

**BrokerCheck Report**

**CETERA INVESTMENT SERVICES LLC**

CRD# 15340

<b><u>Section Title</u></b>	<b><u>Page(s)</u></b>
Report Summary	1
Firm Profile	2 - 9
Firm History	10
Firm Operations	11 - 21
Disclosure Events	22

## About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**
- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
- **Where did this information come from?**
- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
  - o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
  - o information that regulators report regarding disciplinary actions or allegations against firms or brokers.
- **How current is this information?**
- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.
- **What if I want to check the background of an investment adviser firm or investment adviser representative?**
- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.
- **Are there other resources I can use to check the background of investment professionals?**
- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

**Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at [brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit [www.finra.org](http://www.finra.org).



## CETERA INVESTMENT SERVICES LLC

CRD# 15340

SEC# 8-31826

### Main Office Location

400 FIRST ST. S. SUITE 300  
ST. CLOUD, MN 56302  
Regulated by FINRA Kansas City Office

### Mailing Address

P.O. BOX 283  
ST. CLOUD, MN 56302-0283

### Business Telephone Number

320-656-4300

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

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

## Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

### Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 11/30/2012.

Its fiscal year ends in December.

### Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

### Firm Operations

This firm is registered with:

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

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

This firm conducts 13 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm does not have referral or financial arrangements with other brokers or dealers.

### Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	8
Arbitration	2



## Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 11/30/2012.

Its fiscal year ends in December.

## Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

### CETERA INVESTMENT SERVICES LLC

**Doing business as CETERA INVESTMENT SERVICES LLC**

**CRD#** 15340

**SEC#** 8-31826

### Main Office Location

400 FIRST ST. S. SUITE 300

ST. CLOUD, MN 56302

**Regulated by FINRA Kansas City Office**

### Mailing Address

P.O. BOX 283

ST. CLOUD, MN 56302-0283

### Business Telephone Number

320-656-4300

## Other Names of this Firm

Name	Where is it used
CETERA INVESTMENT SERVICES LLC	AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, PR, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY



## Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

### Direct Owners and Executive Officers

**Legal Name & CRD# (if any):** CETERA FINANCIAL GROUP, INC.

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

**Position** SOLE MEMBER

**Position Start Date** 01/2010

**Percentage of Ownership** 75% or more

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

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

---

**Legal Name & CRD# (if any):** ANTONIADES, ADAM NICHOLAS  
2261744

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

**Position** MANAGER

**Position Start Date** 05/2015

**Percentage of Ownership** Less than 5%

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

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

---

**Legal Name & CRD# (if any):** BONNEAU, CATHERINE MCCORMACK  
2899706

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

**Position** MANAGER AND CHIEF EXECUTIVE OFFICER

**Position Start Date** 07/2016

## Firm Profile



### Direct Owners and Executive Officers (continued)

**Percentage of Ownership** Less than 5%

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

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

---

**Legal Name & CRD# (if any):** BONNEAU, CATHERINE MCCORMACK  
2899706

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

**Position** CHIEF OPERATING OFFICER

**Position Start Date** 02/2018

**Percentage of Ownership** Less than 5%

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

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

---

**Legal Name & CRD# (if any):** CASEY, SEAN PATRICK  
2156290

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

**Position** VICE PRESIDENT

**Position Start Date** 07/2016

**Percentage of Ownership** Less than 5%

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

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

---

**Legal Name & CRD# (if any):** HALEY, BRIAN JOSEPH

## Firm Profile



### Direct Owners and Executive Officers (continued)

	4361815
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF COMPLIANCE OFFICER
<b>Position Start Date</b>	04/2018
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

---

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

<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	MANAGER
<b>Position Start Date</b>	05/2015
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

---

**Legal Name & CRD# (if any):** HOLWEGER, KIMBERLEY ANN  
1572778

<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	VICE PRESIDENT
<b>Position Start Date</b>	07/2016
<b>Percentage of Ownership</b>	Less than 5%

## Firm Profile



### Direct Owners and Executive Officers (continued)

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

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

---

**Legal Name & CRD# (if any):** OLSON, GREGORY ALAN  
2692482

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

**Position** ASSISTANT SECRETARY

**Position Start Date** 07/2016

**Percentage of Ownership** Less than 5%

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

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

---

**Legal Name & CRD# (if any):** RAMOS, RAMON  
2160203

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

**Position** MONEY LAUNDERING REPORTING OFFICER

**Position Start Date** 02/2013

**Percentage of Ownership** Less than 5%

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

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

---

**Legal Name & CRD# (if any):** REINHOLZ, CHRISTOPHER JON  
1961258



## Firm Profile



### Direct Owners and Executive Officers (continued)

<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	VICE PRESIDENT, DIRECTOR OF TRADING
<b>Position Start Date</b>	09/1998
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

---

<b>Legal Name &amp; CRD# (if any):</b>	RUMMEL, LEANN RENEE 1965155
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	MANAGER AND PRESIDENT
<b>Position Start Date</b>	07/2016
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

---

<b>Legal Name &amp; CRD# (if any):</b>	SHELSON, MARK PAUL 1819252
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	TREASURER
<b>Position Start Date</b>	07/2016
<b>Percentage of Ownership</b>	Less than 5%

## Firm Profile



### Direct Owners and Executive Officers (continued)

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

Yes

Is this a public reporting company?

No

---

Legal Name & CRD# (if any): SMILEY, STANLEY ROBERT  
3004604

Is this a domestic or foreign entity or an individual?

Individual

Position

VICE PRESIDENT

Position Start Date

03/2004

Percentage of Ownership

Less than 5%

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

Yes

Is this a public reporting company?

No

---



## Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

### Indirect Owners

<b>Legal Name &amp; CRD# (if any):</b>	ARETEC GROUP, INC.
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	CETERA FINANCIAL HOLDINGS, INC.
<b>Relationship to Direct Owner</b>	SOLE MEMBER
<b>Relationship Established</b>	04/2014
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

---

<b>Legal Name &amp; CRD# (if any):</b>	CETERA FINANCIAL HOLDINGS, INC.
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	CETERA FINANCIAL GROUP, INC.
<b>Relationship to Direct Owner</b>	SOLE MEMBER
<b>Relationship Established</b>	11/2009
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

---



## Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

<b>This firm was previously:</b>	PRIMEVEST FINANCIAL SERVICES INC.
<b>Date of Succession:</b>	12/03/2012
<b>Predecessor CRD#:</b>	15340
<b>Predecessor SEC#:</b>	8-31826
<b>Description</b>	CETERA INVESTMENT SERVICES LLC IS THE SUCCESSOR BY REBRANDING FROM PRIMEVEST FINANCIAL SERVICES INC.

