



INVESTMENTS, INC.®

MEMBER FINRA/SIPC

5555 Grande Market Drive
Appleton, WI 54913
(920) 996-2600

INVESTMENT ADVISORY PROGRAMS

**Form ADV Part II and Schedule F
(General Description of Services)**

This document provides clients with information about SII Investments, Inc. and its Investment Advisory Programs that should be considered before becoming a client of the Program. This information has not been approved or verified by any governmental authority.

As revised March 31, 2010

Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 1****Uniform Application for Investment Adviser Registration****OMB APPROVAL**

OMB Number: 3235-0049

Expires: March 31, 2008

Estimated average burden
hours per response. . . .9.01

Name of Investment Adviser:

SII Investments, Inc.

Address: (Number and Street)

5555 Grande Market Drive

(City)

Appleton

(State)

WI

(Zip Code)

54913

Area Code: Telephone Number:

920-996-2600

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.**

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Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 2**

Applicant:

SII Investments, Inc.

SEC File Number:

801-54935

Date:

03/31/2010

Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.
(See instruction below.)

Applicant:

- | | | | |
|-------------------------------------|-----|---|--------|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services | 49.47% |
| <input checked="" type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | 46.94% |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | 3.34% |
| <input type="checkbox"/> | (4) | Issues periodicals about securities by subscription | % |
| <input type="checkbox"/> | (5) | Issues special reports about securities not included in any service described above | % |
| <input type="checkbox"/> | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | % |
| <input type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities | 0.25% |
| <input type="checkbox"/> | (8) | Provides a timing service | % |
| <input type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does the applicant call any of the services it checked above financial planning or some similar term?

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

C. Applicant offers investment advisory services for: (check all that apply):

- | | |
|--|---|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges | <input checked="" type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input checked="" type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of Clients - Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 3**

Applicant:

SII Investments, Inc.

SEC File Number:

801- 54935

Date:

03/31/2010

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (3) foreign issues | <input checked="" type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities | <input type="checkbox"/> (1) tangibles |
| (other than commercial paper) | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input checked="" type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input checked="" type="checkbox"/> (1) real estate |
| <input checked="" type="checkbox"/> F. Municipal securities | <input checked="" type="checkbox"/> (2) oil and gas interests |
| | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> G. Investment company securities | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (1) variable life insurance | |
| <input checked="" type="checkbox"/> (2) variable annuities | |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.**A.** Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 4**

Applicant:

SII Investments, Inc

SEC File Number:

801-54935

Date:

03/31/2010

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes No
☒ ☐

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- | | |
|-----------------|--|
| • name | • formal education after high school |
| • year of birth | • business background for the preceding five years |

7. Other Business Activities. (check those that apply)

- ☒ A. Applicant is actively engaged in a business other than giving investment advice.
- ☒ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☒ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input checked="" type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input checked="" type="checkbox"/> (3) other investment adviser | <input checked="" type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |
- (For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)
- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?

Yes No
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant:

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Date:

03/31/2010

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes

☒

No

☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

See Schedule F

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

See Schedule F

Complete amended pages in full, circle amended items and file with execution page (page 1).

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

(1) securities to be bought or sold?

Yes No

☒ ☐

(2) amount of the securities to be bought or sold ?

Yes No

☒ ☐

(3) broker or dealer to be used ?

Yes No

☒ ☐

(4) commission rates paid?

Yes No

☒ ☐

B. Does applicant or a related person suggest brokers to clients?

Yes No

☒ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?

Yes No

☒ ☐

B. directly or indirectly compensates any person for client referrals?

Yes No

☒ ☐

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?

Yes No

☒ ☐

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
SII Investments, Inc.	801-54935	03/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: SII Investments, Inc.	IRS Empl. Ident. No.: 39-10999262
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Item of Form (identify)	Answer
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Item 1

ADVISORY SERVICES AND FEES
I. INTRODUCTION

A. Role of SII and IARs

SII Investments, Inc. ("SII") is an investment advisor registered with the Securities and Exchange Commission providing a variety of investment advisory services to clients (each a "Client," and collectively "Clients") through its Investment Advisor Representatives ("IARs") (each of SII and IAR collectively being referred to as "us", "we" or "our"), as outlined herein. The type of services we offer to a particular Client will vary in format and complexity depending on their individual needs and circumstances. Although SII also offers brokerage and certain other investment related services, this document is limited to describing the investment advisory services we provide to Clients.

Generally, our investment advisory services begin with IARs gathering information from a Client regarding their financial circumstances, investment objectives and risk tolerance (collectively being referred to as "Investment Profile Information"). This information assists the IAR in determining the appropriateness of the services to be offered and the type of investments to be recommended or selected for a Client's portfolio. For SII to provide effective services, it is important that each Client provide accurate and complete responses to the questions asked by IARs in gathering their Investment Profile Information, as well as informing the IAR of any future changes to their Investment Profile Information.

B. Risk Disclosure

Investing in securities and/or other investment products involves inherent risks, including but not limited to the possible loss of principal. Although we seek to achieve the investment objectives and financial goals of our Clients, past performance does not guarantee future results and we make no guarantees to Clients with respect to avoiding monetary losses. Our services are generally designed for long-term investment strategies, although short-term investment strategies may be made available by IARs to accommodate certain circumstances. Clients should carefully read the terms of all agreements, product offering documents and related disclosures provided either by SII, TPAMs or product sponsors to better understand the risks associated with each Program and/or the particular investment product(s) under consideration.

C. SII Program Types

SII advisory services are offered to Clients in general categories each known as a "Program"—the Advisory Program (consisting of two sub-Programs referred to as the Advisor Solutions SM Program and the Maxim Program), the Third Party Asset Manager ("TPAM") Program, and the Consulting Services Program.

II. PROGRAM DESCRIPTIONS

A. Advisory Program

SII provides asset management services through both its Advisory Solutions Program and Maxim Program (collectively referred to as the "Advisory Program"). For Advisory Program accounts, the IAR will serve as the Client's investment manager and make recommendations or select investments for Clients based on their Investment Profile Information. In so doing, the IAR may elect to make investment recommendations utilizing asset allocation software and models. Asset allocation models are generally designed to achieve diversification to reduce the risk of loss due to variation of investment returns of any particular asset class.

Advisory Program services are provided on either a non-discretionary or discretionary basis. *Non-discretionary services* require that the Client provide affirmative consent for each security transaction recommended by the IAR before it can occur, whereas *discretionary services* authorize us to buy, sell or exchange securities in Client accounts without obtaining specific consent prior to each transaction. Clients have the option of selecting whether or not to grant SII discretionary authority over their portfolios. Please see Item 12 below for additional details regarding brokerage discretion.

SII makes periodic performance reporting available to Clients participating in the Advisor Solutions Program in accordance with industry standards. However, such reporting may be unavailable or more limited for Clients either with Maxim Program accounts or electing to use a broker-dealer or custodian with which we

