

BrokerCheck Report

CHASE INVESTMENT SERVICES CORP.

CRD# 25574

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About BrokerCheck®

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

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - o information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

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



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

For more information about FINRA, visit www.finra.org.



CHASE INVESTMENT SERVICES CORP.

CRD# 25574

SEC# 8-41840

Main Office Location

300 SOUTH RIVERSIDE PLAZA
11TH FLOOR
CHICAGO, IL 60606

Mailing Address

1111 POLARIS PARKWAY
SUITE 2J
COLUMBUS, OH 43240

Business Telephone Number

614-213-5442

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 corporation.

This firm was formed in Delaware on 09/27/1989.

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 brokerage firm is no longer registered with FINRA or a national securities exchange.

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	62
Arbitration	19

Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.



**This firm terminated or
withdrew registration on:** 10/01/2012

**Does this brokerage firm owe
any money or securities to
any customer or brokerage
firm?** No



Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 09/27/1989.

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.

CHASE INVESTMENT SERVICES CORP.

Doing business as CHASE INVESTMENT SERVICES CORP.

CRD# 25574

SEC# 8-41840

Main Office Location

300 SOUTH RIVERSIDE PLAZA
11TH FLOOR
CHICAGO, IL 60606

Mailing Address

1111 POLARIS PARKWAY
SUITE 2J
COLUMBUS, OH 43240

Business Telephone Number

614-213-5442



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):	BANC ONE CAPITAL HOLDINGS LLC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	DIRECT OWNER
Position Start Date	07/2006
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	ADITYA, MAHESH CHATTA 5586574
Is this a domestic or foreign entity or an individual?	Individual
Position	BOARD MEMBER
Position Start Date	05/2011
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):	CHABOT, ALAN JAMES 2617874
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT & CEO, BOARD MEMBER
Position Start Date	11/2008



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): DAVIS, JAMES HUBER
4166100

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

Position CHIEF OPERATIONS OFFICER

Position Start Date 03/2005

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): DEEGAN, DANIEL ROBERT
1143339

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

Position EXECUTIVE VICE PRESIDENT

Position Start Date 06/2012

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): DURKEE, JEFFREY WILLIS

Firm Profile



Direct Owners and Executive Officers (continued)

	1009266
Is this a domestic or foreign entity or an individual?	Individual
Position	EXECUTIVE VICE PRESIDENT
Position Start Date	03/2012
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):	GINDI, SOL 4903526
Is this a domestic or foreign entity or an individual?	Individual
Position	CFO, BOARD MEMBER
Position Start Date	06/2011
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):	GRAY, ANNE LOUISE 1779722
Is this a domestic or foreign entity or an individual?	Individual
Position	SENIOR VICE PRESIDENT
Position Start Date	07/2009
Percentage of Ownership	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): HAIGIS, PHILIP HOWARD JR.
4340276

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

Position EXECUTIVE VICE PRESIDENT

Position Start Date 05/2011

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): JULIAN, BETH WILSON
1071047

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

Position EXECUTIVE VICE PRESIDENT

Position Start Date 05/2009

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): KLEINBAUM, GREGG ADAM
2555215

Firm Profile



Direct Owners and Executive Officers (continued)

Is this a domestic or foreign entity or an individual?	Individual
Position	EXECUTIVE VICE PRESIDENT
Position Start Date	12/2010
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):	MARTIN, KEVIN LEE 2742022
Is this a domestic or foreign entity or an individual?	Individual
Position	EXECUTIVE VICE PRESIDENT
Position Start Date	06/2011
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):	PANTALEO, LAURA ANN 1501065
Is this a domestic or foreign entity or an individual?	Individual
Position	EXECUTIVE VICE PRESIDENT
Position Start Date	12/2008
Percentage of Ownership	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): QUINN, JOHN P
5631540

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

Position EXECUTIVE VICE PRESIDENT,NATIONAL SALES DIRECTOR

Position Start Date 12/2008

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): REED, JAMIE MATTHEW
2797383

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

Position EXECUTIVE VICE PRESIDENT

Position Start Date 12/2008

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): SKARDA, JOSEPH BRIEL
4288186

Firm Profile



Direct Owners and Executive Officers (continued)

Is this a domestic or foreign entity or an individual?	Individual
Position	EXECUTIVE VICE PRESIDENT
Position Start Date	12/2008
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):	TEPPER, ERIC DAVID 2242377
Is this a domestic or foreign entity or an individual?	Individual
Position	EXECUTIVE VICE PRESIDENT
Position Start Date	03/2012
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):	WILBURN, DOUGLAS FREDERICK 1407686
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER
Position Start Date	05/2009
Percentage of Ownership	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



Firm Profile

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

Indirect Owners

Legal Name & CRD# (if any):	JPMORGAN CHASE & CO
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	BANC ONE CAPITAL HOLDING LLC
Relationship to Direct Owner	INDIRECT PARENT
Relationship Established	07/2006
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	Yes

Firm History

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

No information reported.



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 no longer registered.

The firm's registration was from 03/30/1990 to 01/02/2013.



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 17 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
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
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in the secondary market
Non-exchange member arranging for transactions in listed securities by exchange member
Trading securities for own account
Private placements of securities
Broker or dealer involved in a networking, kiosk or similar arrangement with a: bank, savings bank or association, or credit union



Firm Operations

Clearing Arrangements

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

Introducing Arrangements

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

Name: J.P. MORGAN CLEARING CORP.

CRD #: 28432

Business Address: THREE CHASE METROTECH CENTER
BROOKLYN, NY 11245

Effective Date: 08/01/2011

Description: CHASE INVESTMENT SERVICES CORP. HAS ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH J.P. MORGAN CLEARING CORP. ("JPMCC"), A WHOLLY OWNED SUBSIDIARY OF J.P. MORGAN CHASE & CO. CUSTOMER ACCOUNT AND THOSE RECORDS CUSTOMARILY MAINTAINED BY THE CLEARING BROKER IN SUCH AN ARRANGEMENT ARE MAINTAINED BY JPMCC. IN ADDITION, JPMCC IS RESPONSIBLE FOR THE SAFEGUARDING OF FUNDS AND SECURITIES HELD BY IT FOR THE CUSTOMER ACCOUNTS OF CHASE INVESTMENT SERVICES CORP.

Name: NATIONAL FINANCIAL SERVICES LLC

CRD #: 13041

Business Address: 200 LIBERTY STREET
5TH FLOOR
NEW YORK, NY 10281

Effective Date: 05/09/1996

Description: CHASE INVESTMENT SERVICES CORP. HAS ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES, LLC ("NFS"), A WHOLLY OWNED SUBSIDIARY OF FIDELITY BROKERAGE SERVICES. CUSTOMER ACCOUNTS AND THOSE RECORDS CUSTOMARILY MAINTAINED BY THE CLEARING BROKER IN SUCH AN ARRANGEMENT ARE MAINTAINED BY NFS. IN ADDITION, NFS IS RESPONSIBLE FOR THE SAFEGUARDING OF FUNDS AND SECURITIES HELD BY IT FOR THE CUSTOMER ACCOUNTS OF CHASE INVESTMENT SERVICES CORP.

Firm Operations

Industry Arrangements



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

Name: J.P. MORGAN CLEARING CORP.

CRD #: 28432

Business Address: THREE CHASE METROTECH CENTER
BROOKLYN, NY 11245

Effective Date: 08/01/2011

Description: CHASE INVESTMENT SERVICES CORP. HAS ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH J.P. MORGAN CLEARING CORP. ("JPMCC"), A WHOLLY OWNED SUBSIDIARY OF J.P. MORGAN CHASE & CO. CUSTOMER ACCOUNT AND THOSE RECORDS CUSTOMARILY MAINTAINED BY THE CLEARING BROKER IN SUCH AN ARRANGEMENT ARE MAINTAINED BY JPMCC. IN ADDITION, JPMCC IS RESPONSIBLE FOR THE SAFEGUARDING OF FUNDS AND SECURITIES HELD BY IT FOR THE CUSTOMER ACCOUNTS OF CHASE INVESTMENT SERVICES CORP.

Name: NATIONAL FINANCIAL SERVICES LLC

CRD #: 13041

Business Address: 200 LIBERTY STREET
5TH FLOOR
NEW YORK, NY 10281

Effective Date: 05/09/1996

Description: CHASE INVESTMENT SERVICES CORP. HAS ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES, LLC ("NFS"), A WHOLLY OWNED SUBSIDIARY OF FIDELITY BROKERAGE SERVICES. CUSTOMER ACCOUNTS AND THOSE RECORDS CUSTOMARILY MAINTAINED BY THE CLEARING BROKER IN SUCH AN ARRANGEMENT ARE MAINTAINED BY NFS. IN ADDITION, NFS IS RESPONSIBLE FOR THE SAFEGUARDING OF FUNDS AND SECURITIES HELD BY IT FOR THE CUSTOMER ACCOUNTS OF CHASE INVESTMENT SERVICES CORP.

This firm does have accounts, funds, or securities maintained by a third party.

Name: J.P. MORGAN CLEARING CORP.

CRD #: 28432

Business Address: THREE CHASE METROTECH CENTER

Firm Operations



Industry Arrangements (continued)

BROOKLYN, NY 11245

Effective Date: 08/01/2011

Description: CHASE INVESTMENT SERVICES CORP. HAS ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH J.P. MORGAN CLEARING CORP. ("JPMCC"), A WHOLLY OWNED SUBSIDIARY OF J.P. MORGAN CHASE & CO. CUSTOMER ACCOUNT AND THOSE RECORDS CUSTOMARILY MAINTAINED BY THE CLEARING BROKER IN SUCH AN ARRANGEMENT ARE MAINTAINED BY JPMCC. IN ADDITION, JPMCC IS RESPONSIBLE FOR THE SAFEGUARDING OF FUNDS AND SECURITIES HELD BY IT FOR THE CUSTOMER ACCOUNTS OF CHASE INVESTMENT SERVICES CORP.

Name: NATIONAL FINANCIAL SERVICES LLC

CRD #: 13041

Business Address: 200 LIBERTY STREET
5TH FLOOR
NEW YORK, NY 10281

Effective Date: 05/09/1996

Description: SEE RESPONSE TO QUESTION 8A.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: J.P. MORGAN CLEARING CORP.

CRD #: 28432

Business Address: THREE CHASE METROTECH CENTER
BROOKLYN, NY 11245

Effective Date: 08/01/2011

Description: CHASE INVESTMENT SERVICES CORP. HAS ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH J.P. MORGAN CLEARING CORP. ("JPMCC"), A WHOLLY OWNED SUBSIDIARY OF J.P. MORGAN CHASE & CO. CUSTOMER ACCOUNT AND THOSE RECORDS CUSTOMARILY MAINTAINED BY THE CLEARING BROKER IN SUCH AN ARRANGEMENT ARE MAINTAINED BY JPMCC. IN ADDITION, JPMCC IS RESPONSIBLE FOR THE SAFEGUARDING OF FUNDS AND SECURITIES HELD BY IT FOR THE CUSTOMER ACCOUNTS OF CHASE INVESTMENT SERVICES CORP.

Name: NATIONAL FINANCIAL SERVICES LLC

CRD #: 13041

Business Address: 200 LIBERTY STREET

Firm Operations



Industry Arrangements (continued)

5TH FLOOR
NEW YORK, NY 10281

Effective Date: 05/09/1996

Description: SEE RESPONSE TO QUESTIONS 8A.

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.

BEAR STEARNS HEALTH INNOVENTURES, L.P. is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO.

BEAR STEARNS EQUITY FINANCE CAYMAN, LTD is under common control with the firm.

Business Address:	C/O MAPLES & CALDER P.O. BOX 309, UGLAND HOUSE GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLANDS
Effective Date:	04/08/2008
Foreign Entity:	Yes
Country:	CAYMAN ISLANDS
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO.

NORTH CREEK PARTNERS LLC is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO.

LYNX CAPITAL VENTURES GP LIMITED is under common control with the firm.

Business Address:	ONE CANADA SQUARE LONDON, ENGLAND
Effective Date:	04/08/2008
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO.

LYNX CAPITAL VENTURES LP is under common control with the firm.

Business Address:	45 OLD BOND STREET 4TH FLOOR LONDON, ENGLAND
Effective Date:	04/08/2008
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	Yes
Investment Advisory Activities:	No

Firm Operations



Organization Affiliates (continued)

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BSCGP INC is under common control with the firm.

Business Address: 245 PARK AVENUE
NEW YORK, NY 10167-0024

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

MIDGAL CAPITAL MARKETS (1965) LTD. is under common control with the firm.

Business Address: 28 ACHAD HA'AM STREET
TEL- AVIV, ISRAEL

Effective Date: 04/08/2008

Foreign Entity: Yes

Country: ISRAEL

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS ASSET MANAGEMENT LIMITED is under common control with the firm.

Business Address: ONE CANADA SQUARE
LONDON, E14 5AD, ENGLAND

Effective Date: 04/08/2008

Foreign Entity: Yes

Country: UNITED KINGDOM

Firm Operations



Organization Affiliates (continued)

Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS ALTERNATIVE ASSETS INTERNATIONAL LIMITED is under common control with the firm.

Business Address:	C/O MAPLES & CALDER P.O. BOX 309 GEORGE TOWN, GRAN CAYMAN, CAYMAN ISLANDS
Effective Date:	04/08/2008
Foreign Entity:	Yes
Country:	CAYMAN ISLANDS
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS ALTERNATIVE ASSETS INC is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS VENTURES MANAGEMENT, LLC is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
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Firm Operations



Organization Affiliates (continued)

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS PRIVATE OPPORTUNITY VENTURES MANAGEMENT LLC is under common control with the firm.

Business Address: 383 MADISON ANVEUE
NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS MERCHANT GP II,LLC is under common control with the firm.

Business Address: 383 MADISON AVENUE
NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

Firm Operations



Organization Affiliates (continued)

BEAR STEARNS MERCHANT CAPITAL II, L.P. is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS UK HOLDINGS LIMITED is under common control with the firm.

Business Address:	ONE CANADA SQUARE LONDON E14 5AD, ENGLAND
Effective Date:	04/08/2008
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS TRADING RISK MANAGEMENT INC. is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No

Firm Operations



Organization Affiliates (continued)

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

THE BSC EMPLOYEE FUND IV,L.P. is under common control with the firm.

Business Address: 383 MADISON AVENUE
NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

THE BSC EMPLOYEE FUND III, L.P. is under common control with the firm.

Business Address: 383 MADISON AVENUE
NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS N.Y., INC. is under common control with the firm.

Business Address: 383 MADISON AVENUE
NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Firm Operations



Organization Affiliates (continued)

Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS MERCHANT MANAGER II, LLC is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS MERCHANT BANKING INVESTORS II is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS MERCHANT BANKING PARTNERS II L.P. is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS MB-PSERS II,L.P. is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS IRELAND LIMITED is under common control with the firm.

Business Address:	BLOCK 8, HARCOURT CENTRE CHARLOTTE WAY, DUBLIN 2, IRELAND
Effective Date:	04/08/2008
Foreign Entity:	Yes
Country:	IRELAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS HEALTH INNVENTURES OFFSHORE L.P. is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: C/O MAPLES & CALDER
P.O. BOX 309, UGLAND HOUSE, SOUTH CHURCH STREET
GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLANDS

Effective Date: 04/08/2008

Foreign Entity: Yes

Country: CAYMAN ISLANDS

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS HEALTH INNOVENTURE MANAGEMENT LLC is under common control with the firm.

Business Address: 383 MADISON AVENUE
NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS HEALTH INNIVENTURES EMPLOYEE is under common control with the firm.

Business Address: 383 MADISON AVENUE
NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Firm Operations



Organization Affiliates (continued)

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS GLOBAL EQUITY ARBITRAGE FUND OFFSHORE LTD is under common control with the firm.

Business Address: C/O CITCO FUND SERVICES (CAYMAN ISLANDS)
P.O. BOX 31106 SMB
WEST BAY ROAD, GRAND CAYMAN, CAYMAN ISLANDS

Effective Date: 04/08/2008

Foreign Entity: Yes

Country: CAYMAN ISLANDS

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

CONSTELLATION VENTURE CAPITAL OFFSHORE II, L.P. is under common control with the firm.

Business Address: C/O MAPLES & CALDER
P.O. BOX 309
GEORGE TOWN, GRAN CAYMAN, CAYMAN ISLANDS

Effective Date: 04/08/2008

Foreign Entity: Yes

Country: CAYMAN ISLANDS

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS FINANCIAL PRODUCTS INC. is under common control with the firm.

Business Address: 383 MADISON AVENUE
NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Firm Operations



Organization Affiliates (continued)

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

CONSTELLATION VENTURES MANAGEMENT II, LLC is under common control with the firm.

Business Address: 383 MADISON AVENUE
NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BSTJ, INC. is under common control with the firm.

Business Address: 383 MADISON AVENUE
NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

THE BSC EMPLOYEE FUND II, L.P is under common control with the firm.

Business Address: 383 MADISON AVENUE
NEW YORK, NY 10179

Firm Operations



Organization Affiliates (continued)

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS VENTURE PARTNERS, L.P. is under common control with the firm.

Business Address: 383 MADISON AVE
NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS PRINCIPAL PROTECTED FUNDING, LTD is under common control with the firm.

Business Address: C/O MAPLES & CALDER, UGLAND HOUSE
P.O. BOX 309
GEORGE TOWN, GRAN CAYMAN, CAYMAN ISLANDS

Effective Date: 04/08/2008

Foreign Entity: Yes

Country: CAYMAN ISLANDS

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

Firm Operations



Organization Affiliates (continued)

BEAR STEARNS PRIVATE OPPORTUNITY VENTURES, L.P. is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS GLOBAL EQUITY ARBITRAGE FUND is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

CONSTELLATION VENTURE CAPITAL II, L.P. is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No

Firm Operations



Organization Affiliates (continued)

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS SINGAPORE PTE. LIMITED is under common control with the firm.

Business Address: 30 RAFFLES PLACE #21-00
CALTEX HOUSE, SINGAPORE 048622

Effective Date: 04/08/2008

Foreign Entity: Yes

Country: SINGAPORE

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS(JAPAN), LLC is under common control with the firm.

Business Address: SHIROYAMA HILLS
3-1 TORANOMON 4-CHOME
MINATO-KU, TOKYO, JAPAN

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS ASIA LIMITED is under common control with the firm.

Business Address: CITIBANK TOWER, CITIBANK PLAZA
26TH FLOOR, 3 GARDEN ROAD
HONG KONG, HONG KONG

Effective Date: 04/08/2008

Foreign Entity: Yes

Firm Operations



Organization Affiliates (continued)

Country:	HONG KONG
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS HONG KONG LIMITED is under common control with the firm.

Business Address:	CITIBANK TOWER, CITIBANK PLAZA 26TH FLOOR, 3 GARDEN ROAD HONG KONG, HONG KONG
Effective Date:	04/08/2008
Foreign Entity:	Yes
Country:	HONG KONG
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

NEW CASTLE MILLENNIUM II, L.P is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

NEW CASTLE MILLENIUM, L.P. is under common control with the firm.

Business Address:	383 MADISON AVENUE
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Firm Operations



Organization Affiliates (continued)

NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

NEW CASTLE PARTNERS, LLC is under common control with the firm.

Business Address: C/O MAPLES & CALDER, UGLAND HOUSE
P.O. BOX 309
GEORGE TOWN, GRAN CAYMAN, CAYMAN ISLANDS

Effective Date: 04/08/2008

Foreign Entity: Yes

Country: CAYMAN ISLANDS

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

NEW CASTLE MARKET NEUTRAL OFFSHORE LIMITED is under common control with the firm.

Business Address: REID HOUSE, 31 CHURCH STREET
HAMILTON HM12, BERMUDA

Effective Date: 04/08/2008

Foreign Entity: Yes

Country: BERMUDA

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE &

Firm Operations



Organization Affiliates (continued)

CO

NEW CASTLE MARKET NEUTRAL FUND, L.P is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

NEW CASTLE HOLDING, INC. is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR, STEARNS INTERNATIONAL LIMITED is under common control with the firm.

Business Address:	ONE CANADA SQUARE LONDON E14 5AD, ENGLAND
Effective Date:	04/08/2008
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS INTERNATIONAL TRADING LIMITED is under common control with the firm.

Business Address:	ONE CANADA SQUARE LONDON E14 5AD, ENGLAND
Effective Date:	04/08/2008
Foreign Entity:	Yes
Country:	UNITED KINGDOM
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS INVESTMENT PRODUCTS INC. is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

CONSTELLATION VENTURE CAPITAL OFFSHORE, L.P. is under common control with the firm.

Business Address:	C/O. MAPLES & CALDER, UGLAND HOUSE GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLANDS
Effective Date:	04/08/2008
Foreign Entity:	Yes

Firm Operations



Organization Affiliates (continued)

Country:	CAYMAN ISLANDS
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

CONSTELLATION VENTURE CAPITAL, L.P is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

CONSTELLATION VENTURES MANAGEMENT LLC is under common control with the firm.

Business Address:	383 MADISON AVE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS CAPITAL MARKETS, INC is under common control with the firm.

