

BrokerCheck Report

WPPENHEIMER & CO. INC.

RD# 249

Report #53897-61207, data current as of Wednesday, April 01, 2015.

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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:

- 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
- 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 <http://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.

WALDEN PIPENHEIMER & CO. INC.

CRD# 249

SEC# 8-4077

Main Office Location

15 BROAD STREET
12ND,24TH FLOOR
NEW YORK, NY 10004
Regulated by FINRA New York Office

Mailing Address

15 BROAD STREET
12ND FLOOR
NEW YORK, NY 10004

Business Telephone Number

1212 668-8000

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

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

Report Summary for this Firm

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 New York on 12/23/1954.

Its fiscal year ends in December.

Firm History

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

Firm Operations

This firm is registered with:

- the SEC
- 13 Self-Regulatory Organizations
- 52 U.S. states and territories

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

This firm conducts 19 types of businesses.

This firm is affiliated with financial or investment institutions.

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



Disclosure Events

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

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

The following types of disclosures have been reported:

| Type | Count |
|------------------|-------|
| Regulatory Event | 73 |
| Arbitration | 177 |
| Bond | 2 |

Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 12/23/1954.

This firm's 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.

OPPENHEIMER & CO. INC.

Doing business as **OPPENHEIMER & CO. INC.**

CRD# 249

SEC# 8-4077

Main Office Location

BROAD STREET
24TH FLOOR
NEW YORK, NY 10004

Regulated by **FINRA New York Office**

Mailing Address

BROAD STREET
24TH FLOOR
NEW YORK, NY 10004

Business Telephone Number

212 668-8000

Other Names of this Firm

| Name | Where is it used |
|--|------------------|
| CHAROLAN DIVISION OF OPPENHEIMER & CO. INC. | RI |
| WHNESTOCK ASSET MANAGEMENT DIVISION OF OPPENHEIMER & CO. INC. | NY |
| WHNESTOCK DIVISION OF OPPENHEIMER & CO. INC. | NY |
| FIRST OF MICHIGAN DIVISION | MI |
| EARL STREET INVESTMENT MANAGEMENT, DIVISION OF OPPENHEIMER & CO. | NY |
| EPARIAN PARTNERS, DIVISION OF OPPENHEIMER & CO. INC. | RI |

rm Profile

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



irect Owners and Executive Officers

gal Name & CRD# (if any): VINER FINANCE INC.

**this a domestic or foreign
tity or an individual?** Domestic Entity

osition PARENT CO.

osition Start Date 10/1983

ercentage of Ownership 75% or more

**oes this owner direct the
anagement or policies of
e firm?** Yes

**this a public reporting
mpany?** No

gal Name & CRD# (if any): ALFANO, JEFFREY
5127693

**this a domestic or foreign
tity or an individual?** Individual

osition DIRECTOR/E.V.P/CFO

osition Start Date 04/2006

ercentage of Ownership Less than 5%

**oes this owner direct the
anagement or policies of
e firm?** Yes

**this a public reporting
mpany?** No

gal Name & CRD# (if any): BENEDETTO, JOHN ANTHONY
710318

**this a domestic or foreign
tity or an individual?** Individual

osition E.V.P DIRECTOR OF OPERATIONS

osition Start Date 04/2014

rm 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): CAPEZZUTO, JAMES ANDREW
1845909

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

Position IA-CCO

Position Start Date 02/2015

Percentage of Ownership Less than 5%

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

Is this a public reporting company? Yes

Legal Name & CRD# (if any): GIANNI, JAMES A
3215697

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

Position CHIEF COMPLIANCE OFFICER

Position Start Date 05/2013

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): LOWENTHAL, ALBERT GRINSFELDER

rm Profile



Direct Owners and Executive Officers (continued)

313519

Is this a domestic or foreign entity or an individual?

Individual

Position

CHMN/DIR/CEO - OWNS 100% OF PHASE II FIN'L

Position Start Date

10/1985

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):

MCGUIRE, JOHN THOMAS

1123013

Is this a domestic or foreign entity or an individual?

Individual

Position

MANAGING DIRECTOR/DEPUTY GENERAL COUNSEL- DIRECTOR OF LITIGATION

Position Start Date

01/2007

Percentage of Ownership

Less than 5%

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

No

Is this a public reporting company?

No

Legal Name & CRD# (if any):

MCNAMARA, DENNIS PATRICK

2938486

Is this a domestic or foreign entity or an individual?

Individual

Position

E.V.P./CLO/SECRETARY

Position Start Date

01/2006

Percentage of Ownership

Less than 5%

rm 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): ROBERTS, ELAINE KELLS
1367879

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

Position DIRECTOR

Position Start Date 10/1983

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): WHALEY, MARK THOMAS
1029869

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

Position MANAGING DIRECTOR - NAT'L SALES

Position Start Date 12/2014

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

irm Profile

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



direct Owners

Legal Name & CRD# (if any): E.A. VINER INTERNATIONAL CO.
Is this a domestic or foreign entity or an individual? Domestic Entity
Company through which direct ownership is established VINER FINANCE INC.
Relationship to Direct Owner HOLDING CO.
Relationship Established 10/1983
Percentage of Ownership 75% or more
Does this owner direct the management or policies of the firm? Yes
Is this a public reporting company?

Legal Name & CRD# (if any): LOWENTHAL, ALBERT GRINSFELDER
313519
Is this a domestic or foreign entity or an individual? Individual
Company through which direct ownership is established PHASE II FINANCIAL INC.
Relationship to Direct Owner OWNS 100%
Relationship Established 10/1985
Percentage of Ownership 75% or more
Does this owner direct the management or policies of the firm? Yes
Is this a public reporting company?

Legal Name & CRD# (if any): OPPENHEIMER HOLDINGS INC.
Is this a domestic or foreign Domestic Entity

rm Profile



direct Owners (continued)

tity or an individual?

ompany through which
direct ownership is
established E.A. VINER INTERNATIONAL CO.

elationship to Direct Owner COMMON STOCK

elationship Established 10/1983

ercentage of Ownership 75% or more

oes this owner direct the
anagement or policies of
e firm? Yes

his a public reporting
mpany? Yes

gal Name & CRD# (if any): PHASE II FINANCIAL INC.

his a domestic or foreign
tity or an individual? Foreign Entity

ompany through which
direct ownership is
established OPPENHEIMER HOLDINGS

elationship to Direct Owner OWNS CLASS B VOTING STOCK OF OPPENHEIMER HOLDINGS.

elationship Established 10/1985

ercentage of Ownership 75% or more

oes this owner direct the
anagement or policies of
e firm? Yes

his a public reporting
mpany?

Form History

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

Information reported.



rm Operations



Registrations

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

This firm is currently registered with the SEC, 13 SROs and 52 U.S. states and territories.

| Federal Regulator | Status | Date Effective |
|-------------------|----------|----------------|
| SEC | Approved | 03/26/1955 |

SEC Registration Questions

This firm is registered with the SEC as:

broker-dealer: Yes

broker-dealer and government securities broker or dealer: Yes

government securities broker or dealer only: No

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

| Self-Regulatory Organization | Status | Date Effective |
|-----------------------------------|-----------------------|----------------|
| FINRA | Approved | 03/22/1945 |
| NYSE Arca, Inc. | Termination Requested | 10/21/2014 |
| NYSE MKT LLC | Termination Requested | 10/21/2014 |
| Chicago Board Options Exchange | Approved | 06/17/1981 |
| Chicago Stock Exchange | Approved | 11/21/1981 |
| ISX Exchange, Inc. | Termination Requested | 10/21/2014 |
| NYSE Arca, Inc. | Termination Requested | 10/21/2014 |
| International Securities Exchange | Approved | 03/17/2004 |
| NASDAQ OMX PHLX, Inc. | Approved | 08/01/2008 |
| NASDAQ Stock Market | Approved | 07/12/2006 |
| NYSE Arca, Inc. | Approved | 02/22/2008 |
| NYSE MKT LLC | Approved | 02/25/1988 |
| New York Stock Exchange | Approved | 11/17/1982 |

Form Operations



Registrations (continued)

| S. States & Territories | Status | Date Effective | U.S. States & Territories | Status | Date Effective |
|-------------------------|----------|----------------|---------------------------|----------|----------------|
| Alabama | Approved | 10/29/1981 | North Carolina | Approved | 07/06/1984 |
| Alaska | Approved | 01/18/1994 | North Dakota | Approved | 12/01/1984 |
| Arizona | Approved | 11/15/1984 | Ohio | Approved | 01/22/1993 |
| Kansas | Approved | 01/23/1986 | Oklahoma | Approved | 05/01/1984 |
| California | Approved | 07/29/1980 | Oregon | Approved | 05/14/1984 |
| Colorado | Approved | 02/01/1983 | Pennsylvania | Approved | 04/11/1972 |
| Connecticut | Approved | 07/01/1971 | Puerto Rico | Approved | 10/09/1984 |
| Delaware | Approved | 04/10/1984 | Rhode Island | Approved | 02/01/1983 |
| District of Columbia | Approved | 06/26/1986 | South Carolina | Approved | 06/05/1984 |
| Florida | Approved | 04/27/1983 | South Dakota | Approved | 10/22/1985 |
| Georgia | Approved | 11/05/1982 | Tennessee | Approved | 04/11/1984 |
| Hawaii | Approved | 08/20/1984 | Texas | Approved | 07/25/1983 |
| Idaho | Approved | 08/28/1984 | Utah | Approved | 04/02/1985 |
| Illinois | Approved | 10/28/1980 | Vermont | Approved | 05/10/1984 |
| Indiana | Approved | 10/21/1981 | Virginia | Approved | 08/03/1982 |
| Iowa | Approved | 07/15/1983 | Washington | Approved | 07/19/1984 |
| Kansas | Approved | 05/24/1984 | West Virginia | Approved | 09/18/1984 |
| Kentucky | Approved | 04/30/1984 | Wisconsin | Approved | 03/05/1980 |
| Louisiana | Approved | 04/20/1983 | Wyoming | Approved | 08/20/1984 |
| Maine | Approved | 02/15/1984 | | | |
| Maryland | Approved | 10/03/1981 | | | |
| Massachusetts | Approved | 07/31/1981 | | | |
| Michigan | Approved | 02/03/1983 | | | |
| Minnesota | Approved | 07/15/1982 | | | |
| Mississippi | Approved | 05/29/1983 | | | |
| Missouri | Approved | 07/18/1983 | | | |
| Montana | Approved | 05/03/1984 | | | |
| Nebraska | Approved | 10/29/1984 | | | |
| Nevada | Approved | 07/19/1983 | | | |
| New Hampshire | Approved | 02/02/1983 | | | |
| New Jersey | Approved | 07/18/1983 | | | |
| New Mexico | Approved | 10/07/1981 | | | |
| New York | Approved | 01/02/1985 | | | |

rm 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 19 types of businesses.

Types of Business

Exchange member engaged in exchange commission business other than floor activities

Broker or dealer making inter-dealer markets in corporation securities over-the-counter

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

Put and call broker or dealer or option writer

Investment advisory services

Broker or dealer selling tax shelters or limited partnerships in primary distributions

Broker or dealer selling tax shelters or limited partnerships in the secondary market

Trading securities for own account

Private placements of securities

Broker or dealer selling interests in mortgages or other receivables

Member - MUNICIPAL ADVISORS

Other Types of Business

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

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

Non-Securities Business Description:

rm Operations



clearing Arrangements

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

Introducing Arrangements

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

rm Operations
dustry Arrangements



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

me: SUNGARD FUTURES SYSTEMS
Business Address: 17 STATE STREET
20TH FLOOR
NEW YORK, NY 10004
Effective Date: 05/10/1996
Description: SUNGARD FUTURES SYSTEM PROVIDES A SERVICE BUREAU (SOFTWARE PLATFORM) UTILIZED TO PROCESS TRADES, CONFIRMATIONS, MONTHLY STATEMENTS AND GENERAL LEDGERS FOR COMMODITIES TRANSACTIONS OF CLIENT AND COMPANY.

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

me: R.J O'BRIEN & ASSOCIATES
Business Address: 555 WEST JACKSON BLVD.
CHICAGO, IL 60601
Effective Date: 09/29/1995
Description: R.J O'BRIEN IS A CLEARING MEMBER OF ALL FUTURES EXCHANGES AND PROVIDES OMNIBUS CLEARING FOR COMPANY.

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

me: R.J. O'BRIEN & ASSOCIATES
Business Address: 555 WEST JACKSON BLVD.
CHICAGO, IL 60601
Effective Date: 09/29/1995
Description: R.J O'BRIEN THROUGH ITS OMNIBUS ACCOUNT HOLDS SEGREGATED FUNDS, ELIGIBLE SECURITIES AND COMMODITY POSITIONS FOR CLIENTS OF COMPANY.

Control Persons/Financing

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

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

rm Operations



rganization Affiliates

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

is firm is, directly or indirectly:

n control of

controlled by

or under common control with

the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

OPPENHEIMER ISRAEL LTD. is controlled by the firm.

Business Address: 50 DIZENGOFF STREET
TEL AVIV, ISRAEL

Effective Date: 01/01/2008

Foreign Entity: Yes

Country: ISRAEL

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: APPLICANT OWNS 100% OF THE VOTING STOCK OF OPPENHEIMER ISRAEL. APPLICANT ALSO PERFORMS CLEARING FUNCTIONS FOR OPPENHEIMER ISRAEL.

OPPENHEIMER INVESTMENTS ASIA LTD. is under common control with the firm.

Business Address: 5/F HENLEY BLDG
5 QUEENS ROAD ENTRAL
HONG KONG, CHINA

Effective Date: 11/01/2008

Foreign Entity: Yes

Country: HONG KONG

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UNDER COMMON OWNERSHIP OF OPPENHEIMER HOLDINGS INC. THE APPLICANT. ALSO PERFORMS CLEARING FUNCTIONS FOR OPPENHEIMER ASIA.

rganization Affiliates (continued)

OPPENHEIMER EUROPE LTD. is under common control with the firm.

Business Address: 6 GRACECHURCH STREET
LONDON, ENGLAND EC3VOAT

Effective Date: 09/01/2008

Foreign Entity: Yes

Country: UK

Securities Activities: Yes

Investment Advisory Activities: Yes

Description: UNDER COMMON OWNERSHIP OF OPPENHEIMER HOLDINGS INC. THE APPLICANT. ALSO PERFORMS CLEARING FUNCTIONS FOR OPPENHEIMER EUROPE.

OPPENHEIMER ALTERNATIVE INVESTMENT MANAGEMENT, LLC is under common control with the firm.

ID #: 140485

Business Address: 85 BROAD STREET
NEW YORK, NY 10004

Effective Date: 06/06/2006

Foreign Entity: No

Country:

Securities Activities: No

Investment Advisory Activities: Yes

Description: UNDER COMMON OWNERSHIP OF OPPENHEIMER HOLDINGS INC.

ADVANTAGE ADVISERS PRIVATE EQUITY MANAGEMENT LLC is under common control with the firm.

ID #: 108181

Business Address: 85 BROAD STREET
NEW YORK, NY 10004

Effective Date: 02/25/1999

Foreign Entity: No

Country:

Organization Affiliates (continued)

Securities Activities: No
 Investment Advisory Activities: Yes
 Description: UNDER COMMON OWNERSHIP OF OPPENHEIMER HOLDINGS INC.

ADVANTAGE ADVISERS MULTI-MANAGER, L.L.C. is under common control with the firm.

ID #: 108178
 Business Address: 200 PARK AVENUE
 24TH FLOOR
 NEW YORK, NY 10166
 Effective Date: 12/01/1999
 Foreign Entity: No
 Country:
 Securities Activities: No
 Investment Advisory Activities: Yes
 Description: UNDER COMMON OWNERSHIP OF OPPENHEIMER HOLDINGS INC.

ADVANTAGE ADVISERS MANAGEMENT, LLC is under common control with the firm.

ID #: 108180
 Business Address: 85 BROAD STREET
 NEW YORK, NY 10004
 Effective Date: 01/01/2003
 Foreign Entity: No
 Country:
 Securities Activities: No
 Investment Advisory Activities: Yes
 Description: UNDER COMMON OWNERSHIP OF OPPENHEIMER HOLDINGS INC.

OPPENHEIMER INVESTMENT MANAGEMENT LLC is under common control with the firm.

ID #: 133243
 Business Address: 85 BROAD STREET

Organization Affiliates (continued)

NEW YORK, NY 10004
Effective Date: 10/13/2004
Foreign Entity: No
Country:
Securities Activities: No
Investment Advisory Activities: Yes
Description: UNDER COMMON OWNERSHIP OF OPPENHEIMER HOLDINGS INC.

OPPENHEIMER ASSET MANAGEMENT is under common control with the firm.

ID #: 105559
Business Address: 85 BROAD STREET
 NEW YORK, NY 10004
Effective Date: 01/28/2003
Foreign Entity: No
Country:
Securities Activities: No
Investment Advisory Activities: Yes
Description: UNDER COMMON OWNERSHIP OF OPPENHEIMER HOLDINGS INC.

FREEDOM INVESTMENTS, INC. is controlled by the firm.

ID #: 37674
Business Address: 375 RARITAN CENTER PKWY
 EDISON, NJ 08837
Effective Date: 11/17/1994
Foreign Entity: No
Country:
Securities Activities: Yes
Investment Advisory Activities: No
Description: OPPENHEIMER & CO. INC. OWNS 100% OF COMMON STOCK OF FREEDOM

Organization Affiliates (continued)

AND CLEARS FOR FREEDOM ON A FULLY DISCLOSED BASIS.

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

bank holding company

national bank

state member bank of the Federal Reserve System

state non-member bank

savings bank or association

credit union

or foreign bank

Disclosure Events



If 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 | 73 | 0 |
| Arbitration | N/A | 177 | N/A |
| Bond | N/A | 2 | N/A |

Disclosure Event Details

What you should know about reported disclosure events:

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

Regulatory - Final

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

Disclosure 1 of 73

Reporting Source: Regulator

Current Status: Final

Allegations:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO SUPERVISE ITS REGISTERED REPRESENTATIVE WHO MISAPPROPRIATED FUNDS FROM HIS CUSTOMERS AND EXCESSIVELY TRADED THEIR ACCOUNT. FINRA BARRED THE REPRESENTATIVE FOR, AMONG OTHER THINGS, STEALING APPROXIMATELY \$6 MILLION FROM HIS CUSTOMERS AND EXCESSIVELY TRADING AND CHURNING HIS CUSTOMERS' ACCOUNTS, IN WILLFUL VIOLATION OF SECTION 10(B) OF THE SECURITIES EXCHANGE ACT AND RULE 10B-5 THEREUNDER. THE FINDINGS STATED THAT THE FIRM FAILED TO CONDUCT AN ADEQUATE PRE-HIRE INVESTIGATION OF THE REPRESENTATIVE AND FAILED TO PLACE HIM ON HEIGHTENED SUPERVISION. THE FIRM FAILED TO INVESTIGATE THE CIRCUMSTANCES OF THE TWELVE DISCLOSURES THAT APPEARED IN HIS CRD RECORD OR SUBJECT HIM TO HEIGHTENED SUPERVISION. WHEN THE REPRESENTATIVE JOINED THE FIRM, HIS CRD RECORD REPORTABLE EVENTS INCLUDED CRIMINAL CHARGES INVOLVING LARCENY OR POSSESSION OF STOLEN PROPERTY, A TERMINATION FOR CAUSE, A NEW YORK STOCK EXCHANGE INVESTIGATION, A PERSONAL BANKRUPTCY, AND CUSTOMER COMPLAINTS THAT WITH ALLEGED UNAUTHORIZED TRADING. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO SUPERVISE THE REPRESENTATIVE. THE FIRM WAS MADE AWARE THAT HE WAS ENGAGED IN UNDISCLOSED OUTSIDE BUSINESS ACTIVITIES, AND FAILED TO MONITOR OR IDENTIFY NUMEROUS RED FLAGS DEMONSTRATING THAT HE AND/OR ITS CUSTOMERS WERE WIRING CUSTOMER FUNDS TO ACCOUNTS HE CONTROLLED. THE FIRM FAILED TO PLACE HIM ON HEIGHTENED SUPERVISION AFTER IT BECAME AWARE OF SERIOUS ALLEGATIONS OF FRAUD AND DECEIT THAT HE SETTLED FOR \$3 MILLION. THE FIRM FAILED TO TAKE ACTION TO RESTRICT HIS TRADING IN CUSTOMER ACCOUNTS AFTER ITS INTERNAL ANALYSIS SHOWED THAT HE WAS TRADING MULTIPLE CUSTOMER ACCOUNTS AT LEVELS CONSIDERED PRESUMPTIVELY EXCESSIVE. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO MAINTAIN POLICIES AND PROCEDURES CAPABLE OF DETECTING AND PREVENTING CERTAIN POTENTIALLY FRAUDULENT THIRD PARTY WIRES, INCLUDING WIRES BETWEEN ITS CUSTOMERS' ACCOUNTS AND ITS REGISTERED REPRESENTATIVES OR THEIR OUTSIDE BUSINESS ACTIVITIES. FINRA FOUND THAT FOR OVER THREE YEARS THE FIRM'S PROCEDURES RELATED TO EXCESSIVE TRADING WERE UNREASONABLE BECAUSE THEY DID NOT PROVIDE FOR SPECIFIC ACTION TO BE TAKEN WHEN TRADING ACTIVITY WAS UNSUITABLE FOR ANY CUSTOMER OR WHEN CUSTOMER ACCOUNTS REPEATEDLY TRIGGERED THE FIRM'S EXCEPTION REPORTS. THE FIRM'S INADEQUATE PROCEDURES RELATED TO EXCESSIVE TRADING CONTRIBUTED TO ITS FAILURE TO REASONABLY SUPERVISE ITS REPRESENTATIVE. FINRA ALSO FOUND THAT THE FIRM, THROUGH ITS LEGAL DEPARTMENT, FAILED TO TIMELY MAKE 320

REQUIRED UPDATES RELATED TO ARBITRATIONS AND OTHER LEGAL MATTERS ON FORMS U4 AND U5 FILINGS. AS A RESULT, REGULATORS, THE INVESTING PUBLIC, AND OTHER MEMBER FIRMS WERE UNAWARE OF SERIOUS ALLEGATIONS MADE AGAINST THE FIRM'S CURRENT AND FORMER REGISTERED REPRESENTATIVES, INCLUDING THIS PARTICULAR REPRESENTATIVE. MOREOVER, PERSONNEL IN THE FIRM'S LEGAL DEPARTMENT WERE AWARE THAT THE DEPARTMENT WAS NOT MAKING TIMELY FILINGS. THE FIRM'S LEGAL DEPARTMENT ALSO CONTINUED TO FAIL TO MAKE CERTAIN REQUIRED FILINGS EVEN AFTER IT WAS PUT ON NOTICE OF THE NECESSITY OF MAKING SPECIFIC FILINGS BY FINRA. THE FIRM FAILED TO MAINTAIN OR IMPLEMENT SUPERVISORY PROCEDURES RELATED TO FILING U4 AND U5 AMENDMENTS. IN ADDITION, FINRA DETERMINED THAT THE FIRM FAILED TO TIMELY RESPOND TO FINRA'S REQUESTS FOR DOCUMENTS AND INFORMATION RELATED TO THE REPRESENTATIVE AND THE FIRM'S SUPERVISION OF THE REPRESENTATIVE. MOREOVER, FINRA FOUND THAT THE FIRM FAILED TO MAINTAIN IN A READILY ACCESSIBLE FORMAT ITS RECORDS OF ITS SUPERVISORS' REVIEWS OF THE REPRESENTATIVE'S EMAILED CORRESPONDENCE. AS A RESULT, THE FIRM FAILED TO PRODUCE RECORDS REFLECTING THE SUPERVISORY REVIEW OF ITS REPRESENTATIVE'S EMAILS UNTIL MORE THAN TWO YEARS AFTER THEY WERE ORIGINALLY REQUESTED BY FINRA, AND AFTER ORIGINALLY REPRESENTING TO FINRA THAT IT DID NOT MAINTAIN THE RECORDS.

Initiated By: FINRA

Date Initiated: 03/26/2015

ocket/Case Number: [2009017408102](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITY

Principal Sanction(s)/Relief sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/26/2015

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

Sanctions Ordered: Censure
 Monetary/Fine \$2,500,000.00
 Disgorgement/Restitution

Other Sanctions Ordered: UNDERTAKINGS;

THE FIRM UNDERSTANDS THAT THIS SETTLEMENT INCLUDES A FINDING THAT IT FAILED TO SUPERVISE AN INDIVIDUAL WHO VIOLATED SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND THAT UNDER ARTICLE III, SECTION 4 OF FINRA'S BY-LAWS, THIS MAKES THE FIRM SUBJECT TO A STATUTORY DISQUALIFICATION WITH RESPECT TO MEMBERSHIP.

Sanction Details: THE FIRM IS CENSURED, FINED \$2,500,000, ORDERED TO PAY \$1,251,076.10 IN RESTITUTION TO CUSTOMERS AND REQUIRED TO RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF THE FIRM'S SUPERVISORY POLICIES, SYSTEMS AND PROCEDURES (WRITTEN AND OTHERWISE) AND TRAINING RELATING TO WIRE TRANSFERS, FORM U4/U5 REPORTING, AND EXCESSIVE TRADING.

Disclosure 2 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO DISPLAY IMMEDIATELY 31 CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION, WHEN EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY; OR WHEN THE ORDER WAS PRICED EQUAL TO THE FIRM'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY. THE CONDUCT VIOLATED SECURITIES EXCHANGE ACT OF 1934 RULE 604 OF REGULATION NMS.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 01/30/2015

ocket/Case Number: 2012033488501

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/30/2015

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 \$7,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$7,500.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO DISPLAY IMMEDIATELY 31 CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION, WHEN EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY; OR WHEN THE ORDER WAS PRICED EQUAL TO THE FIRM'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY. THE CONDUCT VIOLATED SECURITIES EXCHANGE ACT OF 1934 RULE 604 OF REGULATION NMS.

Initiated By: NASDAQ STOCK MARKET

Date Initiated: 01/30/2015

ocket/Case Number: 2012033488501

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief sought: Censure
Other Sanction(s)/Relief sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 01/30/2015
Sanctions Ordered: Censure
 Monetary/Fine \$7,500.00
Other Sanctions Ordered:
Sanction Details: THE FIRM WAS CENSURED AND FINED \$7,500.

Disclosure 3 of 73

Reporting Source: Regulator
Current Status: Final
Allegations: SEC ADMIN RELEASES 33-9711 AND 34-74141, AND ACCOUNTING AND AUDITING ENFORCEMENT RELEASE 3621 / JANUARY 27, 2015: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED AGAINST OPPENHEIMER & CO. INC. IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, OPPENHEIMER HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. OPPENHEIMER ADMITS THE COMMISSION'S JURISDICTION OVER IT AND OVER THE SUBJECT MATTER OF THESE PROCEEDINGS, ADMITS THE FACTS, ACKNOWLEDGES THAT ITS CONDUCT VIOLATED THE FEDERAL SECURITIES LAWS, AND CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT: OPPENHEIMER ENGAGED IN TWO SEPARATE COURSES OF CONDUCT, EACH OF WHICH VIOLATED THE FEDERAL SECURITIES LAWS. OPPENHEIMER I: BETWEEN JULY 2008 AND MAY 2009, OPPENHEIMER EXECUTED SALES OF BILLIONS OF SHARES OF PENNY STOCKS FOR AN ACCOUNT IN THE NAME OF ITS CUSTOMER, A BROKER-DEALER LICENSED IN THE BAHAMAS. ALTHOUGH THE CUSTOMER PURPORTEDLY MAINTAINED A PROPRIETARY ACCOUNT, OPPENHEIMER KNEW THAT THE CUSTOMER WAS ACTUALLY EXECUTING

TRANSACTIONS AND PROVIDING BROKERAGE SERVICES FOR ITS CUSTOMERS, MANY OF WHOM WERE U.S. PERSONS. THROUGH THIS CONDUCT, THE CUSTOMER ACTED AS A BROKER IN THE UNITED STATES EVEN THOUGH IT WAS NOT REGISTERED WITH THE COMMISSION AS REQUIRED BY THE FEDERAL SECURITIES LAWS. THE CUSTOMER PROVIDED OPPENHEIMER WITH AN IRS FORM W-8BEN, WHICH PURPORTEDLY EXEMPTED IT FROM U.S. TAX WITHHOLDING BASED ON A FALSE CERTIFICATION THAT IT WAS THE SOLE OWNER OF ALL OF THE INCOME GENERATED IN ITS OPPENHEIMER ACCOUNT. OPPENHEIMER, HOWEVER, KNEW THAT THE CUSTOMER'S CUSTOMERS (AND NOT IT) WERE THE BENEFICIAL OWNERS OF THE SECURITIES DEPOSITED, SOLD AND OR TRANSFERRED. AS A RESULT OPPENHEIMER KNEW OR SHOULD HAVE KNOWN THAT THE CUSTOMER'S IRS WITHHOLDING FORM WAS FALSE AND COULD NOT BE RELIED ON. THUS, OPPENHEIMER FAILED TO PROPERLY WITHHOLD AND REMIT TAXES TO THE IRS, AND THEREFORE BECAME LIABLE FOR TAXES IT WAS OBLIGATED TO WITHHOLD. OPPENHEIMER, HOWEVER, FAILED TO RECORD THIS LIABILITY AND RESULTING EXPENSES, WHICH CAUSED ITS BOOKS AND RECORDS TO BECOME INACCURATE. OPPENHEIMER'S RECORDS WERE ALSO INACCURATE BECAUSE THEY REFLECTED THE ACCOUNT IN WHICH THE CUSTOMER'S CUSTOMERS' SHARES WERE DEPOSITED, SOLD AND TRANSFERRED AS A PROPRIETARY ACCOUNT OF THE CUSTOMER, RATHER THAN AN ACCOUNT FOR THE CUSTOMER'S CUSTOMERS. IN INSTANCES WHEN SUSPICIOUS ACTIVITY OCCURRED IN THE CUSTOMER'S ACCOUNT, OPPENHEIMER FAILED TO FILE THE REQUISITE SUSPICIOUS ACTIVITY REPORTS. BY THESE CONDUCTS OPPENHEIMER WILLFULLY AIDED AND ABETTED AND WAS A CAUSE OF THE CUSTOMER'S VIOLATION OF SECTION 15(A) OF THE EXCHANGE ACT; VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULES 17A-3(A)(2), 17A-3(A)(9); AND WILLFULLY VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-8. (CONT. IN COMMENT SECTION)

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 01/27/2015

ocket/Case Number: 3-16361

Principal Product Type: Penny Stock(s)

Other Product Type(s): UNREGISTERED DISTRIBUTION OF THE SECURITIES

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

Other Sanction(s)/Relief sought:

Resolution: Order

Resolution Date: 01/27/2015

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: Censure
 Monetary/Fine \$5,078,129.00
 Disgorgement/Restitution
 Cease and Desist/Injunction

Other Sanctions Ordered: PREJUDGMENT INTEREST AND UNDERTAKINGS

Sanction Details: THE FIRM SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 15(A) AND 17(A) OF THE EXCHANGE ACT AND RULES 17A-3 AND 17A-8 THEREUNDER AND OF SECTION 5 OF THE SECURITIES ACT; IS CENSURED; SHALL PAY TO THE COMMISSION \$4,168,400 IN DISGORGEMENT; \$753,471 IN PREJUDGMENT INTEREST; AND \$5,078,129 IN CIVIL PENALTIES. THE FIRM SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER.