---

<b>This firm was previously:</b>	PRIMEVEST FINANCIAL SERVICES INC.
<b>Date of Succession:</b>	12/01/2012
<b>Predecessor CRD#:</b>	15340
<b>Predecessor SEC#:</b>	8-31826
<b>Description</b>	CETERA INVESTMENT SERVICES LLC IS THE SUCCESSOR BY REBRANDING FROM PRIMEVEST FINANCIAL SERVICES INC AND WILL BE ASSUMING SUBSTANTIALLY ALL OF THE ASSETS AND LIABILITIES OF THE PREDECESSOR FIRM. THIS SUCCESSION DOES NOT INVOLVE A SUBSTANTIAL CHANGE IN OWNERSHIP AND/OR CONTROL.

---



## Firm Operations

### Registrations

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

**This firm is currently registered with the SEC, 1 SRO and 53 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	07/23/1984

### SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

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

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	11/15/1984



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	02/13/1985
Alaska	Approved	05/23/1985
Arizona	Approved	06/06/1985
Arkansas	Approved	05/24/1985
California	Approved	02/28/1985
Colorado	Approved	02/13/1985
Connecticut	Approved	05/16/1985
Delaware	Approved	02/27/1985
District of Columbia	Approved	11/29/1984
Florida	Approved	03/18/1985
Georgia	Approved	03/04/1985
Hawaii	Approved	06/24/1985
Idaho	Approved	04/11/1985
Illinois	Approved	10/26/1984
Indiana	Approved	02/19/1985
Iowa	Approved	04/18/1985
Kansas	Approved	04/09/1985
Kentucky	Approved	04/01/1985
Louisiana	Approved	05/10/1985
Maine	Approved	04/25/1985
Maryland	Approved	03/05/1985
Massachusetts	Approved	03/11/1985
Michigan	Approved	05/24/1985
Minnesota	Approved	05/15/1984
Mississippi	Approved	04/11/1985
Missouri	Approved	06/18/1985
Montana	Approved	03/12/1985
Nebraska	Approved	03/26/1985
Nevada	Approved	03/19/1985
New Hampshire	Approved	04/01/1985
New Jersey	Approved	04/19/1985
New Mexico	Approved	06/12/1985
New York	Approved	04/30/1985

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	04/24/1985
North Dakota	Approved	04/17/1985
Ohio	Approved	04/04/1985
Oklahoma	Approved	03/06/1985
Oregon	Approved	04/04/1985
Pennsylvania	Approved	03/29/1985
Puerto Rico	Approved	05/26/2000
Rhode Island	Approved	04/17/1985
South Carolina	Approved	04/09/1985
South Dakota	Approved	05/17/1985
Tennessee	Approved	04/30/1985
Texas	Approved	12/10/1984
Utah	Approved	05/16/1985
Vermont	Approved	04/29/1985
Virgin Islands	Approved	06/19/2007
Virginia	Approved	02/28/1985
Washington	Approved	04/09/1985
West Virginia	Approved	04/08/1985
Wisconsin	Approved	09/05/1985
Wyoming	Approved	04/09/1985



## Firm Operations

### Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

**This firm currently conducts 13 types of businesses.**

#### Types of Business

Exchange member engaged in exchange commission business other than floor activities
Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities dealer
U S. government securities broker
Municipal securities dealer
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Solicitor of time deposits in a financial institution
Put and call broker or dealer or option writer
Broker or dealer involved in a networking, kiosk or similar arrangement with a: bank, savings bank or association, or credit union

## **Firm Operations**



### **Clearing Arrangements**

**This firm does hold or maintain funds or securities or provide clearing services for other broker-dealer(s).**

### **Introducing Arrangements**

**This firm does not refer or introduce customers to other brokers and dealers.**



## Firm Operations

### Industry Arrangements



**This firm does have books or records maintained by a third party.**

**Name:** NATIONAL REGULATORY SERVICES, A DIVISION OF ACCUITY, INC.

**Business Address:** 323 - A MAIN STREET  
LAKEVILLE, CT 06039

**Effective Date:** 07/01/2017

**Description:** BRANCH INSPECTION MODULES FOR MONITORING AND RECORD RETENTION

**Name:** MARKETINGPRO, INC.

**Business Address:** 14525 SW MILLIKAN WAY  
#78359  
BEAVERTON, OR 97005

**Effective Date:** 05/24/2013

**Description:** WEB BASED SALES LITERATURE AND RECORD RETENTION SYSTEM

**Name:** SMARSH

**Business Address:** 851 SW 6TH AVE # 800  
PORTLAND, OR 97204

**Effective Date:** 11/01/2015

**Description:** ELECTRONIC RECORD KEEPER FOR ARCHIVING EMAILS, INSTANT MESSAGES, SOCIAL MEDIA AND TRADE BLOTTERS.

**Name:** GRANITE CITY MOVING & STORAGE

**Business Address:** 207 14TH AVENUE NORTHEAST  
SARTELL, MN 56377

**Effective Date:** 02/01/2008

**Description:** HARD COPY OFFSITE STORAGE OF GENERAL BD RECORDS

**Name:** THOMSON REUTERS PLC

**Business Address:** 3 TIMES SQUARE  
3RD FLOOR  
NEW YORK, NY 10036

**Effective Date:** 01/01/2009

**Description:** ELECTRONIC RECORD KEEPER OF SUPERVISORY AND COMPLIANCE POLICIES AND PROCEDURES.

## Firm Operations



### Industry Arrangements (continued)

<b>Name:</b>	VERITAS TECHNOLOGIES, INC.
<b>Business Address:</b>	2780 SKYPARK DRIVE #300 TORRANCE, CA 90505
<b>Effective Date:</b>	03/15/2005
<b>Description:</b>	ELECTRONIC RECORD KEEPER FOR ARCHIVING EMAILS, INSTANT MESSAGES AND TRADE BLOTTERS.
<b>Name:</b>	DOCUPACE TECHNOLOGIES, INC.
<b>Business Address:</b>	201 S BARRINGTON AVE #215 LOS ANGELES, CA 90025
<b>Effective Date:</b>	10/15/2007
<b>Description:</b>	ELECTRONIC RECORD KEEPER FOR GENERAL ACCOUNT DOCUMENTATION AND PROCESSING.
<b>Name:</b>	BROADRIDGE SECURITIES PROCESSING SOLUTIONS, INC.
<b>Business Address:</b>	4725 INDEPENDENCE STREET WHEAT RIDGE, CO 80033
<b>Effective Date:</b>	01/01/1987
<b>Description:</b>	PRIMEVEST FINANCIAL SERVICES, INC. USES THE FACILITIES OF BROADRIDGE SECURITIES PROCESSING SOLUTIONS, INC. (BROADRIDGE) FOR THE ELECTRONIC MAINTENANCE OF CUSTOMER ACCOUNT FILES. BROADRIDGE PROVIDES DATA PROCESSING SERVICE AS A CUSTOMER "SERVICE BUREAU" AND IS LINKED WITH PRIMEVEST THROUGH SECURE DIRECT DEDICATED TELEPHONE CIRCUITS. PRIMEVEST CONNECTS OUR INTERNAL SECURE NETWORK TO BROADRIDGE'S PROCESSING SYSTEM USING THESE DEDICATED CIRCUITS.