Business Address:	383 MADISON AVENUE NEW YORK, NY 10179
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Firm Operations



Organization Affiliates (continued)

Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS ASSET MANAGEMENT(IRELAND) is under common control with the firm.

Business Address:	BLOCK 8 HARCOURT CENTRE CHARLOTTE WAY, DUBLIN 2, IRELAND
Effective Date:	04/08/2008
Foreign Entity:	Yes
Country:	IRELAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS BANK PLC is under common control with the firm.

Business Address:	BLOCK 8 HARCOURT CENTRE CHAOLLOTTE WAY, DUBLIN 2, IRELAND
Effective Date:	04/08/2008
Foreign Entity:	Yes
Country:	IRELAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

Firm Operations



Organization Affiliates (continued)

BS FUND AMERICA 119-C GP CAPITAL INC is under common control with the firm.

Business Address:	383 MADISON AVE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

THE BSC EMPLOYEE FUND L.P is under common control with the firm.

Business Address:	383 MADISON AVE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS PRIVATE EQUITY OPPORTUNITY FUND II, L.P. is under common control with the firm.

Business Address:	383 MADISON AVE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No

Firm Operations



Organization Affiliates (continued)

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS FOF ASSET MANAGEMENT LLC is under common control with the firm.

Business Address: 383 MADISON AVE
NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS PRIVATE EQUITY OPPORTUNITY FUND, LP is under common control with the firm.

Business Address: 383 MADISON AVENUE
NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: No

Description: UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS FOF II ASSET MANAGEMENT LLC is under common control with the firm.

Business Address: 383 MADISON AVE
NEW YORK, NY 10179

Effective Date: 04/08/2008

Foreign Entity: No

Country:

Firm Operations



Organization Affiliates (continued)

Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS ASSET MANAGEMENT(LUXEMBOURG) is under common control with the firm.

Business Address:	39 ALLEE SCHEFFER L-2520 LUXEMBOURG, LUXEMBOURG
Effective Date:	04/08/2008
Foreign Entity:	Yes
Country:	LUXEMBOURG
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

J.P. MORGAN CLEARING CORP. is under common control with the firm.

CRD #:	28432
Business Address:	ONE METROTECH CENTER NORTH BROOKLYN, NY 11201-3859
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

J.P. MORGAN SECURITIES LLC is under common control with the firm.

CRD #:	79
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Firm Operations



Organization Affiliates (continued)

Business Address:	383 MADISON AVE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

BEAR STEARNS ASSET MANAGEMENT INC is under common control with the firm.

CRD #:	113359
Business Address:	383 MADISON AVE NEW YORK, NY 10179
Effective Date:	04/08/2008
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO

IXE SECURITIES, INC. is under common control with the firm.

CRD #:	19920
Business Address:	140E 45TH ST 2ND FL NEW YORK, NY 10017
Effective Date:	09/07/2007
Foreign Entity:	No
Country:	
Securities Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT- JPMORGAN CHASE & CO.

JPMORGAN SECURITIES JAPAN CO. LTD is under common control with the firm.

Business Address:	TOKYO BUILDING 7-3 MARUNOUCHI 2 CHROME CHIYODA-KU TOKYO, JAPAN 100 6432
Effective Date:	04/10/2002
Foreign Entity:	Yes
Country:	JAPAN
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT-JPMORGAN CHASE & CO

JPMORGAN CHASE BANK NATIONAL ASSOCIATION is under common control with the firm.

Business Address:	270 PARK AVENUE NEW YORK, NY 10017
Effective Date:	07/01/2004
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT-JPMORGAN CHASE & CO.

J.P.MORGAN SECURITIES AUSTRALIA LIMITED is under common control with the firm.

Business Address:	LEVEL 32, GROSVENOR PLACE 225 GEORGE STREET-NSW 2000 SYDNEY, AUSTRALIA
Effective Date:	07/01/2004

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	Yes
Country:	AUSTRALIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT- JPMORGAN CHASE & CO.

JPMORGAN CHASE BANK, N.A.- MUMBAI BRANCH is under common control with the firm.

Business Address:	9/F, MAFATLAL CENTRE NARIMAN POINT MUMBAI, INDIA 400 021
Effective Date:	09/25/2006
Foreign Entity:	Yes
Country:	INDIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT - JPMORGAN CHASE & CO.

JPMORGAN SECURITIES (MALAYSIA) SDN. BHD. is under common control with the firm.

Business Address:	22/F WISMA CYCLECARRI 288 JALAN RAJA LAUT KUALA LUMPUR, MALAYSIA 53050
Effective Date:	04/03/1974
Foreign Entity:	Yes
Country:	MALAYSIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT COMPANY

CAZENOVE AG is under common control with the firm.

Business Address:	BOERSENSTRASSE 2-4D-60313
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Firm Operations



Organization Affiliates (continued)

FRANKFURT AM MAIN D-60313
FRANKFURT, GERMANY

Effective Date: 11/29/2001

Foreign Entity: Yes

Country: GERMANY

Securities Activities: No

Investment Advisory Activities: Yes

Description: UNDER COMMON CONTROL OF THE PARENT CORPORATION

JPMORGAN ASSET MANAGMENT (IRELAND) LIMITED is under common control with the firm.

Business Address: CRAMPTON AVENUE/SHERBOURNE ROAD
BALLBRIDE, DUBLIN, IRELAND

Effective Date: 07/18/2002

Foreign Entity: Yes

Country: IRELAND

Securities Activities: No

Investment Advisory Activities: Yes

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN TRUST COMPANY (BAHAMAS) LIMITED is under common control with the firm.

Business Address: UNKNOWN
NASSAU, BAHAMAS

Effective Date: 06/17/2005

Foreign Entity: Yes

Country: BAHAMAS

Securities Activities: No

Investment Advisory Activities: Yes

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN TRUST COMPANY OF DELAWARE is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: 500 STANTON CHRISTIANA ROAD
NEWARK, DE

Effective Date: 01/25/1994

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

J.P. MORGAN SECURITIES PLC is under common control with the firm.

Business Address: 25 BANK STREET
CANARY WHARF
LONDON, ENGLAND E14 5JP

Effective Date: 07/06/2012

Foreign Entity: Yes

Country: ENGLAND

Securities Activities: Yes

Investment Advisory Activities: No

Description: AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

JPMORGAN MARKETS AUSTRALIA PTY LIMITED is under common control with the firm.

Business Address: LEVEL 32 GROSVENOR PLACE 225 GEORGE STREET
SYDNEY, AUSTRALIA NSW2000

Effective Date: 07/29/1957

Foreign Entity: Yes

Country: AUSTRALIA

Securities Activities: Yes

Investment Advisory Activities: No

Description: AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

Firm Operations



Organization Affiliates (continued)

JPMORGAN INVESTMENT MANAGEMENT LIMITED is under common control with the firm.

Business Address:	125 LONDON WALL LONDON, ENGLAND
Effective Date:	06/17/2005
Foreign Entity:	Yes
Country:	ENGLAND
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

JPMORGAN GESTION SOCIEDAD GESTORA DE INSTITUCION DE INVERSION COLECTIVA SA is under common control with the firm.

Business Address:	JOSE ORTEGA Y GASSET 29 2ND FLOOR MADRID MADRID, SPAIN 28006
Effective Date:	02/05/1987
Foreign Entity:	Yes
Country:	SPAIN
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

JPMORGAN SOLUTIONS LLC is under common control with the firm.

Business Address:	277 PARK AVENUE NEW YORK, NY 10017
Effective Date:	12/05/2005
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Description: AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

JPMORGAN CHASE SA SOCIEDAD DE BOLSA is under common control with the firm.

Business Address: CORRIENTES 415-PISO 2 C1043AAE CIUDAD
AUTONOMA DE BUENOS AIRES
BUENOS AIRES, ARGENTINA

Effective Date: 10/02/1984

Foreign Entity: Yes

Country: ARGENTINA

Securities Activities: Yes

**Investment Advisory
Activities:** No

Description: AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

JPMORGAN CAZENOVE LIMITED is under common control with the firm.

Business Address: 25 BANK STREET
CANARY WHARF
LONDON, ENGLAND E14 5JP

Effective Date: 06/15/2012

Foreign Entity: Yes

Country: ENGLAND

Securities Activities: Yes

**Investment Advisory
Activities:** No

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN ASSET MANAGEMENT SOCIETA DI GESTIONE DEL RISPARMIO SPA is under common control with the firm.

Business Address: VIA CATENA 4
MILAN, ITALY 20121

Effective Date: 07/12/1994

Foreign Entity: Yes

Country: ITALY

Firm Operations



Organization Affiliates (continued)

Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN ASSET MANAGEMENT ADVISORY COMPANY S.A.R.L. is under common control with the firm.

Business Address:	EUROPEAN BANK & BUSINESS CENTER 6 ROUTE DE TREVES SENNINGERBERG, LUXEMBOURG
Effective Date:	04/06/1998
Foreign Entity:	Yes
Country:	LUXEMBOURG
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JFAM SECURITIES TAIWAN LIMITED is under common control with the firm.

Business Address:	B-1-1 17F NO 71 SECTION 2 TUN HWA SOUTH ROAD TAIPEI, TAIWAN
Effective Date:	06/14/2002
Foreign Entity:	Yes
Country:	TAIWAN
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JF TAIWAN LIMITED is under common control with the firm.

Business Address:	22ND FLR NO 285, 287, 289, 291 AND 293 WEN HWA RD 24TH FL NO 285,287&289 WEN HWA RD SEC 2 PAN CHIAO TAIPEI, TAIWAN
Effective Date:	08/28/1885

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	Yes
Country:	TAIWAN
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JF MANAGEMENT GP LIMITED is under common control with the firm.

Business Address:	PO BOX 309 GRAND CAYMAN GEORGETOWN, CAYMAN ISLANDS
Effective Date:	02/27/1996
Foreign Entity:	Yes
Country:	CAYMAN ISLANDS
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

JF INDIA MANAGEMENT LIMITED is under common control with the firm.

Business Address:	PALM GROVE HOUSE PO BOX 438 ROAD TOWN TORTOLA, BRITISH VIRGIN ISLANDS
Effective Date:	07/18/1989
Foreign Entity:	Yes
Country:	VIRGIN ISLANDS
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

JF CAPITAL PARTNERS LTD is under common control with the firm.

Business Address:	LEVEL 23, 600 BOURKE ST MELBOURNE VICTORIA 300 MELBOURNE, AUSTRALIA
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Firm Operations



Organization Affiliates (continued)

Effective Date: 12/02/1998
Foreign Entity: Yes
Country: AUSTRALIA
Securities Activities: No
Investment Advisory Activities: Yes
Description: AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

H&Q LONDON VENTURES MANAGEMENT INC is under common control with the firm.

Business Address: 560 MISSION STREET
SAN FRANCISCO, CA 94105
Effective Date: 08/05/1996
Foreign Entity: No
Country:
Securities Activities: No
Investment Advisory Activities: Yes
Description: AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

HIGHBRIDGE CAPITAL MANAGEMENT LLC is under common control with the firm.

Business Address: 40 WEST 57TH STREET, FLOOR 32
NEW YORK, NY 10019
Effective Date: 07/12/2005
Foreign Entity: No
Country:
Securities Activities: Yes
Investment Advisory Activities: No
Description: AFFILIATE UNDER COMMON CONTROL OF ULTIMATE PARENT JPMC&CO

CHINA INTERNATIONAL FUND MANAGEMENT CO LTD is under common control with the firm.

Business Address: 20TH FLOOR AURORA BUILDING 99 FU CHENG ROAD
SHANGHAI, CHINA 200120

Firm Operations



Organization Affiliates (continued)

Effective Date:	05/12/2004
Foreign Entity:	Yes
Country:	CHINA
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

CAZENOVE & CO (SINGAPORE) PTE LIMITED is under common control with the firm.

Business Address:	9 RAFFLES PLACE #52-01 REPUBLIC PLAZA SINGAPORE, SINGAPORE 048619
Effective Date:	02/07/1990
Foreign Entity:	Yes
Country:	SINGAPORE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

BANCO JPMORGAN SA INSTITUCION DE BANCA MULTIPLE JPMORGAN GRUPO FINANCIERO is under common control with the firm.

Business Address:	PASEO DE LA PALMAS NO 405 16TH FLOOR MEXICO CITY, MEXICO 11000
Effective Date:	12/05/1994
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

JPMORGAN ASSET MANAGEMENT (EUROPE) S.A.R.L. is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: EUROPEAN BANK & BUSINESS CENTER
6 ROUTE DE TREVES
SENNINGERBERG, LUXEMBOURG 00000

Effective Date: 04/20/1988

Foreign Entity: Yes

Country: LUXEMBOURG

Securities Activities: No

Investment Advisory Activities: Yes

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

ORD MINNETT MANAGEMENT LIMITED is under common control with the firm.

Business Address: LEVEL 8, BAB HOUSE 255 GEORGE STREET
SYDNEY, AUSTRALIA NSW 2000

Effective Date: 09/23/1981

Foreign Entity: Yes

Country: AUSTRALIA

Securities Activities: No

Investment Advisory Activities: Yes

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN SECURITIES SINGAPORE PRIVATE LIMITED is under common control with the firm.

Business Address: 17TH FLOOR CAPITAL TOWER
168 ROBINSON ROAD
SINGAPORE, SINGAPORE 068912

Effective Date: 07/29/1994

Foreign Entity: Yes

Country: SINGAPORE

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

Firm Operations



Organization Affiliates (continued)

JPMORGAN LATIN AMERICA MANAGEMENT COMPANY LLC is under common control with the firm.

Business Address: 1221 AVENUE OF THE AMERICAS
NEW YORK, NY 10020

Effective Date: 02/18/2000

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: AFFILIATE UNDER COMMON CONTROL - REGISTERED IA

SECURITY CAPITAL RESEARCH & MANAGEMENT INCORPORATED is under common control with the firm.

CRD #: 106201

Business Address: 10 S DEARBORN STREET SUITE 1400
CHICAGO, IL 60603

Effective Date: 07/01/2004

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

PACHOLDER & COMPANY LLC is under common control with the firm.

Business Address: 8044 MONTGOMERY ROAD-SUITE 480
CINCINNATI, OH 45246

Effective Date: 07/01/2004

Foreign Entity: No

Country: 01/01/2007

Securities Activities: No

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities:	No
Description:	BANC ONE INVESTMENT ADVISOR CORPORATION OWNS 49% & PACHOLDER ASSOCIATES, INC. OWNS 51%

JPMORGAN DISTRIBUTION SERVICES, INC. is under common control with the firm.

CRD #:	104234
Business Address:	1111 POLARIS PARKWAY COLUMBUS, OH 43240
Effective Date:	07/01/2004
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

SIXTY WALL STREET INVESTMENT CORPORATION is under common control with the firm.

Business Address:	1221 AVENUE OF THE AMERICAS 39TH FLOOR NEW YORK, NY 10020
Effective Date:	12/08/1994
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

SIXTY WALL STREET MANAGEMENT COMPANY LLC is under common control with the firm.

Business Address:	1221 AVENUE OF THE AMERICAS 39TH FLOOR NEW YORK, NY 10020
Effective Date:	01/03/2001

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN SERVICIOS AUXILIARES S.A. is under common control with the firm.

Business Address:	JOSE ORTEGA Y GASSE,29 2ND FLOOR MADRID, SPAIN 28006
Effective Date:	07/19/1989
Foreign Entity:	Yes
Country:	SPAIN
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN PRIVATE INVESTMENTS INC. is under common control with the firm.

Business Address:	345 PARK AVENUE NEW YORK, NY 10154-1002
Effective Date:	11/25/1991
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN FUTURES INC. is under common control with the firm.

Business Address:	270 PARK AVENUE NEW YORK, NY 10017
Effective Date:	05/31/1989

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN CORRETORA DE CAMBIO E VALORES MOBILIARIOS S.A. is under common control with the firm.

Business Address:	AVENIDA BRIGADEIRO FARIA LIMA 3729 14TH FLOOR - PARTE ITAIM BIBI SAO PAULO, BRAZIL 00000
Effective Date:	03/27/1989
Foreign Entity:	Yes
Country:	BRAZIL
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN PARTNERS, LLC is under common control with the firm.

Business Address:	1221 AVENUE OF THE AMERICAS NEW YORK, NY 10020
Effective Date:	10/11/2000
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN FUTURES (KOREA) LIMITED is under common control with the firm.

Business Address:	4/F JPMORGAN PLAZA 34-35 JEONG-DONG JUNG-GU SEOUL 100-120, KOREA
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Firm Operations



Organization Affiliates (continued)

Effective Date:	04/26/1996
Foreign Entity:	Yes
Country:	KOREA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN BANK INTERNATIONAL LLC is under common control with the firm.

Business Address:	23, 1ST TVERSKAYA-YAMSKAYA MOSCOW 125047, RUSSIA
Effective Date:	10/26/1993
Foreign Entity:	Yes
Country:	RUSSIA
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN AUSTRALIA LIMITED is under common control with the firm.

Business Address:	LEVEL 35 AAP CENTRE 259 GEORGE STREET SYDNEY, NSW, 2000, AUSTRALIA
Effective Date:	01/29/1985
Foreign Entity:	Yes
Country:	AUSTRALIA
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN ALTERNATIVE ASSET MANAGEMENT is under common control with the firm.

CRD #:	20989
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Firm Operations



Organization Affiliates (continued)

Business Address: 245 PARK AVENUE-8TH FL
NEW YORK, NY 10167

Effective Date: 07/02/1987

Foreign Entity: No

Country:

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: AFFILIATE UNDER COMMON CONTROL-REGISTERED BROKER DEALER

JPMORGAN (SUISSE) S.A. is under common control with the firm.

Business Address: RUE DE LA CONFEDERATION 8
P.O. BOX 5160
GENEVA, SWITZERLAND 1204

Effective Date: 01/17/1980

Foreign Entity: Yes

Country: SWITZERLAND

Securities Activities: Yes

Investment Advisory Activities: No

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

PT J.P. MORGAN SECURITIES INDONESIA is under common control with the firm.

Business Address: PLACA CHASE PODIUM, 2ND FLOOR
JL.JEND SUDIRMAN KAV. 21
JAKARTA, INDONESIA 12920

Effective Date: 01/31/2003

Foreign Entity: Yes

Country: INDONESIA

Securities Activities: Yes

Investment Advisory Activities: No

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

Firm Operations



Organization Affiliates (continued)

JPMORGAN SECURITIES (THAILAND) LIMITED is under common control with the firm.

Business Address:	3/F BUBHAJIT BUILDING 20 NORTH SATHORN RD- SILOM BANGRAK BANGKOK, THAILAND
Effective Date:	04/03/2002
Foreign Entity:	Yes
Country:	THAILAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN SECURITIES (TAIWAN) LIMITED is under common control with the firm.

Business Address:	3/F, XIN YI TRADING CENTER, NO.106, SECTION 5, XIN TAIPEI, TAIWAN 110
Effective Date:	05/15/2002
Foreign Entity:	Yes
Country:	TAIWAN
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

J.P.MORGAN SECURITIES (FAR EAST) LIMITED is under common control with the firm.

Business Address:	22ND FLOOR CHATER HOUSE 8 CONNAUGHT ROAD CENTRAL HONG KONG HONG KONG, HONG KONG
Effective Date:	03/25/2002
Foreign Entity:	Yes
Country:	HONG KONG
Securities Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: No

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN SECURITIES PHILIPPINES, INC. is under common control with the firm.

Business Address: 22ND FL., TOWER ONE & EXCHANGE PLAZA
AYALA AVENUE
MAKATI CITY 1200, PHILIPPINES

Effective Date: 04/03/2002

Foreign Entity: Yes

Country: PHILIPPINES

Securities Activities: Yes

Investment Advisory Activities: No

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN BROKING (HONG KONG) LIMITED is under common control with the firm.

Business Address: 22ND FLOOR CHATER HOUSE
8 CONNAUGHT RD- CENTRAL HONG KONG
HONG KONG, HONG KONG 99999

Effective Date: 11/06/2003

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Investment Advisory Activities: No

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

J.P.MORGAN EQUITIES LIMITED is under common control with the firm.

Business Address: 1 FRICKER ROAD ILLOVO 2196
DIAGONAL STREET
JOHANNESBURG, SOUTH AFRICA

Effective Date: 04/03/2002

Foreign Entity: Yes

Firm Operations



Organization Affiliates (continued)

Country:	SOUTH AFRICA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JF ASSET MANAGEMENT (TAIWAN) LIMITED is under common control with the firm.

Business Address:	17 F 67 TUN HWA S ROAD SEC 2 TAIPEI, TAIWAN 99999
Effective Date:	04/03/2002
Foreign Entity:	Yes
Country:	TAIWAN
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JF ASSET MANAGEMENT (SINGAPORE) LIMITED is under common control with the firm.

Business Address:	9 RAFFLES PLACE REPUBLIC PLAZA #42-01 SINGAPORE 048619, SINGAPORE
Effective Date:	04/03/2002
Foreign Entity:	Yes
Country:	SINGAPORE
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN PAKISTAN BROKING (PRIVATE) LIMITED is under common control with the firm.