Regulator Statement (CONT. FROM ALLEGATIONS SECTION) OPPENHEIMER II: FROM OCTOBER 6, 2009 THROUGH DECEMBER 10, 2010, OPPENHEIMER, THROUGH A REGISTERED REPRESENTATIVE THEN ASSOCIATED WITH OPPENHEIMER AND HIS IMMEDIATE SUPERVISOR, WILLFULLY VIOLATED SECTIONS 5(A) AND (C) OF THE SECURITIES ACT WHEN IT ENGAGED IN THE UNREGISTERED DISTRIBUTION OF THE SECURITIES ON BEHALF OF A CUSTOMER. THE OVER 2.5 BILLION CUMULATIVE SHARES SOLD THROUGH THE CUSTOMER'S ACCOUNT GENERATED APPROXIMATELY \$12,000,000 IN PROCEEDS OF WHICH OPPENHEIMER WAS PAID \$588,400 IN COMMISSIONS. NO REGISTRATION STATEMENT WAS ON FILE OR IN EFFECT AS TO THE CUSTOMER'S OFFERS AND SALES OF SECURITIES AS REQUIRED BY SECTION 5 OF THE SECURITIES ACT. THE CUSTOMER'S OFFERS AND RE-SALES DID NOT COMPLY WITH RULE 144 OR QUALIFY FOR SECTION 4(A)(1) OR ANY OTHER EXEMPTION UNDER THE FEDERAL SECURITIES LAWS. AS A CONSEQUENCE, OPPENHEIMER WILLFULLY VIOLATED SECTIONS 5(A) AND (C) OF THE SECURITIES ACT. IN FAILING TO ESTABLISH AND IMPLEMENT POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT AND DETECT OPPENHEIMER PERSONNEL'S VIOLATIONS OF SECTION 5, OPPENHEIMER ALSO FAILED REASONABLY TO SUPERVISE. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE TO IMPOSE THE SANCTIONS AGREED TO IN OPPENHEIMER'S OFFER. ACCORDINGLY, IT IS HEREBY ORDERED THAT OPPENHEIMER: CEASE AND DESIST FROM COMMITTING OR CAUSING ANY

VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 15(A) AND 17(A) OF THE EXCHANGE ACT AND RULES 17A-3 AND 17A-8 THEREUNDER AND OF SECTION 5 OF THE SECURITIES ACT; IS CENSURED; SHALL PAY TO THE COMMISSION \$10 MILLION COMPRISED OF \$4,168,400 IN DISGORGEMENT; \$753,471 IN PREJUDGMENT INTEREST; AND \$5,078,129 IN CIVIL PENALTIES. THE FIRM SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER.

A PENALTY AMOUNT THAT INCLUDES AN ADDITIONAL \$10 MILLION IS APPROPRIATE FOR THE CONDUCT AT ISSUE HEREIN, HOWEVER, IN LIGHT OF THE CIVIL MONEY PENALTY PAID BY OPPENHEIMER TO THE U.S. TREASURY DEPARTMENT'S FINANCIAL CRIMES ENFORCEMENT NETWORK (FINCEN) IN IN THE MATTER OF OPPENHEIMER & CO. INC., NUMBER 2015-01, NO ADDITIONAL PENALTY IS BEING ORDERED AT THIS TIME. OPPENHEIMER'S TOTAL OBLIGATION TO PAY IN THIS PROCEEDING WOULD BE \$20 MILLION IN THE EVENT IT FAILS TO PAY ITS \$10 MILLION OF A CIVIL MONEY PENALTY TO FINCEN. PAYMENT OF DISGORGEMENT, PREJUDGMENT INTEREST, AND \$78,129 IN CIVIL PENALTIES WILL BE DUE TEN (10) DAYS AFTER INSTITUTION OF THIS ORDER, WITH THE REMAINING \$5,000,000 IN CIVIL PENALTIES, AND INTEREST ACCRUED PURSUANT TO 31 U.S.C. 3717, DUE NO LATER THAN THE SECOND ANNIVERSARY OF THE INSTITUTION OF THIS ORDER. THE COMMISSION ACKNOWLEDGES THAT OPPENHEIMER HAS PLACED CERTAIN ASSETS IN ESCROW WHICH OPPENHEIMER BELIEVES WILL SATISFY THE PAYMENT REQUIRED TO BE MADE BY THE SECOND ANNIVERSARY OF THE INSTITUTION OF THIS ORDER; HOWEVER, OPPENHEIMER RETAINS ITS PAYMENT OBLIGATION IRRESPECTIVE OF ANY AMOUNTS REALIZED BY PAYMENT FROM, SALE OF, OR REDEMPTION OF, ANY ESCROWED ASSETS.

Reporting Source:

Firm

Current Status:

Final

Allegations:

SEC ADMIN RELEASES 33-9711 AND 34-74141, AND ACCOUNTING AND AUDITING ENFORCEMENT RELEASE 3621 / JANUARY 27, 2015: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED AGAINST OPPENHEIMER & CO. INC. IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, OPPENHEIMER HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. OPPENHEIMER ADMITS THE COMMISSION'S JURISDICTION OVER IT AND OVER THE SUBJECT MATTER OF THESE PROCEEDINGS, ADMITS THE FACTS, ACKNOWLEDGES THAT ITS CONDUCT VIOLATED THE FEDERAL SECURITIES LAWS, AND CONSENTS TO THE ENTRY OF THIS ORDER

INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT: OPPENHEIMER ENGAGED IN TWO SEPARATE COURSES OF CONDUCT, EACH OF WHICH VIOLATED THE FEDERAL SECURITIES LAWS. OPPENHEIMER I: BETWEEN JULY 2008 AND MAY 2009, OPPENHEIMER EXECUTED SALES OF BILLIONS OF SHARES OF PENNY STOCKS FOR AN ACCOUNT IN THE NAME OF ITS CUSTOMER, A BROKER-DEALER LICENSED IN THE BAHAMAS. ALTHOUGH THE CUSTOMER PURPORTEDLY MAINTAINED A PROPRIETARY ACCOUNT, OPPENHEIMER KNEW THAT THE CUSTOMER WAS ACTUALLY EXECUTING TRANSACTIONS AND PROVIDING BROKERAGE SERVICES FOR ITS CUSTOMERS, MANY OF WHOM WERE U.S. PERSONS. THROUGH THIS CONDUCT, THE CUSTOMER ACTED AS A BROKER IN THE UNITED STATES EVEN THOUGH IT WAS NOT REGISTERED WITH THE COMMISSION AS REQUIRED BY THE FEDERAL SECURITIES LAWS. THE CUSTOMER PROVIDED OPPENHEIMER WITH AN IRS FORM W-8BEN, WHICH PURPORTEDLY EXEMPTED IT FROM U.S. TAX WITHHOLDING BASED ON A FALSE CERTIFICATION THAT IT WAS THE SOLE OWNER OF ALL OF THE INCOME GENERATED IN ITS OPPENHEIMER ACCOUNT. OPPENHEIMER, HOWEVER, KNEW THAT THE CUSTOMER'S CUSTOMERS (AND NOT IT) WERE THE BENEFICIAL OWNERS OF THE SECURITIES DEPOSITED, SOLD AND OR TRANSFERRED. AS A RESULT OPPENHEIMER KNEW OR SHOULD HAVE KNOWN THAT THE CUSTOMER'S IRS WITHHOLDING FORM WAS FALSE AND COULD NOT BE RELIED ON. THUS, OPPENHEIMER FAILED TO PROPERLY WITHHOLD AND REMIT TAXES TO THE IRS, AND THEREFORE BECAME LIABLE FOR TAXES IT WAS OBLIGATED TO WITHHOLD. OPPENHEIMER, HOWEVER, FAILED TO RECORD THIS LIABILITY AND RESULTING EXPENSES, WHICH CAUSED ITS BOOKS AND RECORDS TO BECOME INACCURATE. OPPENHEIMER'S RECORDS WERE ALSO INACCURATE BECAUSE THEY REFLECTED THE ACCOUNT IN WHICH THE CUSTOMER'S CUSTOMERS' SHARES WERE DEPOSITED, SOLD AND TRANSFERRED AS A PROPRIETARY ACCOUNT OF THE CUSTOMER, RATHER THAN AN ACCOUNT FOR THE CUSTOMER'S CUSTOMERS. IN INSTANCES WHEN SUSPICIOUS ACTIVITY OCCURRED IN THE CUSTOMER'S ACCOUNT, OPPENHEIMER FAILED TO FILE THE REQUISITE SUSPICIOUS ACTIVITY REPORTS. BY THESE CONDUCTS OPPENHEIMER WILLFULLY AIDED AND ABETTED AND WAS A CAUSE OF THE CUSTOMER'S VIOLATION OF SECTION 15(A) OF THE EXCHANGE ACT; VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULES 17A-3(A)(2), 17A-3(A)(9); AND WILLFULLY VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-8. (CONT. IN COMMENT SECTION)

8.

Initiated By: SECURITIES AND EXCHANGE COMMISSION
Date Initiated: 01/27/2015
ocket/Case Number: 3-16361
Principal Product Type: Penny Stock(s)
Other Product Type(s): UNREGISTERED DISTRIBUTION OF THE SECURITIES
Principal Sanction(s)/Relief sought: Cease and Desist
Other Sanction(s)/Relief sought:

Resolution: Order
Resolution Date: 01/27/2015
Sanctions Ordered: Censure
 Monetary/Fine \$5,078,129.00
 Disgorgement/Restitution
 Cease and Desist/Injunction

Other Sanctions Ordered: PREJUDGMENT INTEREST AND UNDERTAKINGS

Sanction Details: THE FIRM SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 15(A) AND 17(A) OF THE EXCHANGE ACT AND RULES 17A-3 AND 17A-8 THEREUNDER AND OF SECTION 5 OF THE SECURITIES ACT; IS CENSURED; SHALL PAY TO THE COMMISSION \$4,168,400 IN DISGORGEMENT; \$753,471 IN PREJUDGMENT INTEREST; AND \$5,078,129 IN CIVIL PENALTIES. THE FIRM SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER.

Firm Statement (CONT. FROM ALLEGATIONS SECTION) OPPENHEIMER II: FROM OCTOBER 6, 2009 THROUGH DECEMBER 10, 2010, OPPENHEIMER, THROUGH A REGISTERED REPRESENTATIVE THEN ASSOCIATED WITH OPPENHEIMER AND HIS IMMEDIATE SUPERVISOR, WILLFULLY VIOLATED SECTIONS 5(A) AND (C) OF THE SECURITIES ACT WHEN IT ENGAGED IN THE UNREGISTERED DISTRIBUTION OF THE SECURITIES ON BEHALF OF A CUSTOMER. THE OVER 2.5 BILLION CUMULATIVE SHARES SOLD THROUGH THE CUSTOMER'S ACCOUNT GENERATED APPROXIMATELY \$12,000,000 IN PROCEEDS OF WHICH OPPENHEIMER WAS PAID \$588,400 IN COMMISSIONS. NO REGISTRATION STATEMENT WAS ON FILE OR IN EFFECT AS TO THE CUSTOMER'S OFFERS AND SALES OF SECURITIES AS REQUIRED BY SECTION 5 OF THE SECURITIES ACT. THE CUSTOMER'S OFFERS AND RE-SALES DID NOT COMPLY WITH RULE 144 OR QUALIFY FOR SECTION 4(A)(1) OR ANY OTHER EXEMPTION UNDER THE FEDERAL

SECURITIES LAWS. AS A CONSEQUENCE, OPPENHEIMER WILLFULLY VIOLATED SECTIONS 5(A) AND (C) OF THE SECURITIES ACT. IN FAILING TO ESTABLISH AND IMPLEMENT POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT AND DETECT OPPENHEIMER PERSONNEL'S VIOLATIONS OF SECTION 5, OPPENHEIMER ALSO FAILED REASONABLY TO SUPERVISE. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE TO IMPOSE THE SANCTIONS AGREED TO IN OPPENHEIMER'S OFFER. ACCORDINGLY, IT IS HEREBY ORDERED THAT OPPENHEIMER: CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 15(A) AND 17(A) OF THE EXCHANGE ACT AND RULES 17A-3 AND 17A-8 THEREUNDER AND OF SECTION 5 OF THE SECURITIES ACT; IS CENSURED; SHALL PAY TO THE COMMISSION \$10 MILLION COMPRISED OF \$4,168,400 IN DISGORGEMENT; \$753,471 IN PREJUDGMENT INTEREST; AND \$5,078,129 IN CIVIL PENALTIES. THE FIRM SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER. A PENALTY AMOUNT THAT INCLUDES AN ADDITIONAL \$10 MILLION IS APPROPRIATE FOR THE CONDUCT AT ISSUE HEREIN, HOWEVER, IN LIGHT OF THE CIVIL MONEY PENALTY PAID BY OPPENHEIMER TO THE U.S. TREASURY DEPARTMENT'S FINANCIAL CRIMES ENFORCEMENT NETWORK (FINCEN) IN THE MATTER OF OPPENHEIMER & CO. INC., NUMBER 2015-01, NO ADDITIONAL PENALTY IS BEING ORDERED AT THIS TIME. OPPENHEIMER'S TOTAL OBLIGATION TO PAY IN THIS PROCEEDING WOULD BE \$20 MILLION IN THE EVENT IT FAILS TO PAY ITS \$10 MILLION OF A CIVIL MONEY PENALTY TO FINCEN. PAYMENT OF DISGORGEMENT, PREJUDGMENT INTEREST, AND \$78,129 IN CIVIL PENALTIES WILL BE DUE TEN (10) DAYS AFTER INSTITUTION OF THIS ORDER, WITH THE REMAINING \$5,000,000 IN CIVIL PENALTIES, AND INTEREST ACCRUED PURSUANT TO 31 U.S.C. 3717, DUE NO LATER THAN THE SECOND ANNIVERSARY OF THE INSTITUTION OF THIS ORDER. THE COMMISSION ACKNOWLEDGES THAT OPPENHEIMER HAS PLACED CERTAIN ASSETS IN ESCROW WHICH OPPENHEIMER BELIEVES WILL SATISFY THE PAYMENT REQUIRED TO BE MADE BY THE SECOND ANNIVERSARY OF THE INSTITUTION OF THIS ORDER; HOWEVER, OPPENHEIMER RETAINS ITS PAYMENT OBLIGATION IRRESPECTIVE OF ANY AMOUNTS REALIZED BY PAYMENT FROM, SALE OF, OR REDEMPTION OF, ANY ESCROWED ASSETS.

Disclosure 4 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SYSTEM TO MONITOR,

SUPERVISE, AND CONTROL ITS EXTENSION OF MARGIN LOANS FOR FOREIGN SOVEREIGN DEBT. THE FINDINGS STATED THAT THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) DID NOT ADDRESS HOW TO ASSESS THE RISKS OF EXTENDING MARGIN CREDIT FOR FOREIGN SOVEREIGN BONDS. THE FIRM FAILED TO DEDICATE SUFFICIENT SUPERVISORY RESOURCES TO MONITORING THE RISK OF HOLDING BELOW-INVESTMENT-GRADE FOREIGN SOVEREIGN BONDS AND FAILED TO TAKE SUFFICIENT STEPS TO ASSESS WHETHER A READY MARKET EXISTED FOR BELOW-INVESTMENT-GRADE FOREIGN SOVEREIGN BONDS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REASONABLY SUPERVISE THE TRANSFER OF ASSETS SECURING A MARGIN LOAN FROM ONE PARTY TO ANOTHER.

Initiated By: FINRA

Effective Date: 01/06/2015

ocket/Case Number: [2011025957001](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/06/2015

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:

Sanction Details: THE FIRM IS CENSURED AND FINED \$250,000.

FINE PAID IN FULL ON JANUARY 23, 2015.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SYSTEM TO MONITOR, SUPERVISE, AND CONTROL ITS EXTENSION OF MARGIN LOANS FOR FOREIGN SOVEREIGN DEBT. THE FINDINGS STATED THAT THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) DID NOT ADDRESS HOW TO ASSESS THE RISKS OF EXTENDING MARGIN CREDIT FOR FOREIGN SOVEREIGN BONDS. THE FIRM FAILED TO DEDICATE SUFFICIENT SUPERVISORY RESOURCES TO MONITORING THE RISK OF HOLDING BELOW-INVESTMENT-GRADE FOREIGN SOVEREIGN BONDS AND FAILED TO TAKE SUFFICIENT STEPS TO ASSESS WHETHER A READY MARKET EXISTED FOR BELOW-INVESTMENT-GRADE FOREIGN SOVEREIGN BONDS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO REASONABLY SUPERVISE THE TRANSFER OF ASSETS SECURING A MARGIN LOAN FROM ONE PARTY TO ANOTHER.

Initiated By: FINRA

Date Initiated: 01/06/2015

ocket/Case Number: [2011025957001](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/06/2015

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

Other Sanctions Ordered:

Sanction Details: THE FIRM IS CENSURED AND FINED \$250,000.

Disclosure 5 of 73

Reporting Source: Regulator

Current Status: Final

Allegations:

SEC ADMIN RELEASE 34-73509, NOVEMBER 3, 2014: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTIONS 15(B), 15B(C)(2) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AGAINST OPPENHEIMER & CO., INC. ("OPPENHEIMER" OR "RESPONDENT"). IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 15(B), 15B(C)(2) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT: THESE PROCEEDINGS INVOLVE THE SALE OF NON-INVESTMENT GRADE OR "JUNK" BONDS ISSUED BY THE COMMONWEALTH OF PUERTO RICO ("PUERTO RICO") BY OPPENHEIMER, A REGISTERED BROKER-DEALER AND MUNICIPAL SECURITIES DEALER, TO CUSTOMERS IN AMOUNTS BELOW THE MINIMUM DENOMINATION OF THE ISSUE. RULE G-15(F) PROMULGATED BY THE MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB") PROHIBITS DEALERS FROM EFFECTING CUSTOMER TRANSACTIONS IN MUNICIPAL SECURITIES IN AMOUNTS BELOW THE MINIMUM DENOMINATIONS OF THE ISSUES. MINIMUM DENOMINATIONS ARE GENERALLY INTENDED TO LIMIT SALES OF MUNICIPAL SECURITIES TO RETAIL CUSTOMERS FOR WHOM SUCH BONDS MAY NOT BE SUITABLE, BUT THE PROSCRIPTIONS OF RULE G-15(F) APPLY TO ALL TRANSACTIONS WITH CUSTOMERS, REGARDLESS OF WHETHER THE SECURITIES ARE SUITABLE FOR THE CUSTOMER. IN MARCH 2014, OPPENHEIMER VIOLATED MSRB RULE G-15(F) BY EXECUTING THREE UNSOLICITED SALES TRANSACTIONS IN THE PUERTO RICO BONDS WITH CUSTOMERS IN AMOUNTS BELOW THE \$100,000 MINIMUM DENOMINATION OF THE ISSUE ESTABLISHED BY THE ISSUER, PUERTO RICO, AND SPECIFIED IN THE OFFICIAL STATEMENT. THE LIMITED EXCEPTIONS PROVIDED UNDER MSRB RULE G-15(F) FOR CUSTOMER TRANSACTIONS IN MUNICIPAL SECURITIES BELOW THE MINIMUM DENOMINATION OF AN ISSUE DID NOT APPLY TO THESE TRANSACTIONS. RESPONDENT DID NOT HAVE ANY POLICIES OR PROCEDURES CONCERNING MSRB RULE G-15(F). AS A RESULT OF THE CONDUCT, RESPONDENT WILLFULLY VIOLATED MSRB

RULE G-15(F). AS A RESULT OF RESPONDENT'S WILLFUL VIOLATIONS OF MSRB RULE G-15(F), RESPONDENT WILLFULLY VIOLATED SECTION 15B(C)(1) OF THE EXCHANGE ACT.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 11/03/2014

ocket/Case Number: 3-16243

Principal Product Type: Other

Other Product Type(s): NON-INVESTMENT GRADE OR "JUNK" BONDS

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

Other Sanction(s)/Relief sought:

Resolution: Order

Resolution Date: 11/03/2014

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 \$61,200.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: ACCORDINGLY, IT IS HEREBY ORDERED THAT: RESPONDENT CEASE-AND-DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15B(C)(1) OF THE EXCHANGE ACT AND MSRB RULE G-15(F) . RESPONDENT IS CENSURED. RESPONDENT SHALL, WITHIN SEVEN (7) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$61,200. RESPONDENT WILLFULLY VIOLATED MSRB RULE G-15(F). AS A RESULT OF RESPONDENT'S WILLFUL VIOLATIONS OF MSRB RULE G-15(F), RESPONDENT WILLFULLY VIOLATED SECTION 15B(C)(1) OF THE EXCHANGE ACT.

Regulator Statement IN DETERMINING TO ACCEPT THE OFFER, THE COMMISSION CONSIDERED REMEDIAL ACTS PROMPTLY UNDERTAKEN BY RESPONDENT. AFTER IT WAS MADE AWARE THAT IT HAD EFFECTED CUSTOMER TRANSACTIONS IN THE 2014 BONDS BELOW THE MINIMUM DENOMINATION OF THE ISSUE,

RESPONDENT CANCELLED THE TRANSACTIONS. RESPONDENT WILL UNDERTAKE TO REVIEW THE ADEQUACY OF ITS EXISTING POLICIES AND PROCEDURES RELATING TO COMPLIANCE WITH MSRB RULE G-15(F). AFTER THAT REVIEW, RESPONDENT WILL MAKE SUCH CHANGES AS ARE NECESSARY TO EFFECT COMPLIANCE WITH MSRB RULE G-15(F), INCLUDING ADOPTING NEW POLICIES AND PROCEDURES OR SUPPLEMENTING EXISTING POLICIES AND PROCEDURES. RESPONDENT WILL IMPLEMENT THESE POLICIES AND PROCEDURES, AND CONDUCT TRAINING AS TO THE POLICIES AND PROCEDURES AND COMPLIANCE WITH MSRB RULE G-15(F). RESPONDENT WILL INFORM COMMISSION STAFF NO LATER THAN SIX (6) MONTHS AFTER THE ENTRY OF THIS ORDER THAT IT HAS COMPLIED WITH THE ABOVE UNDERTAKINGS.

Reporting Source:

Firm

Current Status:

Final

Allegations:

SEC ADMIN RELEASE 34-73509, NOVEMBER 3, 2014: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTIONS 15(B), 15B(C)(2) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AGAINST OPPENHEIMER & CO., INC. ("OPPENHEIMER" OR "RESPONDENT"). IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 15(B), 15B(C)(2) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT: THESE PROCEEDINGS INVOLVE THE SALE OF NON-INVESTMENT GRADE OR "JUNK" BONDS ISSUED BY THE COMMONWEALTH OF PUERTO RICO ("PUERTO RICO") BY OPPENHEIMER, A REGISTERED BROKER-DEALER AND MUNICIPAL SECURITIES DEALER, TO CUSTOMERS IN AMOUNTS BELOW THE MINIMUM DENOMINATION OF THE ISSUE. RULE G-15(F) PROMULGATED BY THE MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB") PROHIBITS DEALERS FROM EFFECTING CUSTOMER

TRANSACTIONS IN MUNICIPAL SECURITIES IN AMOUNTS BELOW THE MINIMUM DENOMINATIONS OF THE ISSUES. MINIMUM DENOMINATIONS ARE GENERALLY INTENDED TO LIMIT SALES OF MUNICIPAL SECURITIES TO RETAIL CUSTOMERS FOR WHOM SUCH BONDS MAY NOT BE SUITABLE, BUT THE PROSCRIPTIONS OF RULE G-15(F) APPLY TO ALL TRANSACTIONS WITH CUSTOMERS, REGARDLESS OF WHETHER THE SECURITIES ARE SUITABLE FOR THE CUSTOMER. IN MARCH 2014, OPPENHEIMER VIOLATED MSRB RULE G-15(F) BY EXECUTING THREE UNSOLICITED SALES TRANSACTIONS IN THE PUERTO RICO BONDS WITH CUSTOMERS IN AMOUNTS BELOW THE \$100,000 MINIMUM DENOMINATION OF THE ISSUE ESTABLISHED BY THE ISSUER, PUERTO RICO, AND SPECIFIED IN THE OFFICIAL STATEMENT. THE LIMITED EXCEPTIONS PROVIDED UNDER MSRB RULE G-15(F) FOR CUSTOMER TRANSACTIONS IN MUNICIPAL SECURITIES BELOW THE MINIMUM DENOMINATION OF AN ISSUE DID NOT APPLY TO THESE TRANSACTIONS. RESPONDENT DID NOT HAVE ANY POLICIES OR PROCEDURES CONCERNING MSRB RULE G-15(F). AS A RESULT OF THE CONDUCT, RESPONDENT WILLFULLY VIOLATED MSRB RULE G-15(F). AS A RESULT OF RESPONDENT'S WILLFUL VIOLATIONS OF MSRB RULE G-15(F), RESPONDENT WILLFULLY VIOLATED SECTION 15B(C)(1) OF THE EXCHANGE ACT.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 11/03/2014

ocket/Case Number: 3-16243

Principal Product Type: Other

Other Product Type(s): NON-INVESTMENT GRADE OR "JUNK" BONDS

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

Other Sanction(s)/Relief sought:

Resolution: Order

Resolution Date: 11/03/2014

Sanctions Ordered: Censure
Monetary/Fine \$61,200.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: ACCORDINGLY, IT IS HEREBY ORDERED THAT: RESPONDENT CEASE-AND-DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15B(C)(1) OF THE EXCHANGE

ACT AND MSRB RULE G-15(F) . RESPONDENT IS CENSURED. RESPONDENT SHALL, WITHIN SEVEN (7) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$61,200. RESPONDENT WILLFULLY VIOLATED MSRB RULE G-15(F). AS A RESULT OF RESPONDENT'S WILLFUL VIOLATIONS OF MSRB RULE G-15(F), RESPONDENT WILLFULLY VIOLATED SECTION 15B(C)(1) OF THE EXCHANGE ACT.

Form Statement

IN DETERMINING TO ACCEPT THE OFFER, THE COMMISSION CONSIDERED REMEDIAL ACTS PROMPTLY UNDERTAKEN BY RESPONDENT. AFTER IT WAS MADE AWARE THAT IT HAD EFFECTED CUSTOMER TRANSACTIONS IN THE 2014 BONDS BELOW THE MINIMUM DENOMINATION OF THE ISSUE, RESPONDENT CANCELLED THE TRANSACTIONS. RESPONDENT WILL UNDERTAKE TO REVIEW THE ADEQUACY OF ITS EXISTING POLICIES AND PROCEDURES RELATING TO COMPLIANCE WITH MSRB RULE G-15(F). AFTER THAT REVIEW, RESPONDENT WILL MAKE SUCH CHANGES AS ARE NECESSARY TO EFFECT COMPLIANCE WITH MSRB RULE G-15(F), INCLUDING ADOPTING NEW POLICIES AND PROCEDURES OR SUPPLEMENTING EXISTING POLICIES AND PROCEDURES. RESPONDENT WILL IMPLEMENT THESE POLICIES AND PROCEDURES, AND CONDUCT TRAINING AS TO THE POLICIES AND PROCEDURES AND COMPLIANCE WITH MSRB RULE G-15(F). RESPONDENT WILL INFORM COMMISSION STAFF NO LATER THAN SIX (6) MONTHS AFTER THE ENTRY OF THIS ORDER THAT IT HAS COMPLIED WITH THE ABOVE UNDERTAKINGS.

Disclosure 6 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT THE CORRECT TIME OF TRADE EXECUTIONS FOR TRANSACTIONS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE SECURITIZED PRODUCTS AND FAILED TO SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDA OF BROKERAGE ORDERS.

Initiated By: FINRA

Date Initiated: 10/29/2014

ocket/Case Number: [2013037792401](#)

Principal Product Type: Other

Other Product Type(s): SECURITIZED PRODUCTS

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/29/2014

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

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$10,000.
FINE PAID IN FULL ON NOVEMBER 12, 2014.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT THE CORRECT TIME OF TRADE EXECUTIONS FOR TRANSACTIONS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE SECURITIZED PRODUCTS AND FAILED TO SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDA OF BROKERAGE ORDERS.

Initiated By: FINRA

Date Initiated: 10/29/2014

ocket/Case Number: [2013037792401](#)

Principal Product Type: Other

Other Product Type(s): SECURITIZED PRODUCTS

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/29/2014

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

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$10,000

Disclosure 7 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULES 10B-10, 17A-3, 605 FINRA RULES 2010, 6182, 6380A, 7450, NASD RULES 3010, 3110: THE FIRM SUBMITTED TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (TRF) TRANSACTIONS WITH INACCURATE MARKET CENTER CODES. THE FIRM SUBMITTED TRANSACTIONS FOR WHICH IT FAILED TO SUBSTANTIATE USAGE OF THE QUALIFIED CONTINGENT TRADE MODIFIER. THE FIRM REPORTED INACCURATE INFORMATION ON CUSTOMER CONFIRMATIONS CONSISTING OF THE FOLLOWING: DISCLOSED AN INACCURATE CAPACITY; DISCLOSED AN INACCURATE EXECUTION PRICE; FAILED TO DISCLOSE THAT THESE WERE AVERAGE PRICE TRANSACTIONS; INACCURATELY DISCLOSED THE COMPENSATION TYPE AS "COMMISSION EQUIVALENT" FOR AGENCY TRADES; FAILED TO DISCLOSE THE FIRM WAS A MARKET MAKER IN A SECURITY; INACCURATELY DISCLOSED THE COMPENSATION TYPE AS "COMMISSION" FOR PRINCIPAL TRADES; AND DISCLOSED AN INACCURATE EXECUTION PRICE. THE FIRM TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) REPORTS THAT CONTAINED INACCURATE, INCORRECT, INCOMPLETE OR IMPROPERLY FORMATTED DATA. SPECIFICALLY, THE FIRM SUBMITTED ORDERS WITH AN INACCURATE CUSTOMER DESIGNATION, AND FAILED TO SUBMIT INFORMATION FOR ROUTES ASSOCIATED WITH AN ORDER. THE FIRM MARKED ITS INTERNAL LEDGER WITH AN INACCURATE SHORT DESIGNATION FOR A LONG POSITION AND INCORRECTLY REPORTED A LONG SALE TO THE FINRA/NASDAQ TRF WITH A SHORT SALE MODIFIER. THE FIRM FAILED TO PROPERLY CLASSIFY CUSTOMER ORDERS FOR PURPOSES OF SEC RULE 605 ORDER EXECUTION DISCLOSURE AND FOR A MONTH MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED, WHICH FAILED TO CONTAIN ACCURATE STATISTICS FOR MARKETABLE LIMIT ORDERS IT RECEIVED BETWEEN 500 AND 1,999

SHARES IN ONE SECURITY. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE FEDERAL SECURITIES LAWS AND REGULATIONS, AND/OR THE RULES OF NASD/FINRA AND FAILED TO PROVIDE FOR MINIMAL REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES REGARDING TRADE REPORTING (TIMELY AND ACCURATE REPORTING TO THE TRF) AND OATS (ACCURACY OF OATS DATA).