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

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

#### Control Persons/Financing

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

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



## Firm Operations

### Organization Affiliates

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

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

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

**CETERA ADVISORY SERVICES LLC is under common control with the firm.**

<b>CRD #:</b>	285648
<b>Business Address:</b>	200 N PACIFIC COAST HWY STE 1300 EL SEGUNDO, CA 90245
<b>Effective Date:</b>	11/18/2016
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	APPLICANT AND AFFILIATE ARE UNDER COMMON CONTROL OF ARETEC GROUP, INC.

**SUMMIT FINANCIAL GROUP INC is under common control with the firm.**

<b>CRD #:</b>	109485
<b>Business Address:</b>	980 NORTH FEDERAL HIGHWAY SUITE 310 BOCA RATON, FL 33432
<b>Effective Date:</b>	04/29/2014
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	APPLICANT AND CONTROL AFFILIATE ARE UNDER COMMON CONTROL OF ARETEC GROUP, INC.

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

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

**CRD #:** 34643

**Business Address:** 595 SOUTH FEDERAL HIGHWAY  
BOCA RATON, FL 333432

**Effective Date:** 04/29/2014

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** APPLICANT AND CONTROL AFFILIATE ARE UNDER COMMON CONTROL OF ARETEC GROUP, INC.

---

**FIRST ALLIED ADVISORY SERVICES, INC. is under common control with the firm.**

**CRD #:** 137888

**Business Address:** 15455 CONWAY ROAD  
2ND FLOOR  
CESTERFIELD, MO 63017

**Effective Date:** 04/29/2014

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** APPLICANT AND CONTROL AFFILIATE ARE UNDER COMMON CONTROL OF ARETEC GROUP, INC.

---

**FIRST ALLIED SECURITIES, INC. is under common control with the firm.**

**CRD #:** 32444

**Business Address:** 655 WEST BROADWAY  
12TH FLOOR  
SAN DIEGO, CA 92101

**Effective Date:** 04/29/2014

## Firm Operations



### Organization Affiliates (continued)

<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	APPLICANT AND CONTROL AFFILIATE ARE UNDER COMMON CONTROL OF ARETEC GROUP, INC.

---

#### CETERA INVESTMENT MANAGEMENT LLC is under common control with the firm.

<b>CRD #:</b>	165436
<b>Business Address:</b>	200 N PACIFIC COAST HWY STE 1300 EL SEGUNDO, CA 90245
<b>Effective Date:</b>	01/03/2013
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	APPLICANT AND CONTROL AFFILIATE ARE UNDER COMMON CONTROL OF CETERA FINANCIAL GROUP, INC.

---

#### CETERA INVESTMENT ADVISERS LLC is under common control with the firm.

<b>CRD #:</b>	105644
<b>Business Address:</b>	200 N. MARTINGALE RD. SCHAUMBURG, IL 60173
<b>Effective Date:</b>	04/02/2012
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	APPLICANT AND CONTROL AFFILIATE ARE UNDER COMMON CONTROL OF CETERA FINANCIAL GROUP, INC.

## Firm Operations



### Organization Affiliates (continued)

**CETERA FINANCIAL SPECIALISTS LLC is under common control with the firm.**

<b>CRD #:</b>	10358
<b>Business Address:</b>	200 N. MARTINGALE RD. SCHAUMBURG, IL 60173
<b>Effective Date:</b>	04/02/2012
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	APPLICANT AND CONTROL AFFILIATE ARE UNDER COMMON CONTROL OF CETERA FINANCIAL GROUP, INC.

---

**CETERA ADVISOR NETWORKS LLC is under common control with the firm.**

<b>CRD #:</b>	13572
<b>Business Address:</b>	200 N PACIFIC COAST HWY STE 1300 EL SEGUNDO, CA 90245
<b>Effective Date:</b>	12/13/2000
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	APPLICANT AND CONTROL AFFILIATE ARE UNDER COMMON CONTROL OF CETERA FINANCIAL GROUP, INC.

---

**CETERA ADVISORS LLC is under common control with the firm.**

<b>CRD #:</b>	10299
<b>Business Address:</b>	4600 SOUTH SYRACUSE SUITE 600 DENVER, CO 80237
<b>Effective Date:</b>	09/01/2000

## Firm Operations



### Organization Affiliates (continued)

<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	APPLICANT AND CONTROL AFFILIATE ARE UNDER COMMON CONTROL OF CETERA FINANCIAL GROUP, INC.

---

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

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



## Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	8	0
Arbitration	N/A	2	N/A





## Disclosure Event Details

### What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - o A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - o Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
  - o A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - § A "pending" event involves allegations that have not been proven or formally adjudicated.
    - § An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - § A "final" event has been concluded and its resolution is not subject to change.
  - o A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - § An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - § A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - § A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

### Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

### Disclosure 1 of 8

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION CUSTOMERS THAT WERE ELIGIBLE TO PURCHASE CLASS A SHARES IN CERTAIN MUTUAL FUNDS WITHOUT A FRONT-END SALES CHARGE. THE FINDINGS STATED THAT THESE ELIGIBLE CUSTOMERS WERE INSTEAD SOLD CLASS A SHARES WITH A FRONT-END SALES CHARGE OR CLASS B OR C SHARES WITH BACK-END SALES CHARGES AND HIGHER ONGOING FEES AND EXPENSES. MANY MUTUAL FUNDS WAIVE THE UP-FRONT SALES CHARGES ASSOCIATED WITH CLASS A SHARES FOR CERTAIN RETIREMENT PLANS AND/OR CHARITABLE ORGANIZATIONS. SOME OF THE MUTUAL FUNDS AVAILABLE ON THE FIRM'S RETAIL PLATFORM OFFERED SUCH WAIVERS AND DISCLOSED THOSE WAIVERS IN THEIR PROSPECTUSES. NOTWITHSTANDING THE AVAILABILITY OF THE WAIVERS, THE FIRM FAILED TO APPLY THE WAIVERS TO MUTUAL FUND PURCHASES MADE BY ELIGIBLE CUSTOMERS AND INSTEAD SOLD THEM CLASS A SHARES WITH A FRONT-END SALES CHARGE OR CLASS B OR C SHARES WITH BACK-END SALES CHARGES AND HIGHER ONGOING FEES AND EXPENSES. THESE SALES DISADVANTAGED ELIGIBLE CUSTOMERS BY CAUSING THE CUSTOMERS TO PAY HIGHER FEES THAN THEY WERE ACTUALLY REQUIRED TO PAY. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ENSURE THAT ELIGIBLE CUSTOMERS WHO PURCHASED MUTUAL FUND SHARES RECEIVED THE BENEFIT OF APPLICABLE SALES CHARGE WAIVERS. THE FIRM RELIED ON ITS FINANCIAL ADVISORS TO DETERMINE THE APPLICABILITY OF SALES-CHARGE WAIVERS, BUT FAILED TO MAINTAIN ADEQUATE WRITTEN POLICIES OR PROCEDURES TO ASSIST FINANCIAL ADVISORS IN MAKING THIS DETERMINATION. IN ADDITION, THE FIRM FAILED TO ADEQUATELY NOTIFY AND TRAIN ITS FINANCIAL ADVISORS REGARDING THE AVAILABILITY OF MUTUAL FUND SALES-CHARGE WAIVERS FOR ELIGIBLE CUSTOMERS. THE FIRM ALSO FAILED TO ADOPT ADEQUATE CONTROLS TO DETECT INSTANCES IN WHICH THEY DID NOT PROVIDE SALES-CHARGE WAIVERS TO ELIGIBLE CUSTOMERS IN CONNECTION WITH THEIR MUTUAL FUND PURCHASES. AS A RESULT OF THE FIRM'S FAILURE TO APPLY AVAILABLE SALES-CHARGE WAIVERS, THE FIRM ESTIMATES THAT ELIGIBLE CUSTOMERS WERE OVERCHARGED BY APPROXIMATELY \$1,220,192 FOR MUTUAL FUND PURCHASES MADE SINCE JULY 1, 2009.