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
SII Investments, Inc.	801-54935	03/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: SII Investments, Inc.		IRS Empl. Ident. No.: 39-10999262
Item of Form (identify)	Answer	
Item 1 (Continued)	<p>do not have an established arrangement. Further, SII will not review or verify the information contained in any performance reports provided through the Maxim Program, and such may not be calculated on a uniform or consistent basis. Performance reporting provides relevant portfolio information, including but not limited to, asset allocation, account transactions, securities positions, end-of-period fair market values, investment performance for the period, and billing notification.</p> <p>B. TPAM Program SII's TPAM Program provides clients with the opportunity to have their portfolios professionally managed by outside money managers through arrangements with various TPAMs we have approved. TPAMs are selected by SII based on these firms satisfying various SII due diligence requirements. SII reserves the right to waive certain of these requirements at its discretion, and to limit the services provided by a particular TPAM to a "service only" relationship under which no new assets are placed under the TPAM's management.</p> <p>TPAM Program services include portfolio analysis, asset allocation modeling and analysis, trading execution, performance monitoring, portfolio reporting and other services. TPAMs are recommended based on the Investment Profile Information the IAR gathers from Clients. With exception of Curian Capital LLC, an affiliate of SII, all TPAMs are independent third party money managers that are unaffiliated with SII.</p> <p>Under our TPAM Program, Clients enter an agreement with SII appointing us to serve as your investment advisor on a non-discretionary basis. SII assists Clients with the selection and management of TPAM relationships by recommending, monitoring and providing reporting on the performance of the selected TPAMs to Clients. Pursuant to the terms of the Client agreement, TPAMs are typically provided with trading discretion to determine which products to purchase, sell and/or exchange for the Client's portfolio without having to obtain Client approval for each transaction effected by the TPAM. SII will contact Clients at least annually to determine whether there have been any changes to their Investment Profile Information, and we will remind Clients to apprise us of any such changes on a quarterly basis. Upon request, IARs are also available for periodic consultations with Clients to evaluate the performance of their TPAM managed portfolios.</p> <p>Since each TPAM is uniquely structured with different investment products, please ensure that you also carefully review (i) the TPAM's Form ADV Part II or alternate Disclosure Brochure for specific Program descriptions, (ii) the TPAM's Client agreement for specific contractual terms and (iii) any additional disclosure or offering documentation provided by the TPAM in connection with investment products. Among other important information, the TPAM's Form ADV Part II or alternate Disclosure Brochure will have specific information disclosing: methods of analysis and investment strategies, fee deduction methodology, fee schedules, refund policies, minimum account sizes, termination procedures, and proxy voting policies. You should also be aware that certain TPAMs may utilize back-tested hypothetical performance modeling in marketing materials describing the potential performance of their investment products. Please note that these types of performance projections are created retroactively with the benefit of hindsight, and neither reflect actual investment results nor guarantee future results.</p> <p>SII and its IARs may occasionally act as a TPAM solicitor pursuant to an arrangement outside the scope of the services described herein. When we act as a TPAM solicitor, neither SII nor the IAR serve as the Client's investment advisor or provide investment advice.</p> <p>C. Consulting Services Program For Clients seeking financial advice or investment education involving analysis of a particular investment or financial situation, SII provides consultation services designed to meet the Client's specific financial objectives and needs. The consulting services generally take the form of a financial plan, but may also involve more general consulting. In addition, services may include sector-planning arrangements in areas such as retirement planning, estate planning, college planning, cash flow analysis, or analysis with regard to investment of lump sum distributions from employer pension and profit sharing plans.</p> <p>In preparing a financial plan, the IAR gathers information from the Client relevant to the particular service</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
SII Investments, Inc.	801-54935	03/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: SII Investments, Inc.		IRS Empl. Ident. No.: 39-10999262									
Item of Form (identify)	Answer										
Item 1 (Continued)	<p>through personal interviews conducted and through documents and other information supplied by the Client. Service may include an analysis of the Client's information such as their current assets and investments, liabilities, short and long-term capital and liquidity needs, risk tolerance, and short and long-term financial goals and objectives.</p> <p>Should a Client choose to implement the recommendations contained in the financial plan, SII suggests that the Client work closely with his or her attorney, accountant, insurance agent and/or securities broker. SII IARs generally make recommendations with respect to products or services offered by SII and its affiliates. The decision to implement any such recommendation rests exclusively with the Client, and the Client has no obligation to implement any such recommendation through SII or its affiliates.</p> <p>As noted above, all investment programs involve risk and there is no guarantee that using our Consulting Services will produce favorable results. Please carefully review the information and statements contained in the particular financial plan presented by the IAR.</p> <p>III. EXECUTION, CUSTODY AND RELATED SERVICES</p> <p>A. Advisory Program—Clients may have their accounts serviced by one or more custodians depending on the arrangement selected. The custodians maintain your assets in brokerage accounts registered in your name, in addition to effecting trades in your accounts, providing cashiering functions, sending you trade confirmations and periodic account statements, and providing portfolio reporting and related administration services, although the level of such services may vary among Maxim Program Account custodians. You will receive notification upon establishing an account identifying your particular custodian(s).</p> <p>1. Advisor Solutions Program Accounts. SII generally requires Clients who participate in the Advisor Solutions Program are to establish a brokerage account with Pershing, LLC ("Pershing") to serve as the custodian. In its sole discretion, SII may allow Clients to establish other custodial arrangements for their Advisor Solutions portfolios upon request, although such may impact fees and the level of available services and reporting.</p> <p>2. Maxim Program Accounts. Clients participating in the Maxim Program may establish accounts at either Pershing, TD Ameritrade Institutional Services (a division of TD Ameritrade, Inc.), Schwab Institutional (a division of Charles Schwab & Co., Inc.), Fidelity Investments, or TIAA-CREF Individual Institutional Services, LLC. If the Client neither designates the broker-dealer(s) nor uses SII's available broker-dealer services, SII will direct security transaction orders for the Client's portfolio to such broker-dealer(s) that SII determines, at its discretion, to provide the required execution and related services in accordance with terms we deem acceptable and beneficial to the Client, consistent with SII's "best execution" obligations (See Items 12 and 13 below for more details).</p> <p>3. Use of Other Broker-dealers. If Clients direct SII to use a particular broker-dealer for transaction execution, SII is unable to negotiate commissions or other fees and charges, or to combine the Client's transactions with those of other SII clients purchasing or selling the same securities. SII may also be unable to provide timely monitoring of transaction activity and/or quarterly performance reporting to Clients. Therefore, SII makes no representations or guarantees with regard to the services or fees of such broker-dealers in those circumstances.</p> <p>4. Review of Custodial Account Statements; Custodian Contact Information. The account statements you receive from your custodian are your official account statements. Please compare the transactions, positions and valuations contained in the custodial account statements with any account statements or reports you may receive from SII or your IAR, and promptly report any discrepancies to the SII Compliance Department at (800) 426-5975, option 3. You may also contact the respective custodians directly at:</p> <table border="0"> <tr> <td>Pershing LLC</td> <td>Charles Schwab & Co., Inc.</td> <td>TD Ameritrade Institutional</td> </tr> <tr> <td>One Pershing Plaza</td> <td>211 Main Street</td> <td>4075 Sorrento Valley Blvd., Suite A</td> </tr> <tr> <td>Jersey City, NJ 07399</td> <td>San Francisco, CA 94104</td> <td>San Deigo, CA 92121</td> </tr> </table>		Pershing LLC	Charles Schwab & Co., Inc.	TD Ameritrade Institutional	One Pershing Plaza	211 Main Street	4075 Sorrento Valley Blvd., Suite A	Jersey City, NJ 07399	San Francisco, CA 94104	San Deigo, CA 92121
Pershing LLC	Charles Schwab & Co., Inc.	TD Ameritrade Institutional									
One Pershing Plaza	211 Main Street	4075 Sorrento Valley Blvd., Suite A									
Jersey City, NJ 07399	San Francisco, CA 94104	San Deigo, CA 92121									

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
SII Investments, Inc.	801-54935	03/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: SII Investments, Inc.	IRS Empl. Ident. No.: 39-10999262
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Item of Form (identify)	Answer
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**Item 1
(Continued)**

Fidelity Investments
PO Box 77002
Cincinnati, OH 45277-0090

**TIAA-CREF Individual &
Institutional Services, LLC**
730 3rd Avenue
New York, NY 10017-3206

B. TPAM Program

Custody and execution services for TPAM Program portfolios may vary depending on the particular offering selected and are provided by the custodian identified in the applicable Program description supplied with the Client agreement by the TPAM. Clients may be allowed to designate an alternative custodian subject to the discretion of SII and/or TPAMs.

C. Consulting Services Program

Custody and execution services may only be required through SII in certain situations in which consulting services are provided. In other cases, the Client may have already designated a custodian of their selection with which SII and the IAR may work with Clients to coordinate consulting services. If custody and execution services are required by Clients in connection with our consulting services, this will be disclosed and agreed upon pursuant to separate Client agreement.

IV. FEES

A. Advisory Program Fees:

1. Advisor Solution Program Fees are automatically billed by SII in advance on a quarterly basis according to one of three fee schedules outlined below based on the fair market value of a Client's portfolio provided to us by the independent custodian. The initial fee for the first calendar quarter in which the Client participates in the Advisor Solutions Program shall be calculated on a pro-rata basis beginning the day after initial assets are deposited in the Program, and is debited the following month. Thereafter, fees are calculated at the beginning of each calendar quarter based on the fair market value of the portfolio on the last business day of the prior calendar quarter. If an account is opened in the last month of a calendar quarter, fees will be calculated and debited for the remaining period in such calendar quarter, together with fees for the next calendar quarter, on the day after initial assets are deposited.

SII will send billing notices to each Client showing the amount of the management fees charged for the period, the value of the account assets on which Program fees are based, and the manner in which the Program fees were calculated. If our relationship with a Client is terminated and all assets are withdrawn from the Program prior to the end of a quarter, the pro rata portion of the fee will be reimbursed to Client.

2. Maxim Program Account Fees may be payable quarterly either in advance or in arrears, depending on the arrangement agreed upon between the IAR and Client, and are calculated based upon the fair market value of the assets in the Client's portfolio at the end of the immediately preceding quarter. The applicable broker-dealer or custodian will determine fair market value for fee calculation purposes, and invoices will be prepared and delivered directly by the IAR, as opposed to SII.

3. Important Fee Related Information. One fee schedule may be more advantageous than another depending on the assets under management. All fee arrangements are negotiable and SII may, in its sole discretion, waive its management fee or any other applicable fees or costs either on an ongoing or a one-time basis. SII does not permit IARs to be compensated on the basis of a share of capital gains upon or capital appreciation of the account or any portion of the account of the Client. The services offered by the Programs may cost Clients more or less than purchasing the same services separately and/or through other channels. Factors that bear upon the cost of the Programs in relation to the cost of the same services purchased separately include the type and size of the Client's portfolio, the historical and or expected size or number of trades for the Client's portfolio, and the number and range of supplemental advisory and related services provided.

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:

SII Investments, Inc.

SEC File Number:

801-54935

Date:

03/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

SII Investments, Inc.