Initiated By: FINRA

Date Initiated: 02/19/2014

ocket/Case Number: [2011026125001](#)

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: 02/19/2014

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 \$45,000.00

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 \$45,000. FINE PAID IN FULL ON 03/20/14.

Reporting Source: Firm

Current Status: Final

Violations: SEC RULES 10B-10, 17A-3, 605 FINRA RULES 2010, 6182, 6380A, 7450, NASD

RULES 3010, 3110: THE FIRM SUBMITTED TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (TRF) TRANSACTIONS WITH INACCURATE MARKET CENTER CODES. THE FIRM SUBMITTED TRANSACTIONS FOR WHICH IT FAILED TO SUBSTANTIATE USAGE OF THE QUALIFIED CONTINGENT TRADE MODIFIER. THE FIRM REPORTED INACCURATE INFORMATION ON CUSTOMER CONFIRMATIONS CONSISTING OF THE FOLLOWING: DISCLOSED AN INACCURATE CAPACITY; DISCLOSED AN INACCURATE EXECUTION PRICE; FAILED TO DISCLOSE THAT THESE WERE AVERAGE PRICE TRANSACTIONS; INACCURATELY DISCLOSED THE COMPENSATION TYPE AS "COMMISSION EQUIVALENT" FOR AGENCY TRADES; FAILED TO DISCLOSE THE FIRM WAS A MARKET MAKER IN A SECURITY; INACCURATELY DISCLOSED THE COMPENSATION TYPE AS "COMMISSION" FOR PRINCIPAL TRADES; AND DISCLOSED AN INACCURATE EXECUTION PRICE. THE FIRM TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) REPORTS THAT CONTAINED INACCURATE, INCORRECT, INCOMPLETE OR IMPROPERLY FORMATTED DATA. SPECIFICALLY, THE FIRM SUBMITTED ORDERS WITH AN INACCURATE CUSTOMER DESIGNATION, AND FAILED TO SUBMIT INFORMATION FOR ROUTES ASSOCIATED WITH AN ORDER. THE FIRM MARKED ITS INTERNAL LEDGER WITH AN INACCURATE SHORT DESIGNATION FOR A LONG POSITION AND INCORRECTLY REPORTED A LONG SALE TO THE FINRA/NASDAQ TRF WITH A SHORT SALE MODIFIER. THE FIRM FAILED TO PROPERLY CLASSIFY CUSTOMER ORDERS FOR PURPOSES OF SEC RULE 605 ORDER EXECUTION DISCLOSURE AND FOR A MONTH MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED, WHICH FAILED TO CONTAIN ACCURATE STATISTICS FOR MARKETABLE LIMIT ORDERS IT RECEIVED BETWEEN 500 AND 1,999 SHARES IN ONE SECURITY. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE FEDERAL SECURITIES LAWS AND REGULATIONS, AND/OR THE RULES OF NASD/FINRA AND FAILED TO PROVIDE FOR MINIMAL REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES REGARDING TRADE REPORTING (TIMELY AND ACCURATE REPORTING TO THE TRF) AND OATS (ACCURACY OF OATS DATA).

Initiated By: FINRA
Event Initiated: 02/19/2014
Event/Case Number: [2011026125001](#)
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: 02/19/2014

Sanctions Ordered: Censure
Monetary/Fine \$45,000.00

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 \$45,000.

Disclosure 8 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: MSRB RULES G-17, G-27, G-30(A) - OPPENHEIMER & CO., INC. CHARGED AN UNFAIR AND UNREASONABLE PRICE IN MUNICIPAL SECURITIES TRANSACTIONS WITH ITS CUSTOMERS AND LACKED AN ADEQUATE SUPERVISORY SYSTEM. ONE TRADER PURCHASED MUNICIPAL SECURITIES FROM A BROKER-DEALER ON BEHALF OF THE FIRM, HELD THE BONDS IN INVENTORY FOR AT LEAST OVERNIGHT, AND THEN MADE THE BONDS AVAILABLE FOR RESALE AT AN EXCESSIVE MARKUP TO FIRM CUSTOMERS. THE TRADER WAS RESPONSIBLE FOR DETERMINING THE PRICES PAID BY CUSTOMERS AND THE MARKUPS RANGED FROM 5.01% TO 15.57%. IN SOME OF THE TRANSACTIONS, THE MARKUPS EXCEEDED 9.4%. THE MARKUPS WERE NEVER DISCLOSED TO FIRM CUSTOMERS. THE FIRM FAILED TO DETECT THE EXCESSIVE MARKUPS CHARGED BECAUSE ITS SUPERVISORY SYSTEM WAS DEFICIENT. THE FIRM GENERATED EXCEPTION REPORTS THAT IDENTIFIED MARKUPS IN CONNECTION WITH MUNICIPAL SECURITIES TRANSACTIONS ABOVE 3% (THE "3% MARKUPS REPORT"). THE 3% MARKUPS REPORT ONLY CAPTURED PAIRED INTRA-DAY TRADES, WHICH ARE THOSE INSTANCES WHEN THE FIRM BUYS A BOND IN THE INTER-DEALER MARKET AND SELLS THE BOND TO A FIRM CUSTOMER THAT SAME DAY. TRADES THAT OCCURRED INTER-DAY, WHEN THE FIRM BUYS A BOND AND SELLS THE BOND TO A CUSTOMER THE NEXT DAY OR THEREAFTER, WERE NOT IDENTIFIED BY THE 3% MARKUPS REPORT OR ANY OTHER SURVEILLANCE REPORT AND THEREFORE NOT REVIEWED BY THE FIRM'S COMPLIANCE DEPARTMENT. BY HOLDING THE BONDS OVERNIGHT BEFORE MAKING THEM AVAILABLE FOR RESALE, THE FIRM'S SUPERVISORY SYSTEM, WHICH ONLY REVIEWED

INTRA-DAY TRANSACTIONS FOR THE FAIRNESS OF MARKUPS/MARKDOWNS IN MUNICIPAL SECURITIES TRANSACTIONS, DID NOT CAPTURE THESE TRANSACTIONS. THE FIRM SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO A CUSTOMER AT AN AGGREGATE PRICE (INCLUDING ANY MARKUP OR MARKDOWN) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE TRANSACTION AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER, OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTION. THE MUNICIPAL SECURITIES TRANSACTIONS WERE PRICED FROM 5.01% TO 15.57% ABOVE THE FIRM'S CONTEMPORANEOUS COST. THE TRADER WAS ABLE TO CHARGE THESE EXCESSIVE MARKUPS BECAUSE OF A SIGNIFICANT DEFICIENCY IN THE FIRM'S SUPERVISORY SYSTEM. THE FIRM'S SUPERVISORY PERSONNEL RELIED EXCLUSIVELY ON THE 3% MARKUPS REPORT WHICH ONLY CAPTURED INTRA-DAY TRANSACTIONS TO REVIEW THE FAIRNESS OF MARKUPS/MARKDOWNS IN MUNICIPAL SECURITIES TRANSACTIONS. FOR ABOUT FOUR YEARS, IF A FIRM TRADER PURCHASED SECURITIES AND HELD THOSE SECURITIES IN INVENTORY FOR A DAY OR LONGER, THE SUBSEQUENT SALES TO CUSTOMERS WOULD NOT POPULATE THE 3% MARKUPS REPORT OR BE SUBJECTED TO A FAIR PRICING REVIEW.

Initiated By: FINRA

Effective Date: 12/06/2013

Investment/Case Number: [2009018102501](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/06/2013

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 \$675,000.00
 Disgorgement/Restitution

Other Sanctions Ordered:

UNDERTAKING: THE FIRM SHALL PROVIDE THREE REPORTS, WRITTEN AND ORAL, TO FINRA ON DATES THAT ARE NO MORE THAN SIX MONTHS, 12 MONTHS, AND 18 MONTHS AFTER THE DATE OF THE NOTICE OF ACCEPTANCE OF THIS AWC, REGARDING THE EFFECTIVENESS OF THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO THE PRICING OF MUNICIPAL SECURITIES TRANSACTIONS WITH CUSTOMERS. THE WRITTEN REPORTS SHALL BE CERTIFIED BY A FIRM OFFICER AND SHALL ADDRESS, AT A MINIMUM, THE EFFICACY OF THE FIRM'S WRITTEN SUPERVISORY PROCEDURES, THE STEPS TAKEN BY SUPERVISORY PERSONNEL TO REVIEW FOR COMPLIANCE WITH THE FIRM'S FAIR PRICING OBLIGATIONS PURSUANT TO MSRB RULES G-17 AND G-30 IN CONNECTION WITH MUNICIPAL SECURITIES TRANSACTIONS WITH A CUSTOMER, AND THE RESULTS OF SUCH SUPERVISORY REVIEWS.

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 \$675,000 FOR MSRB RULE VIOLATIONS, AND ORDERED TO PAY \$246,974, PLUS INTEREST, IN RESTITUTION. A REGISTERED FIRM PRINCIPAL SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED. FINE PAID IN FULL ON JANUARY 2, 2014.

Reporting Source:

Firm

Current Status:

Final

Allegations:

MSRB RULES G-17, G-27, G-30(A) - OPPENHEIMER & CO., INC. CHARGED AN UNFAIR AND UNREASONABLE PRICE IN MUNICIPAL SECURITIES TRANSACTIONS WITH ITS CUSTOMERS AND LACKED AN ADEQUATE SUPERVISORY SYSTEM. ONE TRADER PURCHASED MUNICIPAL

SECURITIES FROM A BROKER-DEALER ON BEHALF OF THE FIRM, HELD THE BONDS IN INVENTORY FOR AT LEAST OVERNIGHT, AND THEN MADE THE BONDS AVAILABLE FOR RESALE AT AN EXCESSIVE MARKUP TO FIRM CUSTOMERS. THE TRADER WAS RESPONSIBLE FOR DETERMINING THE PRICES PAID BY CUSTOMERS AND THE MARKUPS RANGED FROM 5.01% TO 15.57%. IN SOME OF THE TRANSACTIONS, THE MARKUPS EXCEEDED 9.4%. THE MARKUPS WERE NEVER DISCLOSED TO FIRM CUSTOMERS. THE FIRM FAILED TO DETECT THE EXCESSIVE MARKUPS CHARGED BECAUSE ITS SUPERVISORY SYSTEM WAS DEFICIENT. THE FIRM GENERATED EXCEPTION REPORTS THAT IDENTIFIED MARKUPS IN CONNECTION WITH MUNICIPAL SECURITIES TRANSACTIONS ABOVE 3% (THE "3% MARKUPS REPORT"). THE 3% MARKUPS REPORT ONLY CAPTURED PAIRED INTRA-DAY TRADES, WHICH ARE THOSE INSTANCES WHEN THE FIRM BUYS A BOND IN THE INTER-DEALER MARKET AND SELLS THE BOND TO A FIRM CUSTOMER THAT SAME DAY. TRADES THAT OCCURRED INTER-DAY, WHEN THE FIRM BUYS A BOND AND SELLS THE BOND TO A CUSTOMER THE NEXT DAY OR THEREAFTER, WERE NOT IDENTIFIED BY THE 3% MARKUPS REPORT OR ANY OTHER SURVEILLANCE REPORT AND THEREFORE NOT REVIEWED BY THE FIRM'S COMPLIANCE DEPARTMENT. BY HOLDING THE BONDS OVERNIGHT BEFORE MAKING THEM AVAILABLE FOR RESALE, THE FIRM'S SUPERVISORY SYSTEM, WHICH ONLY REVIEWED INTRA-DAY TRANSACTIONS FOR THE FAIRNESS OF MARKUPS/MARKDOWNS IN MUNICIPAL SECURITIES TRANSACTIONS, DID NOT CAPTURE THESE TRANSACTIONS. THE FIRM SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO A CUSTOMER AT AN AGGREGATE PRICE (INCLUDING ANY MARKUP OR MARKDOWN) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE TRANSACTION AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER, OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTION. THE MUNICIPAL SECURITIES TRANSACTIONS WERE PRICED FROM 5.01% TO 15.57% ABOVE THE FIRM'S CONTEMPORANEOUS COST. THE TRADER WAS ABLE TO CHARGE THESE EXCESSIVE MARKUPS BECAUSE OF A SIGNIFICANT DEFICIENCY IN THE FIRM'S SUPERVISORY SYSTEM. THE FIRM'S SUPERVISORY PERSONNEL RELIED EXCLUSIVELY ON THE 3% MARKUPS REPORT WHICH ONLY CAPTURED INTRA-DAY TRANSACTIONS TO REVIEW THE FAIRNESS OF MARKUPS/MARKDOWNS IN MUNICIPAL SECURITIES TRANSACTIONS. FOR ABOUT FOUR YEARS, IF A FIRM TRADER PURCHASED SECURITIES AND HELD THOSE SECURITIES IN INVENTORY FOR A DAY OR LONGER, THE SUBSEQUENT SALES TO CUSTOMERS WOULD NOT POPULATE THE 3% MARKUPS REPORT OR BE

SUBJECTED TO A FAIR PRICING REVIEW.

Initiated By: FINRA
Date Initiated: 12/06/2013
ocket/Case Number: [2009018102501](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/06/2013

Sanctions Ordered: Censure
 Monetary/Fine \$675,000.00
 Disgorgement/Restitution

Other Sanctions Ordered: UNDERTAKING: THE FIRM SHALL PROVIDE THREE REPORTS, WRITTEN AND ORAL, TO FINRA ON DATES THAT ARE NO MORE THAN SIX MONTHS, 12 MONTHS, AND 18 MONTHS AFTER THE DATE OF THE NOTICE OF ACCEPTANCE OF THIS AWC, REGARDING THE EFFECTIVENESS OF THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO THE PRICING OF MUNICIPAL SECURITIES TRANSACTIONS WITH CUSTOMERS. THE WRITTEN REPORTS SHALL BE CERTIFIED BY A FIRM OFFICER AND SHALL ADDRESS, AT A MINIMUM, THE EFFICACY OF THE FIRM'S WRITTEN SUPERVISORY PROCEDURES, THE STEPS TAKEN BY SUPERVISORY PERSONNEL TO REVIEW FOR COMPLIANCE WITH THE FIRM'S FAIR PRICING OBLIGATIONS PURSUANT TO MSRB RULES G-17 AND G-30 IN CONNECTION WITH MUNICIPAL SECURITIES TRANSACTIONS WITH A CUSTOMER, AND THE RESULTS OF SUCH SUPERVISORY REVIEWS.

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 \$675,000 FOR MSRB RULE VIOLATIONS, AND ORDERED TO PAY \$246,974, PLUS INTEREST, IN RESTITUTION. A REGISTERED FIRM PRINCIPAL SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH

THE CUSTOMER LAST RESIDED.

Disclosure 9 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULES 200(G) AND 204T(A)(1) OF REGULATION SHO - OPPENHEIMER & CO. INC. EXECUTED ORDERS FOR SALES PURSUANT TO SEC RULE 144 AND FAILED TO MARK EACH AS A SHORT SALE. THE FIRM HAD A FEW FAIL-TO-DELIVER POSITIONS AT A REGISTERED CLEARING AGENCY IN AN EQUITY SECURITY THAT RESULTED FROM LONG SALE TRANSACTIONS, AND FAILED TO TIMELY CLOSE OUT THE FAIL-TO-DELIVER POSITIONS BY PURCHASING SECURITIES OF LIKE KIND.

Initiated By: FINRA

Date Initiated: 07/15/2013

ocket/Case Number: [2009018261301](#)

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/15/2013

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 \$17,500.00

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 \$17,500. FINE PAID ON AUGUST 15, 2013.

Reporting Source: Firm

Current Status: Final

Allegations: SEC RULES 200(G) AND 204T(A)(1) OF REGULATION SHO - OPPENHEIMER & CO. INC. EXECUTED ORDERS FOR SALES PURSUANT TO SEC RULE 144 AND FAILED TO MARK EACH AS A SHORT SALE. THE FIRM HAD A FEW FAIL-TO-DELIVER POSITIONS AT A REGISTERED CLEARING AGENCY IN AN EQUITY SECURITY THAT RESULTED FROM LONG SALE TRANSACTIONS, AND FAILED TO TIMELY CLOSE OUT THE FAIL-TO-DELIVER POSITIONS BY PURCHASING SECURITIES OF LIKE KIND.

Initiated By: FINRA

Date Initiated: 07/15/2013

ocket/Case Number: [2009018261301](#)

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/15/2013

Sanctions Ordered: Censure
Monetary/Fine \$17,500.00

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 \$17,500.

Disclosure 10 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: OPPENHEIMER & CO., INC. ("OPPENHEIMER"), AN EXCHANGE TRADING ORGANIZATION, WAS CENSURED AND FINED \$5,000 FOR THE FOLLOWING CONDUCT: OPPENHEIMER FAILED TO REGISTER THE MINIMUM NUMBER

OF INDIVIDUALS REQUIRED TO REGISTER AS A PROPRIETARY TRADER PRINCIPAL ("TP") IN WEBCRD BY NOVEMBER 5, 2011. ADDITIONALLY, IT IS NOTED THAT OPPENHEIMER UPDATED ITS WRITTEN SUPERVISORY PROCEDURES RELATED TO REGISTRATION AND QUALIFICATION OF ASSOCIATED PERSONS ON FEBRUARY 15, 2013. (EXCHANGE RULE 3.6A - QUALIFICATION AND REGISTRATION OF TRADING PERMIT HOLDERS AND ASSOCIATED PERSONS)

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated: 12/21/2012
ocket/Case Number: 12-0121
Principal Product Type: Options
Other Product Type(s):
Principal Sanction(s)/Relief sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief sought:
Resolution: Decision & Order of Offer of Settlement
Resolution Date: 03/18/2013
Sanctions Ordered: Censure
 Monetary/Fine \$5,000.00
Other Sanctions Ordered:
Sanction Details: A \$5,000 FINE AND A CENSURE.

Reporting Source: Firm
Current Status: Final
Allegations: OPPENHEIMER & CO. INC. FAILED TO REGISTER THE MINIMUM NUMBER OF INDIVIDUALS REQUIRED TO REGISTER AS A PROPRIETARY TRADER PRINCIPAL (TP)ON WEB CRD BY NOVEMBER 5, 2011, IN ACCORDANCE WITH CBOE EXCHANGE RULE 3.6A.
Initiated By: CBOE
Date Initiated: 03/18/2013
ocket/Case Number: FILE NO. 12 -0121
Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief sought: CENSURE

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 03/18/2013

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

Other Sanctions Ordered:

Sanction Details: OPPENHEIMER & CO. INC. SETTLED THIS MATTER AND SUBMITTED THE REGISTRATIONS OF ITS PROPRIETARY TRADING PRINCIPALS ON WEB CRD.

Disclosure 11 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: SECTION 5 OF THE SECURITIES ACT OF 1933, FINRA RULES 2010, 3310(A), 3310(B), NASD RULES 2110, 3010, 3011(A), 3011(B): THE FIRM SOLD UNREGISTERED SECURITIES IN THAT NO REGISTRATION STATEMENT WAS IN EFFECT FOR THE SALES OF PENNY STOCKS. THROUGH THE USE OF MAILS, TELEPHONE AND OTHER INTERSTATE COMMUNICATIONS, THE FIRM USED THE MEANS OR INSTRUMENTS OF TRANSPORTATION OR COMMUNICATIONS IN INTERSTATE COMMERCE TO EFFECT THE SALES OF SECURITIES.

THE FIRM FAILED TO IMPLEMENT A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 5 IN THE SALE OF PENNY STOCKS. THE FIRM HAD NO SYSTEM OR PROCEDURE TO DETERMINE WHETHER STOCKS WERE RESTRICTED OR FREELY TRADABLE AND FAILED TO CONDUCT AN APPROPRIATE REVIEW FOR COMPLIANCE WITH SECTION 5. THE FIRM'S SURVEILLANCE STAFF AND BRANCH ADMINISTRATION STAFF KNEW OR SHOULD HAVE KNOWN ABOUT RED FLAGS, YET FAILED TO FOLLOW UP TO DETERMINE WHETHER THE STOCKS WERE IN FACT FREE TO TRADE.

THE FIRM FAILED TO ESTABLISH AND IMPLEMENT POLICIES AND PROCEDURES THAT CAN BE REASONABLY EXPECTED TO DETECT AND CAUSE THE REPORTING OF TRANSACTIONS REQUIRED UNDER 31 U.S.C. 5318(G), AND FAILED TO ESTABLISH AND IMPLEMENT POLICIES, PROCEDURES, AND INTERNAL CONTROLS REASONABLY DESIGNED TO

ACHIEVE COMPLIANCE WITH THE BANK SECRECY ACT AND THE IMPLEMENTING REGULATIONS THEREUNDER. THE FIRM'S ANTI-MONEY LAUNDERING PROCEDURES FAILED TO ADEQUATELY ADDRESS THE DETECTION, MONITORING, ANALYZING, INVESTIGATING, AND REPORTING OF SUSPICIOUS ACTIVITY IN THE CONTEXT OF PATTERNS OF SUSPICIOUS ACTIVITY IN PENNY STOCK TRADES, OR RED FLAGS RELATING TO PENNY STOCK TRANSACTIONS IDENTIFIED BY THE FIRM'S SURVEILLANCE OR COMPLIANCE PERSONNEL. AS A RESULT, THE FIRM FAILED TO INVESTIGATE THE SUSPICIOUS ACTIVITY. THE FIRM'S POLICIES REQUIRED ENHANCED DUE DILIGENCE FOR CORRESPONDENT ACCOUNTS AND RESTRICTED A NEW FOREIGN FINANCIAL INSTITUTION ACCOUNT TO PROPRIETARY BUSINESS FOR THE ENTITY THAT OPENED IT. NOTWITHSTANDING THE FIRM'S PROCEDURES, THE FIRM FAILED TO INVESTIGATE OR RESPOND TO THE PATTERN OF SUSPICIOUS ACTIVITY IN A CUSTOMER'S ACCOUNT AND IGNORED RED FLAGS THAT CUSTOMER WAS TRADING FOR ITS OWN UNDERLYING CLIENTS. THE FIRM'S PROCEDURES AND INTERNAL CONTROLS FOR MONITORING SUSPICIOUS ACTIVITY WERE INADEQUATE AND NOT REASONABLY DESIGNED TO MONITOR AND ACHIEVE COMPLIANCE WITH THE REQUIREMENTS OF THE BANK SECRECY ACT RELATING TO FOREIGN FINANCIAL INSTITUTIONS.

Initiated By: FINRA

Effective Date: 05/06/2013

Case/Case Number: [2009018668801](#)

Primary Product Type: Penny Stock(s)

Other Product Type(s):

Primary Sanction(s)/Relief Sought: Other

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

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 08/05/2013

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 \$1,425,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED, FINED \$1,425,000 AND UNDERTAKES TO: RETAIN, WITHIN 60 DAYS OF THE DATE OF THE ORDER ACCEPTING OFFER OF SETTLEMENT, AN INDEPENDENT CONSULTANT, TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF THE FIRM'S POLICIES, SYSTEMS AND PROCEDURES (WRITTEN AND OTHERWISE) AND TRAINING RELATING TO: THE RECEIPT OR PURCHASE AND SUBSEQUENT JOURNAL OR SALE OF PENNY STOCK; THE SUPERVISION OF FOREIGN FINANCIAL INSTITUTIONS, INCLUDING THE FIRM'S "KNOW YOUR CUSTOMER" OBLIGATIONS; AND THE FIRM'S ANTI-MONEY LAUNDERING PROCEDURES, INCLUDING FOREIGN FINANCIAL INSTITUTIONS AND HANDLING THE MOVEMENT OF SECURITIES. AT THE CONCLUSION OF THE REVIEW, WHICH SHALL BE NO MORE THAN 120 DAYS AFTER THE DATE OF THE ORDER ACCEPTING OFFER OF SETTLEMENT, REQUIRE THE INDEPENDENT CONSULTANT TO SUBMIT TO THE FIRM AND FINRA STAFF A WRITTEN REPORT. WITHIN 60 DAYS AFTER DELIVERY OF THE WRITTEN REPORT, THE FIRM SHALL ADOPT AND IMPLEMENT THE RECOMMENDATIONS OF THE INDEPENDENT CONSULTANT OR, IF IT DETERMINES THAT A RECOMMENDATION IS UNDULY BURDENSOME OR IMPRACTICAL, PROPOSE AN ALTERNATIVE PROCEDURE TO THE INDEPENDENT CONSULTANT DESIGNED TO ACHIEVE THE SAME OBJECTIVE. THE FIRM WILL ABIDE BY THE INDEPENDENT CONSULTANT'S ULTIMATE DETERMINATION WITH RESPECT TO ANY PROPOSED ALTERNATIVE PROCEDURE AND MUST ADOPT AND IMPLEMENT ALL RECOMMENDATIONS DEEMED APPROPRIATE BY THE INDEPENDENT CONSULTANT. WITHIN 30 DAYS AFTER THE ISSUANCE OF THE LATER OF THE INDEPENDENT CONSULTANT'S WRITTEN REPORT OR WRITTEN DETERMINATION REGARDING ALTERNATIVE PROCEDURES (IF ANY), THE FIRM SHALL PROVIDE FINRA STAFF WITH A WRITTEN IMPLEMENTATION REPORT, CERTIFIED BY AN OFFICER OF THE FIRM, ATTESTING TO, CONTAINING DOCUMENTATION OF, AND SETTING FORTH THE DETAILS OF THE FIRM'S IMPLEMENTATION OF THE INDEPENDENT CONSULTANT'S RECOMMENDATIONS. FINE PAID IN FULL ON NOVEMBER 1, 2013.

Reporting Source: Firm

Current Status: Final

Allegations: SECTION 5 OF THE SECURITIES ACT OF 1933, FINRA RULES 2010, 3310(A) AND (B), NASD RULES 2110, 3110, 3110(A) AND (B): THE FIRM SOLD UNREGISTERED SECURITIES IN THAT NO REGISTRATION STATEMENT WAS IN EFFECT FOR THE SALES OF PENNY STOCKS. THROUGH THE USE

OF MAILS, TELEPHONE AND OTHER INTERSTATE COMMUNICATIONS, THE FIRM USED THE MEANS OR INSTRUMENTS OF TRANSPORTATION OR COMMUNICATIONS IN INTERSTATE COMMERCE TO EFFECT THE SALES OF SECURITIES. THE FIRM FAILED TO IMPLEMENT A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 5 IN THE SALE OF PENNY STOCKS. THE FIRM HAD NO SYSTEM OR PROCEDURE TO DETERMINE WHETHER STOCKS WERE RESTRICTED OR FREELY TRADABLE AND FAILED TO CONDUCT AN APPROPRIATE REVIEW FOR COMPLIANCE WITH SECTION 5. THE FIRM'S SURVEILLANCE STAFF AND BRANCH ADMINISTRATION STAFF KNEW OR SHOULD HAVE KNOWN ABOUT RED FLAGS, YET FAILED TO FOLLOW UP TO DETERMINE WHETHER THE STOCKS WERE IN FACT FREE TO TRADE. THE FIRM FAILED TO ESTABLISH AND IMPLEMENT POLICIES AND PROCEDURES THAT CAN BE REASONABLY EXPECTED TO DETECT AND CAUSE THE REPORTING OF TRANSACTIONS REQUIRED UNDER 31 U.S.C. 5318(G), AND FAILED TO ESTABLISH AND IMPLEMENT POLICIES, PROCEDURES, AND INTERNAL CONTROLS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE BANK SECRECY ACT AND THE IMPLEMENTING REGULATIONS THEREUNDER. THE FIRM'S ANTI-MONEY LAUNDERING PROCEDURES FAILED TO ADEQUATELY ADDRESS THE DETECTION, MONITORING, ANALYZING, INVESTIGATING, AND REPORTING OF SUSPICIOUS ACTIVITY IN THE CONTEXT OF PATTERNS OF SUSPICIOUS ACTIVITY IN PENNY STOCK TRADES, OR RED FLAGS RELATING TO PENNY STOCK TRANSACTIONS IDENTIFIED BY THE FIRM'S SURVEILLANCE OR COMPLIANCE PERSONNEL. AS A RESULT, THE FIRM FAILED TO INVESTIGATE THE SUSPICIOUS ACTIVITY. THE FIRM'S POLICIES REQUIRED ENHANCED DUE DILIGENCE FOR CORRESPONDENT ACCOUNTS AND RESTRICTED A NEW FOREIGN FINANCIAL INSTITUTION ACCOUNT TO PROPRIETARY BUSINESS FOR THE ENTITY THAT OPENED IT. NOTWITHSTANDING THE FIRM'S PROCEDURES, THE FIRM FAILED TO INVESTIGATE OR RESPOND TO THE PATTERN OF SUSPICIOUS ACTIVITY IN A CUSTOMER'S ACCOUNT AND IGNORED RED FLAGS THAT CUSTOMER WAS TRADING FOR ITS OWN UNDERLYING CLIENTS. THE FIRM'S PROCEDURES AND INTERNAL CONTROLS FOR MONITORING SUSPICIOUS ACTIVITY WERE INADEQUATE AND NOT REASONABLY DESIGNED TO MONITOR AND ACHIEVE COMPLIANCE WITH THE REQUIREMENTS OF THE BANK SECRECY ACT RELATING TO FOREIGN FINANCIAL INSTITUTIONS.