**Initiated By:**

FINRA

**Date Initiated:**

08/21/2017

**Docket/Case Number:**[2016050259201](#)**Principal Product Type:**

Mutual Fund(s)

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 08/21/2017**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No**Sanctions Ordered:** Censure  
Disgorgement/Restitution**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** THE FIRM WAS CENSURED, AGREED TO PAY A TOTAL OF APPROXIMATELY \$1,391,325, INCLUSIVE OF INTEREST, IN RESTITUTION TO ELIGIBLE CUSTOMERS, AND WILL ALSO ENSURE THAT RETIREMENT AND CHARITABLE WAIVERS ARE APPROPRIATELY APPLIED TO ALL FUTURE TRANSACTIONS, AND REQUIRED TO PROVIDE REMEDIATION TO ELIGIBLE CUSTOMERS WHO, FROM JULY 1, 2009, QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE MUTUAL FUND SALES CHARGE WAIVERS WHEN THE FIRM FAILED TO IDENTIFY AND APPLY AVAILABLE SALES CHARGE WAIVERS TO ELIGIBLE RETIREMENT ACCOUNTS AND CHARITABLE ORGANIZATIONS. THE FIRM WILL PROVIDE TO FINRA A DETAILED PLAN TO REMEDIATE ELIGIBLE CUSTOMERS BASED ON SPECIFIC CRITERIA THAT ARE NOT UNACCEPTABLE TO FINRA. THE FIRM WILL ALSO ADDRESS RESTITUTION FOR EACH RETIREMENT PLAN CUSTOMER THAT, WHILE NOT ELIGIBLE TO PURCHASE CLASS A SHARES WITHOUT A FRONT-END SALES CHARGE, WAS ELIGIBLE TO PURCHASE AN ALTERNATIVE SHARE CLASS (INCLUDING, BUT NOT LIMITED TO, R SHARES) WITHOUT A FRONT-END SALES CHARGE AND WITH ONGOING FEES SUBSTANTIALLY SIMILAR TO THOSE OF THE CLASS A SHARE. THE FIRM WILL SUBMIT TO FINRA A SCHEDULE OF ELIGIBLE CUSTOMERS IDENTIFIED FOR REMEDIATION AND INCLUDE THE DETAILS OF THE QUALIFYING PURCHASES AND TOTAL DOLLAR AMOUNTS OF RESTITUTION THAT WILL BE PROVIDED TO EACH CUSTOMER.

**Regulator Statement** IN RESOLVING THIS MATTER, FINRA HAS RECOGNIZED THE EXTRAORDINARY COOPERATION OF THE FIRM FOR HAVING: (1) INITIATED,



PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, AN INVESTIGATION TO IDENTIFY WHETHER ELIGIBLE CUSTOMERS RECEIVED SALES CHARGE WAIVERS DURING THE RELEVANT PERIOD; (2) PROMPTLY ESTABLISHED A PLAN OF REMEDIATION FOR ELIGIBLE CUSTOMERS WHO DID NOT RECEIVE APPROPRIATE SALES CHARGE WAIVERS; (3) PROMPTLY SELF-REPORTED TO FINRA; (4) PROMPTLY TAKEN ACTION AND REMEDIAL STEPS TO CORRECT THE VIOLATIVE CONDUCT; AND (5) EMPLOYED SUBSEQUENT CORRECTIVE MEASURES, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, TO REVISE ITS PROCEDURES TO AVOID RECURRENCE OF THE MISCONDUCT.

---

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT DISADVANTAGED CERTAIN RETIREMENT PLAN AND CHARITABLE ORGANIZATION CUSTOMERS THAT WERE ELIGIBLE TO PURCHASE CLASS A SHARES IN CERTAIN MUTUAL FUNDS WITHOUT A FRONT-END SALES CHARGE. THE FINDINGS STATED THAT THESE ELIGIBLE CUSTOMERS WERE INSTEAD SOLD CLASS A SHARES WITH A FRONT-END SALES CHARGE OR CLASS B OR C SHARES WITH BACK-END SALES CHARGES AND HIGHER ONGOING FEES AND EXPENSES. THESE SALES DISADVANTAGED ELIGIBLE CUSTOMERS BY CAUSING THE CUSTOMERS TO PAY HIGHER FEES THAN THEY WERE ACTUALLY REQUIRED TO PAY. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REASONABLY SUPERVISE THE APPLICATION OF SALES-CHARGE WAIVERS TO ELIGIBLE MUTUAL FUND SALES. THE FIRM RELIED ON ITS FINANCIAL ADVISORS TO DETERMINE THE APPLICABILITY OF SALES-CHARGE WAIVERS BUT FAILED TO MAINTAIN ADEQUATE WRITTEN POLICIES OR PROCEDURES TO ASSIST FINANCIAL ADVISORS IN MAKING THIS DETERMINATION. IN ADDITION, THE FIRM FAILED TO ADEQUATELY NOTIFY AND TRAIN ITS FINANCIAL ADVISORS REGARDING THE AVAILABILITY OF MUTUAL FUND SALES-CHARGE WAIVERS FOR ELIGIBLE CUSTOMERS. THE FIRM ALSO FAILED TO ADOPT ADEQUATE CONTROLS TO DETECT INSTANCES IN WHICH THEY DID NOT PROVIDE SALES-CHARGE WAIVERS TO ELIGIBLE CUSTOMERS IN CONNECTION WITH THEIR MUTUAL FUND PURCHASES. AS A RESULT OF THE FIRM'S FAILURE TO APPLY AVAILABLE SALES-CHARGE WAIVERS, THE FIRM ESTIMATES THAT ELIGIBLE CUSTOMERS WERE OVERCHARGED BY APPROXIMATELY \$1,220,192 FOR MUTUAL FUND PURCHASES MADE SINCE JULY 1, 2009.

