, 2014 WL 2887272, at *14 (explaining that “the burden rests on the applicant to show that, despite the disqualification, it is in the public interest to permit the requested employment”).

of law. It is unclear what else beside the California Order and the Stipulation it references—the documents upon which FINRA staff based its determination—would bear on our review of that issue. FINRA does not explain how a more developed record would illuminate the issues raised by Acosta’s appeal, which appear to have been adequately addressed by the documents attached to the parties’ pleadings. And to the extent that there was some omitted factual matter that would “facilitate appellate review,” FINRA chose not to seek to adduce additional evidence.³⁹

We note further that there is no basis for comparing the record on review of an SD Notice with the record that would be before us on review of the denial of a membership continuance application. The issue on review of an SD Notice is whether FINRA determined correctly that the individual is subject to a statutory disqualification and therefore effectively barred from associating with a FINRA member firm. That issue may be relevant on review of the denial of a membership continuance application, but a membership continuance application also involves the issue of whether a person who is subject to a statutory disqualification should be permitted to associate with a member firm despite the disqualification.⁴⁰ The applicant must show that “it is in the public interest to permit the requested employment.”⁴¹ As a result, the record on review of the denial of an MC-400 application would be very different than would be the record on review of an SD Notice. FINRA does not explain why our authority to review the determination in an SD Notice that a person is subject to a statutory disqualification should depend on a person’s ability to find a member firm willing to submit a membership continuance application on its behalf.

FINRA also suggests that allowing an appeal of FINRA’s determination that a person is subject to a statutory disqualification could lead to the unequal treatment of similarly situated persons. FINRA states that an associated person who is terminated by his firm without FINRA’s involvement, after the firm learns or determines that the individual had become subject to a statutory disqualification, would not be able to challenge the termination under Section 19(d). But Section 19(d) authorizes the Commission to review final actions taken by SROs; nothing in the statute authorizes the Commission to review the decision of a member firm to terminate a particular individual.

B. The determination that Acosta is subject to a statutory disqualification must be set aside.

Under Exchange Act Section 19(f), we review FINRA action barring a person from associating with a member firm to determine if (1) the specific grounds on which FINRA based the action exist in fact; (2) the action was in accordance with FINRA’s rules; and (3) FINRA’s

³⁹ See *supra* note 9.

⁴⁰ Bruce M. Zipper, Exchange Act Release No. 84334, 2018 WL 4727001, at *9 (Oct. 1, 2018).

⁴¹ *Id.*

rules are, and were applied in a manner, consistent with the Exchange Act’s purposes.⁴² We find that the specific grounds for FINRA’s action do not exist in fact, and therefore set aside FINRA’s action without considering the remaining Section 19(f) elements.

As discussed above, FINRA’s By-Laws state that “[a] person is subject to a ‘disqualification’ with respect to . . . association with a member[] if such person is subject to any ‘statutory disqualification’ as such term is defined in [Exchange Act] Section 3(a)(39).”⁴³ Under Exchange Act Section 3(a)(39)(F) and one of the provisions that section cross-references, Exchange Act Section 15(b)(4)(H)(ii), a person is statutorily disqualified if such person is subject to any final order of a state insurance commission that is “based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct.”⁴⁴ We disagree with FINRA’s position that the California Order meets this definition.

Although the Accusation alleged that Acosta engaged in “fraudulent” or “dishonest” conduct, the California Order and the incorporated Stipulation do not resolve those allegations in a way that establishes that the state’s final order was based on violations of a law or regulation prohibiting fraudulent, manipulative, or deceptive conduct. The Stipulation stated only that Acosta and EBP consented to have the California Insurance Commissioner revoke their licenses and licensing rights, that if proven to be true and correct the facts alleged in the Accusation would be grounds for this discipline, and that Acosta and EBP agreed to come into compliance with California Insurance Code section 1668.1. As discussed above, section 1668.1 does not discuss fraud. Section 1668(i), which discusses “engag[ing] in any fraudulent practice or act” and “conduct[ing] any business in a dishonest manner,” was mentioned in the Accusation but not in the California Order or the Stipulation. Given the language the parties negotiated and agreed to in their settlement, we cannot find there was a basis in fact for the SD Notice’s determination that Acosta was disciplined “based on a violation of . . . a law or regulation that prohibits fraudulent, manipulative, or deceptive conduct.”

FINRA argues that the California Order satisfies the definition of a statutory disqualification because Acosta’s licenses were revoked “based on the violations . . . alleged in the Accusation.” In support, FINRA cites our decision in *Nicholas S. Savva*.⁴⁵ There, we rejected the applicant’s argument that because he (like Acosta) had neither admitted nor denied the state’s allegations the state’s disciplinary action was not based on fraud.⁴⁶ We rejected this argument because the state “found” that the applicant engaged in unauthorized transactions,

⁴² 15 U.S.C. § 78s(f). Section 19(f) also requires us to set aside FINRA’s action if we find that the action imposes an undue burden on competition. *Id.* Acosta does not argue that, and in light of our disposition we do not address whether, FINRA’s action imposes such a burden.