IRS Empl. Ident. No.:

39-10999262Item of Form
(identify)

Answer

**Item 1
(Continued)**

It is the Client's responsibility to carefully review account statements and fee deductions since the custodian will not determine the accuracy of fees deducted by us. Clients may pay fees other than those listed that are based on fee schedules in effect prior to their becoming Clients of SII or on fee schedules no longer in effect for new SII Clients.

4. Fee Schedules are as follows:**a. Standard Linear Fee Schedule****Portfolio Value****Maximum Annual Fee**

Up to \$99,999.99	2.75%
\$100,000 - \$249,999.99	2.5%
\$250,000 - \$499,999.99	2.25%
\$500,000 - \$749,999.99	1.9%
\$750,000 - \$1,249,999.99	1.75%
\$1,250,000 - \$1,749,999.99	1.5%
\$1,750,000 +	1.4%

b. Standard Tiered Fee Schedule**Portfolio Value****Maximum Annual Fee**

Up to \$99,999.99 (first \$99,999.99)	2.75%
\$100,000 - \$249,999.99 (Next \$149,999.99)	2.5%
\$250,000 - \$499,999.99 (Next \$249,999.99)	2.25%
\$500,000 - \$749,999.99 (Next \$249,999.99)	1.9%
\$750,000 - \$1,249,999.99 (Next \$499,999.99)	1.75%
\$1,250,000 - \$1,749,999.99 (Next \$499,999.99)	1.5%
\$1,750,000 +	1.4%

c. Flat Fee Schedule

An agreed upon annual percentage fee is charged to the Client. The annual percentage rate will not exceed the corresponding portfolio value indicated on the above Standard Linear Fee Schedule.

5. Mid-Cycle Fee Adjustments

If a Client deposits assets (cash and/or securities) with a market value of ten-thousand dollars (\$10,000) or more in an account on any given day after the inception of a calendar quarter, the amount of such deposit shall immediately become subject to a pro-rated fee in accordance with the agreed upon Fee Schedule. Client shall be entitled to a fee rebate calculated in the same manner if account assets are withdrawn in excess of this amount on any given day.

6. Householding

At its discretion, SII may allow direct family members or Clients sharing the same household address with multiple accounts to aggregate assets for purposes of calculating fees in accordance with the above fee schedules.

7. Additional Advisory Program Fees

a. Termination Fee. If a Client terminates their relationship with SII within the first twelve months, an administrative fee of \$100 may apply at our discretion to offset associated termination costs. However, Clients may terminate their relationship with us without penalty within the first 5 business days of establishing an account. Any prepaid fees will be refunded to the Client on a pro-rata basis in the event of termination.

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
SII Investments, Inc.	801-54935	03/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: SII Investments, Inc.	IRS Empl. Ident. No.: 39-10999262
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Item of Form (identify)	Answer
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**Item 1
(Continued)**

b. Clearing and Service Provider Charges.

SII reserves the right to pass on charges imposed by its clearing broker-dealer or other services providers to the Client. These fees include, but are not limited to, transaction charges and service fees, IRA and qualified retirement plan fees, mutual fund or money market 12b-1 fees and subtransfer agent fees, mutual fund and money market management fees and administrative expenses, mutual fund transaction fees, deferred sales charges on previously purchased mutual funds or variable annuities products transferred in the portfolio, and other charges that are assessed by third parties. As described in SII's Premier Product Disclosure, SII and its IARs may receive revenue sharing payments from certain firms, including Pershing in its role as custodian, from payments made by Clients. See Item 13 below for additional details regarding certain revenue sharing arrangements that may benefit SII and its IARs.

c. Internal Fees by Product Sponsors.

Certain investments may have internal fees and costs which are not assessed by SII and will not appear on your account statement, such as internal management fees for mutual funds charged by the fund manager. The prospectus or offering documents for mutual funds, annuities, REITs or other investments will detail the fees and charges assessed by the managers of those products. Clients should be aware that when assets are invested in shares of mutual fund products, annuities, UITs or REITs, Clients will pay both the direct management fees to SII for its services in connection with these investments and management and other fees paid to the mutual fund or other product. A Client may be able to invest directly in the mutual fund's shares and other investments without incurring the fees charged by SII. In addition, there may be tax affects pertaining to fund share redemptions or surrender of policies made by or on behalf of Clients, as well as deferred sales charges or redemption fees.

B. TPAM Program Fees: These are assessed directly by the TPAM and generally billed on a quarterly basis, starting at the inception of the account. Fees are detailed in the respective TPAM's Client agreement, fee schedule and/or Form ADV, Part II or alternate disclosure brochure (see Section D below) and are not determined by SII. TPAM fees may be calculated based on either (i) the fair market value of the assets being managed or (ii) on a performance based fee criteria, depending on the TPAM Program. We will not charge any additional fees, however, we do receive a portion of the fees charged by TPAMs pursuant to our arrangement with them.

C. Consulting Services Fees: The fees for consulting services are negotiated between the IAR and the Client. Fees are assessed on an hourly basis or as a flat fee for the consulting project that may be either a set dollar amount or a percentage of the fair market value of assets that are subject to our Consulting Services Agreement. The Client may terminate the advisory relationship without penalty within five (5) days of entering into the financial planning agreement. However, SII reserves the right to bill the Client for actual time and expenses incurred prior to termination.

V. PROXY VOTING

For Advisory Programs and Consulting Services Programs, SII and its IARs will not (a) vote any proxies solicited by, or with respect to, the issuers of any securities held in the Portfolio or (b) participate in any legal proceedings involving securities or other investments presently or formerly held in the Portfolio, or the issuers thereof, including bankruptcies. Unless SII and the Client make other written arrangements, SII will send all proxy and legal proceedings documents it receives to the Client, so that the Client may act upon the materials.

For TPAM Program Accounts, Client may have the ability to appoints the TPAM as their agent and attorney-in-fact with discretion to vote proxies with respect to any securities in their portfolio. In such case, the TPAM will execute waivers, consents and other instruments with respect to such securities, and consent to or reject any plan of reorganization, merger, combination, consolidations, liquidation or similar plan with reference to such securities. SII will send all such proxy and legal proceedings information and documents it receives to the TPAM so that the TPAM may take whatever action it deems advisable. The Client authorizes SII to direct the TPAM to receive all shareholder communications, including proxy statement and proxies, distributed by the issuers of securities held in the Portfolio without forwarding such materials to the