**Initiated By:** FINRA

**Date Initiated:** 03/21/2017



<b>Docket/Case Number:</b>	<a href="#">2016050259201</a>
<b>Principal Product Type:</b>	Mutual Fund(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	08/21/2017
<b>Sanctions Ordered:</b>	Censure Disgorgement/Restitution
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	<p>THE FIRM WAS CENSURED, AGREED TO PAY A TOTAL OF APPROXIMATELY \$1,391,325, INCLUSIVE OF INTEREST, IN RESTITUTION TO ELIGIBLE CUSTOMERS, AND WILL ALSO ENSURE THAT RETIREMENT AND CHARITABLE WAIVERS ARE APPROPRIATELY APPLIED TO ALL FUTURE TRANSACTIONS, AND REQUIRED TO PROVIDE REMEDIATION TO ELIGIBLE CUSTOMERS WHO, FROM JULY 1, 2009, QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE MUTUAL FUND SALES CHARGE WAIVERS WHEN THE FIRM FAILED TO IDENTIFY AND APPLY AVAILABLE SALES CHARGE WAIVERS TO ELIGIBLE RETIREMENT ACCOUNTS AND CHARITABLE ORGANIZATIONS. THE FIRM WILL PROVIDE TO FINRA A DETAILED PLAN TO REMEDIATE ELIGIBLE CUSTOMERS BASED ON SPECIFIC CRITERIA THAT ARE NOT UNACCEPTABLE TO FINRA. THE FIRM WILL ALSO ADDRESS RESTITUTION FOR EACH RETIREMENT PLAN CUSTOMER THAT, WHILE NOT ELIGIBLE TO PURCHASE CLASS A SHARES WITHOUT A FRONT-END SALES CHARGE, WAS ELIGIBLE TO PURCHASE AN ALTERNATIVE SHARE CLASS (INCLUDING, BUT NOT LIMITED TO, R SHARES) WITHOUT A FRONT-END SALES CHARGE AND WITH ONGOING FEES SUBSTANTIALLY SIMILAR TO THOSE OF THE CLASS A SHARE. THE FIRM WILL SUBMIT TO FINRA A SCHEDULE OF ELIGIBLE CUSTOMERS IDENTIFIED FOR REMEDIATION AND INCLUDE THE DETAILS OF THE QUALIFYING PURCHASES AND TOTAL DOLLAR AMOUNTS OF RESTITUTION THAT WILL BE PROVIDED TO EACH CUSTOMER.</p>
<b>Firm Statement</b>	<p>IN RESOLVING THIS MATTER, FINRA HAS RECOGNIZED THE EXTRAORDINARY COOPERATION OF THE FIRM FOR HAVING: (1) INITIATED, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, AN INVESTIGATION TO IDENTIFY WHETHER ELIGIBLE CUSTOMERS RECEIVED SALES CHARGE WAIVERS DURING THE RELEVANT PERIOD; (2) PROMPTLY</p>



ESTABLISHED A PLAN OF REMEDIATION FOR ELIGIBLE CUSTOMERS WHO DID NOT RECEIVE APPROPRIATE SALES CHARGE WAIVERS; (3) PROMPTLY SELF-REPORTED TO FINRA; (4) PROMPTLY TAKEN ACTION AND REMEDIAL STEPS TO CORRECT THE VIOLATIVE CONDUCT; AND (5) EMPLOYED SUBSEQUENT CORRECTIVE MEASURES, PRIOR TO DETECTION OR INTERVENTION BY A REGULATOR, TO REVISE ITS PROCEDURES TO AVOID RECURRENCE OF THE MISCONDUCT.

## Disclosure 2 of 8

### Reporting Source:

Regulator

### Current Status:

Final

### Allegations:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO GENERATE AND MAIL, OR OTHERWISE FURNISH, A TOTAL OF 57,881 NOTIFICATIONS TO ACCOUNT OWNERS OF RECORD REGARDING CHANGES TO THEIR ACCOUNT RECORDS. THE FINDINGS STATED THAT FORMER CUSTOMERS CONTACTED THE FIRM TO INQUIRE ABOUT NOTICES THEY RECEIVED FROM THE FIRM REGARDING CHANGES TO THEIR ACCOUNT RECORDS, SPECIFICALLY NAME CHANGES, ADDRESS CHANGES, OR INVESTMENT OBJECTIVE CHANGES (PROFILE UPDATE NOTICES). THE CUSTOMERS WHO CONTACTED THE FIRM ALL HELD ANNUITIES, MUTUAL FUNDS, OR REAL ESTATE INVESTMENT TRUSTS (REITS) DIRECTLY WITH THE ISSUERS OF THE PRODUCTS (DIRECT APPLICATION ACCOUNTS), AND THE FIRM WAS NO LONGER THE BROKER-DEALER OF RECORD ON THOSE ACCOUNTS. AS A RESULT OF THE INQUIRIES FROM FORMER CUSTOMERS, THE FIRM ATTEMPTED TO SUPPRESS THE GENERATION AND MAILING OF PROFILE UPDATE NOTICES TO CUSTOMERS WITH DIRECT APPLICATION ACCOUNTS FOR WHICH THE FIRM WAS NO LONGER THE BROKER-DEALER OF RECORD. THOUGH THE SUPPRESSION WAS INTENDED TO ELIMINATE THE MAILING OF PROFILE UPDATE NOTICES TO FORMER FIRM CUSTOMERS, THE COMPUTER CODING USED BY THE FIRM ASSUMED THAT CUSTOMERS HAD CLOSED THEIR FIRM ACCOUNTS IF THERE WAS NO LINK BETWEEN THE CUSTOMERS' DIRECT APPLICATION ACCOUNTS AND THEIR FIRM PROFILES. THERE WERE SITUATIONS, HOWEVER, IN WHICH EXISTING FIRM CUSTOMERS HAD DIRECT APPLICATION ACCOUNTS THAT WERE NOT LINKED TO THEIR FIRM PROFILES. CONSEQUENTLY, FIRM CUSTOMERS WITH DIRECT APPLICATION ACCOUNTS NOT LINKED TO THEIR FIRM PROFILES DID NOT RECEIVE PROFILE UPDATE NOTICES. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH ADEQUATE WRITTEN SUPERVISORY PROCEDURES (WSPS) REASONABLY DESIGNED TO ENSURE THE PROPER SUPERVISION OF THE CREATION AND MAINTENANCE OF ACCURATE ACCOUNT RECORDS. THE FIRM'S WSPS DID



NOT CONTAIN ANY PROCESSES OR PROCEDURES TO TEST AND VERIFY WHETHER PROFILE UPDATE NOTICES WERE PROPERLY GENERATED AND MAILED TO CUSTOMERS. AS A RESULT, THE FIRM FAILED TO DETECT THAT PROFILE UPDATE NOTICES WERE IMPROPERLY SUPPRESSED.