Initiated By: FINRA
Effective Date: 05/06/2013
Investigation/Case Number: [2009018668801](#)
Principal Product Type: Penny Stock(s)
Other Product Type(s):

Principal Sanction(s)/Relief sought: Other
Other Sanction(s)/Relief sought: N/A
Resolution: Decision & Order of Offer of Settlement
Resolution Date: 08/05/2013
Sanctions Ordered: Censure
 Monetary/Fine \$1,425,000.00
Other Sanctions Ordered: UNDERTAKING
Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED, FINED \$1,425,000 AND UNDERTAKES TO: RETAIN, WITHIN 60 DAYS OF THE DATE OF THE ORDER ACCEPTING OFFER OF SETTLEMENT, AN INDEPENDENT CONSULTANT, TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF THE FIRM'S POLICIES, SYSTEMS AND PROCEDURES (WRITTEN AND OTHERWISE) AND TRAINING RELATING TO: THE RECEIPT OR PURCHASE AND SUBSEQUENT JOURNAL OR SALE OF PENNY STOCK; THE SUPERVISION OF FOREIGN FINANCIAL INSTITUTIONS, INCLUDING THE FIRM'S "KNOW YOUR CUSTOMER" OBLIGATIONS; AND THE FIRM'S ANTI-MONEY LAUNDERING PROCEDURES, INCLUDING FOREIGN FINANCIAL INSTITUTIONS AND HANDLING THE MOVEMENT OF SECURITIES. AT THE CONCLUSION OF THE REVIEW, WHICH SHALL BE NO MORE THAN 120 DAYS AFTER THE DATE OF THE ORDER ACCEPTING OFFER OF SETTLEMENT, REQUIRE THE INDEPENDENT CONSULTANT TO SUBMIT TO THE FIRM AND FINRA STAFF A WRITTEN REPORT. WITHIN 60 DAYS AFTER DELIVERY OF THE WRITTEN REPORT, THE FIRM SHALL ADOPT AND IMPLEMENT THE RECOMMENDATIONS OF THE INDEPENDENT CONSULTANT OR, IF IT DETERMINES THAT A RECOMMENDATION IS UNDULY BURDENSOME OR IMPRACTICAL, PROPOSE AN ALTERNATIVE PROCEDURE TO THE INDEPENDENT CONSULTANT DESIGNED TO ACHIEVE THE SAME OBJECTIVE. THE FIRM WILL ABIDE BY THE INDEPENDENT CONSULTANT'S ULTIMATE DETERMINATION WITH RESPECT TO ANY PROPOSED ALTERNATIVE PROCEDURE AND MUST ADOPT AND IMPLEMENT ALL RECOMMENDATIONS DEEMED APPROPRIATE BY THE INDEPENDENT CONSULTANT. WITHIN 30 DAYS AFTER THE ISSUANCE OF THE LATER OF THE INDEPENDENT CONSULTANT'S WRITTEN REPORT OR WRITTEN DETERMINATION REGARDING ALTERNATIVE PROCEDURES (IF ANY), THE FIRM SHALL PROVIDE FINRA STAFF WITH A WRITTEN IMPLEMENTATION REPORT, CERTIFIED BY AN OFFICER OF THE FIRM, ATTESTING TO, CONTAINING DOCUMENTATION OF, AND SETTING FORTH THE DETAILS OF THE FIRM'S IMPLEMENTATION OF THE INDEPENDENT CONSULTANT'S

RECOMMENDATIONS.

Disclosure 12 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULES 17A-3, 17A-4, NASD RULES 2110, 2320, 3110, 4632(C)(5) - OPPENHEIMER & CO., INC. IN TRANSACTIONS FOR OR WITH CUSTOMERS, FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMERS WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS. THE FIRM FAILED TO SHOW ONE OR MORE OF THE FOLLOWING ON BROKERAGE ORDER MEMORANDA: THE CORRECT EXECUTION TIME; THE TIME OF ENTRY; THE CORRECT ENTRY TIME; THE ORDER SIZE; THE ORDER TYPE; AND/OR THE TERMS AND CONDITIONS. THE FIRM FAILED TO PRESERVE FOR A PERIOD OF NOT LESS THAN THREE YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, THE MEMORANDA OF THREE BROKERAGE ORDERS. THE FIRM FAILED TO REPORT THE CORRECT EXECUTION TIME TO THE FINRA/NASDAQ TRADE REPORTING FACILITY IN SOME LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES.

Initiated By: FINRA

Date Initiated: 04/02/2013

Docket/Case Number: [2009018701501](#)

Principal Product Type: Other

Other Product Type(s): DESIGNATED SECURITIES

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/02/2013

**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 \$22,500.00
 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 \$22,500 AND ORDERED TO PAY \$1,290.58, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS. A REGISTERED FIRM PRINCIPAL SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED. FINE PAID IN FULL ON APRIL 29, 2013

Reporting Source:

Firm

Current Status:

Final

Violations:

SEC RULES 17A-3, 17A-4, NASD RULES 2110, 2320, 3110, 4632(C)(5) - OPPENHEIMER & CO., INC. IN TRANSACTIONS FOR OR WITH CUSTOMERS, FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMERS WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS. THE FIRM FAILED TO SHOW ONE OR MORE OF THE FOLLOWING ON BROKERAGE ORDER MEMORANDA: THE CORRECT EXECUTION TIME; THE TIME OF ENTRY; THE CORRECT ENTRY TIME; THE ORDER SIZE; THE ORDER TYPE; AND/OR THE TERMS AND CONDITIONS. THE FIRM FAILED TO PRESERVE FOR A PERIOD OF NOT LESS THAN THREE YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, THE MEMORANDA OF THREE BROKERAGE ORDERS. THE FIRM FAILED TO REPORT THE CORRECT EXECUTION TIME TO THE FINRA/NASDAQ TRADE REPORTING FACILITY IN SOME LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES.

Initiated By: FINRA
Date Initiated: 04/02/2013
ocket/Case Number: [2009018701501](#)
Principal Product Type: Other
Other Product Type(s): DESIGNATED SECURITIES
Principal Sanction(s)/Relief sought: Censure
Other Sanction(s)/Relief sought: MONETARY FINE, DISGORGEMENT/RESTITUTION
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 04/02/2013
Sanctions Ordered: Censure
 Monetary/Fine \$22,500.00
 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 \$22,500 AND ORDERED TO PAY \$1,290.58, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS. A REGISTERED FIRM PRINCIPAL SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED.

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Reporting Source: Regulator
Current Status: Final
Allegations: DURING THE FIRST QUARTER OF 2010, THE FIRM SUBMITTED 192 ENTRIES TO THEIR LARGE OPTIONS POSITION REPORT ("LOPR") IN WHICH SOCIAL SECURITY NUMBERS OR TAX IDENTIFICATIONS HAD NOT BEEN CORRECTLY ASSIGNED.

DURING THE THIRD QUARTER OF 2010, THE FIRM SUBMITTED 356 ENTRIES TO THEIR LOPR IN WHICH SOCIAL SECURITY NUMBERS OR TAX IDENTIFICATIONS HAD NOT BEEN CORRECTLY ASSIGNED. THE CONDUCT DESCRIBED ABOVE, CONSTITUTES SEPERATE VIOLATIONS OF ISE RULE 415 (A)

Initiated By: INTERNATIONAL SECURITIES EXCHANGE

Date Initiated: 07/27/2012

ocket/Case Number: 2010-087 & 2010-140

Principal Product Type: Options

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/27/2012

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: FIRM FINED \$60000

Reporting Source: Firm

Current Status: Final

Allegations: ON DECEMBER 21, 2012, THE INTERNATIONAL SECURITIES EXCHANGE LLC ISSUED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT TO OPPENHEIMER & CO. INC. (CRD #249) FILE NO. 2010-087-140),IN WHICH OPPENHEIMER ACCEPTED AND CONSENTED TO THE ENTRY OF FINDINGS, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, AS FOLLOWS: DURING THE FIRST QUARTER IN 2010, OPPENHEIMER SUBMITTED 192 ENTRIES TO THE LARGE OPTIONS POSITION REPORT ("LOPR")IN WHICH

ACCOUNTS WITH THE SAME SOCIAL SECURITY NUMBER OR TAX IDENTIFICATION NUMBER HAD NOT BEEN ASSIGNED AN IN-CONCERT NUMBER, AND IN CONCERT FIRM IDENTIFICATION. FURTHER, DURING THE THIRD QUARTER IN 2010, OPPENHEIMER SUBMITTED 256 ENTRIES TO THE LOPR IN WHICH ACCOUNTS WITH THE SAME SOCIAL SECURITY NUMBER OR TAX IDENTIFICATION NUMBER HAD NOT BEEN ASSIGNED AN IN-CONCERT NUMBER, AND IN-CONCERT FIRM IDENTIFICATION. THIS CONDUCT VIOLATED ISE RULE 415 (A). OPPENHEIMER CONSENTED TO A CENSURE AND AGREED TO PAY \$60,000 FINE.

Initiated By: INTERNATIONAL SECURITIES EXCHANGE

Date Initiated: 07/27/2012

ocket/Case Number: 2010-087 & 2010-140

Principal Product Type: Options

Other Product Type(s):

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

Other Sanction(s)/Relief sought: CENSURE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/21/2012

Sanctions Ordered: Censure
Monetary/Fine \$60,000.00

Other Sanctions Ordered:

Sanction Details: FIRM CENSURED AND FINED \$60,000

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Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULE 10B-10, FINRA RULES 6380A, 7450 - OPPENHEIMER & CO INC.'S CUSTOMER CONFIRMATIONS WERE INACCURATE OR INCOMPLETE IN THAT THE FIRM FAILED TO DISCLOSE THE CORRECT TYPE OF REMUNERATION AND FAILED TO DISCLOSE THAT THE PRICE RECEIVED BY THE CUSTOMER WAS AN AVERAGE PRICE; FAILED TO DISCLOSE THAT THE PRICE RECEIVED BY THE CUSTOMER WAS AN AVERAGE PRICE; FAILED TO DISCLOSE THE CORRECT TYPE OF REMUNERATION ON CUSTOMER CONFIRMATIONS; AND FAILED ON ONE OCCASION, TO

DISCLOSE THE CORRECT TYPE OF REMUNERATION AND FAILED TO DISCLOSE THE CORRECT CAPACITY IN WHICH IT ACTED. THE FIRM TRANSMITTED REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INCORRECT CUSTOMER INSTRUCTION FLAGS OR INCORRECT ROUTE REPORTS. THE FIRM TRANSMITTED REPORTS TO THE FINRA/NASDAQ TRADE REPORTING FACILITY THAT CONTAINED INACCURATE DATA.

Initiated By: FINRA

Date Initiated: 01/02/2013

ocket/Case Number: [2010021596901](#)

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: 01/02/2013

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

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$20,000. FINE PAID IN FULL ON 1/22/2013.

Reporting Source: Firm

Current Status: Final

Allegations: SEC RULE 10B-10, FINRA RULES 6380A, 7450 -THAT CERTAIN OF OPPENHEIMER & CO INC.'S CUSTOMER CONFIRMATIONS WERE

INACCURATE OR INCOMPLETE IN THAT THE FIRM FAILED TO DISCLOSE THE CORRECT TYPE OF REMUNERATION AND FAILED TO DISCLOSE THAT THE PRICE RECEIVED BY THE CUSTOMER WAS AN AVERAGE PRICE; FAILED TO DISCLOSE THAT THE PRICE RECEIVED BY THE CUSTOMER WAS AN AVERAGE PRICE; AND FAILED ON ONE OCCASION, TO DISCLOSE THE CORRECT TYPE OF REMUNERATION AND FAILED TO DISCLOSE THE CORRECT CAPACITY IN WHICH IT ACTED. THE FIRM ON OCCASION TRANSMITTED REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INCORRECT CUSTOMER INSTRUCTION FLAGS OR INCORRECT ROUTE REPORTS. THE FIRM ON OCCASION TRANSMITTED REPORTS TO THE FINRA/NASDAQ TRADE REPORTING FACILITY THAT CONTAINED INACCURATE DATA

Initiated By: FINRA

Date Initiated: 01/02/2013

ocket/Case Number: [2010021596901](#)

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: 01/02/2013

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM IS CENSURED AND FINED \$20,000.

Firm Statement 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 \$20,000.

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Reporting Source: Regulator

Current Status: Final

Regulations: FINRA RULES 2010, 6622(A), 6622(C)(5), 6622(E) - OPPENHEIMER & CO. INC. FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE

OTC REPORTING FACILITY LAST SALE REPORTS OF TRANSMISSIONS IN OTC EQUITY SECURITIES AND FAILED TO DESIGNATE SOME OF THE LAST SALE REPORTS AS LATE. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6622(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010. THE FIRM REPORTED SOME LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES IT WAS NOT REQUIRED TO REPORT AND FAILED TO REPORT THE CORRECT EXECUTION TIME TO THE OTC REPORTING FACILITY IN SOME LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES.

Initiated By: FINRA

Date Initiated: 03/29/2012

ocket/Case Number: [2009018428701](#)

Principal Product Type: Equity - OTC

Other Product Type(s): DESIGNATED SECURITIES

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/29/2012

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 \$18,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$18,000. FINE PAID IN FULL APRIL 18, 2012.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA RULES 2010, 6622(A), 6622(C)(5), 6622(E) - OPPENHEIMER & CO. INC. FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE OTC REPORTING FACILITY LAST SALE REPORTS OF TRANSMISSIONS IN OTC EQUITY SECURITIES AND FAILED TO DESIGNATE SOME OF THE LAST SALE REPORTS AS LATE. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6622(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010. THE FIRM REPORTED SOME LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES IT WAS NOT REQUIRED TO REPORT AND FAILED TO REPORT THE CORRECT EXECUTION TIME TO THE OTC REPORTING FACILITY IN SOME LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES.

Initiated By: FINRA

Date Initiated: 03/29/2012

ocket/Case Number: [2009018428701](#)

Principal Product Type: Equity - OTC

Other Product Type(s): DESIGNATED SECURITIES

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/29/2012

Sanctions Ordered: Monetary/Fine \$18,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$18,000.

Firm Statement OPPENHEIMER & CO. INC., WITHOUT ADMITTING OR DENYING THE FINDINGS IN THE SUBJECT MATTERS, CONSENTED TO A CENSURE AND PAYMENT OF A FINE OF \$18,000 IN CONNECTION WITH CERTAIN LAST SALE REPORTS IN 2009 AND CERTAIN REPORTED EXECUTION TIMES IN 2010 IN OTC SECURITIES.

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Reporting Source: Regulator
Current Status: Final
Allegations: UNREGISTERED SECURITIES, MISMARKING ORDER ENTRY TICKETS, FAILURE TO SUPERVISE AND UNSUITABILITY.
Initiated By: NEW HAMPSHIRE
Date Initiated: 06/09/2011
ocket/Case Number: I-2010-0000017
RL for Regulatory Action:
Principal Product Type: Penny Stock(s)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought: RESCISSION
Resolution: Consent
Resolution Date: 02/01/2012
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 \$125,000.00
Other Sanctions Ordered: RESCISSION. RECOVERY OF COSTS: \$30,000.00. COMPLIANCE REVIEW CONDUCTED BY AN INDEPENDENT THIRD PARTY.
Sanction Details: FINE: \$125,000.00. COST RECOVERY: \$30,000.00. ALL FINES AND COSTS LEVIED AGAINST OPPENHEIMER & CO. INC.

Reporting Source: Firm
Current Status: Final
Allegations: NEW HAMPSHIRE ALLEGED THAT BROKERS IN THE PORTSMOUTH, NEW HAMPSHIRE BRANCH PURCHASED THE SAME STOCK FOR SEVERAL CUSTOMERS. THE STOCK WAS NOT REGISTERED OR EXEMPT FROM

REGISTRATION AT THE TIME OF PURCHASE. SOME TRADE TICKETS FOR THE PURCHASE OF THIS STOCK WERE MISMARKED AS UNSOLICITED WHEN IN FACT THEY WERE SOLICITED TRADES.

Initiated By: STATE OF NEW HAMPSHIRE BUREAU OF SECURITIES REGULATION

Date Initiated: 06/09/2011

ocket/Case Number: 1-2010-0000017

Principal Product Type: Penny Stock(s)

Other Product Type(s):

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

Other Sanction(s)/Relief sought: UNDERTAKING

Resolution: Consent

Resolution Date: 01/31/2012

Sanctions Ordered: Monetary/Fine \$125,000.00

Other Sanctions Ordered: \$30,000 COSTS, UNDERTAKING.

Sanction Details: OPPENHEIMER WAS ORDERED TO PAY A FINE OF \$125,000. AND \$30,000 IN COSTS (PAID 2/8/12.)

Form Statement OPPENHEIMER WAS ORDERED TO PAY A FINE OF \$125,000. AND \$30,000 IN COSTS (PAID 2/8/12.) OPPENHEIMER FURTHER AGREED TO AN UNDERTAKING, IN WHICH AN OUTSIDE CONSULTANT WOULD BE RETAINED TO REVIEW AND REPORT ON ACTIVITIES IN THE PORTSMOUTH BRANCH OFFICE FOR THE RELEVANT PERIOD OF TIME. OPPENHEIMER FURTHER AGREED TO OFFER RESCISSION TO THE PURCHASES OF THREE ADDITIONAL PENNY STOCKS (RESCISSION OFFER LETTERS WERE MAILED 2/3/12.)

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Reporting Source: Regulator

Current Status: Final

Allegations: ON 8/20/2009, THE OFFICE EXECUTED A STIPULATION AND CONSENT AGREEMENT IN THE MATTER OF OPPENHEIMER & CO. INC. WHO NEITHER ADMITTED NOR DENIED THE FINDINGS BUT CONSENTED TO THE ENTRY OF FINDINGS BY THE OFFICE THAT THEY FAILED TO MAINTAIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES BY NOT HAVING ANY SUPERVISORY PROCEDURES ADDRESSING THE BORROWING OF MONEY

Initiated By: FROM CLIENTS.
Date Initiated: FLORIDA OFFICE OF FINANCIAL REGULATION ("OFFICE")
ocket/Case Number: 08/20/2009
RL for Regulatory Action: 0442A-S-07/09
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief sought: Cease and Desist
Other Sanction(s)/Relief sought:
Resolution: Order
Resolution Date: 08/21/2009
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 \$5,000.00
 Cease and Desist/Injunction
Other Sanctions Ordered:
Sanction Details: ON 8/21/2009, THE OFFICE ENTERED A FINAL ORDER ADOPTING THE STIPULATION AND CONSENT AGREEMENT WHEREBY OPPENHEIMER NEITHER ADMITTED NOR DENIED THE OFFICE'S FINDINGS BUT AGREED TO CEASE AND DESIST FROM FUTURE VIOLATIONS OF CHAPTER 517, F.S. OPPENHEIMER PAID THE ADMINISTRATIVE FINE OF \$5,000.00 AT THE TIME OF THE EXECUTION OF THE STIPULATION AND CONSENT AGREEMENT ON 8/20/2009.
Regulator Statement PER THE OFFICE'S STIUPLATIOPN AND CONSENT AGREEMENT DATED 8/20/2009, THE OFFICE RECEIVED INFORMATION THAT OPPENHEIMER HAD TERMINATED AN EMPLOYEE FROM ITS BRANCH OFFICE LOCATED AT 100 N.E. 3RD AVENUE, FT. LAUDERDALE, FLORIDA FOR BORROWING MONEY FROM A CLIENT. THE OFFICE SUBSEQUENTLY CONDUCTED AN EXAMINATION INTO THE CIRCUMSTANCES.

Reporting Source: Firm
Current Status: Final
Allegations: ON 8/20/2009, THE OFFICE EXECUTED A STIPULATION AND CONSENT AGREEMENT IN THE MATTER OF OPPENHEIMER & CO. INC. WHO NEITHER ADMITTED NOR DENIED THE FINDINGS BUT CONSENTED TO THE ENTRY OF FINDINGS BY THE OFFICE THAT THE FIRM FAILED TO MAINTAIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES BY NOT HAVING ANY SUPERVISORY PROCEDURES ADDRESSING THE BORROWING OF MONEY FROM CLIENTS.
Initiated By: FLORIDA OFFICE OF FINANCIAL REGULATION
Date Initiated: 08/20/2009
ocket/Case Number: 0442A-S-07/09
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief sought: Cease and Desist
Other Sanction(s)/Relief sought:
Resolution: Order
Resolution Date: 08/21/2009
Sanctions Ordered: Monetary/Fine \$5,000.00
 Cease and Desist/Injunction
Other Sanctions Ordered:
Sanction Details: ON 8/21/2009, THE OFFICE ENTERED A FINAL ORDER ADOPTING THE STIPULATION AND CONSENT AGREEMENT WHEREBY OPPENHEIMER NEITHER ADMITTED NOR DENIED THE OFFICE'S FINDINGS BUT AGREED TO CEASE AND DESIST FROM FUTURE VIOLATIONS OF CHAPTER 517, F.S. OPPENHEIMER PAID THE ADMINISTRATIVE FINE OF \$5,000.00 AT THE TIME OF THE EXECUTION OF THE STIPULATION AND CONSENT AGREEMENT ON 8/20/2009.
Firm Statement PER THE OFFICE'S STIPULATION AND CONSENT AGREEMENT DATED 8/20/2009, THE OFFICE RECEIVED INFORMATION THAT OPPENHEIMER HAD TERMINATED AN EMPLOYEE FROM ITS BRANCH OFFICE LOCATED AT 100 N.E. 3RD AVENUE, FT. LAUDERDALE, FLORIDA FOR BORROWING MONEY FROM A CLIENT. THE OFFICE SUBSEQUENTLY CONDUCTED AN EXAMINATION INTO THE CIRCUMSTANCES.

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Reporting Source: Regulator

Current Status: Final

Allegations: MSRB RULES G-8, G-17, G-27, G-32: THE FIRM FAILED TO DELIVER OFFICIAL STATEMENTS BY SETTLEMENT DATE TO NUMEROUS CUSTOMERS WHO PURCHASED NEW ISSUE MUNICIPAL SECURITIES DURING THE PRIMARY OFFERING DISCLOSURE PERIOD. IN ALL OF THESE TRANSACTIONS, THE FIRM WAS NEITHER AN UNDERWRITER NOR PART OF THE UNDERWRITING SYNDICATE. HOWEVER, THE FIRM WAS REQUIRED TO DELIVER AN OFFICIAL STATEMENT TO EACH CUSTOMER BY SETTLEMENT DATE, AS REQUIRED BY MSRB RULE G-32. THE FIRM FAILED TO KEEP A RECORD OF DELIVERIES OF OFFICIAL STATEMENTS TO PURCHASERS OF NEW ISSUE MUNICIPAL SECURITIES, AS REQUIRED BY MSRB RULE G-8(A)(XIII), WHICH REQUIRES BROKER-DEALERS TO KEEP A RECORD OF ALL DELIVERIES OF OFFICIAL STATEMENTS TO PURCHASERS OF NEW ISSUE MUNICIPAL SECURITIES REQUIRED TO BE PROVIDED UNDER MSRB RULE G-32. THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES PERTAINING TO: (1) THE FIRM'S OFFICIAL STATEMENT DELIVERY REQUIREMENTS TO CUSTOMERS WHO PURCHASED NEW ISSUE MUNICIPAL SECURITIES FOR SECONDARY MARKET TRANSACTIONS THAT OCCURRED DURING THE PRIMARY OFFERING DISCLOSURE PERIOD, INCLUDING THOSE TRANSACTIONS IN WHICH THE FIRM WAS NOT AN UNDERWRITER NOR PART OF THE UNDERWRITING SYNDICATE, AS REQUIRED BY MSRB RULE G-32; AND (2) THE FIRM'S REQUIREMENTS TO MAINTAIN VARIOUS RECORDS PERTAINING TO ITS OBLIGATIONS TO DELIVER OFFICIAL STATEMENTS TO CUSTOMERS WHO PURCHASED NEW ISSUE MUNICIPAL SECURITIES, INCLUDING THOSE TRANSACTIONS IN WHICH THE FIRM WAS NOT AN UNDERWRITER NOR PART OF THE UNDERWRITING SYNDICATE, AS REQUIRED BY MSRB RULE G-8.

Initiated By: FINRA

Date Initiated: 05/10/2011

ocket/Case Number: [2009018400501](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/10/2011

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 \$100,000.00

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 \$100,000.

Reporting Source: Firm

Current Status: Final

Allegations: MSRB RULES G-8, G-17, G-27, G-32: THE FIRM FAILED TO DELIVER OFFICIAL STATEMENTS BY SETTLEMENT DATE TO NUMEROUS CUSTOMERS WHO PURCHASED NEW ISSUE MUNICIPAL SECURITIES DURING THE PRIMARY OFFERING DISCLOSURE PERIOD. IN ALL OF THESE TRANSACTIONS, THE FIRM WAS NEITHER AN UNDERWRITER NOR PART OF THE UNDERWRITING SYNDICATE. HOWEVER, THE FIRM WAS REQUIRED TO DELIVER AN OFFICIAL STATEMENT TO EACH CUSTOMER BY SETTLEMENT DATE, AS REQUIRED BY MSRB RULE G-32. THE FIRM FAILED TO KEEP A RECORD OF DELIVERIES OF OFFICIAL STATEMENTS TO PURCHASERS OF NEW ISSUE MUNICIPAL SECURITIES, AS REQUIRED BY MSRB RULE G-8(A)(XIII), WHICH REQUIRES BROKER-DEALERS TO KEEP A RECORD OF ALL DELIVERIES OF OFFICIAL STATEMENTS TO PURCHASERS OF NEW ISSUE MUNICIPAL SECURITIES REQUIRED TO BE PROVIDED UNDER MSRB RULE G-32. THE FIRM FAILED TO ENFORCE ITS WRITTEN SUPERVISORY PROCEDURES PERTAINING TO: (1) THE FIRM'S OFFICIAL STATEMENT DELIVERY REQUIREMENTS TO CUSTOMERS WHO PURCHASED NEW ISSUE MUNICIPAL SECURITIES FOR SECONDARY MARKET TRANSACTIONS THAT OCCURRED DURING THE PRIMARY OFFERING DISCLOSURE PERIOD, INCLUDING THOSE TRANSACTIONS IN WHICH THE FIRM WAS NOT AN UNDERWRITER NOR PART OF THE UNDERWRITING SYNDICATE, AS REQUIRED BY MSRB RULE G-32; AND (2)

THE FIRM'S REQUIREMENTS TO MAINTAIN VARIOUS RECORDS PERTAINING TO ITS OBLIGATIONS TO DELIVER OFFICIAL STATEMENTS TO CUSTOMERS WHO PURCHASED NEW ISSUE MUNICIPAL SECURITIES, INCLUDING THOSE TRANSACTIONS IN WHICH THE FIRM WAS NOT AN UNDERWRITER NOR PART OF THE UNDERWRITING SYNDICATE, AS REQUIRED BY MSRB RULE G-8.

Initiated By: FINRA

Date Initiated: 05/10/2011

ocket/Case Number: [2009018400501](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief sought: Other

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/10/2011

Sanctions Ordered: Censure
Monetary/Fine \$100,000.00

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 \$100,000.

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Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULE 10B-10, FINRA RULES 2010, 7450, NASD RULE 3010, MSRB RULES G-17, G-30(A): IN SEVEN TRANSACTIONS, THE FIRM PURCHASED MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM A CUSTOMER AND/OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO A CUSTOMER AT AN AGGREGATE PRICE (INCLUDING ANY MARK-DOWN OR MARK-UP) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE

TRANSACTIONS AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTIONS. THE FIRM FAILED ON SIX OCCASIONS TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION; FAILED ON 12 OCCASIONS TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION, AND THAT THE COMMISSION WAS A MARKUP/MARKDOWN OR COMMISSION EQUIVALENT; FAILED ON TWO OCCASIONS TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION AND THAT WHEN ACTING AS A PRINCIPAL FOR ITS OWN ACCOUNT THAT IT WAS A MARKET MAKER IN EACH SECURITY; AND FAILED ON THREE OCCASIONS TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER THAT WHEN ACTING AS A PRINCIPAL FOR ITS OWN ACCOUNT THAT IT WAS A MARKET MAKER IN EACH SECURITY. THE FIRM TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) TEN REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. SPECIFICALLY, THE REPORTS CONTAINED INACCURATE ORDER ROUTE REPORTS, MISSING ROUTE REPORTS, OR INCORRECT SHARE QUANTITIES. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR THE RULES OF FINRA. AT A MINIMUM, ADEQUATE WRITTEN SUPERVISORY PROCEDURES ADDRESSING QUALITY OF MARKETS TOPICS SHOULD DESCRIBE THE FOLLOWING: SPECIFIC IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION; THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR; THE FREQUENCY OF SUCH REVIEWS; AND HOW SUCH REVIEWS SHALL BE DOCUMENTED. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO PROVIDE FOR ONE OR MORE OF THE FOUR ABOVE-CITED MINIMUM REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES, IN THE FOLLOWING SUBJECT AREAS: BEST EXECUTION: RISKLESS PRINCIPAL ORDERS; TRADE REPORTING: GENERAL TRADE REPORTING; RISKLESS PRINCIPAL TRANSACTIONS; SALES TRANSACTIONS: SEC RULE 204; SEC RULE 10B-21; AND SHORT SALE INDICATOR REPORTING.

Initiated By: FINRA
 Date Initiated: 10/12/2010
 Ticket/Case Number: [2008013630001](#)
 Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Other

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

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/12/2010

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 \$57,500.00
Disgorgement/Restitution

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, OPPENHEIMER & CO, INC. CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED, FINED \$57,500, UNDERTAKES TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO BEST EXECUTION: RISKLESS PRINCIPAL ORDERS; TRADE REPORTING: GENERAL TRADE REPORTING, RISKLESS PRINCIPAL TRANSACTIONS; SALES TRANSACTIONS: SEC RULE 204, SEC RULE 10B-21, AND SHORT SALE INDICATOR REPORTING; AND IS REQUIRED TO PAY RESTITUTION IN THE AMOUNT OF \$17,879.51, PLUS INTEREST. WITHIN 30 BUSINESS DAYS OF THE ACCEPTANCE OF THE AWC BY THE NAC, A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT TO FINRA A SIGNED, DATED LETTER, OR AN E-MAIL FROM A WORK-RELATED ACCOUNT OF THE REGISTERED PRINCIPAL, PROVIDING THE FOLLOWING INFORMATION: A REFERENCE TO THIS MATTER, A REPRESENTATION THAT THE FIRM HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES TO ADDRESS THE DEFICIENCIES DESCRIBED ABOVE, AND THE DATE THE REVISED PROCEDURES WERE IMPLEMENTED. NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THE AWC, A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION, OR OF THE REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION, TO FINRA. IF FOR ANY REASON, RESPONDENT CANNOT LOCATE ANY CUSTOMER AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, OR SUCH ADDITIONAL PERIOD AGREED TO BY FINRA, RESPONDENT SHALL

FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED-PROPERTY OR ABANDONED-PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER IS KNOWN TO HAVE LAST RESIDED.