Business Address:	2ND FLOOR, BAHRIA COMPLEX II M.T. KHAN ROAD KARACHI, PAKISTAN 74000
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Firm Operations



Organization Affiliates (continued)

Effective Date: 11/06/2003
Foreign Entity: Yes
Country: PAKISTAN
Securities Activities: Yes
Investment Advisory Activities: Yes
Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JF ASSET MANAGEMENT LIMITED is under common control with the firm.

Business Address: 21ST FLOOR CHATER HOUSE 8 CONNAUGHT ROAD
 CENTRAL HONG KONG
 HONG KONG, HONG KONG
Effective Date: 04/03/2002
Foreign Entity: Yes
Country: HONG KONG
Securities Activities: Yes
Investment Advisory Activities: Yes
Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN ASSET MANAGEMENT (JAPAN) LIMITED is under common control with the firm.

Business Address: TOKYO BUILDING 7-3 MARUNOUCHI
 2 CHROME CHIYODA-KU
 TOKYO, JAPAN 107-6432
Effective Date: 04/03/2002
Foreign Entity: Yes
Country: JAPAN
Securities Activities: No
Investment Advisory Activities: Yes
Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JF INTERNATIONAL MANAGEMENT INC. is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: AMERCHAND MANSION
16 MADAME CAMA ROAD
MUMBAI, INDIA 400 021

Effective Date: 01/31/2003

Foreign Entity: Yes

Country: BRITISH VIRGIN ISLANDS

Securities Activities: No

Investment Advisory Activities: Yes

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JF FUNDS LIMITED is under common control with the firm.

Business Address: 21ST FLOOR CHATER HOUSE 8 CONNAUGHT RD
CENTRAL HONG KONG
HONG KONG, HONG KONG

Effective Date: 04/03/2002

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN PRIVATE FUND MANAGEMENT LIMITED is under common control with the firm.

Business Address: 10 ALDERMANBURY
LONDON EC2V 7RF, ENGLAND

Effective Date: 05/04/2004

Foreign Entity: Yes

Country: ENGLAND

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

Firm Operations



Organization Affiliates (continued)

J.P.MORGAN SECURITIES NEW ZEALAND LIMITED is under common control with the firm.

Business Address:	C/O BELL GULLY LEVEL 21 HP TOWER 171 FEATHERSTON STREET WELLINGTON, NEW ZEALAND
Effective Date:	04/06/2001
Foreign Entity:	Yes
Country:	NEW ZEALAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	UNDER COMMON CONTROL OF ULTIMATE PARENT- JPMORGAN CHASE & CO.

ORD MINNETT FINANCIAL PLANNING PTY LIMITED is under common control with the firm.

Business Address:	L26 GROSVENOR PLACE 225 GEORGE STREET SYDNEY NSW 2000, AUSTRALIA
Effective Date:	09/01/2000
Foreign Entity:	Yes
Country:	AUSTRALIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JP MORGAN SECURITIES AUSTRALIA LIMITED is under common control with the firm.

Business Address:	L26 GROSVENOR 225 GEORGE STREET SYDNEY, NSW 2000, AUSTRALIA
Effective Date:	04/03/2002
Foreign Entity:	Yes
Country:	AUSTRALIA

Firm Operations



Organization Affiliates (continued)

Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

JPMORGAN ASSET MANAGEMENT (UK) LIMITED is under common control with the firm.

Business Address:	25 COPTHALL AVENUE LONDON EC2R 7DR, ENGLAND
Effective Date:	01/31/2003
Foreign Entity:	Yes
Country:	ENGLAND
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN ASSET MANAGEMENT (CANADA) INC. is under common control with the firm.

Business Address:	SUITE 1105, 100 YONGE STREET ONTARIO M5C 2W11, CANADA
Effective Date:	05/16/2002
Foreign Entity:	Yes
Country:	CANADA
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JF ASSET MANAGEMENT INTERNATIONAL LIMITED is under common control with the firm.

Business Address:	46TH FL., JARDINE HOUSE 1 CONNAUGHT PLACE HONG KONG, BRITISH VIRGIN ISLANDS 99999
Effective Date:	04/03/2002
Foreign Entity:	Yes

Firm Operations



Organization Affiliates (continued)

Country:	BRITISH VIRGIN ISLANDS
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

ORD MINNETT LIMITED is under common control with the firm.

Business Address:	LEVEL 26, GROSNEVOR PLACE 225 GEORGE STREET SYDNEY NSW 2000, AUSTRALIA
Effective Date:	03/12/1984
Foreign Entity:	Yes
Country:	AUSTRALIA
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JFCP AUSTRALIA MANAGEMENT LTD. is under common control with the firm.

Business Address:	LEVEL 23, BOURKE PLACE 600 BOURKE STREET MELBOURNE, V1C 3000, AUSTRALIA
Effective Date:	05/04/2004
Foreign Entity:	Yes
Country:	AUSTRALIA
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN STRUCTURED FUND MANAGEMENT SAS is under common control with the firm.

Business Address:	39/41 RUE CAMBON PARIS, FRANCE 75001
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Firm Operations



Organization Affiliates (continued)

Effective Date: 05/04/2004
Foreign Entity: Yes
Country: FRANCE
Securities Activities: No
Investment Advisory Activities: Yes
Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN SECURITIES INDIA PRIVATE LIMITED is under common control with the firm.

Business Address: VAKILS HOUSE - 18 SPROTT ROAD
 BALLARD ESTTE
 BOMBAY, MAHARASHTRA, INDIA 400 001, INDIA
Effective Date: 01/01/2001
Foreign Entity: Yes
Country: INDIA
Securities Activities: Yes
Investment Advisory Activities: No
Description: PRIMARY DEALER - TRADING IN FIXED INCOME SECURITIES

J.P.MORGAN SECURITIES ASIA PRIVATE LIMITED is under common control with the firm.

Business Address: 168 ROBINSON RD 17TH FL- CAPITAL TOWER
 SINGAPORE, SINGAPORE
Effective Date: 01/31/2003
Foreign Entity: Yes
Country: SINGAPORE
Securities Activities: Yes
Investment Advisory Activities: No
Description: UNDER COMMOE CONTROL OF ULTIMATE PARENT- JPMORGAN CHASE & CO.

J.P.MORGAN SECURITIES SOUTH AFRICA (PROPRIETARY) LIMITED is under common control with the firm.

Firm Operations



Organization Affiliates (continued)

Business Address: 1 FRICKER ROAD ILLOVO
JOHANNESBURG, SOUTH AFRICA

Effective Date: 01/01/2001

Foreign Entity: Yes

Country: SOUTH AFRICA

Securities Activities: Yes

Investment Advisory Activities: No

Description: SECURITIES TRADING AND UNDERWRITING, AND MARKETING FEE INCOME FOR EQUITY DERIVATIVE TRADING INITIATED IN SOUTH AFRICA.

JPMORGAN SECURITIES CANADA INC. is under common control with the firm.

Business Address: SUITE 1800, ROYAL BANK PLAZA
SOUTH TOWER
TORONTO, CANADA, CANADA M5J 2J2

Effective Date: 01/01/2001

Foreign Entity: Yes

Country: CANADA

Securities Activities: Yes

Investment Advisory Activities: No

Description: SECURITIES DEALER REGISTERED WITH THE OSE AND A MEMBER OF THE IDA OF CANADA.

J.P. MORGAN INSTITUTIONAL INVESTMENTS INC. is under common control with the firm.

CRD #: 102920

Business Address: 345 PARK AVENUE
4TH FLOOR
NEW YORK, NY

Effective Date: 10/30/2002

Foreign Entity: No

Country:

Securities Activities: Yes

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: No

Description: AFFILIATE UNDER COMMON CONTROL - REGISTERED BROKER DELAER

JPMORGAN INVESTMENT MANAGEMENT INC. is under common control with the firm.

Business Address: 245 PARK AVENUE
NEW YORK, NY 10167

Effective Date: 01/01/2001

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: INVESTMENT ADVISORY/ASSET MANAGEMENT AFFILIATE.

JPMORGAN TRUST COMPANY (CAYMAN) LIMITED is under common control with the firm.

Business Address: P.O. BOX 1748GT 27 HOSPITAL RD
GEORGE, BAHAMAS

Effective Date: 05/04/2004

Foreign Entity: Yes

Country: CAYMAN ISLANDS, BWI

Securities Activities: No

Investment Advisory Activities: Yes

Description: AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN S.A. DISTRIBUIDORA DE TITULOS E VALORES MOBILIARIO is under common control with the firm.

Business Address: AVENIDA BRIGADEIRO FARIA LIMA 3729
14 FL-PARTE
ITAIM BIBI SAO PAULO, BRAZIL

Effective Date: 07/19/2002

Foreign Entity: Yes

Firm Operations



Organization Affiliates (continued)

Country:	BRAZIL
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

BANCO J.P. MORGAN SA is under common control with the firm.

Business Address:	PROL. PASEO DE LA REFORMA 600 COL. SANTA FE MEXICO CITY, MEXICO
Effective Date:	04/03/2002
Foreign Entity:	Yes
Country:	MEXICO
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN (S.E.A.) LIMITED is under common control with the firm.

Business Address:	150 BEACH ROAD 27TH FLOOR - GATEWAY WEST SINGAPORE, SINGAPORE 189720
Effective Date:	01/31/2003
Foreign Entity:	Yes
Country:	SINAPORE
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

JPMORGAN SECURITIES (ASIA PACIFIC) LIMITED is under common control with the firm.

Business Address:	22ND FLOOR, CHATER HOUSE 8 CONNAUGHT RD CENTRAL HONG KONG HONG KONG, USA
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Firm Operations



Organization Affiliates (continued)

Effective Date:	11/06/2003
Foreign Entity:	Yes
Country:	HONG KONG
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

This firm is 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

JPMORGAN CHASE BANK is a State Member Bank of the Federal Reserve System and controls the firm.

Business Address:	270 PARK AVENUE NEW YORK, NY 10017
Effective Date:	11/26/1968
Description:	CHASE INVESTMENT SERVICES CORP. IS A WHOLLY-OWNED SUBSIDIARY OF JPMORGAN CHASE 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	62	0
Arbitration	N/A	19	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 62

Reporting Source: Regulator

Current Status: Final

**Allegations:**

FINRA RULE 2010; NASD RULE 2110, 3010:
THE FIRM FAILED TO DELIVER APPROXIMATELY 1,101,271 PROSPECTUSES TO ITS CUSTOMERS FOR CERTAIN MUTUAL FUND AND EXCHANGE TRADED FUND TRANSACTIONS IN CONTRAVENTION OF SECTION 5(B)(2) OF THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT").
THE FIRM SATISFIED ITS MUTUAL FUND AND EXCHANGE TRADED FUND PROSPECTUS DELIVERY OBLIGATION BY CONTRACTING WITH A THIRD-PARTY SERVICE PROVIDER. ALTHOUGH THE FIRM RELIED ON THE SERVICE PROVIDER TO DELIVER ITS MUTUAL FUND AND EXCHANGE TRADED FUND PROSPECTUSES TO CUSTOMERS, IT REMAINED THE FIRM'S RESPONSIBILITY TO REVIEW TRANSACTIONS AND VERIFY THAT A PROSPECTUS WAS PROPERLY DELIVERED WHEN REQUIRED.
THE FIRM LAUNCHED A FEE-BASED, DISCRETIONARY, UNIFIED MANAGED ACCOUNT THROUGH WHICH CLIENTS COULD HOLD, AMONG OTHER INVESTMENTS, MUTUAL FUNDS, EXCHANGE TRADED FUNDS AND MONEY MARKET FUNDS.
DUE TO A CONFIGURATION ERROR IN THE AUTOMATED SYSTEMS UTILIZED BY THE UNIFIED MANAGED ACCOUNT FOR PROSPECTUS DELIVERY, THE FIRM DIRECTED ITS SERVICE PROVIDER TO DELIVER PROSPECTUSES FOR MUTUAL FUND AND EXCHANGE TRADED FUND TRANSACTIONS TO THE INVESTMENT ADVISOR, A FIRM AFFILIATE, INSTEAD OF CUSTOMERS.
AS A RESULT, THE FIRM FAILED TO DELIVER PROSPECTUSES TO THE UNIFIED MANAGED ACCOUNT CUSTOMERS FOR WHOSE ACCOUNTS MUTUAL FUNDS AND EXCHANGE TRADED FUNDS HAD BEEN PURCHASED. AS A RESULT, THOSE CUSTOMERS WERE NOT PROVIDED WITH IMPORTANT DISCLOSURE INFORMATION ABOUT THESE PRODUCTS.
THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FEDERAL RULES REGARDING PROSPECTUS DELIVERY REQUIREMENTS. THE FIRM DID NOT HAVE A FORMAL PROCEDURE FOR REVIEWING THE SERVICE PROVIDER'S PROSPECTUS DELIVERY REPORTS FOR THE UNIFIED MANAGED ACCOUNTS AND DID NOT ASSIGN ANYONE TO REVIEW THE SERVICE PROVIDER'S PROSPECTUS DELIVERY REPORTS OR THE SERVICE PROVIDER'S SYSTEM FOR THESE ACCOUNTS.
THE FIRM HAD ACCESS TO THE SERVICE PROVIDER'S SYSTEM WHICH IDENTIFIED TO WHOM A PROSPECTUS HAD BEEN DELIVERED, BUT FAILED FOLLOW-UP AND REVIEW THE INFORMATION TO ENSURE THAT THE SERVICE PROVIDER WAS SENDING PROSPECTUSES TO CUSTOMERS AS REQUIRED. IN FACT, THE FIRM DID NOT PROVIDE THE FIRM GROUPS THAT MONITORED PROSPECTUS DELIVERY COMPLIANCE ACCESS TO THE SERVICE PROVIDER SYSTEM. THUS, THE FIRM DID NOT DETECT THAT IT FAILED TO SEND PROSPECTUSES TO ITS CUSTOMERS FOR MUTUAL FUND AND EXCHANGE TRADED FUND TRANSACTIONS.

Initiated By:

FINRA



Date Initiated: 12/18/2013

Docket/Case Number: [2011026279101](#)

Principal Product Type: Mutual Fund(s)

Other Product Type(s): EXCHANGE TRADED FUND(S)

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/18/2013

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 \$825,000.00

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 IT IS CENSURED AND FINED \$825,000. FINE PAID IN FULL ON JANUARY 9, 2014.

Disclosure 2 of 62

Reporting Source: Regulator

Current Status: Final

Allegations: THE DIVISION ALLEGED THAT: (1) RESPONDENT ENGAGED IN UNETHICAL BUSINESS PRACTICES WARRANTING SANCTIONS UNDER SECTION 61-1-6(2)(A)(II)(G) OF THE UTAH UNIFORM SECURITIES ACT ("ACT"); AND (2) RESPONDENT FAILED TO SUPERVISE ITS AGENTS WARRANTING SANCTIONS UNDER SECTION 61-1-6(2)(A)(II)(J) OF THE ACT.

Initiated By: UTAH

Date Initiated: 10/27/2011

Docket/Case Number: SD-11-0087

**URL for Regulatory Action:**

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought: ADMINISTRATIVE FINE

Resolution: Stipulation and Consent

Resolution Date: 10/27/2011

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? Yes

Sanctions Ordered: Monetary/Fine \$75,900.94
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: THE FINE OF \$75,900.94 WAS PAID BY JPMORGAN CHASE & CO. WITHIN TEN (10) DAYS OF ENTRY OF THE ORDER.

Regulator Statement THE STIPULATION AND CONSENT ORDER CAN BE VIEWED ONLINE AT: [HTTP://SECURITIES.UTAH.GOV/DOCKETS/11008701.PDF](http://SECURITIES.UTAH.GOV/DOCKETS/11008701.PDF) (NOTE: THE WEB ADDRESS MUST BE ENTERED IN ALL LOWER CASE LETTERS).

Reporting Source: Firm

Current Status: Final

Allegations: THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.

Initiated By: STATE OF UTAH DEPARTMENT OF COMMERCE DIVISION OF SECURITIES

Date Initiated: 10/20/2011

Docket/Case Number: SD-11-0087

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES.



Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	10/20/2011
Sanctions Ordered:	Monetary/Fine \$75,900.94 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON NOVEMBER 7, 2011. THE FINE REPRESENTS THE UTAH PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

Disclosure 3 of 62

Reporting Source: Regulator

**Current Status:**

Final

Allegations:

FINRA RULE 2010 AND NASD RULES 2110, 2310, 3010: THE FIRM RECOMMENDED 257 UNSUITABLE PURCHASES OF TWO UITs (UNIT INVESTMENT TRUSTS) TO CUSTOMERS WITH LITTLE OR NO INVESTMENT EXPERIENCE AND A CONSERVATIVE RISK TOLERANCE. AT THE TIME THAT THE FIRM RECOMMENDED THESE UIT TRANSACTIONS TO THESE CUSTOMERS, THE FIRM DID NOT HAVE REASONABLE GROUNDS FOR BELIEVING THAT THE RECOMMENDATIONS WERE SUITABLE FOR THEM. THE 257 CUSTOMERS SUFFERED LOSSES IN THE TOTAL AMOUNT OF APPROXIMATELY \$1.435 MILLION AS A RESULT OF THESE UNSUITABLE TRANSACTIONS. THE TWO UITs WERE CLOSED-END FUND UITs THAT INVESTED IN A HIGH PERCENTAGE OF HIGH YIELD AND JUNK BONDS. THEY WERE NOT SUITABLE INVESTMENTS FOR CUSTOMERS WITH A CONSERVATIVE RISK TOLERANCE AND LITTLE OR NO INVESTMENT EXPERIENCE. THE FIRM PROVIDED NO FORMAL TRAINING TO BROKERS OR PERSONAL BANKERS REGARDING UITs GENERALLY OR THE UITs ON THE APPROVED LIST. AS A RESULT, THE FIRM FAILED TO ADEQUATELY TRAIN ITS REGISTERED PERSONS ON THE SUITABILITY REQUIREMENTS FOR THE UITs THAT WERE ON ITS APPROVED LIST. THE FIRM REQUIRED THAT AN ONLINE INVESTMENT ACCOUNT APPLICATION, WHICH INCLUDED THE CUSTOMER'S PROFILE INFORMATION AND OTHER SUITABILITY FACTORS, BE COMPLETED FOR EACH NEW CUSTOMER'S BROKERAGE ACCOUNT. THE COMPLETED APPLICATION WAS SIGNED BY THE CUSTOMER. THE BROKERS AND PRD RELIED ON THE INFORMATION IN THE APPLICATION FOR MAKING SUITABILITY DETERMINATIONS. THE FIRM DID NOT REQUIRE THE BROKERS TO VERIFY ANY OF THE INFORMATION IN THE APPLICATION WITH THE CUSTOMER, AND SOME BROKERS DID NOT. AS A RESULT, IN SOME INSTANCES, THE CUSTOMERS' ACTUAL PROFILES DID NOT MATCH THE INFORMATION LISTED IN THEIR APPLICATION, WHICH LED TO THE APPROVAL OF SOME UNSUITABLE UIT TRANSACTIONS. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO PROVIDE PRD (PRINCIPAL REVIEW DESK) WITH REASONABLE GUIDANCE ON HOW TO DETERMINE WHETHER CERTAIN UIT TRANSACTIONS WERE SUITABLE. IN PARTICULAR, THE FIRM'S PROCEDURES DID NOT PROVIDE GUIDANCE TO THE PRD STAFF AS TO HOW TO PROPERLY ASSESS UITs THAT OWNED A LARGE PERCENTAGE OF CLOSED-END FUNDS FOR RISK AND WHETHER THE PRODUCTS MATCHED THE CUSTOMER'S STATED OBJECTIVES AND RISK TOLERANCE. THE FIRM RETURNED THE TWO UITs AND ONE ADDITIONAL CLOSED-END FUND UIT TO THE FIRM'S APPROVED LIST IN NOVEMBER 2007, ONLY EIGHT WEEKS AFTER THOSE UITs HAD BEEN REMOVED FROM THE APPROVED LIST DUE TO CONCERNS ABOUT THOSE UITs AND HOW THEY WERE BEING SOLD. ALTHOUGH THE SPECIALTY FUND DESIGNATION PLACED LIMITS ON THE PURCHASE OF THESE FUNDS BY PROSPECTIVE CUSTOMERS, THE FIRM FAILED TO PROVIDE ITS



BROKERS WITH SUFFICIENT ADDITIONAL TRAINING, GUIDANCE OR SUPERVISION TO HIGHLIGHT THE RISKS OF THE TWO UITs. THE FIRM FAILED TO HAVE A SUPERVISORY SYSTEM ADEQUATE TO REASONABLY ENSURE THAT ALL UIT TRANSACTIONS RECEIVED PRINCIPAL APPROVAL. FIRST, UIT TRANSACTIONS THAT WERE BELOW \$5,000 DID NOT RECEIVE PRINCIPAL REVIEW UNLESS THEY WERE OTHERWISE FLAGGED BY ONE OF THE PRE-DETERMINED EXCEPTIONS THAT REQUIRED REVIEW, SUCH AS MISSING SUITABILITY INFORMATION, SWITCH TRANSACTIONS, A PRODUCT NOT ON THE APPROVED LIST, AND SPECIALTY FUNDS. THESE TRANSACTIONS APPEARED ON THE PRD BLOTTER AND THE BLOTTER WAS SIGNED OFF ON EACH DAY WITHOUT ANY PRINCIPAL REVIEW OF THE TRANSACTIONS. "CORPORATE ACTION ROLLOVERS" ALSO DID NOT RECEIVE PRINCIPAL REVIEW AND APPROVAL DURING THE RELEVANT PERIOD. THESE UIT TRANSACTIONS WERE PLACED BY THE FIXED INCOME DESK CLOSE TO THE MATURITY DATE. DUE TO A SYSTEM ERROR, THE CORPORATE ACTION ROLLOVERS DID NOT APPEAR ON THE BLOTTER AND DID NOT RECEIVE PRINCIPAL REVIEW AND APPROVAL. THERE WERE 8,903 UIT TRANSACTIONS THAT WERE LESS THAN \$5,000 AND 2,129 CORPORATE ROLLOVER UIT TRANSACTIONS. THE FIRM'S FAILURE TO REASONABLY ENSURE PRINCIPAL REVIEW AND APPROVAL OF THESE UIT TRANSACTIONS LED TO 17 UNSUITABLE PURCHASES OF THE TWO FIRST TRUST UITs BELOW \$5,000 AND 10 UNSUITABLE CORPORATE ROLLOVERS THAT NEVER RECEIVED PRINCIPAL REVIEW. (CONTINUED IN COMMENTS)

Initiated By: FINRA

Date Initiated: 11/15/2011

Docket/Case Number: [2008015078603](#)

Principal Product Type: Unit Investment Trust(s)

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/15/2011

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

**Sanctions Ordered:**

Censure
 Monetary/Fine \$1,700,000.00
 Disgorgement/Restitution

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, FINED \$1.7 MILLION, AND ORDERED TO PAY \$1.92 MILLION IN RESTITUTION. A REGISTERED PRINCIPAL ON BEHALF OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION. THIS PROOF SHALL BE PROVIDED TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THE AWC. FINE PAID IN FULL DECEMBER 9, 2011.