**Initiated By:** FINRA

**Date Initiated:** 07/25/2016

**Docket/Case Number:** [2013039106701](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 07/25/2016

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

**Sanctions Ordered:** Censure  
Monetary/Fine \$75,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$75,000.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO GENERATE AND MAIL, OR OTHERWISE FURNISH, A TOTAL OF 57,881 NOTIFICATIONS TO ACCOUNT OWNERS OF RECORD REGARDING CHANGES TO THEIR ACCOUNT RECORDS. THE FINDINGS STATED THAT FORMER CUSTOMERS CONTACTED THE FIRM TO INQUIRE ABOUT NOTICES THEY RECEIVED FROM THE FIRM REGARDING CHANGES TO THEIR ACCOUNT RECORDS, SPECIFICALLY NAME CHANGES, ADDRESS





CHANGES, OR INVESTMENT OBJECTIVE CHANGES (PROFILE UPDATE NOTICES). THE CUSTOMERS WHO CONTACTED THE FIRM ALL HELD ANNUITIES, MUTUAL FUNDS, OR REAL ESTATE INVESTMENT TRUSTS (REITS) DIRECTLY WITH THE ISSUERS OF THE PRODUCTS (DIRECT APPLICATION ACCOUNTS), AND THE FIRM WAS NO LONGER THE BROKER-DEALER OF RECORD ON THOSE ACCOUNTS. AS A RESULT OF THE INQUIRIES FROM FORMER CUSTOMERS, THE FIRM ATTEMPTED TO SUPPRESS THE GENERATION AND MAILING OF PROFILE UPDATE NOTICES TO CUSTOMERS WITH DIRECT APPLICATION ACCOUNTS FOR WHICH THE FIRM WAS NO LONGER THE BROKER-DEALER OF RECORD. THOUGH THE SUPPRESSION WAS INTENDED TO ELIMINATE THE MAILING OF PROFILE UPDATE NOTICES TO FORMER FIRM CUSTOMERS, THE COMPUTER CODING USED BY THE FIRM ASSUMED THAT CUSTOMERS HAD CLOSED THEIR FIRM ACCOUNTS IF THERE WAS NO LINK BETWEEN THE CUSTOMERS' DIRECT APPLICATION ACCOUNTS AND THEIR FIRM PROFILES. THERE WERE SITUATIONS, HOWEVER, IN WHICH EXISTING FIRM CUSTOMERS HAD DIRECT APPLICATION ACCOUNTS THAT WERE NOT LINKED TO THEIR FIRM PROFILES. CONSEQUENTLY, FIRM CUSTOMERS WITH DIRECT APPLICATION ACCOUNTS NOT LINKED TO THEIR FIRM PROFILES DID NOT RECEIVE PROFILE UPDATE NOTICES. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH ADEQUATE WRITTEN SUPERVISORY PROCEDURES (WSPS) REASONABLY DESIGNED TO ENSURE THE PROPER SUPERVISION OF THE CREATION AND MAINTENANCE OF ACCURATE ACCOUNT RECORDS. THE FIRM'S WSPS DID NOT CONTAIN ANY PROCESSES OR PROCEDURES TO TEST AND VERIFY WHETHER PROFILE UPDATE NOTICES WERE PROPERLY GENERATED AND MAILED TO CUSTOMERS. AS A RESULT, THE FIRM FAILED TO DETECT THAT PROFILE UPDATE NOTICES WERE IMPROPERLY SUPPRESSED.

**Initiated By:** FINRA

**Date Initiated:** 07/25/2016

**Docket/Case Number:** [2013039106701](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 07/25/2016

**Sanctions Ordered:** Censure





Monetary/Fine \$75,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$75,000.

**Disclosure 3 of 8**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO IDENTIFY AND APPLY VOLUME DISCOUNTS TO ELIGIBLE PURCHASES OF NON-TRADED REAL ESTATE INVESTMENT TRUSTS (REITS) AND NON-TRADED BUSINESS DEVELOPMENT COMPANIES (BDCS), RESULTING IN CUSTOMERS FAILING TO RECEIVE THE BENEFIT OF APPROXIMATELY \$18,000 OF AVAILABLE SALES CHARGE DISCOUNTS. THE FINDINGS STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE AN ADEQUATE SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO THE SALE OF NON-TRADED REITS AND BDCS. THE FIRM DID NOT HAVE PROCEDURES IN PLACE REASONABLY DESIGNED TO IDENTIFY ACCOUNTS THAT WOULD BE ELIGIBLE FOR VOLUME DISCOUNTS. THE FIRM RELIED ON ITS ASSOCIATED PERSONS TO ENSURE ITS CUSTOMERS RECEIVED THE VOLUME DISCOUNTS TO WHICH THEY WERE ENTITLED, BUT FAILED TO PROVIDE ADEQUATE GUIDELINES, INSTRUCTIONS OR POLICIES FOR ITS ASSOCIATED PERSONS AND SUPERVISORS TO FOLLOW TO ENSURE THAT THE CUSTOMER SALES VOLUME DISCOUNTS WERE APPLIED.

**Initiated By:** FINRA

**Date Initiated:** 09/09/2015

**Docket/Case Number:** [2014042566201](#)

**Principal Product Type:** Other

**Other Product Type(s):** NON-TRADED REAL ESTATE INVESTMENT TRUSTS (REITS) AND NON-TRADED BUSINESS DEVELOPMENT COMPANIES (BDCS)

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

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

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

**Resolution Date:** 09/09/2015



**Sanctions Ordered:** Censure  
Monetary/Fine \$30,000.00  
Disgorgement/Restitution

**Other Sanctions Ordered:** PLUS INTEREST ON RESTITUTION AND UNDERTAKING

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$30,000, ORDERED TO PAY \$17,883.66, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS, AND ORDERED TO REVIEW ALL NON-TRADED REIT AND BDC SALES IT MADE DURING THE RELEVANT PERIOD AND CERTIFY THAT IT HAS IDENTIFIED ALL TRANSACTIONS FOR WHICH A CUSTOMER DID NOT RECEIVE THE VOLUME DISCOUNT FOR WHICH THE CUSTOMER WAS ELIGIBLE. FINE PAID IN FULL OCTOBER 5, 2015.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO IDENTIFY AND APPLY VOLUME DISCOUNTS TO ELIGIBLE PURCHASES OF NON-TRADED REAL ESTATE INVESTMENT TRUSTS (REITS) AND NON-TRADED BUSINESS DEVELOPMENT COMPANIES (BDCS), RESULTING IN CUSTOMERS FAILING TO RECEIVE THE BENEFIT OF APPROXIMATELY \$18,000 OF AVAILABLE SALES CHARGE DISCOUNTS. THE FINDINGS STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE AN ADEQUATE SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO THE SALE OF NON-TRADED REITS AND BDCS. THE FIRM DID NOT HAVE PROCEDURES IN PLACE REASONABLY DESIGNED TO IDENTIFY ACCOUNTS THAT WOULD BE ELIGIBLE FOR VOLUME DISCOUNTS. THE FIRM RELIED ON ITS ASSOCIATED PERSONS TO ENSURE ITS CUSTOMERS RECEIVED THE VOLUME DISCOUNTS TO WHICH THEY WERE ENTITLED, BUT FAILED TO PROVIDE ADEQUATE GUIDELINES, INSTRUCTIONS OR POLICIES FOR ITS ASSOCIATED PERSONS AND SUPERVISORS TO FOLLOW TO ENSURE THAT THE CUSTOMER SALES VOLUME DISCOUNTS WERE APPLIED.