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**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
SII Investments, Inc.	801-54935	03/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: SII Investments, Inc.		IRS Empl. Ident. No.: 39-10999262
Item of Form (identify)	Answer	
Item 1 (Continued)	<p>Client.</p> <p>VI. SOCIAL EXCLUSIONS AND INVESTMENT RESTRICTIONS In certain situations, Clients may be permitted to impose reasonable restrictions (i.e., either social categories or specific securities restrictions) on the types of investments in their portfolios available through our Advisory or TPAM Programs. Limitations may apply and the performance of accounts with Client imposed investment restrictions may differ from accounts without such restrictions.</p> <p>VII. THIRD PARTY SERVICE PROVIDERS Pursuant to SII's agreement with Clients, SII may enter into certain outsourcing agreements with affiliated and unaffiliated companies that provide services designed to support our delivery of services contemplated under our Programs. Our agreement also permits us to share Client non-public personal and account related information with certain of these companies, as permitted by applicable law. The services provided by these companies may include billing and other administrative services, in addition to various financial and technology support services. Under these outsourcing relationships, SII will retain its investment advisory role with Clients and these third party service providers shall neither serve as an investment adviser nor be granted any discretion over Client accounts. Please review SII's "Privacy Policy" for more information in regards to the handling of non-public personal and account related information.</p> <p>Envestnet Asset Management, Inc. ("Envestnet") is one such third party service provider upon whom we rely to service Client accounts. Envestnet provides various administrative, technology and other outsourcing support services under our Advisor Solutions Program. In addition, Envestnet may provide investment advisory services under our TPAM Program through EnvestNet's Private Wealth Management Managed Account Solution, Private Wealth Management Multi-Manager Account and the Private Wealth Management Mutual Fund Solution.</p>	
Item 3	<p><u>TYPES OF INVESTMENTS</u> SII may provide investment advice concerning various types of investments, including, equity securities (exchange-listed securities, securities traded over-the-counter, and foreign issuer securities trading as American Depository Receipts), warrants, commercial paper, corporate debt securities (other than commercial paper), certificates of deposit, municipal securities, investment company securities, variable annuities, variable life insurance, U.S. Government securities, option contracts, fixed insurance, unit investment trusts, exchange-traded funds, interests in partnerships involving real estate, oil and gas, certain types of structured investment products, and other investments depending upon a Client's investment objectives and strategies.</p>	
Item 4	<p><u>METHODS OF ANALYSIS, SOURCES OF INFORMATION, AND INVESTMENT STRATEGIES</u> SII also provides investment advice based on asset allocation strategies and modeling.</p>	
Item 5	<p><u>EDUCATION AND BUSINESS STANDARDS</u> SII does not maintain specified formal criteria regarding education or business experience that persons associated with it are required to meet; rather, it prefers to assess each individual on his or her own particular merits and capabilities. However, SII does ensure that all executives and officers have obtained either relevant higher education and/or professional qualifications and/or have obtained experience in specific investment fields and, further, that all SII personnel providing services are appropriately licensed to do so.</p>	
Item 6	<p><u>EDUCATION AND BUSINESS BACKGROUND</u> Todd M. Kinart, President/CEO and Director, born 1966, received a Bachelor of Science Occupational Therapy from the University of Wisconsin, Madison in 1988. Mr. Kinart has also passed various securities examinations including, the General Securities Representative Examination (Series 7), the General Securities Principal Examination (Series 24), and the Uniform Securities Agent State Law (Series 63).</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
SII Investments, Inc.	801-54935	03/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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Item of Form (identify)	Answer	
Item 6 (Continued)	<p>Mr. Kinart was the Director of Marketing and Recruiting for SII Investments, Inc. from February 1999 to December 2001; from January 2002 to December 2002 was the Vice President of Marketing and Recruiting; from January 2003 to December 2005 was the First Vice President of Marketing and Recruiting; and from January 2006 to February 2007 was the Senior Vice President of Marketing and Recruiting.</p> <p>David Loasby, Chief Compliance Officer (CCO), born November 1959, attended University of Phoenix where he graduated with a Bachelor of Arts degree in Management. Mr. Loasby has passed the General Securities Representative (Series 7), the General Securities Principal (Series 24), the Uniform Securities Agent State Law (Series 63), and the Uniform Investment Advisor Law Examination (Series 65).</p> <p>Mr. Loasby was the Chief Compliance Officer for Provident Securities & Investment Company from July 1999 to June 2002 and the Director of Compliance for Fifth Third Securities from June 2002 to April 2005. Mr. Loasby serves as the Chief Compliance Officers for Investment Centers of America, Inc. and its affiliate SII Investments, Inc. since July 2005.</p> <p>James L. Livingston, Director, born 1954, attended University of Texas where he received a Bachelor of Arts in actuarial sciences. Mr. Livingston is a Fellow of the Society of Actuaries, as well as a Chartered Life Underwriter (CLU). Mr. Livingston has passed the Investment Company Products/Variable Contracts Limited Principal Examination (Series 26) and the General Securities Representative Examination (Series 7).</p> <p>Mr. Livingston was Chief Financial Officer and Corporate Actuary for Union Central Life Insurance Company in 2002. Mr. Livingston has been the Executive Vice President of Jackson National Life Distributors since March 2003 and, as of June 2006, has also been CEO & President of National Planning Holdings, Inc., and a Director for National Planning Corporation, Inc., SII Investments, Inc., INVEST Financial Corporation, and Investment Centers of America, Inc.</p> <p>Maura K. Collins CFO/FINOP, born 1963, attended University of California, Santa Barbara where she obtained a Bachelor of Arts in Political Science in 1985 and then a Certificate of Accounting in 1991.</p> <p>Ms. Collins was a Senior Manager/CPA at KPMG LLP, from June 1999 to January 2003. From February 2003 to September 2003 she was the Vice President—Regulatory Accounting and Special Projects for National Planning Holdings, Inc. Ms. Collins has been the Controller for National Planning Holdings, Inc. since 2003 and, as of March 2004, has also been the Chief Financial Officer (CFO) and Financial Operations Principal (FINOP) for National Planning Holdings, Inc., Investment Centers of America, Inc., INVEST Financial Corporation, National Planning Corporation, and SII Investments, Inc.</p> <p>Robert H. Dearman, Jr., Senior Vice President, born in 1970 attended Grand Valley State University where he obtained a Bachelor of Arts degree in Philosophy and History in 1993.</p> <p>Mr. Dearman joined National Planning Holdings, Inc. in 1998 and served as the head of technology until 2008. Mr. Dearman currently serves as the Senior Vice President responsible for the Advisory Practice and Platforms Strategy for National Planning Holdings, Inc., Investment Centers of America, Inc., INVEST Financial Corporation, National Planning Corporation, and SII Investments, Inc.</p> <p>Gerry Gunderson, Senior Vice President and General Counsel, born 1958, attended Jamestown College where he obtained a Bachelor of Arts in Political Science and History in 1980. In 1983, Mr. Gunderson graduated from the University of North Dakota with a J.D. law degree. Mr. Gunderson has also has passed the General Securities Representative (Series 7), the General Securities Principal (Series 24), and the Uniform Securities Agent State Law (Series 63) securities examinations.</p> <p>Mr. Gunderson joined Investment Centers of America, Inc. as counsel in 1994 and currently serves as Senior Vice President and General Counsel to National Planning Holdings, Inc., Investment Centers of America, Inc., INVEST Financial Corporation, National Planning Corporation, and SII Investments, Inc.</p>	

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**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
SII Investments, Inc.	801-54935	03/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: SII Investments, Inc.	IRS Empl. Ident. No.: 39-10999262
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Item of Form (identify)	Answer
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Item 7

OTHER BUSINESS ACTIVITIES

SII is registered as a broker-dealer and, as such, may provide execution services with respect to securities purchased by or for certain Clients. Certain of the principal executive officers of SII may, from time to time, devote the principal amount of their time to the broker-dealer activities of SII. However, these officers devote sufficient time and attention to properly supervise and manage SII investment advisory activities. In addition, SII offers fixed annuity, life insurance products and other insurance products made available both by affiliated and independent third party companies.

Certain IARs may also offer additional investment and non-investment advisory services to Clients independent of their relationship with SII that are not addressed within this document, including without limitation, investment advisory services provided through an investment advisory firm other than SII, insurance business, tax planning and preparation, accounting services, legal services and/or other forms of consulting services or other arrangements to which SII is not a party. These services are considered outside business activities that fall outside the scope of services offered by SII, and SII neither supervises nor endorses such services. Accordingly, SII assumes no responsibility or liability for any outside business activities provided to Clients by its IARs, and you should carefully consider any potential conflicts of interest that may arise in connection with products or services made available to you by an IAR through an outside business activity.

Item 8

OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

Broker-dealer: SII is affiliated by common ownership with Invest Financial Corporation ("IFC"), Investment Centers of American ("ICA"), and National Planning Corporation ("NPC"), each a broker-dealer and investment advisory firm registered with the U.S. Securities and Exchange Commission and various state securities agencies, and each a member of the Financial Industry Regulatory Authority ("FINRA"). Certain of SII's executive officers and directors also serve as officers and/or directors of IFC, ICA and NPC.

Jackson National Life Distributors ("JNLD") is a registered broker-dealer and a member firm of the FINRA. JNLD is affiliated with SII by common ownership. JNLD acts as a principal underwriter of variable insurance contracts issued by Jackson National Life Insurance Company ("JNL"). SII is affiliated with JNL by common ownership (See also, Item 8.C(9)).

Investment Company: JNL, an affiliate of SII, issues variable insurance contracts. The variable insurance contracts allow purchasers to choose among various JNL separate account portfolios which, in turn, invest in the various series of: the JNL Series Trust, the JNL Investors Series Trust, the JNL Variable Fund I, LLC, the JNL Variable Fund III, LLC, the JNL Variable Fund IV, LLC, the JNL Variable Fund V, LLC, the JNLNY Variable Fund I, LLC; and the JNLNY Variable Fund II, LLC; which are SEC registered investment companies under the Investment Company Act of 1940, as amended.

Investment Adviser: SII is affiliated by common ownership with IFC, ICA and NPC, each a broker-dealer and investment advisory firm registered with the U.S. Securities and Exchange Commission and various state securities agencies, and each a member of FINRA. Certain of SII's executive officers and directors also serve as officers and/or directors of IFC, ICA and NPC.

Curian Capital, LLC, an investment adviser registered with the SEC, is affiliated with SII by common ownership. Curian Capital, LLC provides investment advisory services to individuals and institutions primarily through the "Curian Program". SII and its IARs may act as a solicitor for investment advisory services and programs, including the Curian Program, offered by Curian Capital, LLC.

Curian Clearing, LLC, is an affiliate of SII, and is a self-clearing broker-dealer registered with the SEC and a member firm of FINRA. Curian Clearing, LLC provides brokerage execution, record keeping and all other clearing and processing functions on behalf of client accounts participating in the Curian Capital, LLC TPAM Program.