Regulator Statement

(CONTINUED FROM ALLEGATIONS) THE FIRM FAILED TO COMPLY WITH ITS PROCEDURES THAT REQUIRED A POST-LAUNCH REVIEW OF A PRODUCT TO BE COMPLETED APPROXIMATELY SIX MONTHS AFTER THE PRODUCT HAD BEEN APPROVED AND LAUNCHED. THE FIRM FAILED TO FOLLOW ITS PROCEDURES IN THAT THE POST-LAUNCH FOLLOW UP REVIEW OF THE SEVEN FUNDS THAT WERE APPROVED IN OCTOBER 2007 DID NOT OCCUR UNTIL JULY 2008, APPROXIMATELY TEN MONTHS AFTER THE PRODUCTS WERE APPROVED AND LAUNCHED.

THE FLOATING RATE LOAN FUNDS SOLD BY THE FIRM WERE SUBJECT TO SIGNIFICANT CREDIT AND LIQUIDITY RISKS. ACCORDINGLY, CONCENTRATED POSITIONS IN THE FUNDS WERE NOT SUITABLE FOR CERTAIN INVESTORS WITH CONSERVATIVE RISK TOLERANCES. THE FUNDS WERE ALSO NOT SUITABLE FOR CERTAIN INVESTORS SEEKING PRESERVATION OF PRINCIPAL, AND FUNDS WITH RESTRICTIVE REDEMPTION POLICIES WERE NOT SUITABLE FOR INVESTORS SEEKING LIQUIDITY. DESPITE THESE FEATURES OF FLOATING RATE FUNDS, FIRM REGISTERED REPRESENTATIVES MADE RECOMMENDATIONS FOR THE PURCHASE OF FLOATING RATE FUNDS TO CERTAIN CUSTOMERS WHO HAD CONSERVATIVE RISK TOLERANCES AND/OR WERE SEEKING PRESERVATION OF PRINCIPAL. THESE CUSTOMERS SUFFERED LOSSES IN THE TOTAL AMOUNT OF APPROXIMATELY \$736,167 AS A RESULT OF THESE UNSUITABLE TRANSACTIONS.

WHEN THE FIRM RECOMMENDED THESE TRANSACTIONS, IT DID NOT HAVE REASONABLE GROUNDS FOR BELIEVING THAT THE RECOMMENDATIONS WERE SUITABLE FOR THE CUSTOMERS. THE FIRM PROVIDED NO FORMAL TRAINING TO BROKERS REGARDING FLOATING RATE FUNDS. THE FIRM FAILED TO ADEQUATELY TRAIN ITS REGISTERED PERSONS ON THE CREDIT AND LIQUIDITY RISKS ASSOCIATED WITH FLOATING RATE FUNDS, OR THE CUSTOMERS FOR WHOM SUCH FUNDS WOULD BE SUITABLE.

THE FIRM'S PROCEDURES REQUIRED IT TO REVIEW ALL SALES OF



FLOATING RATE FUNDS TO DETERMINE IF THE TRADE WAS IN EXCESS OF THE RECOMMENDED PERCENTAGE OF ASSETS BASED ON THE CLIENT'S STATED RISK TOLERANCE. WHEN A CONSERVATIVE INVESTOR'S PURCHASE CONSTITUTED MORE THAN 10% OF THEIR INVESTABLE ASSETS, THE FIRM'S POLICY REQUIRED IT TO CANCEL THE TRADE, REQUEST A SPECIAL WAIVER FROM THE POLICY, BRING THE TRADE WITHIN THE FIRM'S GUIDELINES, OR IN PRACTICE, TO OBTAIN A SPECIALTY FUND FORM EXECUTED BY THE CUSTOMER. THE FIRM FAILED TO CONSISTENTLY FOLLOW THESE PROCEDURES. IN SOME INSTANCES, THE FIRM ACCEPTED THE BROKER'S REPRESENTATIONS THAT THE CUSTOMER'S RISK TOLERANCE OR INVESTABLE ASSETS WERE DIFFERENT THAN WHAT WAS INDICATED ON THE CUSTOMERS' SIGNED ACCOUNT FORM WITHOUT VERIFICATION OR FOLLOW UP. IN OTHER INSTANCES, THE FIRM PROCESSED SOLICITED TRADES THAT EXCEEDED THE RECOMMENDED PERCENTAGE OF ASSETS WITHOUT ADDITIONAL REVIEW.

THE FIRM THEREFORE FAILED TO REASONABLY SUPERVISE SALES OF FLOATING RATE FUNDS TO CUSTOMERS.

THE FIRM SUCCEEDED A MEMBER FIRM THAT MADE UNSUITABLE RECOMMENDATIONS TO CERTAIN CUSTOMERS TO PURCHASE THE FLOATING RATE FUNDS WITHOUT REASONABLE GROUNDS FOR BELIEVING THAT THE RECOMMENDATIONS WERE SUITABLE FOR THESE CUSTOMERS. THESE CUSTOMERS SUFFERED LOSSES IN THE TOTAL AMOUNT OF APPROXIMATELY \$180,000 AS A RESULT OF THESE UNSUITABLE TRANSACTIONS.

THE PREDECESSOR FIRM PROVIDED NO FORMAL TRAINING TO BROKERS REGARDING FLOATING RATE FUNDS. THE FIRM FAILED TO ADEQUATELY TRAIN ITS REGISTERED PERSONS ON THE CREDIT AND LIQUIDITY RISKS ASSOCIATED WITH FLOATING RATE FUNDS, OR THE CUSTOMERS FOR WHOM SUCH FUNDS WOULD BE SUITABLE. CERTAIN OF THE CUSTOMERS WHO INVESTED IN THE FLOATING RATE FUNDS HAD LOW RISK TOLERANCES, CONSERVATIVE OBJECTIVES, AND/OR LIMITED INVESTMENT EXPERIENCE. ALTHOUGH FLOATING RATE FUNDS WERE UNSUITABLE FOR THOSE CUSTOMERS, THE FIRM ALSO FAILED TO ADEQUATELY REVIEW FLOATING RATE FUND SALES TO ENSURE THAT THEY WERE SUITABLE FOR THE CUSTOMERS IN LIGHT OF THEIR INVESTMENT OBJECTIVES, RISK TOLERANCES, LIQUIDITY NEEDS, AND FINANCIAL CONDITIONS.

Reporting Source:	Firm
Current Status:	Final
Allegations:	FINRA RULE 2010 AND NASD RULES 2110, 2310, 3010: THE FIRM RECOMMENDED 257 UNSUITABLE PURCHASES OF TWO UITS (UNIT



INVESTMENT TRUSTS) TO CUSTOMERS WITH LITTLE OR NO INVESTMENT EXPERIENCE AND A CONSERVATIVE RISK TOLERANCE. AT THE TIME THAT THE FIRM RECOMMENDED THESE UIT TRANSACTIONS TO THESE CUSTOMERS, THE FIRM DID NOT HAVE REASONABLE GROUNDS FOR BELIEVING THAT THE RECOMMENDATIONS WERE SUITABLE FOR THEM. THE 257 CUSTOMERS SUFFERED LOSSES IN THE TOTAL AMOUNT OF APPROXIMATELY \$1.435 MILLION AS A RESULT OF THESE UNSUITABLE TRANSACTIONS. THE TWO UITs WERE CLOSED-END FUND UITs THAT INVESTED IN A HIGH PERCENTAGE OF HIGH YIELD AND JUNK BONDS. THEY WERE NOT SUITABLE INVESTMENTS FOR CUSTOMERS WITH A CONSERVATIVE RISK TOLERANCE AND LITTLE OR NO INVESTMENT EXPERIENCE. THE FIRM PROVIDED NO FORMAL TRAINING TO BROKERS OR PERSONAL BANKERS REGARDING UITs GENERALLY OR THE UITs ON THE APPROVED LIST. AS A RESULT, THE FIRM FAILED TO ADEQUATELY TRAIN ITS REGISTERED PERSONS ON THE SUITABILITY REQUIREMENTS FOR THE UITs THAT WERE ON ITS APPROVED LIST. THE FIRM REQUIRED THAT AN ONLINE INVESTMENT ACCOUNT APPLICATION, WHICH INCLUDED THE CUSTOMER'S PROFILE INFORMATION AND OTHER SUITABILITY FACTORS, BE COMPLETED FOR EACH NEW CUSTOMER'S BROKERAGE ACCOUNT. THE COMPLETED APPLICATION WAS SIGNED BY THE CUSTOMER. THE BROKERS AND PRD RELIED ON THE INFORMATION IN THE APPLICATION FOR MAKING SUITABILITY DETERMINATIONS. THE FIRM DID NOT REQUIRE THE BROKERS TO VERIFY ANY OF THE INFORMATION IN THE APPLICATION WITH THE CUSTOMER, AND SOME BROKERS DID NOT. AS A RESULT, IN SOME INSTANCES, THE CUSTOMERS' ACTUAL PROFILES DID NOT MATCH THE INFORMATION LISTED IN THEIR APPLICATION, WHICH LED TO THE APPROVAL OF SOME UNSUITABLE UIT TRANSACTIONS. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO PROVIDE PRD (PRINCIPAL REVIEW DESK) WITH REASONABLE GUIDANCE ON HOW TO DETERMINE WHETHER CERTAIN UIT TRANSACTIONS WERE SUITABLE. IN PARTICULAR, THE FIRM'S PROCEDURES DID NOT PROVIDE GUIDANCE TO THE PRD STAFF AS TO HOW TO PROPERLY ASSESS UITs THAT OWNED A LARGE PERCENTAGE OF CLOSED-END FUNDS FOR RISK AND WHETHER THE PRODUCTS MATCHED THE CUSTOMER'S STATED OBJECTIVES AND RISK TOLERANCE. THE FIRM RETURNED THE TWO UITs AND ONE ADDITIONAL CLOSED-END FUND UIT TO THE FIRM'S APPROVED LIST IN NOVEMBER 2007, ONLY EIGHT WEEKS AFTER THOSE UITs HAD BEEN REMOVED FROM THE APPROVED LIST DUE TO CONCERNS ABOUT THOSE UITs AND HOW THEY WERE BEING SOLD. ALTHOUGH THE SPECIALTY FUND DESIGNATION PLACED LIMITS ON THE PURCHASE OF THESE FUNDS BY PROSPECTIVE CUSTOMERS, THE FIRM FAILED TO PROVIDE ITS BROKERS WITH SUFFICIENT ADDITIONAL TRAINING, GUIDANCE OR SUPERVISION TO HIGHLIGHT THE RISKS OF THE TWO UITs. THE FIRM FAILED TO HAVE A SUPERVISORY SYSTEM ADEQUATE TO REASONABLY ENSURE THAT ALL UIT TRANSACTIONS RECEIVED PRINCIPAL APPROVAL.



FIRST, UIT TRANSACTIONS THAT WERE BELOW \$5,000 DID NOT RECEIVE PRINCIPAL REVIEW UNLESS THEY WERE OTHERWISE FLAGGED BY ONE OF THE PRE-DETERMINED EXCEPTIONS THAT REQUIRED REVIEW, SUCH AS MISSING SUITABILITY INFORMATION, SWITCH TRANSACTIONS, A PRODUCT NOT ON THE APPROVED LIST, AND SPECIALTY FUNDS. THESE TRANSACTIONS APPEARED ON THE PRD BLOTTER AND THE BLOTTER WAS SIGNED OFF ON EACH DAY WITHOUT ANY PRINCIPAL REVIEW OF THE TRANSACTIONS. "CORPORATE ACTION ROLLOVERS" ALSO DID NOT RECEIVE PRINCIPAL REVIEW AND APPROVAL DURING THE RELEVANT PERIOD. THESE UIT TRANSACTIONS WERE PLACED BY THE FIXED INCOME DESK CLOSE TO THE MATURITY DATE. DUE TO A SYSTEM ERROR, THE CORPORATE ACTION ROLLOVERS DID NOT APPEAR ON THE BLOTTER AND DID NOT RECEIVE PRINCIPAL REVIEW AND APPROVAL. THERE WERE 8,903 UIT TRANSACTIONS THAT WERE LESS THAN \$5,000 AND 2,129 CORPORATE ROLLOVER UIT TRANSACTIONS. THE FIRM'S FAILURE TO REASONABLY ENSURE PRINCIPAL REVIEW AND APPROVAL OF THESE UIT TRANSACTIONS LED TO 17 UNSUITABLE PURCHASES OF THE TWO FIRST TRUST UITs BELOW \$5,000 AND 10 UNSUITABLE CORPORATE ROLLOVERS THAT NEVER RECEIVED PRINCIPAL REVIEW. (CONTINUED IN COMMENTS)

Initiated By: FINRA

Date Initiated: 11/15/2011

Docket/Case Number: [2008015078603](#)

Principal Product Type: Unit Investment Trust(s)

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/15/2011

Sanctions Ordered: Censure
Monetary/Fine \$1,700,000.00
Disgorgement/Restitution

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, FINED \$1.7 MILLION, AND ORDERED TO PAY \$1.92 MILLION IN RESTITUTION.

**Firm Statement**

(CONTINUED FROM ALLEGATIONS) THE FIRM FAILED TO COMPLY WITH ITS PROCEDURES THAT REQUIRED A POST-LAUNCH REVIEW OF A PRODUCT TO BE COMPLETED APPROXIMATELY SIX MONTHS AFTER THE PRODUCT HAD BEEN APPROVED AND LAUNCHED. THE FIRM FAILED TO FOLLOW ITS PROCEDURES IN THAT THE POST-LAUNCH FOLLOW UP REVIEW OF THE SEVEN UITS THAT WERE APPROVED IN OCTOBER 2007 DID NOT OCCUR UNTIL JULY 2008, APPROXIMATELY TEN MONTHS AFTER THE PRODUCTS WERE APPROVED AND LAUNCHED. THE FLOATING RATE LOAN FUNDS SOLD BY THE FIRM WERE SUBJECT TO SIGNIFICANT CREDIT AND LIQUIDITY RISKS. ACCORDINGLY, CONCENTRATED POSITIONS IN THE FUNDS WERE NOT SUITABLE FOR CERTAIN INVESTORS WITH CONSERVATIVE RISK TOLERANCES. THE FUNDS WERE ALSO NOT SUITABLE FOR CERTAIN INVESTORS SEEKING PRESERVATION OF PRINCIPAL, AND FUNDS WITH RESTRICTIVE REDEMPTION POLICIES WERE NOT SUITABLE FOR INVESTORS SEEKING LIQUIDITY. DESPITE THESE FEATURES OF FLOATING RATE FUNDS, FIRM REGISTERED REPRESENTATIVES MADE RECOMMENDATIONS FOR THE PURCHASE OF FLOATING RATE FUNDS TO CERTAIN CUSTOMERS WHO HAD CONSERVATIVE RISK TOLERANCES AND/OR WERE SEEKING PRESERVATION OF PRINCIPAL. THESE CUSTOMERS SUFFERED LOSSES IN THE TOTAL AMOUNT OF APPROXIMATELY \$736,167 AS A RESULT OF THESE UNSUITABLE TRANSACTIONS. WHEN THE FIRM RECOMMENDED THESE TRANSACTIONS, IT DID NOT HAVE REASONABLE GROUNDS FOR BELIEVING THAT THE RECOMMENDATIONS WERE SUITABLE FOR THE CUSTOMERS. THE FIRM PROVIDED NO FORMAL TRAINING TO BROKERS REGARDING FLOATING RATE FUNDS. THE FIRM FAILED TO ADEQUATELY TRAIN ITS REGISTERED PERSONS ON THE CREDIT AND LIQUIDITY RISKS ASSOCIATED WITH FLOATING RATE FUNDS, OR THE CUSTOMERS FOR WHOM SUCH FUNDS WOULD BE SUITABLE. THE FIRM'S PROCEDURES REQUIRED IT TO REVIEW ALL SALES OF FLOATING RATE FUNDS TO DETERMINE IF THE TRADE WAS IN EXCESS OF THE RECOMMENDED PERCENTAGE OF ASSETS BASED ON THE CLIENT'S STATED RISK TOLERANCE. WHEN A CONSERVATIVE INVESTOR'S PURCHASE CONSTITUTED MORE THAN 10% OF THEIR INVESTABLE ASSETS, THE FIRM'S POLICY REQUIRED IT TO CANCEL THE TRADE, REQUEST A SPECIAL WAIVER FROM THE POLICY, BRING THE TRADE WITHIN THE FIRM'S GUIDELINES, OR IN PRACTICE, TO OBTAIN A SPECIALTY FUND FORM EXECUTED BY THE CUSTOMER. THE FIRM FAILED TO CONSISTENTLY FOLLOW THESE PROCEDURES. IN SOME INSTANCES, THE FIRM ACCEPTED THE BROKER'S REPRESENTATIONS THAT THE CUSTOMER'S RISK TOLERANCE OR INVESTABLE ASSETS WERE DIFFERENT THAN WHAT WAS INDICATED ON THE CUSTOMERS' SIGNED ACCOUNT FORM WITHOUT VERIFICATION OR FOLLOW UP. IN OTHER INSTANCES, THE FIRM PROCESSED SOLICITED TRADES THAT EXCEEDED THE RECOMMENDED PERCENTAGE OF ASSETS WITHOUT ADDITIONAL REVIEW. THE FIRM



THEREFORE FAILED TO REASONABLY SUPERVISE SALES OF FLOATING RATE FUNDS TO CUSTOMERS. THE FIRM SUCCEEDED A MEMBER FIRM THAT MADE UNSUITABLE RECOMMENDATIONS TO CERTAIN CUSTOMERS TO PURCHASE THE FLOATING RATE FUNDS WITHOUT REASONABLE GROUNDS FOR BELIEVING THAT THE RECOMMENDATIONS WERE SUITABLE FOR THESE CUSTOMERS. THESE CUSTOMERS SUFFERED LOSSES IN THE TOTAL AMOUNT OF APPROXIMATELY \$180,000 AS A RESULT OF THESE UNSUITABLE TRANSACTIONS. THE PREDECESSOR FIRM PROVIDED NO FORMAL TRAINING TO BROKERS REGARDING FLOATING RATE FUNDS. THE FIRM FAILED TO ADEQUATELY TRAIN ITS REGISTERED PERSONS ON THE CREDIT AND LIQUIDITY RISKS ASSOCIATED WITH FLOATING RATE FUNDS, OR THE CUSTOMERS FOR WHOM SUCH FUNDS WOULD BE SUITABLE. CERTAIN OF THE CUSTOMERS WHO INVESTED IN THE FLOATING RATE FUNDS HAD LOW RISK TOLERANCES, CONSERVATIVE OBJECTIVES, AND/OR LIMITED INVESTMENT EXPERIENCE. ALTHOUGH FLOATING RATE FUNDS WERE UNSUITABLE FOR THOSE CUSTOMERS, THE FIRM ALSO FAILED TO ADEQUATELY REVIEW FLOATING RATE FUND SALES TO ENSURE THAT THEY WERE SUITABLE FOR THE CUSTOMERS IN LIGHT OF THEIR INVESTMENT OBJECTIVES, RISK TOLERANCES, LIQUIDITY NEEDS, AND FINANCIAL CONDITIONS.