⁴³ See FINRA By-Laws, Art. III, § 4.

⁴⁴ 15 U.S.C. §§ 78c(a)(39)(F), 78o(b)(4)(H)(ii).

⁴⁵ *Savva*, 2014 WL 2887272.

⁴⁶ *Id.* at *3, 8-9.

made unsuitable recommendations, and “regularly used high pressure ‘boiler room’ tactics to sell securities.”⁴⁷ We held that the “business practices” the state “found” the applicant to have engaged in were, “at a minimum, deceptive and violate[d] antifraud provisions”⁴⁸ Indeed, in a Uniform Disciplinary Action Reporting Form (Form U6) it filed with FINRA, the state expressly indicated that the order at issue was based on violations of laws or regulations that “prohibit fraudulent, manipulative, or deceptive conduct.”⁴⁹ It appears, based on the parties’ submissions, that California authorities have not made a similar filing regarding Acosta.

As in *Savva*, an applicant’s statement that he neither admits nor denies the underlying allegations does not preclude a finding that the resulting order triggers a statutory disqualification. But to trigger a statutory disqualification under Exchange Act Sections 3(a)(39)(F) and 15(b)(4)(H)(ii), the provisions that FINRA invokes, it is not sufficient that the documents preceding the state’s final order alleged “violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct.” Rather, to trigger a statutory disqualification under those sections the state’s “final order” must indicate, as did the order in *Savva*, that the order is “based on violations” of such provisions. Neither the California Order nor the Stipulation on which it was based do so.

FINRA points to Acosta’s acknowledgement in the Stipulation that, “if proven to be true and correct, the facts alleged” in the Accusation would be “grounds for . . . discipline.” But that statement does not mean that Acosta violated a provision of the California Insurance Code that prohibited fraudulent, manipulative, or deceptive conduct. Nor is the fact that Acosta accepted discipline sufficient to support that conclusion. The Accusation identified several potential violations—both fraud and non-fraud-based—for which California could discipline Acosta. Thus, Acosta’s acceptance of discipline as part of his negotiated settlement does not dictate the conclusion that the California Order and the Stipulation were based on a fraud rather than a non-fraud violation. Neither the California Order nor the Stipulation on which it was based indicate that a fraud violation was the basis for the state’s final order. And we reject FINRA’s contention—offered without argument or citation to authority—that we should conclude that the California Order and the Stipulation were based on fraud because they lacked recitations “excluding” the Accusation’s allegation of a fraud-based violation under Section 1668(i). That the California Order and the Stipulation do not explicitly exclude fraud-based violations does not establish that they are based on such violations.

FINRA further claims that, “[i]n the third and fourth paragraph of the Stipulation,” Acosta “consents” to the sanctions “based on all of the violations” alleged in the Accusation—including the fraud-based allegation under Section 1668(i). But the referenced paragraphs do not support FINRA’s claim. Instead, they contain a waiver by Acosta and EBP of their rights to a hearing and a consent to the license revocations and restrictions to which the parties had agreed as part of the settlement. They do not mention the Accusation’s allegations. Paragraph six of the

⁴⁷ *Id.*

⁴⁸ *Id.* at *9.

⁴⁹ *Id.* at *3 n.23.

Stipulation does reference one of the statutory provisions mentioned in the Accusation, but it is the non-fraud violation in 1668.1—not 1668(i)—with which Acosta and EBP expressly agreed to come into compliance within the succeeding 30 days.

III. Conclusion

We conclude that Acosta is entitled to Commission review of FINRA’s SD Notice. We also conclude that the California Order and the Stipulation do not subject him to a statutory disqualification because they are not “based on” Acosta’s violation of a law or regulation that prohibits fraudulent, manipulative, or deceptive conduct. Because the specific grounds for FINRA’s determination that Acosta is subject to a statutory disqualification do not exist in fact, we set aside FINRA’s determination that the California Order subjects Acosta to a statutory disqualification.

An appropriate order will issue.⁵⁰

By the Commission (Chairman CLAYTON and Commissioners PEIRCE, ROISMAN, and LEE).

Vanessa A. Countryman
Secretary

⁵⁰ We have considered all of the parties’ contentions. We have rejected or sustained them to the extent that they are inconsistent or in accord with the views expressed in this opinion.

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 89121 / June 22, 2020

Admin. Proc. File No. 3-18637

In the Matter of the Application of
GREGORY ACOSTA
For Review of Action Taken by
FINRA

ORDER SETTING ASIDE FINRA ACTION

On the basis of the Commission's opinion issued this day, it is

ORDERED that FINRA's determination that Gregory Acosta is subject to statutory disqualification is hereby set aside.

By the Commission.

Vanessa A. Countryman
Secretary