Reporting Source: Firm

Current Status: Final

Allegations: SEC RULE 10B-10, FINRA RULES 2010, 7450, NASD RULE 3010, MSRB RULES G-17, G-30(A): IN SEVEN TRANSACTIONS, THE FIRM PURCHASED MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM A CUSTOMER AND/OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO A CUSTOMER AT AN AGGREGATE PRICE (INCLUDING ANY MARK-DOWN OR MARK-UP) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE TRANSACTIONS AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTIONS. THE FIRM FAILED ON SIX OCCASIONS TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION; FAILED ON 12 OCCASIONS TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION, AND THAT THE COMMISSION WAS A MARKUP/MARKDOWN OR COMMISSION EQUIVALENT; FAILED ON TWO OCCASIONS TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION AND THAT WHEN ACTING AS A PRINCIPAL FOR ITS OWN ACCOUNT THAT IT WAS A MARKET MAKER IN EACH SECURITY; AND FAILED ON THREE OCCASIONS TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER THAT WHEN ACTING AS A PRINCIPAL FOR ITS OWN ACCOUNT THAT IT WAS A MARKET MAKER IN EACH SECURITY. THE FIRM TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) TEN REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. SPECIFICALLY, THE REPORTS CONTAINED INACCURATE ORDER ROUTE REPORTS, MISSING ROUTE REPORTS, OR INCORRECT SHARE QUANTITIES. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR THE RULES OF FINRA. AT A MINIMUM, ADEQUATE WRITTEN SUPERVISORY PROCEDURES ADDRESSING QUALITY OF MARKETS TOPICS SHOULD DESCRIBE THE FOLLOWING: SPECIFIC

IDENTIFICATION OF THE INDIVIDUAL(S) RESPONSIBLE FOR SUPERVISION; THE SUPERVISORY STEPS AND REVIEWS TO BE TAKEN BY THE APPROPRIATE SUPERVISOR; THE FREQUENCY OF SUCH REVIEWS; AND HOW SUCH REVIEWS SHALL BE DOCUMENTED. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO PROVIDE FOR ONE OR MORE OF THE FOUR ABOVE-CITED MINIMUM REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES, IN THE FOLLOWING SUBJECT AREAS: BEST EXECUTION: RISKLESS PRINCIPAL ORDERS; TRADE REPORTING: GENERAL TRADE REPORTING; RISKLESS PRINCIPAL TRANSACTIONS; SALES TRANSACTIONS: SEC RULE 204; SEC RULE 10B-21; AND SHORT SALE INDICATOR REPORTING.

Initiated By: FINRA

Date Initiated: 10/12/2010

ocket/Case Number: [2008013630001](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought: DEBT-MUNICIPAL

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/12/2010

Sanctions Ordered: Censure
Monetary/Fine \$57,500.00
Disgorgement/Restitution

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, OPPENHEIMER & CO, INC. CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED, FINED \$57,500, UNDERTAKES TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO BEST EXECUTION: RISKLESS PRINCIPAL ORDERS; TRADE REPORTING: GENERAL TRADE REPORTING, RISKLESS PRINCIPAL TRANSACTIONS; SALES TRANSACTIONS: SEC RULE 204, SEC RULE 10B-21, AND SHORT SALE INDICATOR REPORTING; AND IS REQUIRED TO PAY RESTITUTION IN THE AMOUNT OF \$17,879.51, PLUS INTEREST. WITHIN 30 BUSINESS DAYS OF THE ACCEPTANCE OF THE AWC BY THE NAC, A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT TO FINRA A SIGNED, DATED LETTER, OR AN E-MAIL FROM A WORK-RELATED ACCOUNT OF THE

REGISTERED PRINCIPAL, PROVIDING THE FOLLOWING INFORMATION: A REFERENCE TO THIS MATTER, A REPRESENTATION THAT THE FIRM HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES TO ADDRESS THE DEFICIENCIES DESCRIBED ABOVE, AND THE DATE THE REVISED PROCEDURES WERE IMPLEMENTED. NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THE AWC, A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION, OR OF THE REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION, TO FINRA. IF FOR ANY REASON, RESPONDENT CANNOT LOCATE ANY CUSTOMER AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, OR SUCH ADDITIONAL PERIOD AGREED TO BY FINRA, RESPONDENT SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED-PROPERTY OR ABANDONED-PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER IS KNOWN TO HAVE LAST RESIDED.

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Reporting Source: Regulator

Current Status: Final

Allegations: OPPENHEIMER IMPROPERLY CONDUCTED ITS AUCTION RATE SECURITIES ("ARS"). OPPENHEIMER SIGNIFICANTLY MISREPRESENTED THE NATURE OF ARS AND THE OVERALL STABILITY AND HEALTH OF THE ARS MARKET WHEN MARKETING THE PRODUCT TO CLIENTS. OPPENHEIMER EXECUTIVES AND ARS DEPARTMENT PERSONNEL SOLD THEIR OWN ARS AS THEY LEARNED THAT THE MARKET WAS IN DANGER OF IMPLODING AND FAILED TO DISCLOSE THIS INFORMATION TO INVESTORS.

Initiated By: MASSACHUSETTS SECURITIES DIVISION

Date Initiated: 11/18/2008

ocket/Case Number: E-2008-0080

RL 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: AN ORDER REQUIRING OPPENHEIMER TO PERMANENTLY CEASE AND DESIST FROM FURTHER VIOLATIONS OF THE ACT AND REGULATIONS, TO OFFER RESCISSION OF SALES OF ARS AT PAR, TO MAKE FULL

RESTITUTION TO INVESTORS, CENSURING OPPENHEIMER, REVOKING ALBERT LOWENTHAL'S MASSACHUSETTS REGISTRATION AS A BROKER-DEALER AGENT, REQUIRING OPPENHEIMER, ALBERT LOWENTHAL, ROBERT LOWENTHAL AND GREG WHITE TO PAY AN ADMINISTRATIVE FINE AND TO TAKE ANY OTHER ACTION THAT A HEARING OFFICER MAY DEEM APPROPRIATE.

Resolution: Order

Resolution Date: 02/26/2010

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: Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: OPPENHEIMER SHALL BUY BACK ILLIQUID AUCTION RATE SECURITIES FROM INVESTORS ACCORDING TO A THREE STEP REDEMPTION PROCESS OVER THE COURSE OF A 12 MONTH PERIOD, AS OUTLINED IN THE CONSENT ORDER. OPPENHEIMER SHALL ALSO PAY THE DIVISION'S INVESTIGATIVE AND ADMINISTRATIVE HEARING COSTS IN AN AMOUNT TOTALING \$250,000.00 TO THE SECRETARY OF THE COMMONWEALTH OF MASSACHUSETTS.

Sanction Details: OPPENHEIMER SHALL PROVIDE RELIEF FOR AUCTION RATE SECURITIES INVESTORS VIA A THREE STEP REDEMPTION PROCESS OVER THE COURSE OF A 12 MONTH PERIOD, CONSISTENT WITH THE TERMS OF THE CONSENT ORDER.

Reporting Source: Firm

Current Status: Final

Allegations: MSD ALLEGES THAT OPPENHEIMER AND ALBERT LOWENTHAL VIOLATED, INTER ALIA, SECS.101 AND 204(A)(2)(B),AND 204(A)(2)(G) OF THE UNIFORM SECURITIES ACT. THE VIOLATIONS ARE ALLEGED TO HAVE ARISEN FROM OPPENHEIMER'S MARKETING AND SALES OF CERTAIN AUCTION RATE SECURITIES. THE MSD CHARACTERIZES THE ALLEGED CONDUCT ASSOCIATED WITH THESE ACTIONS AS DISHONEST, FRAUDULENT AND UNETHICAL.

Initiated By: SECRETARY OF THE COMMONWEALTH, MASSACHUSETTS SECURITIES DIVISION (MSD)

Date Initiated: 11/18/2008
ocket/Case Number: E-2008-0080
Principal Product Type: Other
Other Product Type(s): AUCTION RATE SECURITIES
Principal Sanction(s)/Relief sought:
Other Sanction(s)/Relief sought:
Resolution: Order
Resolution Date: 02/26/2010
Sanctions Ordered: Disgorgement/Restitution
 Cease and Desist/Injunction
Other Sanctions Ordered:
Sanction Details: OPPENHEIMER SHALL BUY BACK ILLIQUID AUCTION RATE SECURITIES FROM INVESTORS ACCORDING TO A THREE STEP REDEMPTION PROCESS OVER THE COURSE OF A 12 MONTH PERIOD, AS OUTLINED IN THE CONSENT ORDER. OPPENHEIMER SHALL ALSO PAY THE DIVISION'S INVESTIGATIVE AND ADMINISTRATIVE HEARING COSTS IN AN AMOUNT TOTALING \$250,000.00 TO THE SECRETARY OF THE COMMONWEALTH OF MASSACHUSETTS.
Firm Statement OPPENHEIMER SHALL PROVIDE RELIEF FOR AUCTION RATE SECURITIES INVESTORS VIA A THREE STEP REDEMPTION PROCESS OVER THE COURSE OF A 12 MONTH PERIOD, CONSISTENT WITH THE TERMS OF THE CONSENT ORDER.

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Reporting Source: Regulator
Current Status: Final
Allegations: NASD RULES 2110, 4632(A) - OPPENHEIMER & CO., INC. FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY LAST SALE REPORTS OF TRANSACTIONS IN CONSOLIDATED QUOTATION SERVICE (CQS) SECURITIES THAT THE FIRM WAS REQUIRED TO REPORT. THIS CONDUCT CONSTITUTES A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULES 2110 AND 4632(A).
Initiated By: FINRA

Date Initiated: 06/30/2009
ocket/Case Number: 2008014261101
Principal Product Type: Other
Other Product Type(s): CONSOLIDATED QUOTATION SERVICE SECURITIES

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/30/2009

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

Sanctions Ordered: Censure
 Monetary/Fine \$7,500.00

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 \$7,500.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110, 4632(A) - OPPENHEIMER & CO., INC. FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY LAST SALE REPORTS OF TRANSACTIONS IN CONSOLIDATED QUOTATION SERVICE (CQS) SECURITIES THAT THE FIRM WAS REQUIRED TO REPORT. THIS CONDUCT CONSTITUTES A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULES 2110 AND 4632(A).

Initiated By: FINRA

Date Initiated: 06/30/2009

ocket/Case Number: 2008014261101

Principal Product Type: Other
Other Product Type(s): CONSOLIDATED QUOTATION SERVICE SECURITIES
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 06/30/2009
Sanctions Ordered: Censure
 Monetary/Fine \$7,500.00
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 \$7,500.

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Reporting Source: Regulator
Current Status: Final
Allegations: SEC ADMINISTRATIVE RELEASE 34-59438, FEBRUARY 24, 2009: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AGAINST OPPENHEIMER & CO. INC. ("OPCO") BASED ON ITS FAILURE TO SUPERVISE AN EMPLOYEE, WITHIN THE MEANING OF SECTION 15(B)(4) OF THE EXCHANGE ACT, WITH A VIEW TO PREVENTING AND DETECTING THE EMPLOYEE'S VIOLATIONS OF THE FEDERAL SECURITIES LAWS. THE COMMISSION ALLEGES THAT OPCO'S EMPLOYEE PROVIDED A TRADER AT ANOTHER BROKER-DEALER WITH SECRET GRATUITIES AND ENTERTAINMENT IN EXCHANGE FOR AN INCREASE IN ORDER FLOW FROM THE OTHER BROKER-DEALER TO OPCO FOR EXECUTION AT PRICES THAT WERE FAVORABLE TO OPCO AND DETRIMENTAL TO OTHER BROKER-DEALER'S CUSTOMERS. THE TWO INDIVIDUALS EXCHANGED SEVERAL EMAILS, WHICH PRESENTED RED FLAGS, BUT BECAUSE OF A DEFICIENCY IN OPCO'S EMAIL REVIEW PROCEDURES, NONE OF ITS EMPLOYEE'S EMAILS WERE REVIEWED BY OPCO STAFF AS REQUIRED BY OPCO'S ELECTRONIC COMMUNICATIONS POLICY. HAD OPCO MONITORED THE EMPLOYEE'S EMAILS, OPCO SUPERVISORS LIKELY WOULD HAVE

SEEN THE MESSAGES AND COULD HAVE PREVENTED THE EMPLOYEE'S MISCONDUCT OR DETECTED IT AT AN EARLIER TIME.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 02/24/2009

ocket/Case Number: 3-13378

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED TYPE OF SECURITIES

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Order

Resolution Date: 02/24/2009

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 \$850,000.00

Other Sanctions Ordered: UNDERTAKING: OPCO HAS UNDERTAKEN TO REVIEW ITS POLICIES, PROCEDURES AND SYSTEMS REGARDING THE CAPTURE AND REVIEWING OF ELECTRONIC COMMUNICATIONS BY ITS EMPLOYEES. WITHIN 90 DAYS OF THE ISSUANCE OF THIS ORDER, UNLESS OTHERWISE EXTENDED BY THE STAFF OF THE COMMISSION FOR GOOD CAUSE SHOWN, OPCO SHALL SUBMIT A REPORT TO THE COMMISSION DESCRIBING THE REVIEW PERFORMED AND THE CONCLUSIONS AND CHANGES MADE AS A RESULT OF THE REVIEW. FURTHER, AT THE TIME OPCO SUBMITS THE REPORTS, OPCO SHALL CERTIFY TO THE COMMISSION IN WRITING THAT IT HAS ESTABLISHED PROCEDURES, AND A SYSTEM FOR APPLYING SUCH PROCEDURES, WHICH ARE REASONABLY EXPECTED TO PREVENT AND DETECT, INSOFAR AS PRACTICABLE, THE VIOLATIONS DESCRIBED IN THIS ORDER.

Sanction Details: RESPONDENT OPCO HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO

WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER OPCO AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, OPCO CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 ("ORDER"). ACCORDINGLY, PURSUANT TO SECTION 15(B) OF THE EXCHANGE ACT, OPCO IS CENSURED AND FINED \$850,000. OPCO HAS UNDERTAKEN TO REVIEW ITS POLICIES, PROCEDURES AND SYSTEMS REGARDING THE CAPTURE AND REVIEWING OF ELECTRONIC COMMUNICATIONS BY ITS EMPLOYEES.

Reporting Source: Firm

Current Status: Final

Allegations: ON FEBRUARY 24, 2009: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") INSTITUTED ADMINISTRATIVE PROCEEDINGS BE, AGAINST OPPENHEIMER & CO. INC. ("OPCO") BASED ON ITS FAILURE TO SUPERVISE AN EMPLOYEE, WITH A VIEW TO PREVENTING AND DETECTING THE EMPLOYEE'S VIOLATIONS OF THE FEDERAL SECURITIES LAWS. THE COMMISSION ALLEGED THAT OPCO'S EMPLOYEE PROVIDED A TRADER AT ANOTHER BROKER-DEALER WITH SECRET GRATUITIES AND ENTERTAINMENT IN EXCHANGE FOR AN INCREASE IN ORDER FLOW FROM THE OTHER BROKER-DEALER TO OPCO FOR EXECUTION AT PRICES THAT WERE FAVORABLE TO OPCO AND DETRIMENTAL TO OTHER BROKER-DEALER'S CUSTOMERS. THE TWO INDIVIDUALS EXCHANGED SEVERAL EMAILS, BUT BECAUSE OF A DEFICIENCY IN OPCO'S EMAIL REVIEW PROCEDURES, NONE OF ITS EMPLOYEE'S EMAILS WERE REVIEWED BY OPCO STAFF AS REQUIRED BY OPCO'S ELECTRONIC COMMUNICATIONS POLICY.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 02/24/2009

ocket/Case Number: 3-13378

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief sought: Censure

Other Sanction(s)/Relief sought: FINE

Resolution: Settled
Resolution Date: 02/24/2009
Sanctions Ordered: Censure
 Monetary/Fine \$850,000.00
Other Sanctions Ordered: UNDERTAKING: WITHOUT ADMITTING OR DENYING THESE ALLEGATIONS OPCO HAS UNDERTAKEN TO REVIEW ITS POLICIES, PROCEDURES AND SYSTEMS REGARDING THE CAPTURE AND REVIEWING OF ELECTRONIC COMMUNICATIONS BY ITS EMPLOYEES AND SHALL SUBMIT A REPORT TO THE COMMISSION.
Sanction Details: OPCO CONSENTED TO THE ENTRY OF AN ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS PURSUANT TO SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 ("ORDER"). OPCO WAS CENSURED AND FINED \$850,000. OPCO HAS UNDERTAKEN TO REVIEW ITS POLICIES, PROCEDURES AND SYSTEMS REGARDING THE CAPTURE AND REVIEWING OF ELECTRONIC COMMUNICATIONS BY ITS EMPLOYEES.

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Reporting Source: Regulator
Current Status: Final
Allegations: SEC RULES 10B-10, 605 OF REGULATION NMS, NASD RULE 6955(A) - OPPENHEIMER & CO., INC. FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS ITS CORRECT CAPACITY IN TRANSACTIONS. THE FIRM TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA - THE FIRM REPORTED RISKLESS PRINCIPAL ORDERS TO OATS WITHOUT USING THE CORRECT REPORTING EXCEPTION CODE. THE FIRM MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON THAT INCLUDED INCORRECT ORDER INFORMATION FOR ORDERS ENTERED.
Initiated By: FINRA
Date Initiated: 09/24/2008
ocket/Case Number: [2006005739601](#)
Principal Product Type: Other
Other Product Type(s): UNKNOWN TYPES OF SECURITIES

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/24/2008

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

Sanctions Ordered: Censure
Monetary/Fine \$12,500.00

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 \$12,500.

Reporting Source: Firm

Current Status: Final

Allegations: SEC RULES 10B-10, 605 OF REGULATION NMS, NASD RULE 6955(A) - OPPENHEIMER & CO., INC. FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMERS ITS CORRECT CAPACITY IN TRANSACTIONS. THE FIRM TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA - THE FIRM REPORTED RISKLESS PRINCIPAL ORDERS TO OATS WITHOUT USING THE CORRECT REPORTING EXCEPTION CODE. THE FIRM MADE AVAILABLE A REPORT ON THE COVERED ORDERS IN NATIONAL MARKET SYSTEM SECURITIES THAT IT RECEIVED FOR EXECUTION FROM ANY PERSON THAT INCLUDED INCORRECT ORDER INFORMATION FOR ORDERS ENTERED.

Initiated By: FINRA

Date Initiated: 09/24/2008

ocket/Case Number: [2006005739601](#)

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 09/24/2008

Sanctions Ordered: Censure
Monetary/Fine \$12,500.00

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 \$12,500.00

Firm Statement FIRM WAS CENSURED AND PAID FINE OF \$12,500.00.

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Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 3010(A) AND 3010(B): OPPENHEIMER FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES FOR ITS SECURITIES LENDING BUSINESS, REASONABLY DESIGNED TO MONITOR THE TRADING ACTIVITIES OF ITS STOCK LOAN REPRESENTATIVES IN ORDER TO PREVENT AND DETECT FRAUDULENT STOCK LOAN TRANSACTIONS. OPPENHEIMER DELEGATED RESPONSIBILITY FOR THE DIRECT SUPERVISION OF THE SECURITIES LENDING DEPARTMENT TO AN INDIVIDUAL, AND DID NOT ESTABLISH OR MAINTAIN A SYSTEM OF FOLLOW UP AND REVIEW TO ENSURE THAT HE WAS EFFECTIVELY PERFORMING HIS DELEGATED SUPERVISORY RESPONSIBILITIES OR PROPERLY EXERCISING HIS SUPERVISORY AUTHORITY. IN ADDITION TO SUPERVISING OPPENHEIMER'S STOCK LOAN DEPARTMENT, RESPONDENT FIRM PERMITTED AN INDIVIDUAL AND ANOTHER STOCK LOAN MANAGER TO NEGOTIATE STOCK LOAN TRANSACTIONS ON BEHALF OF THE FIRM WITH NO REVIEW OR FOLLOW UP, CONTRARY TO ITS SUPERVISORY SYSTEM THAT DOES NOT PERMIT PERSONS TO SUPERVISE THEMSELVES. RESPONDENT'S WRITTEN SUPERVISORY PROCEDURES DID NOT FULLY SATISFY FINRA'S MINIMUM PROCEDURAL STANDARDS BECAUSE THE

PROCEDURES DID NOT INCLUDE A DESCRIPTION OF WHAT MANAGERS WERE TO LOOK FOR IN REVIEWING LOANET AND OTHER SUPERVISORY REPORTS, THE STEPS TO BE TAKEN IF SUSPICIOUS ACTIVITY WAS DISCOVERED, AND HOW TO DOCUMENT THE SUPERVISOR'S OVERSIGHT ACTIVITIES. RESPONDENT'S WRITTEN PROCEDURES DID NOT ADEQUATELY PROVIDE A FRAMEWORK BY WHICH SENIOR MANAGEMENT COULD EVALUATE WHETHER PERSONNEL WERE COMPLYING WITH THE SUPERVISORY SYSTEM. AS THE RESULT OF THESE SUPERVISORY DEFICIENCIES, THE FIRM FAILED TO DETECT AND PREVENT INDIVIDUAL FROM ENGAGING IN A FRAUDULENT SCHEME TO PARTICIPATE IN STOCK LOAN TRANSACTIONS WITH CERTAIN COUNTERPARTIES AT RATES THAT WERE INFERIOR TO RATES OTHERWISE AVAILABLE TO A LENDER IN THE MARKETPLACE, FOR THE BENEFIT OF HIMSELF, FAVORED COUNTERPARTIES, AND A FINDER WHO HAD NOT PERFORMED ANY SERVICES IN THE TRANSACTIONS FOR WHICH THEY WERE PAID.

Initiated By: FINRA

Effective Date: 07/30/2008

Event/Case Number: 2007011878301

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 07/30/2008

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:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$100,000.

Reporting Source: Firm
Current Status: Final
Allegations: OPPENHEIMER FAILED TO ESTABLISH AN ADEQUATE SUPERVISOR SYSTEM, TO MONITOR STOCK LENDING ACTIVITY, AND DETECT AND PREVENT STOCK LOAN PERSONNEL FROM ENGAGING IN BUSINESS DEALINGS WITH FINDERS IN VIOLATION OF OPPENHEIMER POLICY.
Initiated By: FINRA
Date Initiated: 07/30/2008
ocket/Case Number: 2007011878301
Principal Product Type: Equity - OTC
Other Product Type(s): EQUITY LISTED (COMMON & PREFERRED STOCK)
Principal Sanction(s)/Relief sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief sought: CENSURE
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 07/30/2008
Sanctions Ordered: Censure
 Monetary/Fine \$100,000.00
Other Sanctions Ordered:
Sanction Details: CENSURE AND \$100,000.00 FINE.
Firm Statement WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS, OPPENHEIMER ENTERED INTO A LETTER OF ATTEPTANCE WAIVER AND CONSENT AND AGREED TO A CENSURE AND \$100,000.00 FINE.

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Reporting Source: Regulator
Current Status: Final
Allegations: SEC RULES 203(B)(1) OF REGULATION SHO, SEC RULE 203(B)(3), NASD RULE 6130 - OPPENHEIMER & CO., INC. EXECUTED SHORT SALE TRANSACTIONS AND FAILED TO REPORT THEM TO THE TRADE REPORTING FACILITY, FORMERLY THE NASDAQ MARKET CENTER, WITH A SHORT SALE MODIFIER. THE FIRM ACCEPTED SHORT SALE ORDERS IN

EQUITY SECURITIES FROM ANOTHER PERSON, OR EFFECTED A SHORT SALE IN EQUITY SECURITIES FOR ITS OWN ACCOUNT WITHOUT BORROWING THE SECURITY OR ENTERING INTO A BONA FIDE ARRANGEMENT TO BORROW THE SECURITY; OR REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE; AND DOCUMENTING COMPLIANCE WITH SEC RULE 203(B)(1) OF REGULATION SHO. THE FIRM HAD FAIL TO DELIVER POSITIONS IN THRESHOLD SECURITIES AT A REGISTERED CLEARING AGENCY FOR 13 CONSECUTIVE SETTLEMENT DAYS AND FAILED TO IMMEDIATELY THEREAFTER CLOSE OUT THE FAIL TO DELIVER POSITIONS BY PURCHASING SECURITIES OF LIKE KIND AND QUANTITY. THE FIRM CONTINUED TO HAVE FAIL TO DELIVER POSITIONS, WHICH IT FAILED TO CLOSE OUT AS REQUIRED, IN THE SECURITIES AT THE REGISTERED CLEARING AGENCY FOR CONSECUTIVE SETTLEMENT DAYS UNTIL A LATER DATE.

Initiated By: FINRA

Date Initiated: 04/10/2008

ocket/Case Number: [2005001714501](#)

Principal Product Type: Other

Other Product Type(s): THRESHOLD SSECURITIES, EQUITY SECURITIES

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/10/2008

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

Sanctions Ordered: Censure
Monetary/Fine \$25,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$25,000.

Reporting Source: Firm
Current Status: Final
Allegations: SEC RULES 203(B)(1) OF REGULATION SHO, SEC RULE 203(B)(3), NASD RULE 6130 - OPPENHEIMER & CO., INC. EXECUTED SHORT SALE TRANSACTIONS AND FAILED TO REPORT THEM TO THE TRADE REPORTING FACILITY, FORMERLY THE NASDAQ MARKET CENTER, WITH A SHORT SALE MODIFIER. THE FIRM ACCEPTED SHORT SALE ORDERS IN EQUITY SECURITIES FROM ANOTHER PERSON, OR EFFECTED A SHORT SALE IN EQUITY SECURITIES FOR ITS OWN ACCOUNT WITHOUT BORROWING THE SECURITY OR ENTERING INTO A BONA FIDE ARRANGEMENT TO BORROW THE SECURITY; OR REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE; AND DOCUMENTING COMPLIANCE WITH SEC RULE 203(B)(1) OF REGULATION SHO. THE FIRM HAD FAIL TO DELIVER POSITIONS IN THRESHOLD SECURITIES AT A REGISTERED CLEARING AGENCY FOR 13 CONSECUTIVE SETTLEMENT DAYS AND FAILED TO IMMEDIATELY THEREAFTER CLOSE OUT THE FAIL TO DELIVER POSITIONS BY PURCHASING SECURITIES OF LIKE KIND AND QUANTITY. THE FIRM CONTINUED TO HAVE FAIL TO DELIVER POSITIONS, WHICH IT FAILED TO CLOSE OUT AS REQUIRED, IN THE SECURITIES AT THE REGISTERED CLEARING AGENCY FOR CONSECUTIVE SETTLEMENT DAYS UNTIL A LATER DATE.
Initiated By: FINRA
Date Initiated: 04/15/2008
ocket/Case Number: 20050017145-01
Principal Product Type: Other
Other Product Type(s): THRESHOLD SECURITIES,EQUITY SECURITIES
Principal Sanction(s)/Relief sought: Censure
Other Sanction(s)/Relief sought:
Resolution: Consent
Resolution Date: 04/15/2008
Sanctions Ordered: Censure
 Monetary/Fine \$25,000.00
Other Sanctions Ordered: N/A

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 \$25,000.00

Disclosure 26 of 73

Reporting Source: Regulator

Current Status: Final

Violations: SEC RULE 604 OF REGULATION NMS - OPPENHEIMER & CO. INC. FAILED TO DISPLAY IMMEDIATELY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION WHEN EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY; OR WHEN THE ORDER WAS PRICED EQUAL TO THE FIRM'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATON TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY.

Initiated By: FINRA

Date Initiated: 01/16/2008

ocket/Case Number: 20060063726-01

Principal Product Type: Other

Other Product Type(s): NASDAQ SECURITIES

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/16/2008

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

Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

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 \$7,500.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THAT OPPENHEIMER FAILED TO IMMEDIATELY DISPLAY 97 CUSTOMER LIMIT ORDERS WHEN SUCH AN ORDER WOULD IMPROVE OPPENHEIMER'S BID OR OFFER; OR WHEN THE ORDER WAS PRICED EQUAL TO OPPENHEIMER'S BID OR OFFER AND NATIONAL BEST BID, IN ALLEGED VIOLATION OF SEC RULE 604 AND REG. NMS.

Initiated By: FINRA

Date Initiated: 01/16/2008

ocket/Case Number: 20060063726-01

Principal Product Type: Equity - OTC

Other Product Type(s):

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

Other Sanction(s)/Relief sought: CENSURE, FINE OF \$7,500.00

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/16/2008

Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: THE FIRM IS CENSURED AND FINED \$7500.00.

Firm Statement 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 \$7500.00.

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Reporting Source: Regulator

Current Status: Final

Allegations: SECTION 17(A) OF THE EXCHANGE ACT AND RULES 17A-3 AND 17A-4 THEREUNDER; NASD RULES 2110, 3010(A) AND (B) AND 3110: FROM JANUARY 2, 2003 THROUGH EARLY SEPTEMBER 2003, CERTAIN REGISTERED REPRESENTATIVES (THE "GROUP") AT THE FIRM ENGAGED IN IMPROPER MARKET TIMING TRANSACTIONS ON BEHALF OF THEIR HEDGE FUND CLIENTS. THE TRADING INVOLVED 77 MUTUAL FUNDS AND RESULTED IN APPROXIMATELY \$9 MILLION IN GROSS REVENUE TO THE FIRM. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO IMPROPER MARKET TIMING TRANSACTIONS. IN ADDITION, THE FIRM FAILED TO CREATE OR MAINTAIN RECORDS OF THE GROUP'S TRADING THROUGH THE CERTAIN PLATFORMS.

Initiated By: FINRA

Date Initiated: 12/21/2007

ocket/Case Number: [2007009509501](#)

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: 12/21/2007

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

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED, FINED \$250,000 AND THE FIRM MUST PAY \$4,250,000, WITHIN 30 DAYS, TO COMPENSATE AFFECTED

MUTUAL FUNDS FOR LOSSES BECAUSE OF THE AFOREMENTIONED MARKET TIMING ACTIVITY. IN ADDITION, AN OFFICER OF THE FIRM MUST CERTIFY TO FINRA THAT PAYMENTS TO THE AFFECTED MUTUAL FUNDS WITH COPIES OF THE CHECKS SENT TO THE MUTUAL FUNDS.

Reporting Source: Firm

Current Status: Final

Allegations: SECTION 17(A) OF THE EXCHANGE ACT AND RULES 17A-3 AND 17A-4 THEREUNDER; NASD RULES 2110,3010(A)AND(B)AND 3110: FROM JANUARY 2, 2003 THROUGH EARLY SEPTEMBER 2003, CERTAIN REGISTERED REPRESENTATIVES (THE "GROUP") AT THE FIRM ENGAGED IN IMPROPER MARKET TIMING TRANSACTIONS ON BEHALF OF THEIR HEDGE FUND CLIENTS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO IMPROPER MARKET TIMING TRANSACTIONS. IN ADDITION, THE FIRM FAILED TO CREATE OR MAINTAIN RECORDS OF THE GROUP'S TRADING THROUGH THE CERTAIN PLATFORMS.

Initiated By: FINRA

Date Initiated: 12/21/2007

ocket/Case Number: [2007009509501](#)

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

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

Other Sanction(s)/Relief sought: CENSURE, DISGORGEMENT
AN OFFICER OF THE FIRM MUST CERTIFY TO FINRA THAT PAYMENTS TO AFFECTED MUTUAL FUNDS HAS BEEN MADE.

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/21/2007

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

Other Sanctions Ordered: AN OFFICER OF THE FIRM MUST CERTIFY TO FINRA THAT PAYMENTS TO AFFECTED MUTUAL FUNDS HAS BEEN MADE.

Sanction Details: CENSURE, DISGORGEMENT AND \$250,000.00 FINE PAID.

Firm Statement WITHOUT ADMITTING OR DENYING THE ALLEGATIONS THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS.

Disclosure 28 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110 AND 2320: DURING THE PERIOD FROM OCTOBER 1, 2005 THROUGH DECEMBER 31, 2005, IN SEVEN CUSTOMER TRANSACTIONS, THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS.