Disclosure 4 of 62

Reporting Source:	Regulator
Current Status:	Final
Allegations:	N/A
Initiated By:	FLORIDA OFFICE OF FINANCIAL REGULATION
Date Initiated:	10/14/2011
Docket/Case Number:	0182-SR-9/11
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Order
Resolution Date:	10/14/2011



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 \$30,000.00

Other Sanctions Ordered:

Sanction Details: \$30,000 ADMINISTRATIVE FINE PAID IN FULL ON 10/14/2011

Regulator Statement ON 10/14/2011, THE OFFICE OF FINANCIAL REGULATION ENTERED A FINAL ORDER ADOPTING THE STIPULATION AND CONSENT AGREEMENT IN THE MATTER OF CHASE INVESTMENT SERVICES CORP. CHASE INVESTMENT SERVICES CORP. NEITHER ADMITTED NOR DENIED THE FINDINGS BUT CONSENTED TO THE ENTRY OF FINDINGS BY THE OFFICE. THE OFFICE FOUND THAT CHASE INVESTMENT SERVICES CORP., ACTING THROUGH THREE INDIVIDUALS, ENGAGED IN INVESTMENT ADVISORY BUSINESS FROM OFFICES WITHIN THIS STATE WITHOUT THE THREE INDIVIDUALS BEING LAWFULLY REGISTRATION IN THE STATE OF FLORIDA, IN VIOLATION OF SECTION 517.12(4), F. S. CHASE INVESTMENT SERVICES CORP. AGREED TO PAY AN ADMINISTRATIVE FINE IN THE AMOUNT OF \$30,000.

Reporting Source: Firm

Current Status: Final

Allegations: CHASE INVESTMENT SERVICES CORP., ACTING THROUGH THREE INDIVIDUALS, ENGAGED IN INVESTMENT ADVISORY BUSINESS FROM OFFICES WITHIN THE STATE OF FLORIDA WITHOUT THE THREE INDIVIDUALS BEING REGISTERED AS INVESTMENT ADVISOR REPRESENTATIVES IN THE STATE OF FLORIDA, IN VIOLATION OF SECTION 517.12(4), F. S.

Initiated By: FLORIDA OFFICE OF FINANCIAL REGULATION

Date Initiated: 10/14/2011

Docket/Case Number: 0182-SR-9/11

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:


Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 10/14/2011

Sanctions Ordered: Monetary/Fine \$30,000.00

Other Sanctions Ordered:

Sanction Details: \$30,000 ADMINISTRATIVE FINE PAID IN FULL ON 10/14/2011

Firm Statement CHASE INVESTMENT SERVICES CORP. NEITHER ADMITTED NOR DENIED THE FINDINGS BUT CONSENTED TO THE ENTRY OF FINDINGS BY THE OFFICE. CHASE INVESTMENT SERVICES CORP. AGREED TO PAY AN ADMINISTRATIVE FINE IN THE AMOUNT OF \$30,000.

Disclosure 5 of 62

Reporting Source: Firm

Current Status: Final

Allegations: THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.

Initiated By: GOVERNMENT OF THE DISTRICT OF COLUMBIA DEPARTMENT OF INSURANCE, SECURITIES, AND BANKING.

Date Initiated: 06/16/2011

Docket/Case Number: SB-CO-11-11

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES.

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Resolution: Consent



Resolution Date:	06/16/2011
Sanctions Ordered:	Monetary/Fine \$66,867.51 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON JULY 20, 2011. THE FINE REPRESENTS THE DISTRICT OF COLUMBIA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

Disclosure 6 of 62

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
Date Initiated:	06/07/2011
Docket/Case Number:	S-09-0040
Principal Product Type:	Other



Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY
Resolution:	Consent
Resolution Date:	06/07/2011
Sanctions Ordered:	Monetary/Fine \$54,465.68 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON JUNE 13, 2011. THE FINE REPRESENTS THE OREGON PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.



Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF MARYLAND OFFICE OF THE ATTORNEY GENERAL SECURITIES DIVISION.
Date Initiated:	04/06/2011
Docket/Case Number:	SECURITIES DIVISION NO. 2009-0312
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	04/06/2011
Sanctions Ordered:	Monetary/Fine \$155,740.92 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON APRIL 12, 2011. THE FINE REPRESENTS THE MARYLAND PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL



REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Date Initiated:	03/07/2011
Docket/Case Number:	SEU-2008-072
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	03/07/2011
Sanctions Ordered:	Monetary/Fine \$58,644.28 Disgorgement/Restitution



Cease and Desist/Injunction

Other Sanctions Ordered:

IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details:

THE FINE WAS PAID ON MARCH 11, 2011. THE FINE REPRESENTS THE HAWAII PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

Disclosure 9 of 62

Reporting Source:

Firm

Current Status:

Final

Allegations:

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.

Initiated By:

STATE OF OHIO DIVISION OF SECURITIES.

Date Initiated:

01/24/2011

Docket/Case Number:

11-007

Principal Product Type:

Other

Other Product Type(s):

AUCTION RATE SECURITIES.

Principal Sanction(s)/Relief Sought:

Restitution

Other Sanction(s)/Relief Sought:

IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO



FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Resolution:	Consent
Resolution Date:	01/24/2011
Sanctions Ordered:	Monetary/Fine \$462,074.64 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON FEBRUARY 7, 2010. THE FINE REPRESENTS THE OHIO PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 2830(N), 3010: CHASE FAILED TO ESTABLISH, MAINTAIN AND ENFORCE AN EFFECTIVE SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE THAT



DISCOUNTS WERE CORRECTLY APPLIED ON ELIGIBLE UNIT INVESTMENT TRUST (UIT) PURCHASES. THE FIRM RELIED PRIMARILY ON ITS BROKERS TO ENSURE THAT CUSTOMERS RECEIVED APPROPRIATE UIT SALES CHARGE DISCOUNTS, DESPITE THE FACT THAT THE FIRM FAILED TO APPROPRIATELY INFORM AND TRAIN BROKERS AND THEIR SUPERVISORS ABOUT SUCH DISCOUNTS. PRIOR TO 2008, THE FIRM'S REGISTERED REPRESENTATIVE MANUAL HAD NO INFORMATION OR GUIDANCE ABOUT UITs OR THE AVAILABILITY OF SALES CHARGE DISCOUNTS. IN JANUARY 2008, THE MANUAL CONTAINED A REFERENCE TO UIT BREAKPOINTS BUT NO INFORMATION ABOUT ROLLOVERS OR EXCHANGES. THROUGHOUT THE REVIEW PERIOD, THE FIRM'S TRADING DESK PROCEDURES STATED THAT THE REGISTERED REPRESENTATIVE HAD RESPONSIBILITY TO ENSURE CLIENTS RECEIVED BREAKPOINTS, GAVE LIMITED GUIDANCE ON ROLLOVERS, AND MADE NO MENTION OF EXCHANGES. THERE WERE NO WRITTEN PROCEDURES FOR SUPERVISORS CONCERNING UIT SALES CHARGE DISCOUNTS DURING THE REVIEW PERIOD. CHASE'S PROCEDURES LACKED SUBSTANTIVE GUIDANCE, INSTRUCTIONS, POLICIES OR STEPS FOR BROKERS, TRADING PERSONNEL, OR SUPERVISORS TO FOLLOW TO DETERMINE IF A CUSTOMER'S UIT PURCHASE QUALIFIED FOR, AND RECEIVED A SALES CHARGE DISCOUNT. THIS FAILURE WAS PARTICULARLY PROBLEMATIC BECAUSE THE BROKER AND FIRM COMPENSATION DIMINISHED WHEN THE CUSTOMER RECEIVED A SALES CHARGE DISCOUNT. BECAUSE OF THIS, THE FIRM NEEDED TO BE PARTICULARLY DILIGENT IN PROVIDING GUIDANCE TO BROKERS, SUPERVISORS AND TRADING PERSONNEL ON UIT SALES CHARGE DISCOUNTS. AS A RESULT OF ITS DEFECTIVE PROCEDURES AND SYSTEMS, THE FIRM FAILED TO PROVIDE SOME ELIGIBLE CUSTOMERS WITH APPROPRIATE DISCOUNTS ON BOTH UIT ROLLOVER AND BREAKPOINT PURCHASES. CHASE FAILED TO IDENTIFY AND APPROPRIATELY APPLY SALES CHARGE DISCOUNTS IN APPROXIMATELY 1.7 PERCENT OF THE TRANSACTIONS REVIEWED IN A SAMPLE OF CUSTOMER PURCHASES IN CERTAIN TOP SELLING UITs. AS A RESULT, THE FIRM OVERCHARGED CUSTOMERS IN THIS SAMPLE APPROXIMATELY \$13,700. THE FIRM SOLD UITs THAT IMPOSED A DEFERRED SALES CHARGE. THIS DEFERRED SALES CHARGE WAS GENERALLY CHARGED UPON REDEMPTION IF A CUSTOMER SOLD A UIT BEFORE THE DEFERRED SALES CHARGES WERE IMPOSED. CHASE FAILED TO ENSURE THAT ITS CUSTOMERS' UIT PURCHASE CONFIRMATIONS INCLUDED THE REQUIRED LEGEND THAT "ON SELLING YOUR SHARES, YOU MAY PAY A SALES CHARGE. FOR THE CHARGE AND OTHER FEES, SEE THE PROSPECTUS."

Initiated By: FINRA

Date Initiated: 12/21/2010

Docket/Case Number: [2008015700701](#)



Principal Product Type: Unit Investment Trust(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: N/A

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/21/2010

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: Censure
Monetary/Fine \$100,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED, FINED \$100,000 AND WILL PROVIDE REMEDIATION TO CUSTOMERS WHO, DURING THE RELEVANT PERIOD, PURCHASED UITs AND QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE SALES CHARGE DISCOUNT. WITHIN 90 DAYS OF THE EFFECTIVE DATE OF THE AWC, THE FIRM WILL SUBMIT TO FINRA A PROPOSED PLAN OF HOW IT WILL IDENTIFY AND COMPENSATE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE UIT SALES CHARGE DISCOUNTS. AT A MINIMUM, THE PLAN MUST INCLUDE THE FOLLOWING PROVISIONS: A.) THE FIRM WILL REVIEW ALL CUSTOMER UIT PURCHASES EFFECTED DURING THE RELEVANT PERIOD, REGARDLESS OF DOLLAR AMOUNT, TO DETERMINE IF A CUSTOMER QUALIFIED FOR A BREAKPOINT, ROLLOVER, OR EXCHANGE DISCOUNT; B.) WHEN DETERMINING A CUSTOMER'S ELIGIBILITY FOR A SALES CHARGE DISCOUNT, THE FIRM MUST AGGREGATE THE SAME-DAY PURCHASES BY A CUSTOMER, INCLUDING RELATED ACCOUNTS, AND UIT REDEMPTIONS AND TERMINATIONS BY A CUSTOMER WITHIN 30 DAYS OF A UIT PURCHASE; AND C.) FOR EACH CUSTOMER WHO WAS OVERCHARGED ON A UIT PURCHASE, CHASE WILL DETERMINE THE EXCESS SALES CHARGE PAID BY THE CUSTOMERS AND CALCULATE MONIES OWED, PLUS INTEREST CALCULATED FROM THE DATE OF THE PURCHASE THROUGH THE DATE THAT THE OVERCHARGE IS RETURNED TO THE CUSTOMER AT THE RATE SET FORTH IN SECTION 6621(A)(2) OF THE INTERNAL REVENUE



CODE. FINRA WILL REVIEW THE PLAN SUBMITTED BY THE FIRM AND IF THE PLAN REASONABLY COMPLIES WITH THE SPECIFIC REQUIREMENTS SET FORTH IN THE AWC, AND IS IN KEEPING WITH THE GENERAL PURPOSE OF THE UNDERTAKING, FINRA WILL NOT OBJECT TO THE PLAN. THE DATE THAT FINRA NOTIFIES THE FIRM THAT IT DOES NOT OBJECT TO THE PLAN SHALL BE CALLED THE NOTICE DATE. IN THE EVENT FINRA DOES OBJECT TO THE PLAN, THE FIRM WILL HAVE AN OPPORTUNITY TO ADDRESS FINRA'S OBJECTIONS AND RESUBMIT THE PLAN WITHIN 30 DAYS. [CONTINUED IN COMMENT]

Regulator Statement

[CONTINUED FROM SANCTION DETAIL]: FINRA WILL DISCUSS ITS OBJECTIONS WITH THE FIRM. A FAILURE TO RESUBMIT A PLAN THAT IS REASONABLY DESIGNED TO MEET THE SPECIFIC REQUIREMENTS AND GENERAL PURPOSE OF THE UNDERTAKING WILL BE A VIOLATION OF THE TERMS OF THE AWC. CHASE SHALL COMPLETE THE REMEDIATION PROCESS WITHIN 180 DAYS FROM THE NOTICE DATE. WITHIN 210 DAYS FROM THE NOTICE DATE, CHASE WILL SUBMIT TO FINRA A SCHEDULE OF ALL CUSTOMERS IDENTIFIED DURING THE FIRM'S REVIEW AS HAVING NOT RECEIVED AN APPROPRIATE SALES CHARGE DISCOUNTS. THE SCHEDULE SHALL INCLUDE DETAILS OF THE QUALIFYING PURCHASES AND THE APPROPRIATE DISCOUNT AND TOTAL DOLLAR AMOUNT OF RESTITUTION PROVIDED TO EACH CUSTOMER. WITHIN 210 DAYS FROM THE NOTICE DATE, CHASE WILL SUBMIT TO FINRA THE RESULTS OF THE FIRM'S IMPLEMENTATION OF ITS PLAN TO IDENTIFY AND COMPENSATE QUALIFYING CUSTOMERS, INCLUDING THE AMOUNTS AND MANNER OF ALL RESTITUTION PAID. FOR GOOD CAUSE SHOWN, AND UPON RECEIPT OF A TIMELY REQUEST FROM CHASE, FINRA MAY EXTEND ANY OF THE PROCEDURAL DATES SET FORTH ABOVE.

Reporting Source:

Firm

Current Status:

Final

Allegations:

NASD RULES 2110, 2830(N), 3010: THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE AN EFFECTIVE SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE THAT DISCOUNTS WERE CORRECTLY APPLIED ON ELIGIBLE UNIT INVESTMENT TRUST (UIT) PURCHASES. THE FIRM RELIED PRIMARILY ON ITS BROKERS TO ENSURE THAT CUSTOMERS RECEIVED APPROPRIATE UIT SALES CHARGE DISCOUNTS, THE FIRM FAILED TO APPROPRIATELY INFORM AND TRAIN BROKERS AND THEIR SUPERVISORS ABOUT SUCH DISCOUNTS. PRIOR TO 2008, THE FIRM'S REGISTERED REPRESENTATIVE MANUAL HAD NO INFORMATION OR GUIDANCE ABOUT UITs OR THE AVAILABILITY OF SALES CHARGE DISCOUNTS. IN JANUARY 2008, THE MANUAL CONTAINED A REFERENCE TO UIT BREAKPOINTS BUT NO



INFORMATION ABOUT ROLLOVERS OR EXCHANGES. THROUGHOUT THE REVIEW PERIOD, THE FIRM'S TRADING DESK PROCEDURES STATED THAT THE REGISTERED REPRESENTATIVE HAD RESPONSIBILITY TO ENSURE CLIENTS RECEIVED BREAKPOINTS, GAVE LIMITED GUIDANCE ON ROLLOVERS, AND MADE NO MENTION OF EXCHANGES. THERE WERE NO WRITTEN PROCEDURES FOR SUPERVISORS CONCERNING UIT SALES CHARGE DISCOUNTS DURING THE REVIEW PERIOD. THE FIRM'S PROCEDURES LACKED SUBSTANTIVE GUIDANCE, INSTRUCTIONS, POLICIES OR STEPS FOR BROKERS, TRADING PERSONNEL, OR SUPERVISORS TO FOLLOW TO DETERMINE IF A CUSTOMER'S UIT PURCHASE QUALIFIED FOR, AND RECEIVED A SALES CHARGE DISCOUNT. THE FIRM FAILED TO PROVIDE SOME ELIGIBLE CUSTOMERS WITH APPROPRIATE DISCOUNTS ON BOTH UIT ROLLOVER AND BREAKPOINT PURCHASES. THE FIRM FAILED TO IDENTIFY AND APPROPRIATELY APPLY SALES CHARGE DISCOUNTS IN APPROXIMATELY 1.7 PERCENT OF THE TRANSACTIONS REVIEWED IN A SAMPLE OF CUSTOMER PURCHASES IN CERTAIN TOP SELLING UITs. THE FIRM OVERCHARGED CUSTOMERS IN THIS SAMPLE APPROXIMATELY \$13,700. THE FIRM SOLD UITs THAT IMPOSED A DEFERRED SALES CHARGE. THIS DEFERRED SALES CHARGE WAS GENERALLY CHARGED UPON REDEMPTION IF A CUSTOMER SOLD A UIT BEFORE THE DEFERRED SALES CHARGES WERE IMPOSED. THE FIRM FAILED TO ENSURE THAT ITS CUSTOMERS' UIT PURCHASE CONFIRMATIONS INCLUDED THE REQUIRED LEGEND THAT "ON SELLING YOUR SHARES, YOU MAY PAY A SALES CHARGE. FOR THE CHARGE AND OTHER FEES, SEE THE PROSPECTUS."

Initiated By:	FINRA
Date Initiated:	12/21/2010
Docket/Case Number:	2008015700701
Principal Product Type:	Unit Investment Trust(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/21/2010
Sanctions Ordered:	Censure Monetary/Fine \$100,000.00
Other Sanctions Ordered:	UNDERTAKING



Sanction Details:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED, FINED \$100,000 AND WILL PROVIDE REMEDIATION TO CUSTOMERS WHO, DURING THE RELEVANT PERIOD, PURCHASED UITs AND QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE SALES CHARGE DISCOUNT. WITHIN 90 DAYS OF THE EFFECTIVE DATE OF THE AWC, THE FIRM WILL SUBMIT TO FINRA A PROPOSED PLAN OF HOW IT WILL IDENTIFY AND COMPENSATE CUSTOMERS WHO QUALIFIED FOR, BUT DID NOT RECEIVE, THE APPLICABLE UIT SALES CHARGE DISCOUNTS. AT A MINIMUM, THE PLAN MUST INCLUDE THE FOLLOWING PROVISIONS: A.) THE FIRM WILL REVIEW ALL CUSTOMER UIT PURCHASES EFFECTED DURING THE RELEVANT PERIOD, REGARDLESS OF DOLLAR AMOUNT, TO DETERMINE IF A CUSTOMER QUALIFIED FOR A BREAKPOINT, ROLLOVER, OR EXCHANGE DISCOUNT; B.) WHEN DETERMINING A CUSTOMER'S ELIGIBILITY FOR A SALES CHARGE DISCOUNT, THE FIRM MUST AGGREGATE THE SAME-DAY PURCHASES BY A CUSTOMER, INCLUDING RELATED ACCOUNTS, AND UIT REDEMPTIONS AND TERMINATIONS BY A CUSTOMER WITHIN 30 DAYS OF A UIT PURCHASE; AND C.) FOR EACH CUSTOMER WHO WAS OVERCHARGED ON A UIT PURCHASE, THE FIRM WILL DETERMINE THE EXCESS SALES CHARGE PAID BY THE CUSTOMERS AND CALCULATE MONIES OWED, PLUS INTEREST CALCULATED FROM THE DATE OF THE PURCHASE THROUGH THE DATE THAT THE OVERCHARGE IS RETURNED TO THE CUSTOMER AT THE RATE SET FORTH IN SECTION 6621(A)(2) OF THE INTERNAL REVENUE CODE. FINRA WILL REVIEW THE PLAN SUBMITTED BY THE FIRM AND IF THE PLAN REASONABLY COMPLIES WITH THE SPECIFIC REQUIREMENTS SET FORTH IN THE AWC, AND IS IN KEEPING WITH THE GENERAL PURPOSE OF THE UNDERTAKING, FINRA WILL NOT OBJECT TO THE PLAN. THE DATE THAT FINRA NOTIFIES THE FIRM THAT IT DOES NOT OBJECT TO THE PLAN SHALL BE CALLED THE NOTICE DATE. IN THE EVENT FINRA DOES OBJECT TO THE PLAN, THE FIRM WILL HAVE AN OPPORTUNITY TO ADDRESS FINRA'S OBJECTIONS AND RESUBMIT THE PLAN WITHIN 30 DAYS. [CONTINUED IN COMMENT]

Firm Statement

[CONTINUED FROM SANCTION DETAIL]: FINRA WILL DISCUSS ITS OBJECTIONS WITH THE FIRM. A FAILURE TO RESUBMIT A PLAN THAT IS REASONABLY DESIGNED TO MEET THE SPECIFIC REQUIREMENTS AND GENERAL PURPOSE OF THE UNDERTAKING WILL BE A VIOLATION OF THE TERMS OF THE AWC. THE FIRM SHALL COMPLETE THE REMEDIATION PROCESS WITHIN 180 DAYS FROM THE NOTICE DATE. WITHIN 210 DAYS FROM THE NOTICE DATE, THE FIRM WILL SUBMIT TO FINRA A SCHEDULE OF ALL CUSTOMERS IDENTIFIED DURING THE FIRM'S REVIEW AS HAVING NOT RECEIVED AN APPROPRIATE SALES CHARGE DISCOUNTS. THE SCHEDULE SHALL INCLUDE DETAILS OF THE QUALIFYING PURCHASES AND THE APPROPRIATE DISCOUNT AND TOTAL DOLLAR AMOUNT OF RESTITUTION PROVIDED TO EACH CUSTOMER. WITHIN 210 DAYS FROM



THE NOTICE DATE, THE FIRM WILL SUBMIT TO FINRA THE RESULTS OF THE FIRM'S IMPLEMENTATION OF ITS PLAN TO IDENTIFY AND COMPENSATE QUALIFYING CUSTOMERS, INCLUDING THE AMOUNTS AND MANNER OF ALL RESTITUTION PAID. FOR GOOD CAUSE SHOWN, AND UPON RECEIPT OF A TIMELY REQUEST FROM THE FIRM, FINRA MAY EXTEND ANY OF THE PROCEDURAL DATES SET FORTH ABOVE.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF ALASKA, DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION OF BANKING AND SECURITIES
Date Initiated:	10/26/2010
Docket/Case Number:	ORDER NO: 10-13-S
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY
Resolution:	Consent
Resolution Date:	10/26/2010
Sanctions Ordered:	Monetary/Fine \$50,000.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT



OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details:

THE FINE WAS PAID ON NOVEMBER 3, 2010. THE FINE REPRESENTS THE ALASKA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

Disclosure 12 of 62

Reporting Source: Firm

Current Status: Final

Allegations: THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES

Initiated By: STATE OF IOWA INSURANCE DIVISION

Date Initiated: 11/01/2010

Docket/Case Number: IOWA INSURANCE DIVISION DOCKET NO. 67155

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES.