Jackson Investment Management, LLC, an investment adviser registered with the SEC, is affiliated by common ownership and provides ongoing investment advice, economic analyses, asset allocation and

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**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
SII Investments, Inc.	801-54935	03/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: SII Investments, Inc.		IRS Empl. Ident. No.: 39-10999262
Item of Form (identify)	Answer	
Item 8 (Continued)	<p>manager recommendations to institutions.</p> <p>Jackson National Asset Management, LLC ("JNAMLLC"), an investment adviser registered with the SEC, is affiliated with SII by common ownership. JNAMLLC serves as investment adviser to: the JNL Series Trust, the JNL Investors Series Trust, the JNL Variable Fund, LLC, and JNLNY Variable Fund I, LLC; which are registered investment companies and underlying investment vehicles for variable insurance contracts issued by JNL to retail customers.</p> <p>PPM America, Inc. ("PPM"), an investment adviser registered with the SEC, is affiliated with SII by common ownership. PPM serves as a sub-adviser to certain of the series of the JNL Series Trust (JNAM is the investment adviser to the JNL Series Trust), a registered investment company, and underlying investment vehicle for variable insurance contracts issued by JNL to retail customers.</p> <p>PCA Asset Management Limited is a foreign entity providing investment advisory services to individuals and organizations. PCA Asset Management Limited is not registered with the SEC and is affiliated with SII under common ownership.</p> <p>Insurance Company: SII is affiliated with Jackson National Life Insurance Company ("JNL") by common ownership under the same eventual corporate parent, Prudential plc of London, England. SII, in its broker-dealer capacity, markets and sells the variable contract products of JNL and, in its investment adviser capacity, may provide investment advice with respect to the purchase or sale of such variable contract products and/or the allocation of funds among the various sub-accounts available within them. SII, in its broker-dealer capacity, and IARs in their registered securities representative capacities, receive compensation related to Client investments in such products, which represent a conflict of interest. [See also the "FEES" disclosure in Item 1above.]</p>	
Item 9	<p><u>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</u></p> <p>SII does not maintain an inventory of investments for resale and does not buy or sell securities for itself that it recommends to (or purchases or sells for) Clients. However, SII's employees, IARs and its registered representatives may purchase or sell for their own accounts securities or other investment products that are also recommended to Clients. When purchasing or selling securities, priority will be given to Client transactions. SII employees, IARs and, registered representatives are subject to the provisions of SII's policies regarding personal securities transactions and applicable securities rules and regulations. These policies are designed to prevent detriment to the Client or any benefit to SII's employees, IARs or registered representatives resulting from investment activities.</p> <p>Clients should also be aware that, to the extent permitted by applicable securities regulations, SII may receive service fees or other payments relating to a Client's investment in a particular product or participation in a particular Program recommended or selected by SII or the IAR. Additionally, SII or one of its affiliates may receive compensation for their services where SII or an affiliate is the investment adviser, sponsor, or other service provider to the investment product or Program. Clients should be aware that this presents a potential conflict of interest because SII has more incentive to recommend or select investments that provide such additional compensation to SII, IARs and/or SII's affiliates. Please also see Items 12 and 13 below for additional information regarding potential conflicts of interest.</p> <p>Code of Ethics.</p> <p>Pursuant to SEC Rule 204A-1 adopted under the Investment Advisers Act of 1940, SII has adopted a Code of Ethics that sets forth standards of conduct and addresses potential conflicts of interest among SII, SII's employees and agents, and SII's advisory clients, including monitoring for personal securities transactions that may impact Clients. A free copy of SII's Code of Ethics is available by mailing a written request to:</p> <p>Investment Centers of America, Inc. Attn: Investment Adviser Compliance Unit 5555 Grande Market Drive Appleton, WI 54913</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

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Item of Form (identify)	Answer	
Item 10	<p><u>CONDITIONS FOR MANAGING ACCOUNTS</u></p> <p>The below account balance minimums must be met for a Client to participate in SII's Programs. SII reserves the right to alter or waive these requirements at its discretion.</p> <p>Advisory Program accounts are generally available only for Clients with an initial portfolio value of at least \$25,000. However, SII may waive this requirement at its option depending upon the circumstances of a particular Client. SII reserves the right to terminate the Client agreement at any time portfolio assets are less than \$25,000, the Client Agreement is subject to termination at SII's option.</p> <p>TPAM Program accounts minimum opening portfolio balance requirements vary according to each TPAM. Generally, account minimums range from \$25,000 - \$250,000. Other terms may apply to account opening and maintenance, as outlined in the TPAM Agreement.</p> <p>Consulting Services Program arrangements do not have a specified portfolio minimum and are subject to the discretion of the IAR and the mutually agreed upon terms of our Consulting Services Agreement.</p>	
Item 11	<p><u>REVIEW OF ACCOUNTS</u></p> <p>In SII's role as investment advisor, its home office personnel, its Office of Supervisory Jurisdiction ("OSJ") Branch Managers, and its IARs monitor Client portfolios to identify situations that may warrant either a more detailed review or specific action on behalf of our Clients. Such reviews include, but are not necessarily limited to, suitability, inactivity and high concentrations in individual securities.</p> <p>In the case of our Advisory Programs and TPAM Programs, we provide continuous and regular investment advice or investment supervisory services to Clients, review Client portfolios, communicate with clients at least annually, and remind Clients at least quarterly to inform us of any changes to their Investment Profile Information, to ensure that their portfolio continues to conform with their respective Investment Profile information, any social exclusions or investment restrictions (as set forth in Section VII under Item 1D), and all applicable rules and regulations. SII also reviews the investment results of Client portfolios on a regular basis. Under limited circumstances, SII may change or recommend a change of the IAR for the Client's account to facilitate continued services.</p> <p>SII does not verify performance data provided to it by third parties with exception of calculation methods and the related account holdings shown. Please refer to the specific Program agreements and related disclosure documents supplied prior to establishing an account to confirm the frequency of review and type of reports to be provided in connection with the respective Programs.</p> <p>The extent of such services are typically more limited in the case of our Consulting Service Program and vary depending on the arrangement agreed upon with the IAR.</p>	
Item 12	<p><u>INVESTMENT OR BROKERAGE DISCRETION</u></p> <p>Clients have the option of granting SII both investment and brokerage discretion pursuant to our Client agreement. In such cases, SII is granted authority to determine the broker-dealer to execute securities transactions, which securities are bought and sold, the total amount to be bought and sold, and the costs at which the transactions will be effected. Limitations may be imposed by the Client in the form of specific constraints on any areas of discretion, subject to SII's written acknowledgement.</p> <p>SII generally requires Advisory Program Clients to establish securities brokerage accounts using our clearing broker-dealer arrangement with Pershing. In turn, Pershing executes the securities transactions and serves as the custodian of Clients' securities. For many of the services offered under our TPAM Program, the executing broker-dealer is predetermined by the terms of the particular TPAM arrangement and/or as more fully described in the applicable TPAM disclosure documents and agreements, which should be carefully reviewed by Clients for additional details.</p> <p>In executing client transactions through Pershing, Clients may pay securities clearance and settlement fees in the form of a ticket charge on their transactions. The ticket charge may include an additional fee charged</p>	

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Item of Form (identify)	Answer
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**Item 12
(Continued)**

by SII in its capacity as a broker to reflect its costs associated with processing these transactions on behalf of Clients.

SII reserves the right to permit a Client to direct securities brokerage transactions to other broker-dealers and/or utilize other custodial arrangements. In such situations, SII may be unable to negotiate commissions or other fees and charges that are as favorable as those with Pershing, and would not be able to conduct batched trades by combining the Client's transactions with those of other SII Clients purchasing or selling the same securities. SII may also be unable to provide timely monitoring of transaction activity and/or quarterly performance reporting.

Where SII has discretionary authority to select broker-dealers, SII seeks to obtain the best combination of net price and execution when effecting brokerage transactions for Client accounts through our clearing firm relationship(s). SII believes Pershing's execution quality and its processes for monitoring the same to be within applicable industry standards and requirements.

SII considers certain factors in analyzing overall execution quality. Such factors may include, but are not necessarily limited to:

- Current transaction costs using Pershing versus other execution services;
- The nature of the securities being purchased or sold and access to market participants, which may be limited due to thin trading activity for a particular security or unavailability of such securities;
- The size of the transaction;
- The desired timing of the transaction;
- The activity existing and anticipated in the market for the particular security;
- The execution, clearance, and settlement capabilities of the broker-dealer;
- The financial stability and reputation of the executing broker-dealer; and
- The research products, and other services provided for the benefit of SII and its Clients.

SII regularly monitors reporting of execution quality to evaluate Pershing's services compared to industry standards.

Batched Trades. Client account transactions are typically completed independently for each Client's account. However, SII may purchase or sell the same securities or instruments for a number of Clients simultaneously. In such case, orders for the same security may be combined or "batched" to facilitate best execution and reduce brokerage commissions or other costs.

SII effects batched transactions in a manner designed to ensure that no participating Client is favored over any other Client. Specifically, each Client that participates in a batched transaction will participate at the average share price for all of SII's transactions effected to fulfill the batched order. Securities purchased or sold in batched transactions are typically allocated pro-rata to the participating Client accounts in proportion to the size of the order placed for each account.

In situations where SII maintains discretion, we may increase or decrease the amount of securities allocated to each account if necessary to avoid holding odd lot or small numbers of shares for particular Clients. Additionally, if the clearing firm is unable to fully execute a batched transaction and SII determines that it would be impractical to allocate a small number of securities among the accounts participating in the transaction on a pro-rata basis, SII may allocate such securities in a manner determined in good faith to be fair and equitable.

Clients directing SII to effect trades through a broker-dealer other than Pershing should be aware that they may forego execution cost savings that may be obtained by trades batched through SII.