Initiated By: FINRA

Date Initiated: 10/16/2007

ocket/Case Number: [2006005906201](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED TYPE OF SECURITIES

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/16/2007

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

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00
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 \$15,000 AND REQUIRED TO PAY \$6,852.51 IN RESTITUTION TO CUSTOMERS. IN ADDITION, A REGISTERED PRINCIPAL OF THE FIRM MUST SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. IF FOR ANY REASON THE FIRM CANNOT LOCATE ANY RECIPIENT AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, OR SUCH ADDITIONAL PERIOD AGREED TO BY FINRA, THE FIRM SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY, OR ABANDONED-PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110 AND 2320: DURING THE PERIOD FROM OCTOBER 1, 2005 THROUGH DECEMBER 31, 2005, IN SEVEN CUSTOMER TRANSACTIONS, THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS.

Initiated By: FINRA

Date Initiated: 10/16/2007

ocket/Case Number: [2006005906201](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED

Principal Sanction(s)/Relief sought: Censure

Other Sanction(s)/Relief sought: DISGORGEMENT/RESTITUTION
FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/16/2007

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Disgorgement/Restitution

Other Sanctions Ordered:

Action 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 \$15,000 AND REQUIRED TO PAY \$6,852.51 IN RESTITUTION TO CUSTOMERS.

Disclosure 29 of 73

Reporting Source:

Regulator

Current Status:

Final

Allegations:

OPPENHEIMER & CO. FAILED TO REGISTER THREE (3) BRANCH OFFICE LOCATIONS AS REQUIRED BY CHAPTER 517, F.S., PRIOR TO ALLOWING THE LOCATIONS TO EFFECT SECURITIES TRANSACTIONS.

Initiated By:

FLORIDA

Date Initiated:

08/27/2007

ocket/Case Number:

0335-S-4/07

RL for Regulatory Action:

Principal Product Type:

No Product

Other Product Type(s):

Principal Sanction(s)/Relief sought:

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

Other Sanction(s)/Relief sought:

Resolution:

Stipulation and Consent

Resolution Date:

08/27/2007

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 \$15,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: FINE WAS PAID AT TIME OF SETTLEMENT

Reporting Source: Firm

Current Status: Final

Allegations: FIRM FAILED TO REGISTER THREE (3) BRANCH OFFICE LOCATIONS AS REQUIRED BY CHAPTER 517, F.S., PRIOR TO ALLOWING THE LOCATIONS TO EFFECT SECURITIES TRANSACTIONS.

Initiated By: FLORIDA

Date Initiated: 08/27/2007

ocket/Case Number: 0335-S-4/07

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief sought:

Resolution: Stipulation and Consent

Resolution Date: 08/27/2007

Sanctions Ordered: Monetary/Fine \$15,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: FINE WAS PAID AT TIME OF SETTLEMENT

Firm Statement THE OFFICE OF FINANCIAL REGULATION, STATE OF FLORIDA AND OPPENHEIMER ENTERED INTO A STIPULATION AND CONSENT AGREEMENT (ADMINISTRATIVE PROCEEDING NO. 0335-S-4/07) EXECUTED BY OPPENHEIMER ON AUGUST 14, 2007 AND ACCEPTED BY THE OFFICE OF FINANCIAL REGULATION ON OR ABOUT AUGUST 27, 2007, IN WHICH OPPENHEIMER CONSENTED TO THE ENTRY OF A FINDING THAT OPPENHEIMER CONDUCTED SECURITIES TRANSACTIONS IN CERTAIN LOCATIONS WITHOUT BEING PROPERLY REGISTERED IN VIOLATION OF SECTION 517.12(5), FLORIDA STATUTES, AND RULE 69W 200.001(9)(A) 3,FLORIDA ADMINISTRATIVE CODE. OPPENHEIMER PAID A \$15,000.00 FINE, AND AGREED TO CEASE AND DESIST FROM SUCH FUTURE VIOLATIONS.

Disclosure 30 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULES 10B-10, 15C2-11, 17A-3, 17A-4, 200(G), NASD RULES 2110, 3010, 6740, - OPPENHEIMER & CO., INC. EXECUTED LONG SALE ORDERS AND MARKED THE ORDERS AS SHORT SALES; FAILED TO DISCLOSE AVERAGE PRICE AND THE CORRECT REPORTED PRICE ON CUSTOMER CONFIRMATIONS; INCORRECTLY DISCLOSED AVERAGE PRICE ON CUSTOMER CONFIRMATIONS; FAILED TO ENTER, OR ENTERED INCORRECT, INFORMATION ON BROKERAGE ORDER MEMORANDA; FAILED TO PRESERVE FOR A PERIOD OF NOT LESS THAN THREE YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, THE MEMORANDA OF BROKERAGE ORDERS; THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES RELATING TO TRADE REPORTING, COMPLIANCE WITH SEC RULE 15C2-11 AND NASD RULE 6740, AND OATS. THE FIRM PUBLISHED QUOTATIONS IN OTC EQUITY SECURITIES, OR DIRECTLY OR INDIRECTLY, SUBMITTED SUCH QUOTATIONS FOR PUBLICATION, IN A QUOTATION MEDIUM, THE PINK SHEETS, AND DID NOT HAVE IN ITS RECORDS THE DOCUMENTATION REQUIRED BY SEC RULE 15C2-11(A) ("PARAGRAPH (A) INFORMATION"), DID NOT HAVE A REASONABLE BASIS UNDER THE CIRCUMSTANCES FOR BELIEVING THAT THE PARAGRAPH (A) INFORMATION WAS ACCURATE IN ALL RESPECTS OR DID NOT HAVE A REASONABLE BASIS UNDER THE CIRCUMSTANCES FOR BELIEVING THAT THE SOURCES OF THE PARAGRAPH (A) WERE RELIABLE; THE QUOTATIONS DID NOT REPRESENT A CUSTOMER'S INDICATION OF UNSOLICITED INTEREST. FOR EACH QUOTATION, THE FIRM FAILED TO FILE A FORM 211 WITH NASD AT LEAST THREE BUSINESS DAYS BEFORE THE FIRM'S QUOTATIONS WERE PUBLISHED OR DISPLAYED IN A QUOTATION MEDIUM.

Initiated By: NASD

Date Initiated: 11/03/2006

ocket/Case Number: [2005001790701](#)

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/03/2006

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 \$27,500.00

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 \$27,500.

Reporting Source: Firm

Current Status: Final

Allegations: SEC RULES 10B-10, 15C2-11, 17A-3, 17A-4, 200(G), NASD RULES 2110, 3010, 6740, - OPPENHEIMER & CO., INC. EXECUTED LONG SALE ORDERS AND MARKED THE ORDERS AS SHORT SALES; FAILED TO DISCLOSE AVERAGE PRICE AND THE CORRECT REPORTED PRICE ON CUSTOMER CONFIRMATIONS; INCORRECTLY DISCLOSED AVERAGE PRICE ON CUSTOMER CONFIRMATIONS; FAILED TO ENTER, OR ENTERED INCORRECT, INFORMATION ON BROKERAGE ORDER MEMORANDA; FAILED TO PRESERVE FOR A PERIOD OF NOT LESS THAN THREE YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE, THE MEMORANDA OF BROKERAGE ORDERS; THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES RELATING TO TRADE REPORTING, COMPLIANCE WITH SEC RULE 15C2-11 AND NASD RULE 6740, AND OATS. THE FIRM PUBLISHED QUOTATIONS IN OTC EQUITY SECURITIES, OR DIRECTLY OR INDIRECTLY, SUBMITTED SUCH QUOTATIONS FOR PUBLICATION, IN A QUOTATION MEDIUM, THE PINK SHEETS, AND DID NOT HAVE IN ITS RECORDS THE DOCUMENTATION REQUIRED BY SEC RULE 15C2-11(A) ("PARAGRAPH (A) INFORMATION"), DID NOT HAVE A REASONABLE BASIS UNDER THE CIRCUMSTANCES FOR BELIEVING THAT THE PARAGRAPH (A) INFORMATION WAS ACCURATE IN ALL RESPECTS OR DID NOT HAVE A REASONABLE BASIS UNDER THE CIRCUMSTANCES FOR BELIEVING THAT THE SOURCES OF THE PARAGRAPH (A) WERE RELIABLE;

THE QUOTATIONS DID NOT REPRESENT A CUSTOMER'S INDICATION OF UNSOLICITED INTEREST. FOR EACH QUOTATION, THE FIRM FAILED TO FILE A FORM 211 WITH NASD AT LEAST THREE BUSINESS DAYS BEFORE THE FIRM'S QUOTATIONS WERE PUBLISHED OR DISPLAYED IN A QUOTATION MEDIUM.

Initiated By: NASD

Date Initiated: 11/03/2006

ocket/Case Number: 20050017907-01

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/03/2006

Sanctions Ordered: Censure
Monetary/Fine \$27,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, OPPENHEIMER & CO. AGREED TO PAY A FINE OF \$27500.00, PAYABLE ON A DATE DETERMINED BY THE NASD.

Disclosure 31 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: OPPENHEIMER ENGAGED IN DISHONEST AND UNETHICAL CONDUCT AND FAILED TO PROVIDE REASONABLE SUPERVISION OF REP. STEPHEN J. TOUSSAINT TO PREVENT/DETECT/PROHIBIT TOUSSAINT'S UNLAWFUL ACTIVITIES (THEFT, CHURNING, UNAUTHORIZED TRADING RELATIVE TO AN ELDERLY COUPLE'S ACCOUNT)

Initiated By: MASSACHUSETTS

Date Initiated: 08/02/2006

ocket/Case Number: E-2005-0195

RL for Regulatory Action:

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: DISGORGEMENT; REVOCATION OF STEPHEN J. TOUSSAINT'S REGISTRATION; CEASE & DESIST; CENSURE; COMPENSATION TO INVESTORS FOR LOSSES ATTRIBUTABLE TO ALLEGED WRONGDOING; TAKE FURTHER ACTIONS AS MAY BE DEEMED JUST & APPROPRIATE

Resolution: Consent

Resolution Date: 07/09/2007

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

Sanctions Ordered: Censure
Monetary/Fine \$1,000,000.00
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: FINE OF \$1 MILLION; CENSURE; C&D; RETENTION OF/COOPERATION WITH INDEPENDENT CONSULTANT AND ADOPTION OF CONSULTANT'S RECOMMENDATIONS; \$135,407 PAYMENT OF LOSSES, INTEREST AND EXPENSES FROM CONDUCT TO INVESTOR

Sanction Details: INDEPENDENT CONSULTANT MUST REVIEW BRANCH OFFICE POLICIES RE: CUSTOMER COMPLAINTS, MONITORING OF CUSTOMER ACCOUNTS FOR CHURNING/UNAUTHORIZED TRADING/MISAPPROPRIATION/SUITABILITY OF COMMISSION VS. FEE-BASED ACCOUNTS/HANDLING OF ORDER TICKETS MARKED "UNSOLICITED"; OPPENHEIMER SHALL NOT SEEK REIMBURSEMENT OR TAX DEDUCTION FOR ANY AMOUNT PAID PURSUANT TO THE ORDER

Reporting Source: Firm

Current Status: Final

Allegations: THE MASSACHUSETTS DIVISION OF SECURITIES ALLEGED THAT OPPENHEIMER ENGAGED IN DISHONEST AND UNETHICAL CONDUCT, AND FAILED TO SUPERVISE A FORMER REGISTERED REPRESENTATIVE OF

Initiated By: THE FIRM.
Date Initiated: MASSACHUSETTS SECURITIES DIVISION ("MSD")
Docket/Case Number: 08/02/2006
Principal Product Type: E-2005-0195 & E-2006-0071
Other Product Type(s): Equity Listed (Common & Preferred Stock)
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought: DISGORGEMENT, CEASE AND DESIST UNDERTAKING
Resolution: Consent
Resolution Date: 07/09/2007
Sanctions Ordered: Censure
 Monetary/Fine \$1,000,000.00
 Disgorgement/Restitution
 Cease and Desist/Injunction
Other Sanctions Ordered: UNDERTAKING, RETENTION OF INDEPENDENT CONSULTANT AND ADOPTION WITH CONSULTANTS RECOMMENDATION.
Sanction Details: CENSURE AND FINE OF \$1,000,000; PAYMENT TO INVESTOR OF \$135,407 FOR LOSSES, INTEREST AND EXPENSES.
Firm Statement ON JULY 9, 2007 THE MASSACHUSETTS SECURITIES DIVISION ("MSD") ENTERED A CONSENT ORDER AND ACCEPTED OPPENHEIMER & CO. INC.'S ("OPPENHEIMER'S") OFFER OF SETTLEMENT IN "THE MATTER OF OPPENHEIMER AND STEVEN J. TOUSSAINT," DOCKET NUMBERS "E-2005-0195 AND E-2006-0071," RESULTING FROM AN ADMINISTRATIVE COMPLAINT PREVIOUSLY FILED AGAINST OPPENHEIMER, AND RELATED INQUIRY CONCERNING OPPENHEIMER'S E-MAIL SYSTEM. THE ("MSD") ALLEGED THAT CO-RESPONDENT AND FORMER OPPENHEIMER REGISTERED REPRESENTATIVE STEVEN TOUSSAINT CHURNED CERTAIN RELATED ACCOUNTS AND CONVERTED FUNDS FROM A CLIENT. FURTHER, THE ("MSD") ALLEGED THAT OPPENHEIMER FAILED TO ADEQUATELY SUPERVISE CO-RESPONDENT TOUSSAINT; FAILED TO CONDUCT AN ADEQUATE INVESTIGATION REGARDING TOUSSAINT'S CONVERSION OF FUNDS; CAUSED TO BE MADE STATEMENTS THAT AT THE TIME UNDER THE CIRCUMSTANCES WERE FALSE AND MISLEADING REGARDING OPPENHEIMER'S PRODUCTION OF E-MAILS AND RELATED E-MAIL RETENTION ISSUES; AND THAT OPPENHEIMER FAILED TO HAVE A REASONABLE SUPERVISORY SYSTEM WITH RESPECT TO PRODUCTION

OF E-MAILS IN RESPONSE TO REGULATORY REQUESTS FOR INFORMATION. OPPENHEIMER AGREED TO PAY AN ADMINISTRATIVE FINE OF \$1 MILLION AND TO REIMBURSE THE CLIENT AN ADDITIONAL \$135,407, AND TO RETAIN AN INDEPENDENT CONSULTANT TO REVIEW OPPENHEIMER'S MASSACHUSETTS BRANCH OFFICE POLICES AND PROCEDURES.

Disclosure 32 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 3010, 5220(E) - OPPENHEIMER & CO., INC., AS AN INTERMARKET TRADING SYSTEM/COMPUTER ASSISTED EXECUTION SYSTEM (ITS/CAES) MARKET MAKER, FAILED TO MAINTAIN CONTINUOUS TWO-SIDED QUOTOATIONS IN THE ABSENCE OF THE GRANT OF AN EXCUSED WITHDRAWAL OR A FUNCTIONAL EXCUSED WITHDRAWAL BY NASD; AND THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING MAINTAINING TWO-SIDED QUOTATIONS AS AN ITS/CAES MARKET MAKER.

Initiated By: NASD

Date Initiated: 06/30/2006

ocket/Case Number: [2005000235601](#)

Principal Product Type: Other

Other Product Type(s): STOCKS

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/30/2006

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

Sanctions Ordered: Censure
Monetary/Fine \$17,500.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$17,500, AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO MAINTAINING TWO-SIDED QUOTATIONS AS AN ITS/CAES MARKET MAKER WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Reporting Source: Firm

Current Status: Final

Allegations: NASD RULES 2110,3010,5220(E) - OPPENHEIMER & CO., INC. AS AN INTERMARKET TRADING SYSTEM/COMPUTER ASSISTED EXECUTION SYSTEM (ITS/CAES) MARKET MAKER, FAILED TO MAINTAIN CONTINUOUS TWO-SIDED QUOTATIONS IN THE ABSENCE OF THE GRANT OF AN EXCUSED WITHDRAWAL OR A FUNCTIONAL EXCUSED WITHDRAWAL BY NASD; AND THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING MAINTAINING TWO-SIDED QUOTATIONS AS AN ITS/CAES MARKET MAKER.

Initiated By: NASD

Date Initiated: 06/30/2006

ocket/Case Number: 20050002356-01

Principal Product Type: Other

Other Product Type(s): STOCKS

Principal Sanction(s)/Relief sought: Censure

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/30/2006

Sanctions Ordered: Censure
Monetary/Fine \$17,500.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$17,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO MAINTAINING TWO-SIDED QUOTATIONS AS AN ITS/CAES MARKET MAKER WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Disclosure 33 of 73

Reporting Source: Firm

Current Status: Final

Allegations: NEW YORK STOCK EXCHANGE HAS INVITED FIRM TO MAKE A "WELLS" SUBMISSION IN CONNECTION WITH NEW YORK STOCK EXCHANGE'S INVESTIGATION INTO FIRM'S ALLEGED FAILURES RELATING TO MARKET TIMING ACTIVITIES OF MICHAEL SASSANO AND INDIVIDUALS ASSISTING HIM IN THOSE ACTIVITIES.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 06/05/2006

ocket/Case Number: N/A

Principal Product Type: Annuity(ies) - Variable

Other Product Type(s): MUTUAL FUNDS

Principal Sanction(s)/Relief sought: Other

Other Sanction(s)/Relief sought: PENDING INVESTIGATION

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/21/2007

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

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED, FINED \$250,000 AND THE FIRM MUST PAY \$4,250,000, WITHIN 30 DAYS, TO COMPENSATE AFFECTED

MUTUAL FUNDS FOR LOSSES BECAUSE OF THE AFOREMENTIONED MARKET TIMING ACTIVITY. IN ADDITION, AN OFFICER OF THE FIRM MUST CERTIFY TO FINRA THAT PAYMENTS TO THE AFFECTED MUTUAL FUNDS WITH COPIES OF THE CHECKS SENT TO THE MUTUAL FUNDS.

Firm Statement

ON JUNE 5, 2006, NEW YORK STOCK EXCHANGE INVITED FIRM TO MAKE "WELLS" SUBMISSION. NO FORMAL CHARGES HAVE BEEN FILED AGAINST THE FIRM AT THIS TIME.

Disclosure 34 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: MSRB RULES G-36 (B)(I), G-37(E)(I)(B), G-38(B)(IV) AND (D) THE FIRM FAILED TO FILE IN A TIMELY MANNER, A MSRB FORM G-36 AND AN OFFICIAL STATEMENT FOR THREE UNDERWRITINGS. THE FIRM ALSO FILED AN INACCURATE MSRB FORM G-37 AND FAILED TO SUBMIT IN WRITING TO ISSUERS WITH WHICH IT WAS SEEKING MUNICIPAL SECURITIES BUSINESS, INFORMATION ON CONSULTING ARRANGEMENTS WITH EACH ISSUER, AND IN APPARENT VIOLATION OF MSRB RULES G-38(D), FAILED TO DISCLOSE REQUIRED INFORMATION REGARDING CONSULTANTS TO ISSUERS.

Initiated By: NASD

Date Initiated: 02/03/2006

ocket/Case Number: [E102003017701](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/03/2006

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 \$20,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED AND FINED \$20,000.

Reporting Source: Firm

Current Status: Final

Allegations: THE FIRM WAS ALLEGED TO HAVE A) FAILED TO FILE MSRB FORM G-36 AND AN OFFICIAL STATEMENT FOR THREE (3) UNDERWRITINGS IN A TIMELY MANNER AND B) ALLEGED TO HAVE FILED AN INACCURATE MSRB FORM G-37. THE FIRM WAS ALSO ALLEGED TO HAVE FAILED TO PROVIDE INFORMATION ON CONSULTING AGREEMENTS WITH ISSUERS WITH WHICH IT WAS SEEKING MUNICIPAL SECURITIES BUSINESS AND OF FAILING TO DISCLOSE INFORMATION REGARDING CONSULTANTS TO ISSUERS. THE FIRM NEITHER ADMITS OR DENIES THE ACCUSATIONS AND CONSENTED TO A CENSURE AND A \$20,000.00 FINE.

Initiated By: NASD

Date Initiated: 02/03/2006

ocket/Case Number: [E102003017701](#)

Principal Product Type: Debt - Municipal

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 02/03/2006

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered: CENSURE AND FINE OF \$20,000.00 PAID.

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED AND FINED \$20,000.00

Disclosure 35 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: **12/29/05**DECISION 05-190 ISSUED BY NYSE HEARING PANEL VIOLATED EXCHANGE RULE 342, IN THAT THE FIRM FAILED TO SUPERVISE AND CONTROL AND PROVIDE FOR APPROPRIATE PROCEDURES OF SUPERVISION AND CONTROL OVER VARIOUS BUSINESS ACTIVITIES, AND FAILED TO ESTABLISH A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW TO DETERMINE THAT ANY AUTHORITY AND RESPONSIBILITY DELEGATED PURSUANT TO THE RULE WAS BEING PROPERLY EXERCISED; VIOLATED EXCHANGE RULE 401, IN THAT THE FIRM DID NOT ADHERE AT ALL TIMES TO THE PRINCIPLES OF GOOD BUSINESS PRACTICE, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING: BY FAILING ON ONE OR MORE OCCASIONS TO NOTIFY THE EXCHANGE IMMEDIATELY UPON DISCOVERY OF ANY EXISTING OR IMPENDING CONDITION WHICH IT REASONABLY SHOULD HAVE BELIEVED COULD LEAD TO (I) CAPITAL PROBLEMS;II) OPERATIONAL PROBLEMS; (III) IMPAIRMENT OF RECORDKEEPING; AND/OR (IV) IMPAIRMENT OF CONTROL FUNCTIONS;BY ISSUING INACCURATE MONTHLY ACCOUNT STATEMENTS TO CUSTOMERS; BY FAILING TO CONDUCT A NECESSARY DAILY RECONCILIATION OF A BANK CONCENTRATION ACCOUNT AND BY FAILING TO TIMELY RECONCILE OTHER BANK ACCOUNTS; BY FAILING TO HAVE ADEQUATE PROCEDURES IN PLACE TO MONITOR ACTIVITY IN SUSPENSE ACCOUNTS AND ACCOUNTS EFFECTIVELY FUNCTIONING AS SUCH; BY FAILING TO AGE ITEMS IN SUCH ACCOUNTS AND DETERMINE THEY WERE BEING RECONCILED; AND BY TRANSFERRING GENERAL LEDGER MONEY SUSPENSE ACCOUNT OUT-OF-BALANCE AMOUNTS INTO AN UNRELATED STOCK RECORD POSITION SUSPENSE ACCOUNT; BY NOT MAINTAINING ADEQUATE SAFEGUARDS AND CONTROLS OVER MANUAL SECURITY PRICE CHANGES; VIOLATED EXCHANGE RULE 416 AND EXCHANGE RULE 476 (A) (10), IN THAT THE FIRM FILED KEY INDICATOR OPERATIONAL REPORTS WITH THE EXCHANGE THAT MISSTATED AND/OR OMITTED INFORMATION; VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-11 (D)AND (G) THEREUNDER, AND EXCHANGE RULE 351(A), **CONTINUED AT #13C**

Initiated By: NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

Date Initiated: 12/14/2005

ocket/Case Number: HPD#: 05-190

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision
Resolution Date: 02/03/2006
Sanctions Ordered: Censure
 Monetary/Fine \$1,350,000.00

Other Sanctions Ordered:

Sanction Details: **CONTINUED FROM #7**IN THAT THE FIRM FAILED TO TIMELY GIVE REQUIRED NOTICE TO THE SEC AND TO THE EXCHANGE THAT IT DID NOT MAKE OR KEEP CURRENT CERTAIN REQUIRED BOOKS AND RECORDS; VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3 THEREUNDER, EXCHANGE RULE 440 AND EXCHANGE RULE 409, IN THAT THE FIRM FAILED TO MAKE AND/OR KEEP CURRENT CERTAIN BOOKS AND RECORDS, INCLUDING RECORDS PERTAINING TO CUSTOMER ACCOUNT STATEMENTS, SUSPENSE ACCOUNTS, AND BANK RECONCILIATIONS; VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-13(B)(5) THEREUNDER, AND EXCHANGE RULE 440.10(3), IN THAT THE FIRM DID NOT TIMELY RECORD INTO A SECURITY DIFFERENCE ACCOUNT ALL UNRESOLVED SECURITY COUNT DIFFERENCES; VIOLATED SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 15C3-1 THEREUNDER, RULE 15C3-3(E) THEREUNDER, AND EXCHANGE RULE 326, IN THAT THE FIRM AT CERTAIN TIMES: DID NOT PREPARE ACCURATE COMPUTATIONS OF NET CAPITAL AND DID NOT PREPARE ACCURATE RESERVE FORMULA COMPUTATIONS; VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-5 THEREUNDER, AND EXCHANGE RULE 476(A)(10), IN THAT THE FIRM FILED ONE OR MORE INACCURATE FOCUS REPORTS WITH THE EXCHANGE; VIOLATED EXCHANGE RULE 476(A)(6) BY ENGAGING IN CONDUCT INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE: AND SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 15C2-8(B) THEREUNDER, **CONTINUED AT #14**

Regulator Statement **CONTINUED FROM 13C** BY FAILING TO ENSURE THE DELIVERY OF ALL PRELIMINARY PROSPECTUSES IN CONNECTION WITH CERTAIN SALES OF REGISTERED SECURITIES; BY FAILING TO ENSURE IN CONNECTION WITH A PRIVATE PLACEMENT OFFERING THAT THERE WAS NO GENERAL SOLICITATION OF THE INVESTMENT BEING OFFERED, IN VIOLATION OF SECTION 4(2) AND SECTION 5 OF THE SECURITIES ACT OF 1933; IN THAT THE FIRM CHARGED CERTAIN CUSTOMER ACCOUNTS FEES THAT WERE

HIGHER THAN THE COMMISSIONS WOULD HAVE BEEN IN LIGHT OF THE LIMITED OR ZERO TRADING ACTIVITY IN THE ACCOUNTS; IN THAT THE FIRM FAILED TO DISCLOSE TO CUSTOMERS THAT IT HAD ENTERED INTO REVENUE SHARING ARRANGEMENTS WITH CERTAIN MUTUAL FUND COMPANIES WHOSE MUTUAL FUNDS WERE MADE AVAILABLE FOR PURCHASE THROUGH THE FIRM; VIOLATED EXCHANGE RULE 412, IN THAT IN CONNECTION WITH CUSTOMER ACCOUNT TRANSFERS, THE FIRM DID NOT TIMELY TRANSFER TO THE RECEIVING BROKER-DEALER RESIDUAL CREDIT BALANCES THAT HAD ACCRUED TO THE TRANSFERRED CUSTOMER ACCOUNTS. CONSENT TO CENSURE AND A FINE OF \$1.35 MILLION.

2/3/06THE DECISION IS NOW FINAL AND EFFECTIVE IMMEDIATELY.CONTACT:PEGGY GERMINO 212-656-8450

Reporting Source: Firm

Current Status: Final

Allegations: NYSE ALLEGED VARIOUS SALES PRACTICE AND OPERATIONAL DEFICIENCIES ARISING OUT OF EXAMINATIONS BY THE NYSE CONDUCTED DURING 2002,2003,2004 AND 2005. ALLEGATIONS INCLUDE, BUT WERE NOT LIMITED TO, FAILURE TO MONITOR FLOOR ACTIVITIES, INADEQUACIES RELATING TO MANUAL PRICE CHANGES OF SECURITIES AND ELECTRONIC AND OTHER COMMUNICATIONS, FAILURE TO TIMELY TRANSFER CUSTOMER ASSETS TO OTHER BROKER-DEALERS, DEFICIENCIES REGARDING SOLICITATION OF A PRIVATE PLACEMENT OF SECURITIES, LACK OF DISCLOSURE OF REVENUE SHARING PAYOUTS, INADEQUATE RECONCILIATION OF BOOKS AND RECORDS AND ACCOUNTS, INACCURATE CAPITAL COMPUTATIONS, FAILURE TO MONITOR CLIENT ACTIVITY LEVELS IN NON-MANAGED FEE BASED ACCOUNTS, LACK OF EVIDENCE OF DELIVERY OF PRELIMINARY PROSPECTUSES, VARIOUS OTHER DEFICIENCIES AND FAILURE TO MAKE TIMELY NOTIFICATION TO THE EXCHANGE ABOUT CERTAIN SIGNIFICANT PROBLEMS THAT AROSE AFTER A CONVERSION IN MAY 2003. FIRM NEITHER ADMITTED OR DENIED ALLEGATIONS.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 12/29/2005

ocket/Case Number: HPD# 05-190

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE
Resolution: Stipulation and Consent
Resolution Date: 12/29/2005
Sanctions Ordered: Censure
 Monetary/Fine \$1,350,000.00
Other Sanctions Ordered:
Sanction Details: FIRM CONSENTED AND PAID \$1.35 MILLION FINE.
Firm Statement ALLEGATIONS COVER SALES PRACTICE AND OPERATIONAL REVIEWS IN 2002, 2003, 2004 AND 2005. WITHOUT ADMITTING OR DENYING GUILT, FIRM CONSENTED AND PAID \$1.35 MILLION FINE.

Disclosure 36 of 73

Reporting Source: Regulator
Current Status: Final
Allegations: NASD CONDUCT RULES 2110 AND 3010; RESPONDENT FAILED TO FILE AMENDMENTS TO FORMS U4 AND U5, AND INITIAL FORMS U5 IN A TIMELY MATTER; IT'S SUPERVISORY SYSTEM AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ARTICLE V REPORTING OBLIGATIONS.
Initiated By: NASD
Date Initiated: 01/09/2006
ocket/Case Number: [EAF0400720002](#)
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: 01/09/2006

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 \$250,000.00

Other Sanctions Ordered: UNDERTAKINGS: REQUIRED AUDITS AND OFFICER CERTIFICATIONS RELATING TO ARTICLE V REPORTING OBLIGATIONS, REQUIRED OFFICER CERTIFICATION RELATING TO SYSTEM AND PROCEDURES

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$250,000.

Reporting Source: Firm

Current Status: Final

Allegations: RESPONDENT FAILED TO FILE AMENDMENTS TO FORMS U4 AND U5, AND INITIAL FORM U5S, IN A TIMELY MANNER.