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL



ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Resolution:	Consent
Resolution Date:	11/01/2010
Sanctions Ordered:	Monetary/Fine \$56,921.80 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID BY NOVEMBER 15, 2010. THE FINE REPRESENTS THE IOWA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF MISSOURI OFFICE OF THE SECRETARY OF STATE
Date Initiated:	09/21/2009



Docket/Case Number:	AP-09-31
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	09/21/2009
Sanctions Ordered:	Monetary/Fine \$86,535.62 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON OCTOBER 1, 2009. THE FINE REPRESENTS THE MISSOURI PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT



CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES
Initiated By:	STATE OF DELAWARE SECURITIES COMMISSION
Date Initiated:	10/07/2009
Docket/Case Number:	09-7-2
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	10/07/2009
Sanctions Ordered:	Monetary/Fine \$339,931.07 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.



Sanction Details:	THE FINE WAS PAID ON OCTOBER 15, 2009. THE FINE REPRESENTS THE DELAWARE PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF INDIANA OFFICE OF THE SECRETARY OF STATE SECURITIES DIVISION
Date Initiated:	10/14/2009
Docket/Case Number:	09-0150-CO
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.



Resolution:	Consent
Resolution Date:	10/14/2009
Sanctions Ordered:	Monetary/Fine \$245,418.15 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON OCTOBER 20, 2009. THE FINE REPRESENTS THE INDIANA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

Disclosure 16 of 62

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF LOUISIANA, OFFICE OF FINANCIAL INSTITUTIONS
Date Initiated:	05/24/2010
Docket/Case Number:	OFI-2010-007
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES



Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	05/24/2010
Sanctions Ordered:	Monetary/Fine \$655,851.21 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON MAY 26, 2010. THE FINE REPRESENTS THE LOUISIANA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

Disclosure 17 of 62

Reporting Source: Firm



Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF MINNESOTA, DEPARTMENT OF COMMERCE
Date Initiated:	03/04/2010
Docket/Case Number:	FILE 13258
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY
Resolution:	Consent
Resolution Date:	03/04/2010
Sanctions Ordered:	Monetary/Fine \$226,222.11 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON MARCH 10, 2010. THE FINE REPRESENTS THE MINNESTOA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS



INCURRED BY NASAA.

Firm Statement

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

Disclosure 18 of 62

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF NEBRASKA DEPARTMENT OF BANKING AND FINANCE
Date Initiated:	10/06/2009
Docket/Case Number:	N/A
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	10/06/2009
Sanctions Ordered:	Monetary/Fine \$78,892.95 Disgorgement/Restitution Cease and Desist/Injunction



Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON OCTOBER 14, 2009. THE FINE REPRESENTS THE NEBRASKA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

Disclosure 19 of 62

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF NEW JERSEY OFFICE OF THE ATTORNEY GENERAL BUREAU OF SECURITIES
Date Initiated:	09/08/2010
Docket/Case Number:	N/A
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION



Sought:	RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	09/08/2010
Sanctions Ordered:	Monetary/Fine \$1,149,028.56 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON SEPTEMBER 16, 2010. THE FINE REPRESENTS THE NEW JERSEY PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND



OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.

Initiated By: COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS

Date Initiated: 09/16/2009

Docket/Case Number: C09-V007

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES.

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Resolution: Consent

Resolution Date: 09/16/2010

Sanctions Ordered: Monetary/Fine \$50,063.80
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details: THE FINE WAS PAID ON OCTOBER 5, 2009. THE FINE REPRESENTS THE PUERTO RICO PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

**Firm Statement**

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	COMMONWEALTH OF VIRIGINA, STATE CORPORATION COMISSION
Date Initiated:	05/18/2010
Docket/Case Number:	SEC-2009-00125
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	05/18/2010
Sanctions Ordered:	Monetary/Fine \$209,277.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT



OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details:

THE FINE WAS PAID ON MAY 24, 2010. THE FINE REPRESENTS THE VIRGINIA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF WEST VIRGINIA SECURITIES DIVISION
Date Initiated:	10/14/2009
Docket/Case Number:	OR-70-79
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF



CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Resolution:	Consent
Resolution Date:	10/14/2009
Sanctions Ordered:	Monetary/Fine \$53,189.77 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON OCTOBER 19, 2009. THE FINE REPRESENTS THE WEST VIRGINIA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	THE UNITED STATES VIRGIN ISLANDS OFFICE OF THE LIEUTENANT



GOVERNOR DIVISION OF BANKING AND INSURANCE

Date Initiated: 08/06/2010

Docket/Case Number: NO. 10-10

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES.

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 08/06/2010

Sanctions Ordered: Monetary/Fine \$50,000.00

Other Sanctions Ordered:

Sanction Details: THE FINE WAS PAID ON AUGUST 16, 2010. THE FINE REPRESENTS THE UNITED STATES VIRGIN ISLANDS PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source: Regulator

Current Status: Final

Allegations: ON AUGUST 2, 2010, THE CONNECTICUT BANKING COMMISSIONER ENTERED A CONSENT ORDER WITH RESPECT TO JPMORGAN CHASE & CO. THE CONSENT ORDER FOLLOWED AN INVESTIGATION BY A MULTISTATE TASK FORCE INTO THE AUCTION RATE SECURITIES (ARS) ACTIVITIES OF CERTAIN JPMORGAN CHASE & CO. SUBSIDIARIES AND



AFFILIATES, INCLUDING J.P. MORGAN SECURITIES INC. (CRD NUMBER 79), CHASE INVESTMENT SERVICES CORP. (CRD NUMBER 25574) AND BEAR STEARNS & CO. THE CONSENT ORDER ALLEGED THAT, IN CONJUNCTION WITH THE MARKETING OF ARS, THE JPMORGAN CHASE & CO. BROKER-DEALERS 1) FAILED TO REASONABLY SUPERVISE THEIR AGENTS, AND 2) ENGAGED IN UNETHICAL PRACTICES BY FAILING TO ENSURE THAT APPROPRIATE DISCLOSURES WERE MADE TO CUSTOMERS.

Initiated By: CONNECTICUT

Date Initiated: 08/02/2010

Docket/Case Number: CO-10-7784-S

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought: NOTE: SETTLEMENT REACHED WITH JPMORGAN CHASE & CO.

Resolution: Consent

Resolution Date: 08/02/2010

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? Yes

Sanctions Ordered: Monetary/Fine \$543,445.82
Cease and Desist/Injunction

Other Sanctions Ordered: THE CONSENT ORDER FINED JPMORGAN CHASE & CO. \$543,445.82, REPRESENTING CONNECTICUT'S PRO RATA SHARE OF THE MULTISTATE SETTLEMENT, AND DIRECTED IT TO CEASE AND DESIST FROM REGULATORY VIOLATIONS.

Sanction Details: SEE RESPONSE TO ITEM 13.B.

Reporting Source: Firm

Current Status: Final

Allegations: THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND



OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.

Initiated By: STATE OF CONNECTICUT DEPARTMENT OF BANKING

Date Initiated: 08/02/2010

Docket/Case Number: CO-10-7784-S

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES.

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Resolution: Consent

Resolution Date: 08/02/2010

Sanctions Ordered: Monetary/Fine \$543,445.82
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details: THE FINE WAS PAID ON AUGUST 05, 2010. THE FINE REPRESENTS THE CONNECTICUT PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO



MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

Disclosure 25 of 62

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF NEW MEXICO SECURITIES DIVISION
Date Initiated:	01/08/2010
Docket/Case Number:	09-09-999-058
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	01/08/2010
Sanctions Ordered:	Monetary/Fine \$42,017.50 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF



CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details:

THE FINE WAS PAID ON JANUARY 14, 2010. THE FINE REPRESENTS THE NEW MEXICO PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:

Regulator

Current Status:

Final

Allegations:

ON JANUARY 13, 2010, THE SECURITIES DIVISION ENTERED INTO A CONSENT ORDER WITH JPMORGAN CHASE & CO. ("RESPONDENT"), IN ORDER TO SETTLE THE ALLEGATIONS THAT RESPONDENT ENGAGED IN UNETHICAL PRACTICES IN THE SALE OF AUCTION RATE SECURITIES ("ARS"), AND FAILED TO SUPERVISE REASONABLY ITS SALESPERSONS IN THE MARKETING AND SALE OF ARS. RESPONDENT NEITHER ADMITTED NOR DENIED THE ALLEGATIONS, BUT AGREED TO CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF WASHINGTON. RESPONDENT AGREED TO OFFER TO PURCHASE AT PAR ARS THAT SINCE FEBRUARY 12, 2008 HAVE NOT BEEN AUCTIONING FROM INDIVIDUAL INVESTORS WHO PURCHASED THOSE ARS FROM RESPONDENT PRIOR TO FEBRUARY 12, 2008. RESPONDENT AGREED TO PAY \$224,424.14 AS A CIVIL MONETARY PENALTY. RESPONDENT WAIVED ITS RIGHT TO A HEARING AND TO JUDICIAL REVIEW OF THIS MATTER.

Initiated By:

WASHINGTON

Date Initiated:

01/13/2010

Docket/Case Number:

S-09-196-09-CO01

URL for Regulatory Action:



Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	TO IMPOSE FINES.
Resolution:	Consent
Resolution Date:	01/13/2010
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Sanctions Ordered:	Monetary/Fine \$224,424.14 Cease and Desist/Injunction
Other Sanctions Ordered:	JPMORGAN SHALL CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF WASHINGTON AND SHALL COMPLY WITH THE SECURITIES ACT OF WASHINGTON. WITHIN TEN DAYS AFTER THE ENTRY OF THIS CONSENT ORDER, JPMORGAN SHALL PAY THE SUM OF \$224,424.14 TO THE STATE OF WASHINGTON AS A CIVIL MONETARY PENALTY PURSUANT TO RCW 21.20.110 AND RCW 21.20.395, TO BE DEPOSITED IN THE SECURITIES PROSECUTION FUND, RCW 43.320.115, WHICH AMOUNT CONSTITUTES THE STATE OF WASHINGTON'S PROPORTIONATE SHARE OF THE STATE SETTLEMENT AMOUNT OF \$25 MILLION DOLLARS (\$25,000,000.00).
Sanction Details:	\$224,424.14
Regulator Statement	BRIDGETT FISHER - 360-902-8783

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	WASHINGTON
Date Initiated:	01/13/2010
Docket/Case Number:	S-09-196-09-CO01



Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	01/13/2010
Sanctions Ordered:	Monetary/Fine \$224,424.14 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON JANUARY 14TH, 2010. THE FINE REPRESENTS THE WASHINGTON PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.



Disclosure 27 of 62

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES
Initiated By:	STATE OF SOUTH CAROLINA SECURITIES COMMISSIONER, OFFICE OF THE ATTORNEY GENERAL
Date Initiated:	02/12/2010
Docket/Case Number:	09091
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	02/12/2010
Sanctions Ordered:	Monetary/Fine \$82,835.51 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON FEBRUARY 22, 2010. THE FINE REPRESENTS THE SOUTH CAROLINA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED



WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF TEXAS STATE SECURITIES BOARD
Date Initiated:	02/02/2010
Docket/Case Number:	IC10-CDO-03
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	02/02/2010
Sanctions Ordered:	Monetary/Fine \$3,222,823.41



Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered:

IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details:

THE FINE WAS PAID ON FEBRUARY 11, 2010. THE FINE REPRESENTS THE TEXAS PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source: Firm

Current Status: Final

Allegations: THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.

Initiated By: STATE OF ARKANSAS SECURITIES DEPARTMENT

Date Initiated: 02/11/2010

Docket/Case Number: S-09-024-09-CO06

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION



Sought:	RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY
Resolution:	Consent
Resolution Date:	02/11/2010
Sanctions Ordered:	Monetary/Fine \$56,513.51 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON FEBRUARY 18, 2010. THE FINE REPRESENTS THE ARKANSAS PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND



OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.

Initiated By: STATE OF WISCONSIN, DEPARTMENT OF FINANCIAL INSTITUTIONS, DIVISION OF SECURITIES

Date Initiated: 02/19/2010

Docket/Case Number: S-09150(EX)

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES.

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY

Resolution: Consent

Resolution Date: 02/19/2010

Sanctions Ordered: Monetary/Fine \$469,571.17
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details: THE FINE WAS PAID ON FEBRUARY 24, 2010. THE FINE REPRESENTS THE WISCONSIN PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

**Firm Statement**

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF KANSAS SECURITIES COMMISSION
Date Initiated:	11/06/2009
Docket/Case Number:	10-E-005 KSC NO. 2010-5640
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	11/06/2009
Sanctions Ordered:	Monetary/Fine \$76,570.79 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO



FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details:

THE FINE WAS PAID ON DECEMBER 4, 2009. THE FINE REPRESENTS THE KANSAS PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF COLORADO DIVISION OF SECURITIES
Date Initiated:	11/14/2009
Docket/Case Number:	10-L-09
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT



OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Resolution:	Consent
Resolution Date:	11/14/2009
Sanctions Ordered:	Monetary/Fine \$227,456.25 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON DECEMBER 3, 2009. THE FINE REPRESENTS THE COLORADO PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.



Initiated By: COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET, DEPARTMENT OF FINANCIAL INSTITUTIONS

Date Initiated: 11/04/2009

Docket/Case Number: N/A

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES.

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Resolution: Consent

Resolution Date: 11/04/2009

Sanctions Ordered: Monetary/Fine \$142,777.40
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details: THE FINE WAS PAID ON NOVEMBER 12, 2009. THE FINE REPRESENTS THE KENTUCKY PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS



DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF OKLAHOMA DEPARTMENT OF SECURITIES
Date Initiated:	10/26/2009
Docket/Case Number:	ODS FILE NO. 09-143
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	10/26/2009
Sanctions Ordered:	Monetary/Fine \$138,403.29 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL



ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details:

THE FINE WAS PAID ON OCTOBER 28, 2009. THE FINE REPRESENTS THE OKLAHOMA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF TENNESSEE COMMISSION OF COMMERCE AND INSURANCE
Date Initiated:	10/30/2009
Docket/Case Number:	ORDER NO. 09-011 (SI-2008-010)
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES



WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Resolution:	Consent
Resolution Date:	10/30/2009
Sanctions Ordered:	Monetary/Fine \$54,880.35 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON NOVEMBER 3, 2009. THE FINE REPRESENTS THE TENNESSEE PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

Disclosure 36 of 62

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	ARIZONA CORPORATION COMMISSION
Date Initiated:	09/17/2009



Docket/Case Number:	S-20687A-09-0315
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	09/17/2009
Sanctions Ordered:	Monetary/Fine \$348,779.48 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON SEPTEMBER 22, 2009. THE FINE REPRESENTS THE ARIZONA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.



Disclosure 37 of 62

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF MICHIGAN DEPARTMENT OF ENERGY LABOR & ECONOMIC GROWTH OFFICE OF FINANCIAL & INSURANCE REGULATION.
Date Initiated:	09/02/2009
Docket/Case Number:	N/A
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	09/02/2009
Sanctions Ordered:	Monetary/Fine \$664,429.38 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.



Sanction Details:	THE FINE WAS PAID ON SEPTEMBER 11, 2009. THE FINE REPRESENTS THE MICHIGAN PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	OFFICE OF THE MISSISSIPPI SECRETARY OF STATE SECURITIES AND CHARITIES DIVISION
Date Initiated:	08/19/2009
Docket/Case Number:	S-09-0224
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent



Resolution Date:	08/19/2009
Sanctions Ordered:	Monetary/Fine \$50,701.75 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON AUGUST 27, 2009. THE FINE REPRESENTS THE MISSISSIPPI PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	NORTH DAKOTA SECURITIES DEPARTMENT
Date Initiated:	08/17/2009
Docket/Case Number:	N/A
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES



Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	08/17/2009
Sanctions Ordered:	Monetary/Fine \$50,159.49 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON AUGUST 20, 2009. THE FINE REPRESENTS THE NORTH DAKOTA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source: Firm



Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	ALABAMA SECURITIES COMMISSION
Date Initiated:	08/18/2009
Docket/Case Number:	CO-2009-0023
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	08/18/2009
Sanctions Ordered:	Monetary/Fine \$96,462.21 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON AUGUST 27, 2009. THE FINE REPRESENTS THE ALABAMA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS



INCURRED BY NASAA.

Firm Statement

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF MAINE DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION OFFICE OF SECURITIES
Date Initiated:	08/17/2009
Docket/Case Number:	09-075
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	08/17/2009
Sanctions Ordered:	Monetary/Fine \$952,094.22 Disgorgement/Restitution Cease and Desist/Injunction



Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON AUGUST 27, 2009. THE FINE REPRESENTS THE MAINE PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION
Date Initiated:	08/04/2009
Docket/Case Number:	ORDER NO. 09-197
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT



OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Resolution:	Consent
Resolution Date:	08/04/2009
Sanctions Ordered:	Monetary/Fine \$59,307.75 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON AUGUST 13, 2009. THE FINE REPRESENTS THE RHODE ISLAND PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.



Initiated By: VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION

Date Initiated: 08/03/2009

Docket/Case Number: 09-072-S

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES.

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Resolution: Consent

Resolution Date: 08/03/2009

Sanctions Ordered: Monetary/Fine \$52,781.48
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details: THE FINE WAS PAID ON AUGUST 4, 2009. THE FINE REPRESENTS THE VERMONT PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS



DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	SOUTH DAKOTA DIVISION OF SECURITIES
Date Initiated:	07/28/2009
Docket/Case Number:	N/A
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	07/28/2009
Sanctions Ordered:	Monetary/Fine \$50,542.26 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES



WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details:

THE FINE WAS PAID ON AUGUST 3, 2009. THE FINE REPRESENTS THE SOUTH DAKOTA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

Disclosure 45 of 62

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF NEVADA OFFICE OF THE SECRETARY OF STATE SECURITIES DIVISION
Date Initiated:	07/27/2009
Docket/Case Number:	I09-182
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES



INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Resolution:	Consent
Resolution Date:	07/27/2009
Sanctions Ordered:	Monetary/Fine \$166,318.20 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON AUGUST 3, 2009. THE FINE REPRESENTS THE NEVADA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

Disclosure 46 of 62

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	MONTANA COMMISSION OF SECURITIES AND INSURANCE/ MONTANA STATE AUDITOR'S OFFICE
Date Initiated:	07/28/2009



Docket/Case Number:	SEC-2009-38
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	07/28/2009
Sanctions Ordered:	Monetary/Fine \$52,344.49 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON AUGUST 3, 2009. THE FINE REPRESENTS THE MONTANA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.



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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	IDAHO DEPARTMENT OF FINANCE
Date Initiated:	07/30/2009
Docket/Case Number:	N/A
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	07/30/2009
Sanctions Ordered:	Monetary/Fine \$51,435.40 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON AUGUST 7, 2009. THE FINE REPRESENTS THE



IDAHO PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

Firm Statement

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES

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Reporting Source: Regulator

Current Status: Final

Allegations: CHASE INVESTMENT SERVICES IS A SUBSIDIARY OR AFFILIATE OF JP MORGAN CHASE & CO., WHICH WAS THE SUBJECT OF A NASAA TASK FORCE INVESTIGATION REGARDING ITS MARKETING AND SALES OF AUCTION RATE SECURITIES.