Item 13

ADDITIONAL COMPENSATION

Conflicts of Interest. In establishing an arrangement with SII and its IAR, a Client needs to be aware of

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
SII Investments, Inc.	801-54935	03/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: SII Investments, Inc.		IRS Empl. Ident. No.: 39-10999262
Item of Form (identify)	Answer	
Item 13 (Continued)	<p>and review actual and potential conflicts of interest. The following general descriptions are in addition to such potential conflicts described throughout this document.</p> <p>Soft Dollars. Generally, SII does not allocate or direct brokerage transactions based on the receipt of products or services ("Soft-Dollar Transactions"), but reserves the right to so allocate or direct brokerage to broker-dealers charging commissions in excess of the amount of commissions another broker-dealer would charge for the same transaction. Before effecting such Soft-Dollar Transactions, however, SII makes a good faith determination that commissions are reasonable in relation to the factors set forth below, including the value of the brokerage, research, and other products received. Brokerage and research services, along with other products, may be available to SII on a cash basis and at a lower cost.</p> <p>The commissions paid to a broker-dealer providing research products and/or services may be higher than those commissions charged by a broker-dealer that does not provide such products and/or services. Brokerage, research, and other products provided by broker-dealers may include, but are not limited to:</p> <ul style="list-style-type: none">• Written research reports;• International and market strategy services;• Access to databases containing compilations of securities prices and dividends;• Securities hardware or software;• Responses to specific inquiries;• Interviews with analysts and the services of certain economic and financial consultants;• Analytical tools;• Subscriptions to financial and industry publications and research compilations;• Quantitative, economic, and statistical analysis; and• Financial and market news used solely for portfolio management purposes. <p>Premier Product Program. In accordance with applicable law, SII may recommend or select certain mutual funds, variable insurance products and other investment products on behalf of Clients where (i) SII receives service fees, revenue sharing payments and/or other forms of benefit as a result of a Client's investment in such investment products and/or (ii) SII or one of its affiliates is the investment adviser, sponsor, principal underwriter or other service provider and, as such, receives compensation as a result of the Client's purchase of the investment product. Clients should be aware that this may present a potential conflict of interest because SII may have a greater incentive to recommend or select investments that provide such additional compensation to SII or its affiliates. For more information, please see the "Premier Product Sponsor and Revenue Share Disclosure" contained on SII's website at www.siionline.com under "Disclosures."</p> <p>Premier TPAM Program. In accordance with applicable law, SII may recommend or select certain TPAMs where SII receives additional revenue sharing payments and/or other forms of benefit as a result of the particular TPAM's provision of services to Clients. Clients should be aware that this may present a potential conflict of interest because SII may have a greater incentive to recommend or select TPAMs that provide additional compensation to SII not provided by other TPAMs. For more information, please see the "TPAM Premier Sponsor and Revenue Sharing Disclosure" contained on SII's website at www.siionline.com under "Disclosures."</p> <p>Due Diligence Fees. SII conducts ongoing due diligence reviews of the TPAMs selected for participation in our TPAM Program. SII may collect a fee from TPAMs that participate in our TPAM Program in an effort to defray all or a portion of the costs associated with such reviews. This fee is payable to SII regardless of whether or not SII ultimately elects to include a particular TPAM within our TPAM Program. SII does not charge due diligence fees to TPAMs participating in its Premier TPAM Program, and also reserves the right to waive due diligence fees for individual TPAMs at its discretion.</p> <p>Deferential Payment for Programs. Compensation to SII and its IARs differs according to the advisory Program chosen. This compensation to SII and to its IARs may be more than what SII and the IAR would</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
SII Investments, Inc.	801-54935	03/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: SII Investments, Inc.		IRS Empl. Ident. No.: 39-10999262
Item of Form (identify)	Answer	
Item 13 (Continued)	<p>receive if the Client participated in another Program or paid for investment advice, brokerage and/or other services separately. Thus, SII and its IARs may have a financial incentive to recommend a particular Program over other Programs or services.</p> <p>Other Payments to SII. SII and its IARs are generally compensated in the form of a percentage of the fees that Clients pay to participate in an SII Program. However, SII may also receive additional payments directly from product sponsors in the form of marketing, processing or servicing fees that are not shared with IARs. Such payments may either be (i) percentage based or (ii) a lump sum that may or may not be dependent on the value of referred Client assets. <u>SII and its IARs</u> may also receive payments for order flow from broker-dealers that provide SII with access to their bond and unit investment trust (commonly referred to as a "UITs") inventory and trading services. These broker-dealers earn revenue from the purchase and sale of bonds and UITs that SII effects for its clients through them and the broker-dealers share a portion of that revenue with SII and its IARs. The amount of revenue that may be shared with SII and its IARs by these product sponsors and broker-dealers may vary depending upon the arrangement, and you should consult your IAR if you have additional questions or concerns regarding any such potential conflicts of interest.</p> <p>Deferential Treatment of Certain Qualified Account Types. In the case of certain qualified retirement account types, SII reserves the right to either (i) provide a Client rebate or forego receipt of any direct or indirect compensation it may otherwise be entitled to receive as a result of a particular Client's purchase of investment products or services (including without limitation, 12b-1 fees and revenue sharing payments from third parties)), or (ii) recommend or select designated investment share classes or products with lower associated fees or expenses. Doing so may result in cost savings to these particular Client accounts, without obligating SII to make such benefits available to other Clients.</p> <p>Margin Commissions. In limited situations, SII may permit Clients to establish a margin account subject to the terms and conditions of the custodian. In such instances, SII may receive compensation from the custodian in the form of a margin commission that typically amounts to a portion of the margin interest charged to Clients by the custodian. Clients should carefully read the margin disclosure statement provided by the custodian outlining related risks prior to considering such an arrangement.</p> <p>Use of Pershing LLC. SII has contracted with Pershing to effect Client transactions for execution, clearance, settlement and custody services. SII generally requires Advisory Program Clients to establish a securities brokerage account and to execute securities transactions at Pershing. SII is compensated by Pershing when Client securities transactions are executed through it. This industry practice is generally known as "payment for order flow" and does not affect the quality of execution services or SII's or Pershing's duty to obtain best execution for Clients. Clients are also advised that SII utilizes reporting from Pershing and National Financial with regard to the quality of execution service provided by Pershing, which creates potential for a conflict of interest. However, SII does seek to monitor Pershing's execution quality independently and continues to explore other resources for this.</p> <p>Pershing FundVest Institutional Program. IARs may initiate purchases of participating mutual funds through the Pershing FundVest Institutional Program, subject to minimum purchase amounts. IARs may have an option to purchase certain of these fund shares without incurring any ticket charges, though this may result in a slightly higher mutual fund operating expense ratio. As such, IARs who absorb Client transaction charges may have an incentive to recommend those mutual funds that do not impose ticket charges over other available funds that may have a slightly lower operating expense.</p> <p>Payments to Solicitors. SII may utilize the services of approved individuals who act as solicitors for purposes of referring Clients to us in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940 and applicable state securities law. These solicitors will generally be paid a portion of the on-going investment advisory fee charged to the Client by SII. Clients referred to SII by a solicitor will not be charged a referral fee and shall remain subject to the same advisory fee schedule as non-referred Clients, as set forth above. Such solicitation arrangements are disclosed to Clients at the time of the referral and include the provision of a required disclosure document outlining SII's solicitation compensation arrangement with</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
SII Investments, Inc.	801-54935	03/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: SII Investments, Inc.		IRS Empl. Ident. No.: 39-10999262
Item of Form (identify)	Answer	
Item 13 (Continued)	<p>the particular solicitor.</p> <p>Other Services and Affiliates. SII, as well as its affiliates, IARs, officers, directors, agents, or employees (collectively referred to as "Affiliates"), act as an investment adviser for other persons or entities. In providing investment advisory services to others ("Other Portfolios"), SII and its Affiliates will effect transactions in securities for their own accounts, or for the accounts of others, to the extent permitted by law. SII and its Affiliates have investment responsibilities, render investment advice to, and perform other investment advisory services for Other Portfolios, and that SII and its Affiliates may buy, sell or trade in any securities for their respective accounts ("Affiliated Portfolios"). SII and its Affiliates may give advice or exercise investment responsibility and take such other action with respect to Other Portfolios and Affiliated Portfolios which may differ from the advice given, or the timing or nature of the action(s) taken, with respect to other Clients' portfolios. However, SII and its Affiliates strive to act in good faith, and seek to allocate, within their reasonable discretion, investment opportunities to the Clients' portfolio over a period of time on a fair and equitable basis relative to the Other Portfolios and the Affiliated Portfolios, taking into consideration the cash position and the investment objectives and policies of the Clients. It should be further understood that Other Portfolios or Affiliated Portfolios may at any time, hold, acquire, increase, decrease, dispose of, or otherwise deal with positions in investments in which the Clients' portfolios may have an interest, whether in transactions which involve the Clients' portfolios or otherwise. Neither SII nor its Affiliates shall have any obligation to acquire for any Clients' portfolios a position in any investment which the Other Portfolios and/or Affiliated Portfolios may acquire, and Clients shall have no first refusal, co-investment, or other rights in any such investment.</p>	
Item 14	<p><u>BALANCE SHEET</u> See attached.</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).