Initiated By: NASD

Date Initiated: 01/09/2006

ocket/Case Number: [EAF0400720002](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief sought: Censure

Other Sanction(s)/Relief sought: UNDERTAKING

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/09/2006

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

Other Sanctions Ordered: REQUIRED AUDITS AND OFFICER CERTIFICATIONS RELATING TO ARTICLE V REPORTING OBLIGATIONS; REQUIRED OFFICER CERTIFICATION

RELATING TO SYSTEM AND PROCEDURES

Sanction Details: CENSURED, FINE \$250.00 PAID

Disclosure 37 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110, 3010(A) AND 8210: ON JUNE 11, 2003, AND ON NOVEMBER 20, 2003, OPPENHEIMER & CO. INC. ("OPPENHEIMER" OR "FIRM") SUBMITTED INACCURATE AND INCOMPLETE DATA IN RESPONSE TO NASD'S REQUEST THAT THE FIRM PERFORM A SELF-ASSESSMENT OF ITS MUTUAL FUND BREAKPOINT DISCOUNT PRACTICES. OPPENHEIMER KNOWINGLY, OR AT A MINIMUM, RECKLESSLY, SUBMITTED FLAWED DATA TO NASD, FAILED TO NOTIFY NASD THAT THE DATA WAS FLAWED, FAILED TO FOLLOW UP TO CORRECT THE FIRM'S DATA, AND FAILED TO TIMELY SUBMIT THE DATA TO NASD. OPPENHEIMER'S CONDUCT VIOLATED NASD PROCEDURAL RULE 8210 AND CONDUCT RULE 2110. IN ADDITION, OPPENHEIMER FAILED TO ADEQUATELY SUPERVISE THE SUBMISSION OF DATA TO NASD AND FAILED TO APPROPRIATELY DELEGATE TO A QUALIFIED PERSON THE RESPONSIBILITY OF ENSURING THAT THE DATA WAS COLLECTED AND SUBMITTED TO NASD IN A COMPLETE, ACCURATE AND TIMELY MANNER IN VIOLATION OF NASD CONDUCT RULES 3010(A) AND 2110.

Initiated By: NASD (N/K/A FINRA)

Date Initiated: 01/09/2006

ocket/Case Number: [2005000316701](#)

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 10/30/2007

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

No

Sanctions Ordered:

Censure
Monetary/Fine \$1,000,000.00

Other Sanctions Ordered:

UNDERTAKINGS

Sanction Details:

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, OPPENHEIMER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED, FINED \$1,000,000 AND MUST COMPLY WITH THE FOLLOWING UNDERTAKINGS: THE FIRM'S INTERNAL AUDIT DEPARTMENT WILL CONDUCT AUDITS, CONSISTENT WITH GENERALLY ACCEPTED AUDITING STANDARDS, ON A QUARTERLY BASIS FOR SIX QUARTERS TO REVIEW THE INTAKE, ASSIGNMENT AND RESPONSES TO REGULATORY INQUIRES. NO MORE THAN 60 DAYS AFTER THE END OF EACH QUARTER, THE FIRM MUST SUBMIT TO FINRA THE INTERNAL AUDIT DEPARTMENT'S QUARTERLY REPORT FOR THE COVERED QUARTER. OPPENHEIMER MUST RETAIN, WITHIN 60 DAYS, AN INDEPENDENT CONSULTANT, NOT UNACCEPTABLE TO FINRA, TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF THE FIRM'S POLICIES, SYSTEMS AND PROCEDURES (WRITTEN OR OTHERWISE) AND TRAINING RELATING TO THE DELEGATION OF RESPONSIBILITY FOR RESPONDING TO REGULATORY REQUESTS ACCURATELY AND COMPLETELY. AT THE CONCLUSION OF THE REVIEW, WHICH SHOULD BE NO MORE THAN 120 DAYS, THE FIRM MUST REQUIRE THE INDEPENDENT CONSULTANT TO SUBMIT TO THE FIRM AND TO FINRA A WRITTEN REPORT. WITHIN 60 DAYS OF THE DELIVERY OF THE WRITTEN REPORT, THE FIRM SHALL ADOPT AND IMPLEMENT THE RECOMMENDATIONS OF THE INDEPENDENT CONSULTANT OR, IF IT DETERMINES THAT A RECOMMENDATION IS UNDULY BURDENSOME OR IMPRACTICAL, PROPOSE AND ALTERNATIVE PROCEDURE TO THE INDEPENDENT CONSULTANT DESIGNED TO ACHIEVE THE SAME OBJECTIVE.

Reporting Source:

Firm

Current Status:

Final

Allegations:

THE NASD HAS FILED A COMPLAINT ON 1/9/06 CONTAINING TWO CAUSES OF ACTION - FIRST, RESPONDENT FAILED TO RESPOND COMPLETELY, ACCURATELY, AND TIMELY TO AN NASD SURVEY, VIOLATIONS OF PROCEDURAL RULE 8210 AND CONDUCT RULE 2110; SECOND, RESPONDENT FAILED TO ADEQUATELY SUPERVISE THE PREPARATION

AND SUBMISSION OF A REGULATORY RESPONSE, VIOLATIONS OF CONDUCT RULES 3010(A) AND 2110.

Initiated By: NASD
Date Initiated: 01/09/2006
ocket/Case Number: [2005000316701](#)
Principal Product Type: Mutual Fund(s)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought: CENSURE, UNDERTAKING
Resolution: Decision & Order of Offer of Settlement
Resolution Date: 10/30/2007
Sanctions Ordered: Censure
 Monetary/Fine \$1,000,000.00

Other Sanctions Ordered:

Sanction Details: OPPENHEIMER PAID A \$1 MILLION FINE AND WAS CENSURED. THE FIRM WILL HIRE AN INDEPENDENT CONSULTANT TO REVIEW FIRM'S PROCEDURES FOR RESPONDING TO REGULATORY INQUIRIES. ALSO, THE FIRM'S INTERNAL AUDIT DEPARTMENT WILL FOR SIX QUARTERS, REVIEW THE FIRM'S INTAKE, ASSIGNMENT AND RESPONSE PROCEDURES TO REGULATORY INQUIRIES. CO RESPONDENT ALBERT G. LOWENTHAL HAS BEEN DISMISSED.

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Reporting Source: Regulator
Current Status: Final
Allegations: **11/18/05**STIPULATION AND CONSENT TO PENALTY FILED BY NYSE DIVISION OF ENFORCEMENT AND PENDING.CONSENTED TO FINDINGS:WITHOUT ADMITTING OR DENYING GUILT, OPPENHEIMER CONSENTED TO FINDINGS THAT IT:1.VIOLATED EXCHANGE RULE 445 BY FAILING TO ESTABLISH AN ADEQUATE ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM BY FAILING TO:A.ESTABLISH AND IMPLEMENT POLICIES AND PROCEDURES REASONABLY EXPECTED TO DETECT AND CAUSE THE REPORTING OF TRANSACTIONS REQUIRED UNDER 31 U.S.C. 5318(G) AND THE IMPLEMENTING REGULATIONS THEREUNDER;

B. ESTABLISH AND IMPLEMENT POLICIES, PROCEDURES AND INTERNAL CONTROLS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE BANK SECRECY ACT AND THE IMPLEMENTING REGULATIONS HEREUNDER;

C. PROVIDE FOR INDEPENDENT TESTING FOR COMPLIANCE TO BE CONDUCTED BY MEMBER OR MEMBER ORGANIZATION PERSONNEL OR BY A QUALIFIED OUTSIDE PARTY; D. DESIGNATE ADEQUATE STAFF TO ENSURE COMPLIANCE WITH THE BANK SECRECY ACT; AND E. PROVIDE ONGOING TRAINING FOR APPROPRIATE PERSONS.

2. ENGAGED IN CONDUCT INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE IN THAT THE FIRM WAS ENABLING AND FACILITATING FOREIGN CUSTOMERS OF A FOREIGN BRANCH OFFICE TO ENGAGE IN SEVERAL MILLION DOLLARS OF NON-SECURITY/INVESTMENT TRANSACTIONS THROUGH WIRE TRANSFERS AND INTRA-FIRM JOURNAL TRANSFERS.

3. VIOLATED EXCHANGE ACT RULES 17A-3 AND 17A-4 AND EXCHANGE RULE 440 BY FAILING TO KEEP BOOKS AND RECORDS REFLECTING CERTAIN JOURNAL TRANSFERS;

4. VIOLATED EXCHANGE RULE 401 BY FAILING TO ADHERE TO THE PRINCIPLES OF GOOD BUSINESS PRACTICE IN THE CONDUCT OF ITS BUSINESS AFFAIRS BY PERMITTING CUSTOMERS AND EMPLOYEES IN A FOREIGN BRANCH OFFICE TO ENGAGE IN WIRE TRANSFERS AND JOURNAL TRANSFERS WHILE EXECUTING FEW SECURITIES AND/OR INVESTMENT TRANSACTIONS IN THEIR CUSTOMER ACCOUNTS;

5. VIOLATED RULE 17A-8 OF THE EXCHANGE ACT BY FAILING TO HAVE PROCEDURES TO MONITOR OR REVIEW TRANSACTIONS MADE IN A FOREIGN BRANCH OFFICE FOR SUSPICIOUS ACTIVITY, AND FAILED TO FILE SUSPICIOUS ACTIVITY REPORTS REGARDING THAT ACTIVITY. **CONTINUE #7*

Initiated By: NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

Date Initiated: 11/18/2005

ocket/Case Number: HPD# 05-181

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Decision

Resolution Date: 02/03/2006

Sanctions Ordered: Censure
Monetary/Fine \$2,800,000.00

Other Sanctions Ordered:

Sanction Details:

****12/14/05****DECISION HPD 05-181 ISSUED BY NYSE HEARING PANEL PENDING.DECISION:1.VIOLATED EXCHANGE RULE 445 BY FAILING TO ESTABLISH AN ADEQUATE ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM BY FAILING TO:A.ESTABLISH AND IMPLEMENT POLICIES AND PROCEDURES REASONABLY EXPECTED TO DETECT AND CAUSE THE REPORTING OF TRANSACTIONS REQUIRED UNDER 31 U.S.C. 5318(G) AND THE IMPLEMENTING REGULATIONS THEREUNDER;
 B.ESTABLISH AND IMPLEMENT POLICIES, PROCEDURES AND INTERNAL CONTROLS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE BANK SECRECY ACT & THE IMPLEMENTING REGULATIONS THEREUNDER;
 C.PROVIDE FOR INDEPENDENT TESTING FOR COMPLIANCE TO BE CONDUCTED BY MEMBER OR MEMBER ORGANIZATION PERSONNEL OR BY A QUALIFIED OUTSIDE PARTY;D.DESIGNATE ADEQUATE STAFF TO ENSURE COMPLIANCE WITH THE BANK SECRECY ACT; AND E.PROVIDE ONGOING TRAINING FOR APPROPRIATE PERSONS.2.ENGAGED IN CONDUCT INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE IN THAT THE FIRM WAS ENABLING AND FACILITATING FOREIGN CUSTOMERS OF A FOREIGN BRANCH OFFICE TO ENGAGE IN SEVERAL MILLION DOLLARS OF NON-SECURITY/INVESTMENT TRANSACTIONS THROUGH WIRE TRANSFERS AND INTRA-FIRM JOURNAL TRANSFERS.3.VIOLATED EXCHANGE ACT RULES 17A-3 AND 17A-4 AND EXCHANGE RULE 440 BY FAILING TO KEEP BOOKS AND RECORDS REFLECTING CERTAIN JOURNAL TRANSFERS;4.VIOLATED EXCHANGE RULE 401 BY FAILING TO ADHERE TO THE PRINCIPLES OF GOOD BUSINESS PRACTICE IN THE CONDUCT OF ITS BUSINESS AFFAIRS BY PERMITTING CUSTOMERS AND EMPLOYEES IN A FOREIGN BRANCH OFFICE TO ENGAGE IN WIRE TRANSFERS AND JOURNAL TRANSFERS WHILE EXECUTING FEW SECURITIES &/OR INVESTMENT TRANSACTIONS IN THEIR CUSTOMER ACCOUNTS;5.VIOLATED RULE 17A-8 OF THE EXCHANGE ACT BY FAILING TO HAVE PROCEDURES TO MONITOR OR REVIEW TRANSACTIONS MADE IN A FOREIGN BRANCH OFFICE FOR SUSPICIOUS ACTIVITY, AND FAILED TO FILE SUSPICIOUS ACTIVITY REPORTS REGARDING THAT ACTIVITY.**CONTINUED AT #14**

Regulator Statement

****CONTINUED FROM 13C****6.VIOLATED EXCHANGE RULE 342 BY FAILING TO ESTABLISH AND MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION AND CONTROL REVIEW, WITH RESPECT TO:(A) FAILING TO MAINTAIN APPROPRIATE PROCEDURES FOR INTRA-ACCOUNT JOURNALS;
 (B) FAILING TO REASONABLY SUPERVISE THE FIRM'S ANTI-MONEY LAUNDERING UNIT;(C) FAILING TO ADHERE TO PRINCIPLES OF GOOD BUSINESS PRACTICE;(D) FAILING TO CONDUCT AND DOCUMENT ON-SITE BRANCH OFFICE INSPECTIONS;(E)FAILING TO EVIDENCE SUPERVISORY REVIEWS OF LETTERS OF AUTHORIZATION; (F) FAILING TO ENSURE THAT ITS OPERATIONAL AND REGULATORY ACTIVITIES WERE

APPROPRIATELY SUPERVISED AND THAT IT HAD APPROPRIATE SYSTEMS, PROCEDURES AND STAFF TO FOLLOW-UP AND REVIEW ALL AREAS OF ITS BUSINESS ACTIVITIES INCLUDING ITS ANTI-MONEY LAUNDERING PROGRAM, SUSPICIOUS ACTIVITY REPORTING AND BRANCH OFFICES TO ASSURE COMPLIANCE WITH APPLICABLE SECURITIES REGULATIONS AND EXCHANGE RULES AND TO DETECT AND PREVENT THE VIOLATIONS INDICATED ABOVE. PENALTY: THE IMPOSITION BY THE EXCHANGE OF A CENSURE, A \$2.8 MILLION FINE, TO BE DIVIDED EQUALLY BETWEEN THE EXCHANGE AND THE FINANCIAL CRIMES ENFORCEMENT NETWORK, AND AN ORDER TO COMPLY WITH THE FOLLOWING UNDERTAKING: 1. WITHIN 120 DAYS FROM THE DATE THAT THIS DECISION BECOMES FINAL, SUBMIT A SUPPLEMENTAL REPORT WITH RESPECT TO THE REVIEW, RECOMMENDATIONS AND ADOPTION OF RECOMMENDATIONS NOTED IN THE ERNST & YOUNG REPORT (THE "REPORT") OF THE REVIEW ALREADY CONDUCTED OF THE FIRM'S ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES, AND THE FOREIGN BRANCH OFFICE ACTIVITIES DESCRIBED HEREIN. 2. ADOPT AND IMPLEMENT ANY AND ALL POLICIES, PROCEDURES AND PRACTICES RECOMMENDED IN THE ERNST & YOUNG REPORT CONSISTENT WITH THE FIRM'S BUSINESS.

**THE DECISION IS NOW FINAL AND EFFECTIVE IMMEDIATELY.

CONTACT: PEGGY GERMINO 212-656-8450

Reporting Source: Firm

Current Status: Final

Allegations: INADEQUATE REVIEW OF WIRE TRANSFERS IN FOREIGN BRANCH OFFICE. INADEQUATE AML POLICIES AND PROCEDURES FOR REVIEW OF FOREIGN BRANCH OFFICE TRANSACTIONS. PROCESS FOR HANDLING FILING OF "SARS" WAS NOT ADEQUATE UNDER BSA PROVISIONS. FAILURE TO MAINTAIN ADEQUATE BOOKS AND RECORDS RELATING TO JOURNAL TRANSFERS OCCURRING IN A FOREIGN BRANCH OFFICE.

Initiated By: NEW YORK STOCK EXCHANGE ENFORCEMENT DIVISION

Date Initiated: 12/14/2005

ocket/Case Number: HPD# 05-181

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief sought: Other

Other Sanction(s)/Relief sought: FINE

Resolution: Consent
Resolution Date: 12/14/2005
Sanctions Ordered: Censure
 Monetary/Fine \$2,800,000.00
Other Sanctions Ordered:
Sanction Details: FINE PAID & CONSENT EXECUTED BY FIRM.
Firm Statement WITHOUT ADMITTING OR DENYING ALLEGATIONS ABOVE, FIRM PAID FINE & EXECUTED CONSENT.

Disclosure 39 of 73

Reporting Source: Regulator
Current Status: Final
Allegations: THE MISSOURI SECURITIES DIVISION ALLEGES THAT OPPENHEIMER EMPLOYED AN UNREGISTERED INVESTMENT ADVISER REPRESENTATIVE AND AN UNREGISTERED AGENT IN VIOLATION OF SECTION 409.201, RSMO 2000 AND FAILED TO SUPERVISE AN AGENT IN MISSOURI AND THESE CONSTITUTE GROUNDS TO REVOKE, BAR OR CENSURE OPPENHEIMER'S REGISTRATION IN MISSOURI PURSUANT TO SECTION 409.204, RSMO 2000.
Initiated By: MISSOURI
Date Initiated: 06/15/2005
ocket/Case Number: AP-05-03
RL for Regulatory Action:
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief sought: Other
Other Sanction(s)/Relief sought:
Resolution: Consent
Resolution Date: 06/15/2005

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 \$122,050.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details:

OPPENHEIMER IS PROHIBITED FROM EMPLOYING UNREGISTERED AGENTS IN VIOLATION OF SECTION 409.4-401 RSMO CUMULATIVE SUPP. 2004, AND IS PROHIBITED FROM FAILING TO SUPERVISE ITS EMPLOYEES IN VIOLATION OF SECTION 409.4-412, RSMO CUMULATIVE SUPP. 2004.

Reporting Source:

Firm

Current Status:

Final

Allegations:

1.) REGISTERED REP FILLED OUT RENEWAL FORM INCORRECTLY AND MISSOURI REGISTRATION WAS INADVERTANTLY TERMINATED. 2.) FAILED TO FILE REGISTRATION EXEMPTION PAPERWORK FOR 1 REGISTERED REP. 3.) REGISTERED REP RECEIVED UNAUTHORIZED LOAN FROM CLIENT (FRIEND) VIA WIRE FROM CLIENT'S MARGIN ACCOUNT TO RR'S UNDISCLOSED OUTSIDE BUSINESS INTEREST.

Initiated By:

MISSOURI

Date Initiated:

11/07/2003

ocket/Case Number:

AP-05-03

Principal Product Type:

No Product

Other Product Type(s):

Principal Sanction(s)/Relief sought:

Other

Other Sanction(s)/Relief sought:

DISGORGEMENT, RESTITUTION

Resolution:

Settled

Resolution Date:

06/15/2005

Sanctions Ordered:

Monetary/Fine \$122,050.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: RESTITUTION OF \$50,000 + MISSOURI'S COST OF INVESTIGATION OF \$9050.00. RESTITUTION OF 63,000.00. TOTALING \$122,050.00.

Disclosure 40 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 17A-4 THEREUNDER, MSRB RULES G-14, G-27, NASD RULES 2110, 3010(A) AND (B), 3110, 8210 - RESPONDENT MEMBER FAILED TO REPORT ON A TIMELY BASIS MUNICIPAL SECURITIES TRANSACTIONS WITH OTHER DEALERS; FAILED TO REPORT ACCURATELY THE PRICE OR TIME OR WHETHER IT ACTED AS PRINCIPAL OR AGENT ON NUMEROUS MUNICIPAL SECURITIES TRADES WITH CUSTOMERS; FAILED TO REPORT OR REPORTED MUNICIPAL SECURITIES TRANSACTIONS THAT WERE NEVER EFFECTED ON NUMEROUS OCCASIONS; FAILED TO RESPOND IN A TIMELY MANNER TO NASD REQUESTS FOR DOCUMENTS AND INFORMATION; FAILED TO HAVE A SYSTEM IN PLACE TO SAVE ALL ELECTRONIC COMMUNICATIONS BETWEEN ITS EMPLOYEES, AND ALLOWED ITS EMPLOYEES TO DELETE ELECTRONIC COMMUNICATIONS.

Initiated By: NASD

Date Initiated: 04/26/2005

ocket/Case Number: [CE420050002](#)

Principal Product Type: Other

Other Product Type(s): MUNICIPAL SECURITIES

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 09/28/2006

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: Monetary/Fine \$800,000.00

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, OPPENHEIMER & CO. INC. CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS FINED \$800,000 AND REQUIRED TO CARRY OUT THE FOLLOWING UNDERTAKING: RETAIN OUTSIDE COUNSEL TO REVIEW, MODIFY, AND ENHANCE OPPENHEIMER'S WRITTEN SUPERVISORY PROCEDURES APPLICABLE TO MUNICIPAL TRADE REPORTING AND COMPLYING WITH REGULATORY REQUESTS. OUTSIDE COUNSEL MUST PREPARE A REPORT DESCRIBING THE NATURE AND EXTENT OF ITS REVIEW, AND THE MODIFICATIONS AND ENHANCEMENTS THAT IT RECOMMENDS. REVIEW ITS PROCEDURES REGARDING PRESERVATION OF ELECTRONIC COMMUNICATIONS; WITHIN 120 DAYS OF NOTICE OF ACCEPTANCE OF THE OFFER, OPPENHEIMER WILL INFORM NASD IN WRITING THAT IT HAS COMPLETED ITS REVIEW AND ESTABLISHED SYSTEMS AND PROCEDURES FOR THE PRESERVATION OF ELECTRONIC COMMUNICATIONS; WITHIN 120 DAYS OF NOTICE OF ACCEPTANCE OF THE OFFER, A SENIOR OFFICER OF OPPENHEIMER WILL PROVIDE NASD A NOTARIZED CERTIFICATION THAT IT HAS COMPLIED WITH THE UNDERTAKINGS AND IMPLEMENTED PROCEDURES.

Reporting Source: Firm

Current Status: Final

Allegations: SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 17A-4 THEREUNDER, MSRB RULES G-14, G-27, NASD RULES 2110, 3010(A) AND (B), 3110, 8210 - RESPONDENT MEMBER FAILED IN MAY 2003 TO REPORT ON A TIMELY BASIS MUNICIPAL SECURITIES TRANSACTIONS WITH OTHER DEALERS; FAILED TO REPORT ACCURATELY THE PRICE OR TIME OR WHETHER IT ACTED AS PRINCIPAL OR AGENT ON NUMEROUS MUNICIPAL SECURITIES TRADES WITH CUSTOMERS; FAILED TO REPORT OR REPORTED MUNICIPAL SECURITIES TRANSACTIONS THAT WERE NEVER EFFECTED ON NUMEROUS OCCASIONS; FAILED TO RESPOND IN A TIMELY MANNER TO NASD REQUESTS FOR DOCUMENTS AND INFORMATION; FAILED TO HAVE A SYSTEM IN PLACE TO SAVE ALL ELECTRONIC COMMUNICATIONS BETWEEN ITS EMPLOYEES, AND ALLOWED ITS EMPLOYEES TO DELETE ELECTRONIC COMMUNICATIONS.

Initiated By: NASD

Date Initiated: 04/26/2005

ocket/Case Number: CE4050002

Principal Product Type: Debt - Government
Other Product Type(s): DEBT - MUNICIPAL
Principal Sanction(s)/Relief sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief sought: RETENTION OF OUTSIDE COUNSEL TO REVIEW, MODIFY AND ENHANCE WRITTEN SUPERVISORY PROCEDURES REGARDING MUNICIPAL TRADE REPORTING AND COMPLYING WITH REGULATORY REQUESTS; REVIEW ITS PROCEDURES REGARDING THE PRESERVATIONS OF ELECTRONIC COMMUNICATIONS FOR COMPLIANCE WITH THE NASD RULE OF FEDERAL SECURITIES LAWS.
Resolution: Decision & Order of Offer of Settlement
Resolution Date: 09/28/2006
Sanctions Ordered: Monetary/Fine \$800,000.00
Other Sanctions Ordered: MEMBER IS REQUIRED TO RETAIN OUTSIDE COUNSEL TO REVIEW, MODIFY AND ENHANCE WRITTEN PROCEDURES REGARDING MUNICIPAL TRADE REPORTING AND COMPLIANCE WITH REGULATORY REQUESTS.
Sanction Details: \$800,000.00 FINE TO BE PAID BY APPLICANT
Firm Statement PLEASE SEE RESPONSE TO 7 ABOVE. MATTER RESOLVED BY APPLICANT WITHOUT ADMITTING OR DENYING ALLEGATIONS (APPLICANT CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS MADE AND FILED UNDER NASD DOCKET NO. CE4050002)

Disclosure 41 of 73

Reporting Source: Regulator
Current Status: Final
Allegations: SEC RULES 10A-1, 10B-10, 17A-3 AND 17A-4 NASD CONDUCT RULES 2110 3110, 3010 AND 3370 NASD MARKETPLACE RULE 5220(E) - FAHNESTOCK EFFECTED TWO SHORT SALES IN CERTAIN SECURITIES FOR THE FIRM'S PROPRIETARY ACCOUNTS AND FAILED TO MAKE AND ANNOTATE AN AFFIRMATIVE DETERMINATION THAT THE FIRM COULD BORROW THE SECURITIES OR OTHERWISE PROVIDE FOR DELIVERY OF THE SECURITIES BY SETTLEMENT DATE. THE FIRM EXECUTED FIVE SHORT SALE ORDERS IN CQS SECURITIES AND FAILED TO PROPERLY MARK THE ORDERS AS SHORT IN ITS TRADING LEDGER. ALSO, THE FIRM ON THREE OCCASIONS FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION. THE FIRM INCORRECTLY STATED ITS CAPACITY AS AGENT ON THE CUSTOMER CONFIRMATIONS. IN ADDITION, THE FIRM FAILED ON ONE OCCASION TO

SHOW THE TIME OF ORDER RECEIPT ON THE MEMORANDUM OF ITS BROKERAGE ORDERS AND FAILED ON ONE OCCASION TO SHOW THE CORRECT VOLUME ON THE MEMORANDUM OF ITS BROKERAGE ORDERS. THE FIRM FAILED ON THREE OCCASIONS TO DOCUMENT THE NAME OF EACH DEALER IT CONTACTED AND THE QUOTATIONS RECEIVED TO DETERMINE THE BEST INTER-DEALER MARKET. THE FIRM, REGISTERED WITH NASD AS AN ITS/CAES MARKET MAKER, AS THE TERM IS DEFINED IN NASD MARKETPLACE RULE 5210(E), IN EACH SECURITY IN WHICH IT MADE A MARKET IN ITS, FAILED IN 78 INSTANCES TO MAINTAIN CONTINUOUS TWO-SIDED QUOTATIONS IN THE ABSENCE OF THE GRANT OF AN EXCUSED WITHDRAWAL OR A FUNCTIONAL EXCUSED WITHDRAWAL BY THE NASD. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD, CONCERNING: (I) REGISTRATION QUALIFICATIONS OF FIRM PERSONNEL, (II) BEST EXECUTION, (III) ANTI-INTIMIDATION, (IV) SHORT SALES, AND (V) MAINTAINING CONTINUOUS TWO-SIDED QUOTATIONS AS AN ITS/CAES MARKET MAKER.

Initiated By: NASD

Date Initiated: 10/18/2004

ocket/Case Number: [CMS040156](#)

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED TYPE OF SECURITIES

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 05/17/2005

Does the order constitute a final order based on provisions 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 ALLEGATIONS, OPPENHEIMER & CO., INC. 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: FAHNESTOCK EFFECTED TWO SHORT SALES IN CERTAIN SECURITIES FOR THE FIRM'S PROPRIETARY ACCOUNTS AND FAILED TO MAKE AND ANNOTATE AN AFFIRMATIVE DETERMINATION THAT THE FIRM COULD BORROW THE SECURITIES OR OTHERWISE PROVIDE FOR DELIVERY OF THE SECURITIES BY SETTLEMENT DATE. THE FIRM EXECUTED FIVE SHORT SALE ORDERS IN CQS SECURITIES AND FAILED TO PROPERLY MARK THE ORDERS AS SHORT IN ITS TRADING LEDGER. ALSO, THE FIRM ON THREE OCCASIONS FAILED TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER ITS CORRECT CAPACITY IN THE TRANSACTION. THE FIRM INCORRECTLY STATED ITS CAPACITY AS AGENT ON THE CUSTOMER CONFIRMATIONS. IN ADDITION, THE FIRM FAILED ON ONE OCCASION TO SHOW THE TIME OF ORDER RECEIPT ON THE MEMORANDUM OF ITS BROKERAGE ORDERS AND FAILED ON ONE OCCASION TO SHOW THE CORRECT VOLUME ON THE MEMORANDUM OF ITS BROKERAGE ORDERS. THE FIRM FAILED ON THREE OCCASIONS TO DOCUMENT THE NAME OF EACH DEALER IT CONTACTED AND THE QUOTATIONS RECEIVED TO DETERMINE THE BEST INTER-DEALER MARKET. THE FIRM, REGISTERED WITH NASD AS AN ITS/CAES MARKET MAKER, AS THE TERM IS DEFINED IN NASD MARKETPLACE RULE 5210(E), IN EACH SECURITY IN WHICH IT MADE A MARKET IN ITS, FAILED IN 78 INSTANCES TO MAINTAIN CONTINUOUS TWO-SIDED QUOTATIONS IN THE ABSENCE OF THE GRANT OF AN EXCUSED WITHDRAWAL OR A FUNCTIONAL EXCUSED WITHDRAWAL BY THE NASD. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD, CONCERNING: (I) REGISTRATION QUALIFICATIONS OF FIRM PERSONNEL, (II) BEST EXECUTION, (III) ANTI-INTIMIDATION, (IV) SHORT SALES, AND (V) MAINTAINING CONTINUOUS TWO-SIDED QUOTATIONS AS AN ITS/CAES MARKET MAKER.

Initiated By: NASD

Effective Date: 10/18/2004

Sanction/Case Number: [CMS040156](#)

Principal Product Type: Other
Other Product Type(s): UNSPECIFIED TYPE OF SECURITIES
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought:
Resolution: Settled
Resolution Date: 05/17/2005
Sanctions Ordered: Censure
 Monetary/Fine \$32,500.00
Other Sanctions Ordered:
Sanction Details: CENSURE AND FINE OF \$32500.00 PAID.

Disclosure 42 of 73

Reporting Source: Regulator
Current Status: Final
Allegations: SEC RULE 17A-3, NASD RULES 3110, 3370, 6130(D), 6620(C)(2) -MEMBER FIRM EXECUTED ONE CUSTOMER SHORT SALE ORDER AND TWO PROPRIETARY SHORT SALE ORDER AND FAILED TO MAKE AN AFFIRMATIVE DETERMINATION PRIOR TO EXECUTING THE TRANSACTION; FAILED TO REPORT TO ACT THE CORRECT SYMBOL INDICATING WHETHER THREE TRANSACTIONS IN ELIGIBLE SECURITIES WERE A BUY, SELL, SELL SHORT, SELL SHORT EXEMPT, OR CROSS; FAILED TO REPORT THE CORRECT NUMBER OF SHARES THROUGH ACT IN FOUR LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES; FAILED TO SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDUM OF BROKERAGE ORDERS; FAILED TO SHOW THE PRICE AND NUMBER OF SHARES OF EACH PARTIAL EXECUTION ON THE MEMORANDUM OF ONE BROKERAGE ORDER; FAILED TO SHOW THE TIME OF ENTRY AND TERMS AND CONDITIONS ON THE MEMORANDUM OF BROKERAGE ORDERS; FAILED TO INDICATE WHETHER THE ORDER WAS LONG OR SHORT ON THE MEMORANDUM OF BROKERAGE ORDERS;
Initiated By: NASD
Date Initiated: 12/23/2003
ocket/Case Number: CMS030297
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: 12/23/2003

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 \$4,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS FINED \$4,500 (COMPOSED OF \$1,000 FINE FOR THE AFFIRMATIVE DETERMINATION RULE VIOLATIONS AND \$2,500 FOR THE TRANSACTION REPORTING VIOLATIONS, AND \$1,000 FOR THE RECORDKEEPING RULE VIOLATIONS).