Initiated By: CALIFORNIA DEPARTMENT OF CORPORATIONS.

Date Initiated: 08/03/2009

Docket/Case Number:

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 08/03/2009



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Monetary/Fine \$125,255.00 Cease and Desist/Injunction Revocation/Expulsion/Denial
Other Sanctions Ordered:	BUYBACKS, ETC. (SEE BELOW)
Sanction Details:	JP MORGAN CHASE & CO., INC THROUGH ITS AFFILIATE OR SUBSIDIARY CHASE INVESTMENT SERVICES CORP. CONSENTED TO REPURCHASE AUCTION RATE SECURITIES SOLD TO INDIVIDUAL INVESTORS; CONSENTED TO A DAMAGES-ONLY FINRA ARBITRATION PROCESS FOR CLAIMS OF CONSEQUENTIAL DAMAGES; AND AGREED TO WORK WITH ISSUERS AND AGENCIES TOWARD LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
Regulator Statement	AN ADMINISTRATIVE CONSENT ORDER WAS ISSUED 8/3/09 AND JP MORGAN CHASE PAID THE ABOVE PENALTIES. THE ORDER FINDS THAT JP MORGAN CHASE AND ITS AFFILIATES AND SUBSIDIARIES VIOLATED CALIFORNIA CORPORATIONS CODE SECTION 25218 AND 10 CCR 260.218.4 BY FAILING TO SUPERVISE ITS EMPLOYEES WITH REGARD TO THE SALE OF SECURITIES.

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	CALIFORNIA DEPARTMENT OF CORPORATIONS
Date Initiated:	08/03/2009
Docket/Case Number:	N/A
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION



Sought:	RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	08/03/2009
Sanctions Ordered:	Monetary/Fine \$2,125,265.13 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON AUGUST 27, 2009. THE FINE REPRESENTS THE CALIFORNIA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	JPMORGAN CHASE & CO. FAILED TO SUPERVISE THE MARKETING AND



SALES OF AUCTION RATE SECURITIES DURING A PERIOD THAT COMMENCED IN APPROXIMATELY JANUARY 2006.

Initiated By: PENNSYLVANIA CONTACT: COUNSEL CAROLYN MENDELSON (412)-565-5083

Date Initiated: 08/25/2009

Docket/Case Number: 2009-07-08

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES

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

Other Sanction(s)/Relief Sought: JPMORGAN CHASE & CO. IS REQUIRED TO OFFER AND TO COMPLETE A BUYBACK OF AUCTION RATE SECURITIES THAT IT SOLD TO ELIGIBLE PA INVESTORS.

Resolution: Settled

Resolution Date: 08/25/2009

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

Sanctions Ordered: Monetary/Fine \$524,634.69

Other Sanctions Ordered:

Sanction Details: JPMORGAN CHASE & CO. AND ITS SUBSIDIARIES AND AFFILIATES, INCLUDING J.P. MORGAN SECURITIES INC., CHASE INVESTMENT SERVICES CORPORATION AND BEAR STEARNS & CO., SHALL PAY WITHIN TWENTY DAYS AFTER ENTRY OF THIS ORDER THE SUM OF \$524,634.69 TO THE COMMONWEALTH OF PA, WHICH AMOUNT REPRESENTS AN ADMINISTRATIVE ASSESSMENT, A PROPORTIONATE SHARE OF THE STATE SECURITIES REGULATORS' GLOBAL SETTLEMENT AMOUNT OF 25,000,000.

Regulator Statement FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ISSUED TO JPMORGAN CHASE & CO.

Reporting Source: Firm

Current Status: Final



Allegations: THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.

Initiated By: PENNSYLVANIA SECURITIES DIVISION

Date Initiated: 08/25/2009

Docket/Case Number: 2009-07-08

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES.

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Resolution: Consent

Resolution Date: 08/25/2009

Sanctions Ordered: Monetary/Fine \$524,634.69
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details: THE FINE WAS PAID ON SEPTEMBER 1, 2009. THE FINE REPRESENTS THE PENNSYLVANIA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

**Firm Statement**

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	BETWEEN MARCH 2004 AND APRIL 2005(THE "RELEVANT PERIOD"), WMFS VIOLATED NASD RULE 3010 BY FAILING TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, TO POLICE ITS SALES OF UNIT INVESTMENT TRUSTS (UITs) AND EXCHANGES FROM VARIABLE ANNUITIES (VAS) AND MUTUAL FUNDS TO UITs AND BY FAILING TO ADEQUATELY INVESTIGATE PATTERNS OF POTENTIALLY UNSUITABLE EXCHANGES FROM VAS AND MUTUAL FUNDS TO UITs. MOREOVER, THE FIRM FAILED TO CAPTURE AND RETAIN CERTAIN ELECTRONIC COMMUNICATIONS UNTIL NOVEMBER 2006, IN VIOLATION OF NASD RULES 3010, 3110 AND SEC RULES 17A-3 AND 17A-4.
Initiated By:	FINRA
Date Initiated:	08/10/2005
Docket/Case Number:	2005002244201
Principal Product Type:	Unit Investment Trust(s)
Other Product Type(s):	VARIABLE ANNUITIES MUTUAL FUNDS
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	07/23/2009
Sanctions Ordered:	Censure Monetary/Fine \$250,000.00
Other Sanctions Ordered:	



Sanction Details:	ACCEPTANCE AND CONSENT. MONETARY FINE OF \$250,000.00
Firm Statement	WMFS HEREBY ACCEPTS AND CONSENTS, WITHOUT ADMITTING OR DENYING THE FINDINGS, AND SOLELY FOR THE PURPOSES OF THIS PROCEEDING AND ANY OTHER PROCEEDING BROUGHT BY OR ON BEHALF OF FINRA, OR TO WHICH FINRA IS A PARTY, PRIOR TO A HEARING AND WITHOUT AN ADJUDICATION OF ANY ISSUE OF LAW OR FACT, TO THE ENTRY OF FINDINGS BY FINRA.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	OFFICE OF THE ATTORNEY GENERAL OF THE STATE OF NEW YORK.
Date Initiated:	06/02/2009
Docket/Case Number:	N/A
Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES.
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	06/02/2009
Sanctions Ordered:	Monetary/Fine \$6,742,610.71 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO



FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Sanction Details:

THE FINE WAS PAID ON JUNE 16, 2009. THE FINE REPRESENTS THE NEW YORK PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES.

Firm Statement

THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

Disclosure 52 of 62

Reporting Source: Firm

Current Status: Final

Allegations: THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.

Initiated By: OFFICE OF THE ATTORNEY GENERAL OF THE STATE OF NEW YORK.

Date Initiated: 06/02/2009

Docket/Case Number: N/A

Principal Product Type: Other

Other Product Type(s): AUCTION RATE SECURITIES.

Principal Sanction(s)/Relief Sought: Restitution

Other Sanction(s)/Relief Sought: IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES



WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

Resolution:	Consent
Resolution Date:	06/02/2009
Sanctions Ordered:	Monetary/Fine \$6,742,610.71 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON JUNE 16, 2009. THE FINE REPRESENTS THE NEW YORK PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

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Reporting Source:	Firm
Current Status:	Final
Allegations:	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
Initiated By:	STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION.
Date Initiated:	06/04/2009
Docket/Case Number:	0403-S-10/08



Principal Product Type:	Other
Other Product Type(s):	AUCTION RATE SECURITIES
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Resolution:	Consent
Resolution Date:	06/04/2009
Sanctions Ordered:	Monetary/Fine \$1,293,398.34 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.
Sanction Details:	THE FINE WAS PAID ON JUNE 18, 2009. THE FINE REPRESENTS THE FLORIDA PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.
Firm Statement	THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES. AS DESCRIBED HEREIN, THE PRINCIPAL TERMS OF THE SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE THAT CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.



Disclosure 54 of 62

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 3010 - FINRA CONDUCTED A BREAKPOINT SELF-ASSESSMENT REVIEW OF CHASE INVESTMENT SERVICES, INC. TO VERIFY COMPLIANCE WITH THE INSTRUCTIONS FOR THE SELF-ASSESSMENT OF BREAKPOINT COMPLIANCE FOR FIRMS THAT CHARGE FRONT-END LOADS. FINRA FOUND THAT THE FIRM FAILED TO ADEQUATELY ASSESS THE EXISTENCE OF AVAILABLE BREAKPOINT DISCOUNTS FOR CERTAIN MUTUAL FUND TRANSACTIONS AND FAILED TO PROVIDE CUSTOMERS WITH APPROPRIATE DISCOUNT FOR TRANSACTIONS. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN PROCEDURES REASONABLY DESIGNED TO ENSURE THAT CUSTOMERS WERE RECEIVING THE BENEFIT OF ALL APPLICABLE BREAKPOINT DISCOUNTS.
Initiated By:	FINRA
Date Initiated:	03/23/2009
Docket/Case Number:	2005000977301
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:	03/23/2009
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$32,500.00
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 \$32,500.



Reporting Source:	Firm
Current Status:	Final
Allegations:	NASD RULES 2110, 3010 - FINRA CONDUCTED A BREAKPOINT SELF-ASSESSMENT REVIEW OF CHASE INVESTMENT SERVICES, INC. TO VERIFY COMPLIANCE WITH THE INSTRUCTIONS FOR THE SELF-ASSESSMENT OF BREAKPOINT COMPLIANCE FOR FIRMS THAT CHARGE FRONT-END LOADS. FINRA FOUND THAT THE FIRM FAILED TO ADEQUATELY ASSESS THE EXISTENCE OF AVAILABLE BREAKPOINT DISCOUNTS FOR CERTAIN MUTUAL FUND TRANSACTIONS AND FAILED TO PROVIDE CUSTOMERS WITH APPROPRIATE DISCOUNT FOR TRANSACTIONS. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN PROCEDURES REASONABLY DESIGNED TO ENSURE THAT CUSTOMERS WERE RECEIVING THE BENEFIT OF ALL APPLICABLE BREAKPOINT DISCOUNTS.
Initiated By:	FINRA
Date Initiated:	03/23/2009
Docket/Case Number:	2005000977301
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:	03/23/2009
Sanctions Ordered:	Censure Monetary/Fine \$32,500.00
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 \$32,500.

Disclosure 55 of 62

Reporting Source: Regulator



Current Status: Final

Allegations: NASD RULES 2110, 3010 AND INTERPRETATIVE MATERIAL-1000-1: RESPONDENT FAILED TO ACCURATELY COMPLETE FORMS U5 FOLLOWING THE TERMINATION OF REGISTERED REPRESENTATIVES ALLEGED TO HAVE COMMITTED THEFT, FRAUD OR VIOLATIONS OF INVESTMENT-RELATED RULES. RESPONDENT ALSO FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND WRITTEN PROCEDURES THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS OBLIGATION TO COMPLETE AND SUBMIT ACCURATE FORM U5 FILINGS.

Initiated By: FINRA

Date Initiated: 02/04/2009

Docket/Case Number: [2007009764901](#)

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: 02/04/2009

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

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, RESPONDENT IS CENSURED AND FINED \$150,000, WHICH SHALL BE PAID WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF THE AWC.

Reporting Source: Firm



Current Status:	Final
Allegations:	NASD RULES 2110, 3010 AND INTERPRETATIVE MATERIAL-1000-1: RESPONDENT FAILED TO ACCURATELY COMPLETE FORMS U5 FOLLOWING THE TERMINATION OF REGISTERED REPRESENTATIVES ALLEGED TO HAVE COMMITTED THEFT, FRAUD OR VIOLATIONS OF INVESTMENT- RELATED RULES. RESPONDENT ALSO FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND WRITTEN PROCEDURES THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS OBLIGATION TO COMPLETE AND SUBMIT ACCURATE FORM U5 FILINGS.
Initiated By:	FINRA
Date Initiated:	02/04/2009
Docket/Case Number:	2007009764901
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:	02/04/2009
Sanctions Ordered:	Censure Monetary/Fine \$150,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, RESPONDENT IS CENSURED AND FINED \$150,000, WHICH SHALL BE PAID WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF THE AWC.

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Reporting Source:	Regulator
Current Status:	Final
Allegations:	MSRB RULE G-27 - FROM JANUARY 2002 TO AUGUST 2004 THE FIRM SOLD \$134,019,197 OF 529 COLLEGE SAVINGS PLANS. DURING THIS PERIOD, THE FIRM FAILED TO ESTABLISH AND MAINTAIN PROCEDURES, INCLUDING



WRITTEN SUPERVISORY PROCEDURES THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SUITABILITY OBLIGATIONS AS THEY RELATE TO THE SALE OF 529 PLANS.

Initiated By: NASD

Date Initiated: 11/06/2006

Docket/Case Number: [EAF0401110003](#)

Principal Product Type: Other

Other Product Type(s): 529 COLLEGE SAVINGS PLANS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/06/2006

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

Sanctions Ordered: Censure
Monetary/Fine \$500,000.00

Other Sanctions Ordered: REMEDIATION

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED, FINED \$500,000 AND MUST PAY APPROXIMATELY \$288,500 IN REMEDIATION TO COMPENSATE CERTAIN CUSTOMERS WHO, DURING THE PERIOD JANUARY 2002 THROUGH AUGUST 2004, PURCHASED A 529 PLAN FROM THE FIRM SPONSORED BY A STATE OTHER THAN THE CUSTOMER'S STATE OF RESIDENCE, AT THE TIME IT DID NOT HAVE ADEQUATE PROCEDURES IN PLACE RELATING TO SUITABILITY DETERMINATIONS FOR THE SALE OF 529 PLANS. SATISFACTORY PROOF OF PAYMENT OF PAYMENT OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT SUCH PAYMENT SHALL BE PROVIDED TO NASD NO LATER THAN 120 DAYS AFTER THE SCHEDULE IS PROVIDED BY NASD. IF FOR ANY REASON THE FIRM CANNOT LOCATE ANY CUSTOMER IDENTIFIED IN THE SCHEDULE AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, OR



ANY SUCH ADDITIONAL PERIOD AGREED TO BY NASD, THE FIRM SHALL FORWARD ANY UNDISTRIBUTED PAYMENT AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY, OR ABANDONED PROPERTY FUND FOR THE STATE OR COUNTRY IN WHICH THE CUSTOMER IS LAST KNOWN TO HAVE RESIDED.

Reporting Source: Firm

Current Status: Final

Allegations: MSRB RULE G-27 - FROM JANUARY 2002 TO AUGUST 2004 THE FIRM SOLD \$134,019,197 OF 529 COLLEGE SAVINGS PLANS. DURING THIS PERIOD, THE FIRM FAILED TO ESTABLISH AND MAINTAIN PROCEDURES, INCLUDING WRITTEN SUPERVISORY PROCEDURES THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SUITABILITY OBLIGATIONS AS THEY RELATE TO THE SALE OF 529 PLANS.

Initiated By: NASD

Date Initiated: 11/06/2006

Docket/Case Number: [EAF0401110003](#)

Principal Product Type: Other

Other Product Type(s): 529 COLLEGE SAVINGS PLANS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/06/2006

Sanctions Ordered: Censure
Monetary/Fine \$500,000.00

Other Sanctions Ordered: REMEDIATION

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED, FINED \$500,000 AND MUST PAY APPROXIMATELY \$288,500 IN REMEDIATION TO COMPENSATE CERTAIN CUSTOMERS WHO, DURING THE PERIOD JANUARY 2002 THROUGH AUGUST 2004, PURCHASED A 529 PLAN FROM THE FIRM SPONSORED BY A STATE OTHER THAN THE CUSTOMER'S STATE OF RESIDENCE, AT THE TIME IT DID NOT HAVE ADEQUATE PROCEDURES IN PLACE RELATING TO



SUITABILITY DETERMINATIONS FOR THE SALE OF 529 PLANS. SATISFACTORY PROOF OF PAYMENT OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT SUCH PAYMENT SHALL BE PROVIDED TO NASD NO LATER THAN 120 DAYS AFTER THE SCHEDULE IS PROVIDED BY NASD. IF FOR ANY REASON THE FIRM CANNOT LOCATE ANY CUSTOMER IDENTIFIED IN THE SCHEDULE AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, OR ANY SUCH ADDITIONAL PERIOD AGREED TO BY NASD, THE FIRM SHALL FORWARD ANY UNDISTRIBUTED PAYMENT AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY, OR ABANDONED PROPERTY FUND FOR THE STATE OR COUNTRY IN WHICH THE CUSTOMER IS LAST KNOWN TO HAVE RESIDED.

Disclosure 57 of 62

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD CONDUCT RULES 3010 AND 2110- RESPONDENT FIRM LACKED PROCEDURES AND FAILED TO TAKE ADEQUATE STEPS RELATING TO THE BLOCK LETTERS IT RECEIVED FROM MUTUAL FUNDS AND/OR THEIR DISTRIBUTORS THAT PLACED RESTRICTIONS ON FUTURE TRANSACTIONS BY MARKET TIMING CUSTOMERS. THE FINDINGS STATED THAT THE FIRM FAILED TO CONDUCT ANY FOLLOW-UP AND REVIEW TO ENSURE THAT THE TERMS OF THE BLOCK LETTERS WERE ENFORCED. IN ADDITION, NASD FOUND THAT THE FIRM LACKED AN ADEQUATE SUPERVISORY SYSTEM TO PREVENT AND DETECT CUSTOMERS CIRCUMVENTING THE BLOCK LETTER RESTRICTIONS. THE FINDINGS ALSO STATED THAT THE FIRM LACKED WRITTEN SUPERVISORY PROCEDURES RELEVANT TO MUTUAL FUND MARKET TIMING ACTIVITY.
Initiated By:	NASD
Date Initiated:	12/12/2005
Docket/Case Number:	E022004035201
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: 12/12/2005

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

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED, FINED \$150,000, ORDERED TO PAY RESTITUTION, AND COMPLY WITH UNDERTAKINGS.

Reporting Source: Firm

Current Status: Final

Allegations: NASD CONDUCT RULES 3010 AND 2110- RESPONDENT FIRM LACKED PROCEDURES AND FAILED TO TAKE ADEQUATE STEPS RELATING TO THE BLOCK LETTERS IT RECEIVED FROM MUTUAL FUNDS AND/OR THEIR DISTRIBUTORS THAT PLACED RESTRICTIONS ON FUTURE TRANSACTIONS BY MARKET TIMING CUSTOMERS. THE FINDINGS STATED THAT THE FIRM FAILED TO CONDUCT ANY FOLLOW-UP AND REVIEW TO ENSURE THAT THE TERMS OF THE BLOCK LETTERS WERE ENFORCED. IN ADDITION, NASD FOUND THAT THE FIRM LACKED AN ADEQUATE SUPERVISORY SYSTEM TO PREVENT AND DETECT CUSTOMERS CIRCUMVENTING THE BLOCK LETTER RESTRICTIONS. THE FINDINGS ALSO STATED THAT THE FIRM LACKED WRITTEN SUPERVISORY PROCEDURES RELEVANT TO MUTUAL FUND MARKET TIMING ACTIVITY.

Initiated By: NASD

Date Initiated: 12/12/2005

Docket/Case Number: E0220040352-01

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: 12/12/2005

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED, FINED \$150,000, ORDERED TO PAY RESTITUTION, AND COMPLY WITH UNDERTAKINGS.

Disclosure 58 of 62

Reporting Source: Regulator

Current Status: Final

Allegations: MSRB RULE G-14 AND G-27- RESPONDENT FIRM FAILED TO TIMELY REPORT ITS MUNICIPAL SECURITIES CUSTOMER TRANSACTIONS TO THE MSRB. THE FIRM FAILED TO MONITOR ITS TRADE REPORTING TO ENSURE COMPLIANCE WITH MSRB RULE G-14.

Initiated By: NASD

Date Initiated: 06/28/2005

Docket/Case Number: [C10050034](#)

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: 06/28/2005



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 \$60,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$60,000
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Reporting Source:	Firm
Current Status:	Final
Allegations:	MSRB RULE G-14 AND G-27 RESPONDENT FIRM FAILED TO TIMELY REPORT ITS MUNICIPAL SECURITIES CUSTOMER TRANSACTIONS TO THE MSRB. THE FIRM FAILED TO MONITOR ITS TRADE REPORTING TO ENSURE COMPLIANCE WITH MSRB RULE 6-14
Initiated By:	NASD
Date Initiated:	06/28/2005
Docket/Case Number:	C10050034
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:	06/28/2005
Sanctions Ordered:	Censure Monetary/Fine \$60,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF



FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$60,000.