**Initiated By:** FINRA

**Date Initiated:** 09/09/2015

**Docket/Case Number:** [2014042566201](#)

**Principal Product Type:** Other

**Other Product Type(s):** NON-TRADED REAL ESTATE INVESTMENT TRUSTS (REITS) AND NON-TRADED BUSINESS DEVELOPMENT COMPANIES (BDCS)



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

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

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

**Resolution Date:** 09/09/2015

**Sanctions Ordered:** Censure  
Monetary/Fine \$30,000.00  
Disgorgement/Restitution

**Other Sanctions Ordered:** PLUS INTEREST ON RESTITUTION AND UNDERTAKING

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$30,000, ORDERED TO PAY \$17,883.66, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS, AND ORDERED TO REVIEW ALL NON-TRADED REIT AND BDC SALES IT MADE DURING THE RELEVANT PERIOD AND CERTIFY THAT IT HAS IDENTIFIED ALL TRANSACTIONS FOR WHICH A CUSTOMER DID NOT RECEIVE THE VOLUME DISCOUNT FOR WHICH THE CUSTOMER WAS ELIGIBLE.

#### Disclosure 4 of 8

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FAILURE TO REPORT TO THE SUPERINTENDENT OF FINANCIAL SERVICES OF NEW YORK WITHIN 30 DAYS THAT THE FIRM WAS FINED BY THE ILLINOIS SECRETARY OF STATE, SECURITIES DEPARTMENT ON APRIL 22, 2010.

**Initiated By:** NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

**Date Initiated:** 05/11/2011

**Docket/Case Number:** 2011-0216-S

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Stipulation and Consent



<b>Resolution Date:</b>	03/12/2012
<b>Sanctions Ordered:</b>	Monetary/Fine \$750.00
<b>Other Sanctions Ordered:</b>	PRIMEVEST EXECUTED A STIPULATION REQUIRING THAT IT PAY A \$750.00 PENALTY AND TAKE ALL NECESSARY STEPS TO PREVENT THE REOCCURENCE OF SIMILAR VIOLATIONS.
<b>Sanction Details:</b>	PRIMEVEST AGREED TO A STIPULATION WITH THE STATE OF NEW YORK DEPARTMENT OF FINANCIAL SERVICES AND AGREED TO PAY A FINE OF \$750, PAID ON 03/02/2012.
<b>Firm Statement</b>	ON MARCH 12, 2012, PRIMEVEST AGREED TO A STIPULATION WITH THE STATE OF NEW YORK DEPARTMENT OF FINANCIAL SERVICES. PRIMEVEST AGREED TO PAY A FINE OF \$750 FOR FAILING TO REPORT TO THE SUPERINTENDENT OF FINANCIAL SERVICES OF NEW YORK WITHIN 30 DAYS THAT THE FIRM WAS FINED BY THE ILLINOIS SECRETARY OF STATE, SECURITIES DEPARTMENT ON APRIL 22, 2010.

#### Disclosure 5 of 8

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA RULES 2010, 6730(A), 6730(C), 6730(D)(4)(D) - PRIMEVEST FINANCIAL SERVICES, INC. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE EXECUTION TIME. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6730(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010. THE FIRM FAILED TO REPORT ACCURATE TRADE INFORMATION FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES: THE FIRM FAILED TO ACCURATELY REPORT THE EXECUTION TIME AND THE SETTLEMENT IDENTIFIER; THE FIRM FAILED TO REPORT A SETTLEMENT DATE MODIFIER EVEN THOUGH EACH TRANSACTION WAS EXECUTED WITH A SETTLEMENT DATE OTHER THAN T+1; AND IN ONE INSTANCE, THE FIRM FAILED TO ACCURATELY REPORT THE EXECUTION TIME. DURING A CALENDAR QUARTER, THE FIRM FAILED TO REPORT THE ACCURATE MARKET IDENTIFIER FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	12/16/2011
<b>Docket/Case Number:</b>	<a href="#">2010024886201</a>
<b>Principal Product Type:</b>	Other



<b>Other Product Type(s):</b>	TRACE-ELIGIBLE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/16/2011
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000. FINE PAID IN FULL DECEMBER 27, 2011.
<hr/>	
<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA RULES 2010, 6730(A), 6730(C), 6730(D)(4)(D) - PRIMEVEST FINANCIAL SERVICES, INC. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE EXECUTION TIME. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6730(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010. THE FIRM FAILED TO REPORT ACCURATE TRADE INFORMATION FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES: THE FIRM FAILED TO ACCURATELY REPORT THE EXECUTION TIME AND THE SETTLEMENT IDENTIFIER; THE FIRM FAILED TO REPORT A SETTLEMENT DATE MODIFIER EVEN THOUGH EACH TRANSACTION WAS EXECUTED WITH A SETTLEMENT DATE OTHER THAN T+1; AND IN ONE INSTANCE, THE FIRM FAILED TO ACCURATELY REPORT THE EXECUTION TIME. DURING A CALENDAR QUARTER, THE FIRM FAILED TO REPORT THE ACCURATE MARKET IDENTIFIER FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES.



**Initiated By:** FINRA  
**Date Initiated:** 12/16/2011  
**Docket/Case Number:** [2010024886201](#)  
**Principal Product Type:** Other  
**Other Product Type(s):** TRACE-ELIGIBLE SECURITIES  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 12/16/2011  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$10,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000.

---

#### Disclosure 6 of 8

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** FAILURE TO SUPERVISE  
**Initiated By:** STATE OF ILLINOIS, ILLINOIS SECURITIES DEPARTMENT  
**Date Initiated:** 03/02/2010  
**Docket/Case Number:** 0900257  
**URL for Regulatory Action:**  
**Principal Product Type:** Mutual Fund(s)  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Other  
**Other Sanction(s)/Relief Sought:** NOTICE OF HEARING



**Resolution:** Consent

**Resolution Date:** 04/22/2010

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

**Sanctions Ordered:** Monetary/Fine \$50,000.00

**Other Sanctions Ordered:** CONSENT ORDER OF PROHIBITION

**Sanction Details:** A \$50,000 FINE IS TO BE PAID 30 DAYS AFTER THE ENTRY OF THE CONSENT ORDER.

**Regulator Statement** NOTICE OF HEARING WAS ISSUED MARCH 2, 2010. CONSENT ORDER WAS ISSUED APRIL 22, 2010. CONTACT (618) 253-2007

---

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FAILURE TO SUPERVISE

**Initiated By:** STATE OF ILLINOIS, ILLINOIS SECURITIES DEPARTMENT

**Date Initiated:** 03/02/2010

**Docket/Case Number:** 0900257

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

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** NOTICE OF HEARING

**Resolution:** Consent

**Resolution Date:** 04/22/2010

**Sanctions Ordered:** Monetary/Fine \$50,000.00

**Other Sanctions Ordered:** CONSENT ORDER OF PROHIBITION

**Sanction Details:** A \$50,000.00 FINE IS TO BE PAID 30 DAYS AFTER THE ENTRY OF THE CONSENT ORDER.



**Firm Statement** NOTICE OF HEARING WAS ISSUED MARCH 2, 2010. THE HEARING IS SCHEDULED FOR MAY 19, 2010. CONSENT ORDER WAS ISSUED APRIL 22, 2010.