SII INVESTMENTS, INC.
(SEC Identification No. 8-13963)
(An Indirect, Wholly Owned Subsidiary of Prudential plc)

Statement of Financial Condition

December 31, 2009

(With Report of Independent Registered Public Accounting Firm Thereon)

Filed in accordance with Rule 17a-5(e)(3) of the Securities and Exchange Commission and Rule 1.10(g) of the
Commodity Futures Trading Commission as a public document.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8-

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/09 AND ENDING 12/31/09
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: SII INVESTMENTS, INC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

5555 GRANDE MARKET DRIVE

(No. and Street)

APPLETON

(City)

WI

(State)

54913

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

MAURA COLLINS

(310) 899-8805

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KPMG, LLP

(Name - if individual, state last, first, middle name)

355 SOUTH GRAND AVENUE, SUITE 2000, LOS ANGELES, CA 90071

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

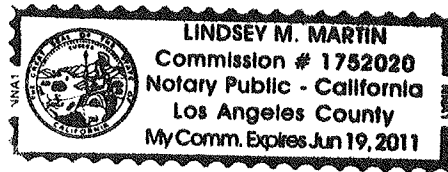
I, MAURA COLLINS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SII INVESTMENTS, INC, as of DECEMBER, 20 09, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Maura K. Collins

Signature

SVP, CHIEF FINANCIAL OFFICER
Title

Lindsey M. Martin
Notary Public



This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

SII INVESTMENTS, INC.
(SEC Identification No. 8-13963)
(An Indirect, Wholly Owned Subsidiary of Prudential plc)

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KPMG LLP
Suite 2000
355 South Grand Avenue
Los Angeles, CA 90071-1568

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholder
SII Investments, Inc.:

We have audited the accompanying statement of financial condition of SII Investments, Inc. (an indirect, wholly owned subsidiary of Prudential plc) as of December 31, 2009 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934 and Regulation 1.16 of the Commodity Futures Trading Commission. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit of a statement of financial condition also includes examining, on a test basis, evidence supporting the amounts and disclosures in that statement of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of SII Investments, Inc. as of December 31, 2009, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

February 23, 2010

SII INVESTMENTS, INC.
(SEC Identification No. 8-13963)
(An Indirect, Wholly Owned Subsidiary of Prudential plc)

Statement of Financial Condition

December 31, 2009

Assets

Cash and cash equivalents	\$ 7,668,361
Marketable securities	6,161
Commissions receivable	4,913,889
Investment advisory receivable	852,739
Forgivable notes receivable, net of accumulated amortization of \$4,047,348 and allowance of \$50,000	13,168,843
Other receivables	1,036,429
Receivable from registered representatives, net of allowance of \$530,716	372,027
Income taxes receivable	1,284,809
Deferred tax assets	7,470,027
Fixed assets, net of accumulated depreciation of \$1,994,328	205,528
Prepaid expenses and other assets	615,662
Goodwill	7,658,095
	<hr/>
Total assets	\$ 45,252,570
	<hr/> <hr/>

Liabilities and Stockholder's Equity

Liabilities:	
Drafts payable	\$ 155,246
Commissions payable	4,502,451
Investment advisory payable	796,375
Accounts payable and other accrued expenses	1,806,911
Payable to affiliates	74,954
	<hr/>
Total liabilities	7,335,937
Stockholder's equity	<hr/> 37,916,633
	<hr/>
Total liabilities and stockholder's equity	\$ 45,252,570
	<hr/> <hr/>

See accompanying notes to statement of financial condition.

SII INVESTMENTS, INC.
(SEC Identification No. 8-13963)
(An Indirect, Wholly Owned Subsidiary of Prudential plc)

Notes to Statement of Financial Condition

December 31, 2009

(1) Organization

SII Investments, Inc. (the Company) is a wholly owned subsidiary of National Planning Holdings, Inc. (NPH), which in turn is an indirect, wholly owned subsidiary of Prudential plc. The Company is a registered broker/dealer and investment advisor with the Securities and Exchange Commission (SEC) and is a registered broker/dealer with the Commodity Futures Trading Commission and is a member of the Financial Industry Regulatory Authority and the National Futures Association. The Company offers financial products (primarily mutual funds and insurance products) through its registered representatives to customers located throughout the United States.

The Company has evaluated events occurring after the balance sheet date (subsequent events) through February 23, 2010, the date the statement of financial condition was issued, to determine whether any subsequent events necessitated adjustment to or disclosure in the statement of financial condition. No such events were identified.

(2) Significant Accounting Policies

(a) *Cash and Cash Equivalents*

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents include \$6,993,481 in money market funds and accounts. Cash held in banks periodically exceeds the Federal Deposit Insurance Corporation's (FDIC) insurance coverage of \$250,000, and as a result, there is a concentration of credit risk related to amounts in excess of FDIC insurance coverage.

(b) *Marketable Securities*

Securities are carried at fair value based on quoted market prices and are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date, and interest is recorded on the accrual basis.

(c) *Drafts Payable*

Drafts payable represents amounts drawn by the Company pursuant to a sweep agreement with a bank. Under this agreement, the bank does not advance cash to the Company.

(d) *Fixed Assets*

Fixed assets are carried at cost, less accumulated depreciation and amortization. Depreciation is computed on a straight-line basis using the estimated useful lives of the assets. Fixed assets consist primarily of equipment, leasehold improvements, and software, which are depreciated over three to seven years. Leasehold improvements are depreciated over the shorter of the estimated useful life or the lease term.

SII INVESTMENTS, INC.
(SEC Identification No. 8-13963)
(An Indirect, Wholly Owned Subsidiary of Prudential plc)

Notes to Statement of Financial Condition

December 31, 2009

(e) Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a purchase businesses combination. Goodwill is reviewed for impairment at least annually. The goodwill impairment test is a two-step test. Under the first step, the fair value of the enterprise is compared with its carrying value (including goodwill). If the fair value of the enterprise is less than its carrying value, an indication of goodwill impairment exists and the enterprise must perform step two of the impairment test. Under step two, an impairment loss is recognized for any excess of the carrying amount of the enterprise's goodwill over the fair value of that goodwill. The fair value of goodwill is determined by allocating the fair value of the enterprise in a manner similar to a purchase price allocation. The residual fair value after this allocation is the implied fair value of the enterprise's goodwill.

During 2009, the Company performed its annual impairment review of goodwill and concluded that there was no impairment.

(f) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company is included in a consolidated federal income tax return with Brooke Holdco1 Inc. (BH1), an indirect, wholly owned subsidiary of Prudential plc. The Company's tax-sharing agreement with BH1 is based on the separate return method and any intercompany income taxes are settled on a monthly basis. The Company files combined state tax returns in Alaska, California, Massachusetts, Michigan, Texas, Vermont, West Virginia, and Wisconsin; and separate state income tax returns for other states that the Company is required to file income tax returns. Beginning with the first taxable year ended December 31, 2006, the Company does not have a right to reimbursement for the utilization of its losses in the federal consolidated tax return.

(g) Receivable from Registered Representatives

Receivable from registered representatives relates to outstanding balances from representatives and forgivable notes offered to registered representatives who have not achieved a predetermined percentage of the agreed-upon gross dealer concessions and must pay down a portion of the note. When it has been determined that a note will be repaid by a representative, the amount to be repaid is

SII INVESTMENTS, INC.
(SEC Identification No. 8-13963)
(An Indirect, Wholly Owned Subsidiary of Prudential plc)

Notes to Statement of Financial Condition

December 31, 2009

reclassified from forgivable notes receivable to receivable from registered representative. Upon reclassification, the receivable accrues interest at a stated rate of the note. The Company has not and does not intend to sell these receivables.

The allowance for doubtful accounts is the Company's best estimate of the amount of credit losses in the Company's existing receivable from registered representatives. The allowance is determined on an individual receivable basis upon review of the probability that a registered representative will not repay all principal and interest contractually due. A receivable is impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due, including contractual interest payments. The Company does not accrue interest when a receivable is considered impaired. When ultimate collectibility of the principal balance of the impaired receivable is in doubt, all cash receipts on impaired receivables are applied to reduce the principal amount of such receivables until principal has been recovered and are recognized as interest income thereafter. Impairment losses are charged against the allowance. Receivables are written off against the allowance when all possible means of collection have been exhausted and the potential for recovery is considered remote.

(h) *Use of Estimates*

The preparation of the statement of financial condition in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and the accompanying notes. Such estimates include the valuation of commissions receivable, goodwill, long-lived assets, deferred tax assets, forgivable notes receivable, receivable from registered representatives, and assumptions used in the calculation of income taxes and income tax uncertainties. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Illiquid credit markets, volatile equity, foreign currency, energy markets, and declines in consumer spending have combined to increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the statement of financial condition in future periods.

(i) *Fair Value Measurements*

The financial instruments of the Company are reported in the statement of financial condition at fair values, or at carrying amounts that approximate fair values because of the short maturity of the instruments. The Company has determined the fair value of money market funds and marketable securities using the market approach as these financial instruments trade in an active market.