Disclosure 59 of 62

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD RULES 2110, 2310, 3010 - RESPONDENT MEMBER EFFECTED TRANSACTIONS WHERE IT MADE RECOMMENDATIONS TO PUBLIC CUSTOMERS TO PURCHASE CLASS B AND CLASS C SHARES THROUGH ITS REGISTERED REPRESENTATIVES WITHOUT CONSIDERING OR ADEQUATELY DISCLOSE ON A CONSISTENT BASIS, THAT AN EQUAL INVESTMENT IN CLASS A SHARES WOULD GENERALLY HAVE BEEN MORE ADVANTEGIOUS TO CERTAIN CUSTOMERS. THE FIRM'S SUPERVISORY AND COMPLIANCE POLICIES AND PROCEDURES DURING THE REVIEW PERIOD, WERE NOT REASONABLY ESTABLISHED, MAINTAINED AND/OR ENFORCED SO THAT THE FIRM, AT THE POINT OF EACH SALE, PROVIDED ADEQUATE DISCLOSURE OF, OR CONSIDERATION TO, ON A CONSISTENT BASIS, THE BENEFITS OF THE VARIOUS MUTUAL FUND SHARE CLASSES AS THEY APPLIED TO INDIVIDUAL CUSTOMERS.
Initiated By:	NASD
Date Initiated:	03/22/2005
Docket/Case Number:	C02050023
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:	03/22/2005
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 \$2,000,000.00



Other Sanctions Ordered: UNDERTAKING: CREATE AND IMPLEMENT A REMEDIATION PLAN THAT INCLUDES MORE THAN 4,000 TRANSACTIONS INVOLVING AT LEAST 2,000 CUSTOMER HOUSEHOLDS. RETAIN AN INDEPENDENT EXAMINER TO EXAMINE THE FIRM'S PERFORMANCE OF ITS OBLIGATIONS UNDER THE TERMS OF THIS AWC AND TO SUBMIT A WRITTEN FINAL REPORT TO THE FIRM AND TO NASD, THE REPORT MUST RECITE THE EFFORTS THE EXAMINER UNDERTOOK TO EXAMINE FIRM'S CERTIFIED REPORT, AS WELL AS THE EXAMINER'S FINDINGS.

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CHASE INVESTMENT SERVICES CORPORATION CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$2 MILLION.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110, 2310, 3010 - RESPONDENT MEMBER EFFECTED TRANSACTIONS WHERE IT MADE RECOMMENDATIONS TO PUBLIC CUSTOMERS TO PURCHASE CLASS B AND CLASS C SHARES THROUGH ITS REGISTERED REPRESENTATIVES WITHOUT CONSIDERING OR ADEQUATELY DISCLOSE ON A CONSISTENT BASIS, THAT AN EQUAL INVESTMENT IN CLASS A SHARES WOULD GENERALLY HAVE BEEN MORE ADVANTEGEOUS TO CERTAIN CUSTOMERS. THE FIRM'S SUPERVISORY AND COMPLIANCE POLICIES AND PROCEDURES DURING THE REVIEW PERIOD, WERE NOT REASONABLY ESTABLISHED, MAINTAINED AND/OR ENFORCED SO THAT THE FIRM, AT THE POINT OF EACH SALE, PROVIDED ADEQUATE DISCLOSURE OF, OR CONSIDERATION TO, ON A CONSISTENT BASIS, THE BENEFITS OF THE VARIOUS MUTUAL FUND SHARE CLASSES AS THEY APPLIED TO INDIVIDUAL CUSTOMERS.

Initiated By: NASD

Date Initiated: 03/22/2005

Docket/Case Number: [C02050023](#)

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:	03/22/2005
Sanctions Ordered:	Censure Monetary/Fine \$2,000,000.00
Other Sanctions Ordered:	UNDERTAKING: CREATE AND IMPLEMENT A REMEDIATION PLAN THAT INCLUDES MORE THAN 4,000 TRANSACTIONS INVOLVING AT LEAST 2,000 CUSTOMER HOUSEHOLDS. RETAIN AN INDEPENDENT EXAMINER TO EXAMINE THE FIRM'S PERFORMANCE OF ITS OBLIGATIONS UNDER THE TERMS OF THIS AWC AND TO SUBMIT A WRITTEN FINAL REPORT TO THE FIRM AND TO NASD, THE REPORT MUST RECITE THE EFFORTS THE EXAMINER UNDERTOOK TO EXAMINE FIRM'S CERTIFIED REPORT, AS WELL AS THE EXAMINER'S FINDINGS.
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CHASE INVESTMENT SERVICES CORPORATION CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$2 MILLION.

Disclosure 60 of 62

Reporting Source:	Regulator
Current Status:	Final
Allegations:	ARTICLE V, SECTIONS 2(C) AND 3(B) OF NASD'S BY-LAWS, NASD RULES 2110, 3010 - CHASE INVESTMENT SERVICES CORPORATION FILED AT LEAST 230 FORMS U5 LATE, REPRESENTING APPROXIMATELY 25% OF FORMS U5 REQUIRED TO BE FILED. THE FIRM'S SUPERVISORY SYSTEM AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS ARTICLE V REPORTING OBLIGATIONS.
Initiated By:	NASD
Date Initiated:	11/30/2004
Docket/Case Number:	C10040111
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:	11/30/2004



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 \$250,000.00

Other Sanctions Ordered:

UNDERTAKINGS

Sanction Details:

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CHASE INVESTMENT SERVICES CORPORATION CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED, FINED \$250,000 WHICH SHALL BE PAID WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF THIS AWC. PROMPTLY FOLLOWING NOTICE OF ACCEPTANCE OF THIS AWC, THE FIRM'S INTERNAL AUDIT DEPT. OR PERSONNEL NOT DIRECTLY RESPONSIBLE FOR THE FIRM'S ARTICLE V REPORTING OBLIGATIONS AND THEIR IMMEDIATE SUPERVISORS SHALL CONDUCT AN AUDIT FOR THE PERIOD JANUARY 1, 2004 THROUGH SEPTEMBER 30, 2004 TO ASSESS THE EFFECTIVENESS OF ITS SYSTEM AND PROCEDURES FOR ENSURING TIMELY FILING OF FORMS U5 AND SHALL PREPARE A WRITTEN REPORT SUMMARIZING FINDINGS AND RECOMMENDATIONS AND SHALL FOR THE NEXT FOUR CALENDAR QUARTERS BEGINNING FOURTH QUARTER 2004, CONDUCT A SIMILAR AUDIT AND PREPARE A SIMILAR WRITTEN AUDIT REPORT. NO LATER THAN 90 DAYS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED AND THE OFFICER HAS REVIEWED THE CURRENT AUDIT REPORT. NO LATER THAN 60 DAYS AFTER THE DATE OF THE REPORT, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS IMPLEMENTED, OR HAS BEGUN TO IMPLEMENT, ANY RECOMMENDATIONS WITHIN A SPECIFIED TIME PERIOD. NO LATER THAN 60 DAYS AFTER THE LAST DAY OF THE NEXT FOUR QUARTERS, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED, THE CURRENT AUDIT REPORT WAS REVIEWED, AND RECOMMENDATIONS IMPLEMENTED, OR BEGUN TO BE IMPLEMENTED. NO LATER THAN SIX MONTHS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS REVIEWED ITS SYSTEM AND PROCEDURES FOR COMPLYING WITH ITS ARTICLE V REPORTING OBLIGATIONS AND HAS ESTABLISHED A SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REPORTING REQUIREMENTS SET FORTH THEREIN.



Reporting Source: Firm

Current Status: Final

Allegations: ARTICLE V, SECTIONS 2(C) AND 3(B) OF NASD'S BY-LAWS, NASD RULES 2110, 3010 - CHASE INVESTMENT SERVICES CORPORATION FILED AT LEAST 230 FORMS U5 LATE, REPRESENTING APPROXIMATELY 25% OF FORMS U5 REQUIRED TO BE FILED. THE FIRM'S SUPERVISORY SYSTEM AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS ARTICLE V REPORTING OBLIGATIONS.

Initiated By: NASD

Date Initiated: 11/30/2004

Docket/Case Number: C10040111

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: 11/30/2004

Sanctions Ordered: Censure
Monetary/Fine \$250,000.00

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CHASE INVESTMENT SERVICES CORPORATION CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED, FINED \$250,000 WHICH SHALL BE PAID WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF THIS AWC. PROMPTLY FOLLOWING NOTICE OF ACCEPTANCE OF THIS AWC, THE FIRM'S INTERNAL AUDIT DEPT. OR PERSONNEL NOT DIRECTLY RESPONSIBLE FOR THE FIRM'S ARTICLE V REPORTING OBLIGATIONS AND THEIR IMMEDIATE SUPERVISORS SHALL CONDUCT AN AUDIT FOR THE PERIOD JANUARY 1, 2004 THROUGH SEPTEMBER 30, 2004 TO ASSESS THE EFFECTIVENESS OF ITS SYSTEM AND PROCEDURES FOR ENSURING TIMELY FILING OF FORMS U5 AND SHALL PREPARE A WRITTEN REPORT SUMMARIZING FINDINGS AND RECOMMENDATIONS AND SHALL FOR THE NEXT FOUR CALENDAR QUARTERS BEGINNING FOURTH QUARTER 2004, CONDUCT A SIMILAR AUDIT AND PREPARE A SIMILAR WRITTEN AUDIT REPORT. NO LATER THAN



90 DAYS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED AND THE OFFICER HAS REVIEWED THE CURRENT AUDIT REPORT. NO LATER THAN 60 DAYS AFTER THE DATE OF THE REPORT, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS IMPLEMENTED, OR HAS BEGUN TO IMPLEMENT, ANY RECOMMENDATIONS WITHIN A SPECIFIED TIME PERIOD. NO LATER THAN 60 DAYS AFTER THE LAST DAY OF THE NEXT FOUR QUARTERS, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED, THE CURRENT AUDIT REPORT WAS REVIEWED, AND RECOMMENDATIONS IMPLEMENTED, OR BEGUN TO BE IMPLEMENTED. NO LATER THAN SIX MONTHS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS REVIEWED ITS SYSTEM AND PROCEDURES FOR COMPLYING WITH ITS ARTICLE V REPORTING OBLIGATIONS AND HAS ESTABLISHED A SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REPORTING REQUIREMENTS SET FORTH THEREIN.

Disclosure 61 of 62

Reporting Source:	Regulator
Current Status:	Final
Allegations:	(MSRB RULES G-36 AND G-8 - RESPONDENT MEMBER SERVED AS SOLE OR MANAGING UNDERWRITER IN PRIMARY OFFERINGS OF MUNICIPAL SECURITIES AND, IN CONNECTION WITH THOSE OFFERINGS, FAILED TO TIMELY SUBMIT OFFICIAL STATEMENTS AND/OR OTHER DOCUMENTS TO THE MSRB; FAILED TO SEND REQUIRED DOCUMENTS TO THE MSRB BY CERTIFIED OR REGISTERED MAIL, OR SOME OTHER EQUALLY PROMPT MEANS THAT PROVIDES A RECORD OF SENDING; AND, FAILED TO MAINTAIN RECORDS AS REQUIRED BY MSRB RULE G-8(A)(XV)).
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated:	01/19/1999
Docket/Case Number:	C10980148
Principal Product Type:	Other
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	



Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/19/1999

Sanctions Ordered: Censure
Monetary/Fine \$3,000.00

Other Sanctions Ordered:

Sanction Details: ON JANUARY 19, 1999, DISTRICT NO. 10 NOTIFIED
RESPONDENT CHASE INVESTMENT SERVICES CORP. THAT THE LETTER
OF
ACCEPTANCE, WAIVER AND CONSENT NO. C10980148 WAS ACCEPTED;
THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED \$3,000 -

Reporting Source: Firm

Current Status: Final

Allegations: CHASE INVESTMENT SERVICES CORP. (F/K/A) CHASE MANHATTAN
INVESTMENT SERVICES INC., CITED FOR ALLEGED VIOLATIONS OF MSRB
RULE G-8 REGARDING THE PRIMARY OFFERINGS OF MUNICIPAL
SECURITIES.

Initiated By: NASD REGULATION, INC.

Date Initiated: 11/15/1996

Docket/Case Number: C10980148

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/19/1999

Sanctions Ordered: Censure
Monetary/Fine \$3,000.00

Other Sanctions Ordered:

Sanction Details: CENSURE AND A FINE IN THE AMOUNT OF \$3,000.00.

Firm Statement CENSURE AND A FINE IN THE AMOUNT OF \$3,000.00.



Disclosure 62 of 62

Reporting Source:	Regulator
Current Status:	Final
Allegations:	CMIS ENGAGED UNLICENSED SALES REPRESENTATIVES
Initiated By:	COLORADO DIVISION OF SECURITIES
Date Initiated:	03/12/1993
Docket/Case Number:	93-L-004
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	03/12/1993
Sanctions Ordered:	Censure
Other Sanctions Ordered:	
Sanction Details:	CMIS PROVIDED WRITTEN POLICIES AND PROCEDURES TO MORE EFFECTIVELY PREVENT AND DETECT UNLICENSED ACTIVITY AND CMIS CONSENTED TO A CENSURE.
Regulator Statement	CONTACT: SHERYL A. LEMON 303-894-2320

Reporting Source:	Firm
Current Status:	Final
Allegations:	THE SECURITIES COMMISSIONER OF THE STATE OF COLORADO ALLEGED THAT CHASE MANHATTAN INVESTMENT SERVICES, INC. ("CMIS") EMPLOYED AS SALES REPRESENTATIVES IN IT'S COLORADO BRANCH AS SALES REPRESENTATIVES IN ITS COLORADO BRANCH OFFICE, PERSONS PREVIOUSLY LICENSED WITH OTHER BROKERAGE FIRMS WHOSE LICENSES WITH CMIS AS SALES REPRESENTATIVES WERE NOT OBTAINED IN A TIMELY MANNER.



Initiated By:	SECURITIES COMMISSIONER OF THE STATE OF COLORADO
Date Initiated:	01/15/1992
Docket/Case Number:	93-L-004
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	STIPULATION FOR CONSENT ORDER
Resolution:	Stipulation and Consent
Resolution Date:	03/02/1993
Sanctions Ordered:	Censure
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CMIS ENTERED INTO A SIPULATION FOR CONSENT ORDER ("THE STIPULATION") WITH THE SECURITIES COMMISSIONER OF THE STATE OF COLORADO. UNDER THE STIPULATION, CMIS AGREED TO THE ISSUANCE OF A CONSENT ORDER CENSURING CMIS.
Firm Statement	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CMIS ENTERED INTO A STIPULATION FOR CONSENT ORDER ("THE STIPULATION") WITH THE SECURITIES COMMISSIONER OF THE STATE OF COLORADO. UNDER THE STIPULATION, CMIS AGREED TO THE ISSUANCE OF A CONSENT ORDER CENSURING CMIS.



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.

Disclosure 1 of 19

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum:	NASD
Case Initiated:	03/02/2000
Case Number:	00-00390
Disputed Product Type:	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; FREDDIE MACS
Sum of All Relief Requested:	\$37,132.95
Disposition:	AWARD AGAINST PARTY
Disposition Date:	01/09/2002
Sum of All Relief Awarded:	\$16,670.40

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 19

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum:	NASD
Case Initiated:	12/18/2000
Case Number:	00-05387



Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: Unspecified Damages

Disposition: AWARD AGAINST PARTY

Disposition Date: 08/19/2004

Sum of All Relief Awarded: \$255,210.05

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

Disclosure 3 of 19

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; DO NOT USE-NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 12/21/2001

Case Number: [01-06531](#)

Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS

Sum of All Relief Requested: \$190,150.94

Disposition: AWARD AGAINST PARTY

Disposition Date: 03/21/2003

Sum of All Relief Awarded: \$21,520.03

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

Disclosure 4 of 19

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD



Case Initiated: 11/19/2003
Case Number: [03-06770](#)
Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS; OTHER TYPES OF SECURITIES
Sum of All Relief Requested: \$18,667.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/10/2005
Sum of All Relief Awarded: \$10,425.00

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

Disclosure 5 of 19

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 03/04/2004
Case Number: [04-01104](#)
Disputed Product Type: ANNUITIES; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS
Sum of All Relief Requested: \$700,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/29/2005
Sum of All Relief Awarded: \$85,000.01

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

Disclosure 6 of 19

Reporting Source: Regulator
Type of Event: ARBITRATION



Allegations: DO NOT USE-EXECUTIONS-FAILURE TO EXECUTE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 11/03/2005

Case Number: [05-05603](#)

Disputed Product Type: DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$11,627.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 04/03/2006

Sum of All Relief Awarded: \$12,052.01

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

Disclosure 7 of 19

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED- NEGLIGENCE; DO NOT USE-EXECUTIONS-FAILURE TO EXECUTE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 06/09/2006

Case Number: [06-01931](#)

Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS

Sum of All Relief Requested: \$90,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 03/29/2007

Sum of All Relief Awarded: \$38,297.41

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



Disclosure 8 of 19

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum:	FINRA
Case Initiated:	02/27/2009
Case Number:	08-04508
Disputed Product Type:	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; VARIABLE ANNUITIES
Sum of All Relief Requested:	Unspecified Damages
Disposition:	AWARD AGAINST PARTY
Disposition Date:	10/09/2009
Sum of All Relief Awarded:	\$71,000.00

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

Disclosure 9 of 19

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-NEGLIGENCE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED; DO NOT USE-OTHER-OTHER
Arbitration Forum:	FINRA
Case Initiated:	04/02/2009
Case Number:	09-01030
Disputed Product Type:	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS
Sum of All Relief Requested:	\$25,343.22
Disposition:	AWARD AGAINST PARTY
Disposition Date:	12/16/2009
Sum of All Relief Awarded:	\$5,000.00



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

Disclosure 10 of 19

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY

Arbitration Forum: FINRA

Case Initiated: 04/17/2009

Case Number: [09-02065](#)

Disputed Product Type: OTHER TYPES OF SECURITIES

Sum of All Relief Requested: \$24,214.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 11/10/2009

Sum of All Relief Awarded: \$24,339.00

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

Disclosure 11 of 19

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT

Arbitration Forum: FINRA

Case Initiated: 07/09/2009

Case Number: [09-02807](#)

Disputed Product Type: MUTUAL FUNDS

Sum of All Relief Requested: \$29,980.38

Disposition: AWARD AGAINST PARTY

Disposition Date: 12/31/2009

Sum of All Relief Awarded: \$21,989.63



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

Disclosure 12 of 19

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 02/25/2010

Case Number: [10-00578](#)

Disputed Product Type: MUTUAL FUNDS

Sum of All Relief Requested: \$36,553.76

Disposition: AWARD AGAINST PARTY

Disposition Date: 02/24/2011

Sum of All Relief Awarded: \$43,923.42

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

Disclosure 13 of 19

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE

Arbitration Forum: FINRA

Case Initiated: 03/11/2010

Case Number: [10-00672](#)

Disputed Product Type: OTHER TYPES OF SECURITIES

Sum of All Relief Requested: \$60,899.52



Disposition: AWARD AGAINST PARTY

Disposition Date: 02/17/2011

Sum of All Relief Awarded: \$39,784.05

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

Disclosure 14 of 19

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-SUITABILITY

Arbitration Forum: FINRA

Case Initiated: 06/01/2010

Case Number: [10-02506](#)

Disputed Product Type: MUTUAL FUNDS

Sum of All Relief Requested: \$14,596.27

Disposition: AWARD AGAINST PARTY

Disposition Date: 12/09/2010

Sum of All Relief Awarded: \$14,171.27

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

Disclosure 15 of 19

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE

Arbitration Forum: FINRA

Case Initiated: 12/06/2010

Case Number: [10-05395](#)

Disputed Product Type: EXCHANGE-TRADED FUNDS; UNIT INVESTMENT TRUST

Sum of All Relief Requested: Unspecified Damages



Disposition: AWARD AGAINST PARTY

Disposition Date: 11/09/2012

Sum of All Relief Awarded: \$36,250.00

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

Disclosure 16 of 19

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-SUITABILITY

Arbitration Forum: FINRA

Case Initiated: 10/10/2012

Case Number: [12-03055](#)

Disputed Product Type: VARIABLE ANNUITIES

Sum of All Relief Requested: \$31,039.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 03/12/2013

Sum of All Relief Awarded: \$1,712.50

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

Disclosure 17 of 19

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations:

Arbitration Forum: FINRA

Case Initiated: 02/20/2013

Case Number: [13-00409](#)

Disputed Product Type:



Sum of All Relief Requested: \$14,101.59

Disposition: AWARD AGAINST PARTY

Disposition Date: 08/14/2013

Sum of All Relief Awarded: \$14,526.59

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

Disclosure 18 of 19

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE

Arbitration Forum: NASD

Case Initiated: 07/02/1997

Case Number: [97-02871](#)

Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE

Sum of All Relief Requested: \$266,500.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 01/26/1998

Sum of All Relief Awarded: \$6,226.00

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

Disclosure 19 of 19

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-OTHER; DO NOT USE-EXECUTIONS-FAILURE TO EXECUTE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED

Arbitration Forum: NASD

Case Initiated: 10/05/1998



Case Number: [98-03071](#)

Disputed Product Type: COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; FANNIE MAE

Sum of All Relief Requested: \$30,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 05/03/2000

Sum of All Relief Awarded: \$2,500.00

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



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