#### Disclosure 7 of 8

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FLORIDA ALLEGED THAT THE FIRM ENGAGED IN THE BUSINESS OF INSURANCE IN FLORIDA AFTER OCTOBER 1, 2006 WITHOUT OBTAINING THE APPROPRIATE FLORIDA LICENSE AND FAILED TO TIMELY REPORT PREVIOUS ADMINISTRATIVE ACTIONS ON ITS AGENCY LICENSE APPLICATIONS.

**Initiated By:** FLORIDA DEPARTMENT OF FINANCIAL SERVICES

**Date Initiated:** 11/13/2008

**Docket/Case Number:** 100759-08-AG

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Stipulation and Consent

**Resolution Date:** 01/08/2009

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

**Other Sanctions Ordered:**

**Sanction Details:** ADMINISTRATIVE PENALTY OF \$10,000.00 LEVIED AGAINST APPLICANT, WHICH WAS PAID 01/21/2009.

**Firm Statement** PRIMEVEST EXECUTED A STIPULATION FOR CONSENT ORDER ON 11/13/2008 AND THE FLORIDA DEPT. OF FINANCIAL SERVICES ENTERED A CONSENT ORDER ON 01/08/2009 ORDERING THE FIRM TO PAY A \$10,000.00 ADMINISTRATIVE PENALTY, DIVULGE PREVIOUS ADMINISTRATION ACTIONS ON APPLICATIONS AND ENSURE THAT PROPER LICENSURE BE OBTAINED TO CONDUCT INSURANCE BUSINESS IN FLORIDA.





## Disclosure 8 of 8

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110 AND 2830(K)(1) - RESPONDENT MAINTAINED A SHELF SPACE (REVENUE SHARING) PROGRAM KNOWN AS THE STRATEGIC PARTNERS PLATFORM IN CONNECTION WITH RETAIL SALES OF MUTUAL FUNDS. IN RETURN FOR PAYMENTS, MUTUAL FUND COMPLEXES THAT PARTICIPATED IN THE PROGRAM RECEIVED PREFERENTIAL TREATMENT FROM THE FIRM IN THE SALES AND MARKETING OF THEIR FUNDS. THE PROGRAM PROVIDED INCREASED ACCESS TO THE FIRM'S RETAIL BROKERAGE SALES FORCE, PLACEMENT OF MATERIALS ON THE FIRM'S WEBSITES, IDENTIFICATION AS A STRATEGIC PARTNER ON THE ITS INTRANET WEBSITES INCLUDING LINKS TO THE STRATEGIC PARTNERS' WEBSITES AND PAYMENT OF TICKET CHARGES FOR RETAIL BROKERAGE SALES OF STRATEGIC PARTNERS' FUNDS. SOME MUTUAL FUND COMPLEXES MADE PAYMENTS FOR PARTICIPATING IN THE PROGRAM BY DIRECTING APPROXIMATELY \$3.9 MILLION IN MUTUAL FUND PORTFOLIO BROKERAGE COMMISSIONS TO THE FIRM THROUGH CLEARING BROKERS.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	07/27/2006
<b>Docket/Case Number:</b>	<a href="#">EAF0400760002</a>
<b>Principal Product Type:</b>	Mutual Fund(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	07/27/2006
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$1,066,000.00

**Other Sanctions Ordered:****Sanction Details:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, PRIMEVEST FINANCIAL SERVICES CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED AND FINED \$1,066,000.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

PRIMEVEST FINANCIAL SERVICES, INC. AND ITS CONTROL AFFILIATES, FINANCIAL NETWORK INVESTMENT CORPORATION-CRD#13582, ING FINANCIAL PARTNERS, INC.-CRD#2882, AND MUTLI-FINANCIAL SECURITIES CORPORATION-CRD#10299,(THE FIRMS) SIGNED AN AWC IN WHICH THE NASD FOUND THAT THE FIRMS MAINTAINED A STRATEGIC PARTNERS PROGRAM WHERE BY THE FIRMS RECEIVED DIRECTED BROKERAGE COMMISSIONS FROM MUTUAL FUNDS TO PAY FOR PARTICIPATION IN THE PROGRAM, WHICH VIOLATED NASD RULES 2830(K)(1) AND 2110.

**Initiated By:**

NASD

**Date Initiated:**

07/27/2006

**Docket/Case Number:**

[EAF0400760002](#)

**Principal Product Type:**

Mutual Fund(s)

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

Civil and Administrative Penalt(ies) /Fine(s)

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

CENSURE

**Resolution:**

Acceptance, Waiver & Consent(AWC)

**Resolution Date:**

07/27/2006

**Sanctions Ordered:**

Censure  
Monetary/Fine \$1,066,000.00

**Other Sanctions Ordered:****Sanction Details:**

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



**Firm Statement**

PRIMEVEST FINANCIAL SERVICES, INC. AND ITS CONTROL AFFILIATES, FINANCIAL NETWORK INVESTMENT CORPORATION-CRD#13582, ING FINANCIAL PARTNERS, INC.-CRD#2882, AND MUTLI-FINANCIAL SECURITIES CORPORATION-CRD#10299,(THE FIRMS) SIGNED AN AWC ON 07/26/2006. THE FIRMS WERE FINED A TOTAL OF \$7,000,000.00 AND CENSURED. PRIMEVEST FINANCIAL SERVICES, INC. IS RESPONSIBLE FOR A FINE AMOUNT OF \$1,066,000.00.



## Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

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

### Disclosure 1 of 2

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; DO NOT USE-EXECUTIONS-INCORRECT QUANTITY; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	12/20/2001
<b>Case Number:</b>	<a href="#">01-06821</a>
<b>Disputed Product Type:</b>	ANNUITIES; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE
<b>Sum of All Relief Requested:</b>	Unspecified Damages
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	12/19/2002
<b>Sum of All Relief Awarded:</b>	\$100,000.01

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

### Disclosure 2 of 2

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT RELATED-OTHER; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	01/02/1997
<b>Case Number:</b>	<a href="#">96-05163</a>
<b>Disputed Product Type:</b>	COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE



**Sum of All Relief Requested:** \$17,105.77

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 12/03/1997

**Sum of All Relief Awarded:** \$3,000.00

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

## End of Report



**This page is intentionally left blank.**