SII INVESTMENTS, INC.
(SEC Identification No. 8-13963)
(An Indirect, Wholly Owned Subsidiary of Prudential plc)

Notes to Statement of Financial Condition

December 31, 2009

(3) Income Taxes

The tax effects of temporary differences that give rise to significant portions of the Company's deferred income tax assets and liabilities are as follows:

Deferred tax assets:	
Forgivable loans	\$ 1,468,818
Allowance for doubtful accounts	227,786
Depreciation	112,503
Deferred compensation	5,801,802
Accrued vacation	35,712
Other	13,680
	<hr/>
Total deferred tax assets	7,660,301
	<hr/>
Deferred tax liabilities:	
Accrued bonus	(13,961)
Accrued commission	(14,997)
Prepays	(160,096)
Unrealized gain on marketable securities	(1,220)
	<hr/>
Total deferred tax liabilities	(190,274)
	<hr/>
Net deferred tax assets	\$ 7,470,027
	<hr/>

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Based upon the projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences.

The Company generated a Michigan net operating loss of \$33,316. A valuation allowance has been placed against the state net operating loss deferred asset as of December 31, 2009 due to the uncertainty of its ultimate realization.

The Company has a state tax receivable of \$321,279 and a federal income tax receivable of \$963,530, which have been reduced by \$109,324 related to unrecognized tax benefits. The total unrecognized tax benefits would affect the effective tax rate if recognized. These amounts are included in income taxes receivable in the accompanying statement of financial condition as of December 31, 2009.

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Notes to Statement of Financial Condition

December 31, 2009

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

Balance as of December 31, 2008	\$ 26,391
Additions to prior year tax positions	<u>82,933</u>
Balance as of December 31, 2009	<u><u>\$ 109,324</u></u>

The Company's federal income tax returns are under examination by the Internal Revenue Service for tax years 2005 and 2006. The federal income tax returns for 2007 and 2008 remain open to examination. The Company does not believe it is probable that a significant change will occur within the coming year to its unrecognized tax benefits.

(4) Fair Value Measurements

Effective January 1, 2008, the Company's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC 820-10, *Fair Value Measurements*.

Fair value is defined as the price that would be received to sell an asset or would be paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date.

ASC 820-10 established a three-level hierarchy for fair value measurements that distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity (observable inputs) and the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The hierarchy level assigned to each security in the Company is based on the assessment of the transparency and reliability of the inputs used in the valuation of such security at the measurement date. The three hierarchy levels are defined as follows:

- Level 1 – Valuations based on unadjusted quoted market prices in active markets for identical securities
- Level 2 – Valuations based on observable inputs (other than Level 1 prices), such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment

The Company has evaluated its investments in money market funds (\$6,993,481 included in cash and cash equivalents) and marketable securities and determined that based on the unadjusted quoted market prices in active markets used to determine fair value that these are classified as Level 1 investments.

(5) Clearing Agreement

The Company is an introducing broker and clears transactions with and for customers on a fully disclosed basis with Pershing LLC, a Bank of New York Mellon Company. The Company promptly transmits all

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December 31, 2009

customer funds and securities to Pershing LLC. In connection with this arrangement, the Company is contingently liable for its customers' transactions.

(6) Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1 (Rule 15c3-1) and is required to maintain minimum "net capital" equivalent of \$250,000 or 2% of "aggregate debit items," whichever is greater, as these terms are defined. The Company is also subject to the Commodity Futures Trading Commission's minimum financial requirements (Regulation 1.17), which requires the Company to maintain minimum net capital equal to the minimum net capital required under Rule 15c3-1. As of December 31, 2009, the Company had net capital of \$5,309,354, which was \$5,059,354 in excess of its requirement.

(7) Forgivable Notes Receivable

The Company holds forgivable notes from certain registered representatives. Under the terms of the forgivable notes, the principal is forgiven over a certain period of time, generally five to seven years. The forgiveness of the notes is contingent upon the continued affiliation of the representative and the representative achieving agreed-upon production levels, measured in terms of gross dealer concessions.

The Company records amortization of the principal balance of the notes monthly on a straight-line basis over the term of the note. In circumstances when the representative does not achieve the minimum gross dealer concessions but does achieve a predetermined percentage of the agreed-upon production levels, the term of the forgivable note may be extended for one additional year. Under such circumstances, the unamortized balance of the note is amortized over the remaining term. If the representative achieves an amount lower than the predetermined percentage of the agreed-upon production levels, the representative must pay down a portion of the note, and the remaining balance is amortized over the remaining term. In some instances, when it has been determined that a note will be repaid by a representative, the amount to be repaid is reclassified from forgivable notes receivable to receivable from registered representatives.

The activity in the forgivable notes receivable balance comprises the following:

Balance as of December 31, 2008	\$ 12,218,233
Granted	3,755,355
Amended notes	(644,596)
Allowance activity, net	10,002
Amortization	<u>(2,170,151)</u>
Balance as of December 31, 2009	<u><u>\$ 13,168,843</u></u>

During 2009, forgivable notes receivable totaling \$547,276 became fully amortized and were forgiven by the Company.

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December 31, 2009

(8) Receivable from Registered Representatives and Allowance for Doubtful Accounts

Receivable from registered representatives with interest rates ranging from 3.20% to 5.27%. The receivables mature from January 20, 2010 to November 20, 2012	\$ 116,375
Other receivables	<u>255,652</u>
Receivable from registered representatives	<u><u>\$ 372,027</u></u>

The activity in the allowance for doubtful accounts for impaired receivable from registered representatives for the year ended December 31, 2009 comprises the following:

Allowance for doubtful accounts at beginning of year	\$ 154,984
Additions charged to bad debt expense	<u>375,732</u>
Allowance for doubtful accounts at end of year	<u><u>\$ 530,716</u></u>

(9) Fixed Assets

The major classifications of fixed assets are as follows:

Leasehold improvements	\$ 565,057
Office equipment, furniture, and fixtures	889,168
Computer hardware and software	<u>745,631</u>
Total fixed assets	2,199,856
Less accumulated depreciation	<u>(1,994,328)</u>
Fixed assets, net	<u><u>\$ 205,528</u></u>

(10) Defined Contribution Plans

The Company participates with Jackson National Life Insurance Company (Jackson) (which is also an indirect, wholly owned subsidiary of Prudential plc) in defined contribution retirement plans covering all eligible full-time employees. The Company's annual contributions are based on a percentage of covered compensation paid to participating employees during each year.

(11) Related-Party Transactions

Jackson, an affiliate of NPH, allocates a portion of its leased office space to the Company based on the proportionate share that the Company utilizes for operations.

The Company participates in the allocation of costs in which NPH and the other wholly owned subsidiaries of NPH allocate a portion of their operating expenses to the Company, and the Company allocates a portion of its operating expenses to the other subsidiaries of NPH.

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December 31, 2009

Pursuant to the tax-sharing agreement, the Company paid \$1,948,000 for federal income taxes for the year ended December 31, 2009.

(12) Representative Deferred Compensation Program

The Company has a nonqualified deferred compensation plan for certain independent contractors of the Company. The Company's annual contributions are based on commission revenue production of participating independent contractors during the year. The Company has transferred title and ownership of all amounts credited to each participant's account and all underlying funds to Jackson for the purpose of facilitating administration of the plan.

(13) Contingencies

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position or liquidity.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON INTERNAL CONTROL REQUIRED BY RULE 17a-5 OF
THE SECURITIES EXCHANGE ACT OF 1934 AND
REGULATION 1.16 OF THE COMMODITY FUTURES
TRADING COMMISSION**



KPMG LLP
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**Report of Independent Registered Public Accounting Firm
on Internal Control Required by
Rule 17a-5 of the Securities Exchange Act of 1934 and
Regulation 1.16 of the Commodity Futures Trading Commission**

The Board of Directors and Stockholder
SII Investments, Inc.:

In planning and performing our audit of the financial statements of SII Investments, Inc. (the Company) (an indirect, wholly owned subsidiary of Prudential plc) as of and for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate debits and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

In addition, as required by Regulation 1.16 of the Commodity Futures Trading Commission (CFTC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding customer and firm assets. Because the Company does not have any commodities customers, we did not review the practices and procedures followed by the Company in any of the following:

1. The daily computations of the segregation requirements of Section 4d(a)(2) of the Commodity Exchange Act and the regulations thereunder, and the segregation of funds based on such computations
2. The daily computations of the foreign futures and foreign options secured amount requirements pursuant to Regulation 30.7 of the CFTC

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraphs. In fulfilling this responsibility, estimates



and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraphs and to assess whether those practices and procedures can be expected to achieve the SEC's and the CFTC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with U.S. generally accepted accounting principles. Rule 17a-5(g) and Regulation 1.16(d)(2) list additional objectives of the practices and procedures listed in the preceding paragraphs.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first, second, and third paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities and certain regulated commodity customer and firm assets that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second and third paragraphs of this report are considered by the SEC and CFTC to be adequate for their purposes in accordance with the Securities Exchange Act of 1934, the Commodity Exchange Act, and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second and third paragraphs of this report, were adequate as of December 31, 2009, to meet the SEC's and CFTC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the CFTC, Financial Industry Regulatory Authority, the National Futures Association, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 or Regulation 1.16 of the CFTC or both in their regulation of registered broker-dealers, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

February 23, 2010