Reporting Source: Firm

Current Status: Final

Allegations: THE FIRM, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CONSENTED TO THE FINDINGS IN CONNECTION WITH THE FOLLOWING RULES. NASD CONDUCT RULE 3370, NASD MARKETPLACE RULE 6130(D), NASD MARKETPLACE RULE 6620(C)(2). SEC RULE 17A-3 AND NASD RULE 3110.

Initiated By: NASD

Date Initiated: 11/11/2003

ocket/Case Number: CMS030297

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief sought: Other
Other Sanction(s)/Relief sought: AWC
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 01/16/2004
Sanctions Ordered: Censure
 Monetary/Fine \$4,500.00
Other Sanctions Ordered:
Sanction Details: A FINE OF \$4,500 WAS PAID ON 1/16/04.

Disclosure 43 of 73

Reporting Source: Regulator
Current Status: Final
Allegations: NASD CONDUCT RULE 3320, NASD MARKETPLACE RULE 4613(B), AND SEC RULE 11AC1-1 - RESPONDENT MEMBER ("FIRM") WAS A MARKET MAKER IN SECURITIES, AND AN ORDER WAS PRESENTED TO THE FIRM AT THE FIRM'S PUBLISHED BID OR PUBLISHED OFFER IN AN AMOUNT UP TO ITS PUBLISHED QUOTATION SIZE. THE FIRM FAILED TO EXECUTE THE ORDERS UPON PRESENTMENT AND THEREBY FAILED TO HONOR ITS PUBLISHED QUOTATION.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 03/13/2003
ocket/Case Number: CMS030039
Principal Product Type: Other
Other Product Type(s): UNKNOWN TYPE OF SECURITIES.
Principal Sanction(s)/Relief sought:
Other Sanction(s)/Relief sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 03/13/2003
Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000.

Reporting Source: Firm

Current Status: Final

Allegations: NASD CONDUCT RULE 3320 AND NASD MARKETPLACE RULE 4613(B), AND SEC RULE 11AC1-1 RESPONDENT MEMBER ("FIRM") WAS A MARKET MAKER IN SECURITIES, AND AN ORDER WAS PRESENTED TO THE FIRM AT THE FIRMS'S PUBLISHED BID OR PUBLISHED OFFER IN AN AMOUNT UP TO ITS PUBLISHED QUOTATION SIZE. THE FIRM FAILED TO EXECUTE THE ORDERS UPON PRESENTMENT AND THEREBY FAILED TO HONOR ITS PUBLISHED QUOTATION.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 12/18/2002

ocket/Case Number: CMS030039

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief sought: Other

Other Sanction(s)/Relief sought: AWC

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/13/2003

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: A FINE OF \$5000.00 HAS BEEN PAID ON 4/1/03.

Disclosure 44 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: NASD RULES 2110 AND 2320 - WITHOUT ADMITTING OR DENYING THE

ALLEGATIONS, THE RESPONDENT FIRM CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED, IN TRANSACTIONS FOR OR WITH A CUSTOMER, TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 04/15/2002

ocket/Case Number: CMS020059

Principal Product Type: Other

Other Product Type(s): UNKNOWN TYPE OF SECURITIES.

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/15/2002

Sanctions Ordered: Monetary/Fine \$5,000.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: A FINE OF \$5,000 AND RESTITUTION TO THE CUSTOMERS IN THE TOTAL AMOUNT OF \$5,906.25, PLUS INTEREST AT THE RATE SET FORTH IN SECTION 6621(A) OF THE INTERNAL REVENUE CODE, FROM THE DATE OF THE VIOLATIVE CONDUCT UNTIL THE DATE THIS AWC IS ACCEPTED BY THE NAC. A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION, TO THE NASD MARKET REGULATION DEPARTMENT NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. IF FOR ANY REASON RESPONDENT FIRM CANNOT LOCATE ANY CUSTOMER AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, OR SUCH ADDITIONAL PERIOD AGREED BY THE NASD, THE RESPONDENT FIRM SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY, OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER IS LAST KNOWN TO HAVE RESIDED.

Reporting Source: Firm
Current Status: Final
Allegations: THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS.
Initiated By: NASD REGULATION, INC.
Date Initiated: 01/30/2002
ocket/Case Number: CMS020059
Principal Product Type: Equity - OTC
Other Product Type(s):
Principal Sanction(s)/Relief sought: Restitution
Other Sanction(s)/Relief sought: FINED
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 04/18/2002
Sanctions Ordered: Monetary/Fine \$5,000.00
 Disgorgement/Restitution
Other Sanctions Ordered: RESTITUTION
Sanction Details: RESTITUTION OF \$5906.25 PLUS INTEREST AND A FINE OF \$5000.00 PAID

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Reporting Source: Regulator
Current Status: Final
Allegations: MSRB RULE G-36 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE ENTRY OF FINDINGS THAT IT ACTED AS AN UNDERWRITER IN PRIMARY OFFERINGS OF MUNICIPAL SECURITIES AND WAS REQUIRED TO FILE DOCUMENTS WITH THE MSRB IN CONNECTION WITH THE OFFERINGS, FAILED TO TIMELY SUBMIT OFFICIAL STATEMENTS AND/OR OTHER DOCUMENTS TO THE MSRB AS REQUIRED BY MSRB RULE G-36.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 01/29/2002

ocket/Case Number: C10020009
Principal Product Type: Other
Other Product Type(s): MUNICIPAL SECURITIES
Principal Sanction(s)/Relief sought:
Other Sanction(s)/Relief sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 01/29/2002
Sanctions Ordered: Monetary/Fine \$2,000.00
Other Sanctions Ordered:
Sanction Details: FINED \$2,000

Reporting Source: Firm
Current Status: Final
Allegations: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FAHNESTOCK & CO. CONSENTED TO THE ENTRY OF FINDINGS THAT IT ACTED AS AN UNDERWRITER IN PRIMARY OFFERINGS OF MUNICIPAL SECURITIES AND WAS REQUIRED TO FILE DOCUMENTS WITH THE MSRB IN CONNECTION WITH THE OFFERINGS, FAILED TO TIMELY SUBMIT OFFICIAL STATEMENTS AND/OR OTHER DOCUMENTS TO THE MSRB AS REQUIRED BY MSRB RULE G-36.

Initiated By: NATIONAL ASSOCIATION SECURITIES DEALERS, INC.
Date Initiated: 04/04/2000

ocket/Case Number: C10020009
Principal Product Type: No Product
Other Product Type(s): MUNICIPAL SECURITIES
Principal Sanction(s)/Relief sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief sought:
Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 01/29/2002
Sanctions Ordered: Monetary/Fine \$2,000.00
Other Sanctions Ordered:
Sanction Details: PAID FINE OF \$2000.00
Firm Statement ON 1/29/02 THE FIRM WAS NOTIFIED THAT THE NASD HAD ACCEPTED A LETTER OF ACCEPTANCE (AWC) TO SETTLE FINDINGS THAT WE HAD FAILED TO TIMELY SUBMIT OFFICAL STATEMENTS PURSUANT TO MSRB RULE G-36.

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Reporting Source: Regulator
Current Status: Final
Allegations: SEC RULE 1AC1-4, NASD RULE 6130(D) - RESPONDENT MEMBER FAILED TO DISPLAY IMMEDIATELY CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION, WHEN SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY OR WHEN EACH SUCH ORDER WAS PRICED EQUAL TO ITS BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMUS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY; AND FAILED TO REPORT TO ACT THE CORRECT SYMBOL INDICATING WHETHER THE FIRM EXECUTED TRANSACTIONS IN ELIGIBLE SECURITIES IN A PRINCIPAL OR AGENCY CAPACITY.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 04/18/2000
ocket/Case Number: CMS000075
Principal Product Type: Other
Other Product Type(s):
Principal Sanction(s)/Relief sought:
Other Sanction(s)/Relief sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 04/18/2000

Sanctions Ordered: Monetary/Fine \$4,000.00

Other Sanctions Ordered:

Sanction Details: FINED \$4,000

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED VIOLATION OF SEC RULE 11AC1-4 LIMIT ORDER DISPLAY AND NASD MARKETPLACE RULE 6130 (D), ACT REPORTING.

Initiated By: NASD

Date Initiated: 01/06/2000

ocket/Case Number: CMS000075AWC

Principal Product Type: Equity - OTC

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: 04/18/2000

Sanctions Ordered: Monetary/Fine \$4,000.00

Other Sanctions Ordered:

Sanction Details: A FINE OF \$4000.00 WAS PAID.

Firm Statement A LETTER OF ACCEPTANCE WAIVER AND CONSENT WAS ACCEPTED BY NASD REGULATION, INC'S OFFICE OF DISCIPLINARY AFFAIRS AND THE NATIONAL ADJUDICATORY COUNCIL ON 6/7/00. A \$4000.00 FINE WAS PAID.

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Reporting Source: Regulator

Current Status: Final

Allegations: **04/22/2003** STIPULATION AND CONSENT TO PENALTY FILED BY NYSE DIVISION OF ENFORCEMENT AND PENDING. CONSENTED TO FINDINGS/STIPULATED SANCTION: WITHOUT ADMITTING OR DENYING

GUILT, FAHNESTOCK CONSENTS TO: A. FINDINGS BY THE HEARING PANEL THAT IT VIOLATED AND/OR CAUSED OR PERMITTED A VIOLATION OF: 1. EXCHANGE RULE 401, IN THAT IT DID NOT ADHERE AT ALL TIMES TO THE PRINCIPLES OF GOOD BUSINESS PRACTICE, BY FAILING TO NOTIFY THE EXCHANGE IMMEDIATELY UPON DISCOVERY OF ANY EXISTING OR IMPENDING CONDITION WHICH IT REASONABLY SHOULD HAVE BELIEVED COULD LEAD TO OPERATIONAL PROBLEMS AND/OR IMPAIRMENT OF RECORDKEEPING, CLEARANCE OR CONTROL FUNCTIONS. 2. SEC REGULATION § 240.17A-3, SEC REGULATION § 240.17A-4, AND EXCHANGE RULE 440, IN THAT IT FAILED TO MAKE AND/OR KEEP CURRENT CERTAIN BOOKS AND RECORDS, AND IT DID NOT PRESERVE OR COULD NOT LOCATE ONE OR MORE REQUIRED RECORDS. 3. SEC REGULATION § 240.17A-11(D), IN THAT IT FAILED TO TIMELY GIVE REQUIRED NOTICE TO THE SEC AND THE EXCHANGE THAT IT DID NOT MAKE OR KEEP CURRENT CERTAIN REQUIRED BOOKS AND RECORDS. 4. EXCHANGE RULE 440.10(1), IN THAT IT FAILED TO RECONCILE MUTUAL FUND POSITIONS IN A TIMELY MANNER BY COMPARISON OF ITS BOOKS AND RECORDS WITH POSITION STATEMENTS REQUIRED TO BE RECEIVED FROM OTHER ORGANIZATIONS, AND FAILED TO TIMELY RESOLVE POSITION DIFFERENCES. 5. EXCHANGE RULE 440.10(3), SEC REGULATION § 240.15C3-1(C)(2)(IV), AND SEC REGULATION § 240.17A-13(B)(5), IN THAT: (I) IT FAILED TO ENTER AGED UNRESOLVED SECURITY POSITION DIFFERENCES INTO A DIFFERENCE ACCOUNT; AND, (II) IT FAILED TO VALUE SHORT SECURITY POSITION DIFFERENCES AS OF THE DATE OF A REQUIRED COMPUTATION OF NET CAPITAL. 6. SEC REGULATION § 240.15C3-1, IN THAT IT DID NOT ACCURATELY PREPARE COMPUTATIONS OF NET CAPITAL, BY FAILING TO TAKE A DEDUCTION FOR THE VALUE OF AGED UNRESOLVED SHORT SECURITIES DIFFERENCES, AND BY TAKING DEDUCTIONS FOR SUCH DIFFERENCES USING INFORMATION THAT WAS NOT CURRENT AS OF THE DATE OF THE COMPUTATIONS. **CONTINUED IN #13**

Initiated By: NYSE DIVISION OF ENFORCEMENT
Date Initiated: 03/26/2001
ocket/Case Number: HPD# 03-100
Principal Product Type: Other
Other Product Type(s):
Principal Sanction(s)/Relief sought:
Other Sanction(s)/Relief sought:
Resolution: Decision

Resolution Date: 07/11/2003
Sanctions Ordered: Censure
 Monetary/Fine \$500,000.00

Other Sanctions Ordered:

Sanction Details: **06/13/2003** VIOLATED AND/OR CAUSED OR PERMITTED A VIOLATION OF: EXCHANGE RULE 401 BY FAILING TO NOTIFY THE EXCHANGE IMMEDIATELY UPON DISCOVERY OF A CONDITION WHICH IT REASONABLY SHOULD HAVE BELIEVED COULD LEAD TO OPERATIONAL PROBLEMS AND/OR IMPAIRMENT OF SPECIFIED FUNCTIONS; SEC REGULATION §240.17A-3, SEC REGULATION §240.17A-4, AND EXCHANGE RULE 440, IN THAT IT FAILED TO MAKE AND/OR KEEP CURRENT CERTAIN BOOKS AND RECORDS, AND DID NOT PRESERVE OR COULD NOT LOCATE REQUIRED RECORDS; SEC REGULATION §240.17A-11(D), IN THAT IT FAILED TO TIMELY GIVE REQUIRED NOTICE TO THE SEC AND THE EXCHANGE THAT IT DID NOT MAKE OR KEEP CURRENT CERTAIN REQUIRED BOOKS AND RECORDS; EXCHANGE RULE 440.10(1), IN THAT IT FAILED TO RECONCILE MUTUAL FUNDS POSITIONS IN A TIMELY MANNER AND IT FAILED TO TIMELY RESOLVE POSITION DIFFERENCES; EXCHANGE RULE 440.10(3), SEC REGULATION §240.15C3-1(C)(2)(IV), AND SEC REGULATION §240.17A-13(B)(5), IN THAT IT FAILED TO: (I) ENTER AGED UNRESOLVED SECURITY POSITIONS DIFFERENCES INTO A DIFFERENCE ACCOUNT, AND (II) VALUE SHORT SECURITY POSITION DIFFERENCE AS OF THE DATE OF A REQUIRED COMPUTATION OF NET CAPITAL; SEC REGULATION §240.15C3-1, IN THAT IT DID NOT ACCURATELY PREPARE COMPUTATIONS OF NET CAPITAL; BY FAILING TO TAKE A DEDUCTION FOR THE VALUE OF AGED UNRESOLVED SHORT SECURITIES DIFFERENCES, AND BY TAKING DEDUCTIONS FOR SUCH DIFFERENCES USING INFORMATION THAT WAS NOT CURRENT AS OF THE DATE OF THE COMPUTATIONS; SEC REGULATION §240.17A-5 AND EXCHANGE RULE 476(A)(10), IN THAT IT FILED INACCURATE FOCUS REPORTS WITH THE EXCHANGE; SEC REGULATION §240.15C3-3(B)(1), (E) AND (H), IN THAT IT FAILED TO: (I) OBTAIN AND/OR MAINTAIN THE PHYSICAL POSITION OR CONTROL OF FULLY-PAID SECURITIES OR EXCESS MARGIN SECURITIES CARRIED BY IT FOR ACCOUNTS OF CUSTOMERS; (II) **CONTINUED IN #13**

Regulator Statement ACCURATELY COMPUTE THE AMOUNT OF CASH OR QUALIFIED SECURITIES REQUIRED TO BE ON DEPOSIT IN ITS SPECIAL RESERVE BANK ACCOUNT FOR THE EXCLUSIVE BENEFIT OF CUSTOMERS; AND (III) BUY IN UNRESOLVED SHORT SECURITY DIFFERENCES WITHIN THE REQUIRED TIME PERIOD; EXCHANGE RULE 412, IN THAT IT DID NOT OBTAIN AN EXEMPTION FROM THE EXCHANGE CONCERNING THE DELIVERY OF MUTUAL FUND ASSETS OUTSIDE THE ESTABLISHED SYSTEM; EXCHANGE RULE 342, IN THAT IT FAILED TO SUPERVISE AND CONTROL AND PROVIDE FOR APPROPRIATE PROCEDURES OF

SUPERVISION AND CONTROL OVER ITS BUSINESS ACTIVITIES, INCLUDING ITS MUTUAL FUND CLEARANCE ACTIVITIES, ITS FINANCIAL REGULATORY REPORTING ACTIVITIES, AND ITS COMPLIANCE WITH REGULATORY NOTIFICATION REQUIREMENTS - CONSENT TO CENSURE, \$500,000 FINE AND A REQUIREMENT TO COMPLY WITH TWO UNDERTAKINGS. **07/11/2003** THE DECISION IS NOW FINAL AND IS EFFECTIVE IMMEDIATELY. CONTACT: PEGGY GERMINO (212) 656-8450.

Reporting Source: Firm

Current Status: Final

Allegations: FAHNESTOCK & CO. INC. HAS BEEN CHARGED BY THE NYSE FOR MATTERS PRIMARILY CONCERNING NET CAPITAL CALCULATIONS RELATED TO INCOMPLETE RECEIPT OF MUTUAL FUND DATA IN CONNECTION WITH THE FIRM'S ACQUISITION OF ANOTHER BROKER/DEALER. AT NO TIME WAS THERE A DEFICIENCY IN EITHER THE FIRM'S BOOKS AND RECORDS OR NET CAPITAL.

Initiated By: NYSE DIVISION OF ENFORCEMENT

Date Initiated: 03/27/2001

ocket/Case Number: 03-100

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief sought: Other

Other Sanction(s)/Relief sought: STIPULATION AND CONSENT

Resolution: Stipulation and Consent

Resolution Date: 07/11/2003

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

Other Sanctions Ordered:

Sanction Details: CONSENT TO CENSURE, \$500,000.00 FINE AND A REQUIREMENT TO COMPLY WITH TWO UNDERTAKINGS.

Reporting Source: Regulator
Current Status: Final
Allegations: NASD RULE 4613(E)- RESPONDENT MEMBER, A MARKET MAKER IN SECURITIES, WITHOUT MAKING REASONABLE EFFORTS TO AVOID A LOCKED MARKET BY EXECUTING TRANSACTIONS WITH ALL MARKET MAKERS WHOSE QUOTATIONS WOULD BE LOCKED, ENTERED A BID OR ASK QUOTATION IN THE NASDAQ STOCK MARKET WHICH CAUSED A LOCKED MARKET CONDITION TO OCCUR IN EACH INSTANCE.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 03/31/2000
ocket/Case Number: CMS000063
Principal Product Type: Equity - OTC
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: 03/31/2000
Sanctions Ordered: Monetary/Fine \$3,000.00
Other Sanctions Ordered:
Sanction Details: FINED \$3,000.

Reporting Source: Firm
Current Status: Final
Allegations: ALLEGED VIOLATION OF NASD MARKETPLACE RULE 4613(E) CAUSED A LOCKED OR CROSSED MARKED CONDITION.
Initiated By: NASD
Date Initiated: 11/16/1999
ocket/Case Number: CMS-000063AWC
Principal Product Type: Equity - OTC

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: 03/31/2000

Sanctions Ordered: Monetary/Fine \$3,000.00

Other Sanctions Ordered:

Sanction Details: ON 4/26/00 A FINE OF \$3000.00 WAS PAID.

Form Statement A LETTER OF ACCEPTANCE WAIVER AND CONSENT WAS ACCEPTED BY NASD REGULATION, INC'S. OFFICE OF DISCIPLINARY AFFAIRS AND THE NATIONAL ADJUDICATORY COUNCIL ON 3/31/00. A \$3000.00 FINE WAS PAID.

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Reporting Source: Regulator

Current Status: Final

Allegations: MSRB RULES G-8 AND G-36 - RESPONDENT MEMBER SERVED AS SOLE OR MANAGING UNDERWRITER IN PRIMARY OFFERINGS OF MUNICIPAL SECURITIES AND FAILED TO SUBMIT OFFICIAL STATEMENTS AND/OR OTHER DOCUMENTS TO THE MUNICIPAL SECURITIES RULEMAKING BOARD AS REQUIRED; AND FAILED TO SEND DOCUMENTS BY CERTIFIED OR REGISTERED MAIL, OR SOME OTHER PROMPT MEANS TO THE MSRB AND FAILED TO MAINTAIN THESE RECORDS AS REQUIRED.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 04/04/2000

ocket/Case Number: C10000042

Principal Product Type: Other

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 04/04/2000
Sanctions Ordered: Monetary/Fine \$2,500.00
Other Sanctions Ordered:
Sanction Details: FINED \$2,500

Reporting Source: Firm
Current Status: Final
Allegations: ALLEGED VIOLATION OF MSRB RULES G36 AND G8(A)(XV). THE TIMELY SUBMISSION OF OFFICIAL STATEMENTS.
Initiated By: NASD
Date Initiated: 11/16/1999
ocket/Case Number: C10000042
Principal Product Type: Debt - Municipal
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: 04/04/2000
Sanctions Ordered: Monetary/Fine \$2,500.00
Other Sanctions Ordered:
Sanction Details: ON 4/19/00 A FINE OF \$2500.00 WAS PAID.

Firm Statement
 A LETTER OF ACCEPTANCE WAIVER AND CONSENT WAS ACCEPTED BY NASD, REGULATION INC'S. OFFICE OF DISCIPLINARY AFFAIRS AND THE NATIONAL ADJUDICATORY COUNCIL ON 4/4/00. A FINE OF \$2500.00 WAS PAID.

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Reporting Source: Firm

Current Status: Final
Allegations: BASED UPON CBOE'S FINDING OF FACTS: ON AUGUST 13,1986 VINER FAILED TO SUBMIT TO THE EXCHANGE ON BEHALF OF ONE OF ITS NON-MEMBER CUSTOMERS A CBOE EXERCISE ADVICE FORM. AND VINER FAILED TO TIME STAMP THE INTERNAL EXERCISE NOTICE IT PREPARED FOR 400 S&P 100, AUG 220 CALL OPTION CONTRACTS.
Initiated By: CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated: 08/13/1986
ocket/Case Number: 87-0006
Principal Product Type: Options
Other Product Type(s):
Principal Sanction(s)/Relief sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief sought:
Resolution: Settled
Resolution Date: 07/09/1987
Sanctions Ordered: Monetary/Fine \$500.00
Other Sanctions Ordered:
Sanction Details: THE COMMITTEE ACCEPTED VINER'S OFFER OF SETTLEMENT IN WHICH IT NEITHER ADMITS OR DENIES THE VIOLATIONS ALLEGED. THE COMMITTEE BELIEVED IT'S APPROPRIATE TO ACCEPT VINER'S OFFER OF SETTLEMENT WHEREIN VINER WAS FINED \$500.00

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Reporting Source: Firm
Current Status: Final
Allegations: SPECIFIC VIOLATIONS OF THE RULES OF FAIR PRACTICE IN TWO SEPARATE CAUSES AND VIOLATIONS OF ARTICLE III SECTION I AND "FREE RIDING" AND "WITHHOLDING" INTERPRETATION.
Initiated By: NASD DISTRICT BUSINESS CONDUCT COMMITTEE (DISTRICT 12)
Date Initiated: 10/31/1974
ocket/Case Number: NY-1880

Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Settled
Resolution Date: 01/30/1976
Sanctions Ordered:
Other Sanctions Ordered:
Sanction Details: THE COMMITTEE DISMISSED THE COMPLAINT AGAINST MR. BLANK.

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Reporting Source: Regulator
Current Status: Final
Allegations: NASD RULES 2110, 2320, 3010 AND SEC RULES 10B-10 AND 11AC1-4 - RESPONDENT MEMBER FAILED TO CONTEMPORANEOUSLY EXECUTE OR PARTIALLY EXECUTE A CUSTOMER LIMIT ORDER AFTER TRADING IN THE SAME SECURITY FOR ITS OWN ACCOUNT AT PRICES THAT WOULD HAVE SATISFIED THE CUSTOMER LIMIT ORDER; FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET FOR THE FIRM THAT THE RESULTANT PRICE TO ITS CUSTOMERS WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS; PREPARED A CUSTOMER CONFIRMATION THAT FAILED TO DISCLOSE THAT THE PRICE FOR THE SECURITY WAS AN AVERAGE PRICE. THE "REPORTED PRICE" ON THE CONFIRMATION WAS NOT REPORTED TO NASDAQ, BUT WAS RATHER AN AVERAGE PRICE OF SEVERAL TRANSACTIONS EACH OF WHICH WAS REPORTED TO NASDAQ SEPARATELY; FAILED TO DISCLOSE THAT IT WAS ACTING IN THE CAPACITY OF A MARKET MAKER; FAILED TO DISPLAY IMMEDIATELY CUSTOMER LIMIT ORDERS IN WHEN EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED ITS BID OR OFFER IN EACH SUCH SECURITY, OR WHEN THE FULL SIZE OF EACH SUCH ORDER WAS PRICED EQUAL TO THE FIRM'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER FOR EACH SUCH SECURITY, AND REPRESENTED MORE THAN A DE MINIMIS CHARGE IN RELATION TO THE SIZE ASSOCIATED WITH ITS BID OR OFFER IN EACH SUCH SECURITY; AND, FAILED TO ESTABLISH, MAINTAIN AND ENFORCE ADEQUATE WRITTEN SUPERVISORY PROCEDURES

REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REGARD TO ANNUAL REVIEWS, MARK UPS AND MARK DOWN, REGISTRATION OF TRADING PERSONNEL, SOES ORDER ELIGIBILITY, AND HARASSMENT.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 10/29/1999

ocket/Case Number: CMS990129

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 10/29/1999

Sanctions Ordered: Censure
Monetary/Fine \$14,000.00

Other Sanctions Ordered:

Sanction Details: NONE

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGED VIOLATIONS OF NASD CONDUCT RULE 2110 & IM-2110-2, NASD CONDUCT RULE 2320, SEC RULE 10B-10, 11AC1-4 LIMIT ORDER PROTECTION BEST EXECUTION, ORDER HANDLING & DEFICIENT WRITTEN SUPERVISORY PROCEDURES.

Initiated By: NASD

Date Initiated: 10/20/1999

ocket/Case Number:

Principal Product Type: Equity - OTC

Other Product Type(s):

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

Other Sanction(s)/Relief sought: CENSURE
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 10/29/1999
Sanctions Ordered: Censure
 Monetary/Fine \$14,000.00
Other Sanctions Ordered:
Sanction Details: ON 10/29/99 THE FIRM WAS CENSURED AND A \$14000.00 FINE WAS PAID.
Firm Statement A LETTER OF ACCEPTANCE WAIVER AND CONSENT WAS EXCEPTED BY NASD REGULATION, INC'S OFFICE OF DISCIPLINARY AFFAIRS AND THE NATIONAL ADJUDICATORY COUNCIL ON 10/29/99 THE FIRM WAS CENSURED AND A \$14000.00 FINE WAS PAID.

Disclosure 53 of 73

Reporting Source: Regulator
Current Status: Final
Allegations: ON 2/2/98, A NOTICE OF INTENT TO INVOKE ADMINISTRATIVE SANCTIONS WAS FILED. THE TYPES OF ALLEGED VIOLATIONS WERE FAILURE TO SUPERVISE, UNAUTHORIZED TRANSACTIONS, AND MISREPRESENTATIONS.
Initiated By: KANSAS SECURITIES COMMISSIONER
Date Initiated: 02/02/1998
ocket/Case Number: 97-3312/98E162
URL for Regulatory Action:
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief sought:
Other Sanction(s)/Relief sought:
Resolution: Consent
Resolution Date: 01/29/1999
Sanctions Ordered: Censure

Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details:

ON 1/26/99, A STIPULATION FOR CONSENT ORDER WAS SIGNED. THIS STIPULATION OFFERED A TOTAL OF \$15,600 TO THREE CUSTOMERS OF FORMER AGENT STEVE WAGES. A CONSENT ORDER WAS ISSUED 1/29/99 WHICH CENSURED AND FINED FAHNESTOCK \$10,000.

Regulator Statement

CONTACT: DAVE RUHNKE; 785-296-3307

Reporting Source:

Firm

Current Status:

Final

Allegations:

ON 2/2/98 A NOTICE OF INTENT TO INVOKE ADMINISTRATIVE SANCTIONS WAS FILED. ALLEGATIONS OF A VIOLATION OF FAILURE TO SUPERVISE, UNAUTHORIZED TRANSACTIONS AND MISREPRESENTATIONS.

Initiated By:

KANSAS SECURITIES COMMISSIONER

Date Initiated:

02/02/1998

ocket/Case Number:

97-3312/98E162

Principal Product Type:

No Product

Other Product Type(s):

Principal Sanction(s)/Relief sought:

Censure

Other Sanction(s)/Relief sought:

Resolution:

Consent

Resolution Date:

01/29/1999

Sanctions Ordered:

Censure
Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details:

ON 1/26/99 A STIPULATION FOR CONSENT ORDER WAS SIGNED. THIS STIPULATION OF \$15,600. TO THREE CUSTOMERS OF FORMER AGENT STEVE WAGES. A CONSENT ORDER WAS ISSUED ON 1/29/99 WHICH CENSURED AND FINED THE FIRM \$10,000

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Reporting Source: Regulator

Current Status: Final

Allegations: FAHNSTOCK FAILED TO SUPERVISE THEIR SALESMAN ALLOWING THEM TO SELL SECURITIES BEFORE THEY BECAME REGISTERED

Initiated By: GEORGIA SECRETARY OF STATE SECURITIES DIVISION

Date Initiated: 01/06/1993

ocket/Case Number: 50-92-0505

RL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Order

Resolution Date: 01/06/1993

Sanctions Ordered: Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: Not Provided

Regulator Statement FAHNSTOCK & CON., INC. ALLOWED THEIR SALESMAN TO OFFER FOR SALE AND SELLS SECURITIES TO RESIDENTS OF THE STATE OF GEORGIA PRIOR TO BECOMING REGISTERED WITH THE COMMISSIONER OF SECURITIES.

Reporting Source: Firm

Current Status: Final

Allegations: FAILURE TO SUPERVISE

Initiated By: GEORGIA SECRETARY OF STATE , SECURITIES DIVISION

Date Initiated: 01/06/1993

ocket/Case Number: 50-92-05-05
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Settled
Resolution Date: 01/06/1993
Sanctions Ordered: Cease and Desist/Injunction
Other Sanctions Ordered:
Sanction Details: CEAST AND DESIST DECISION.

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Reporting Source: Regulator
Current Status: Final
Allegations: (MSRB RULE G-37 - RESPONDENT MEMBER FAILED TO DISCLOSE ON FORMS G-37 NEGOTIATED UNDERWRITINGS IN WHICH IT PARTICIPATED AS A SYNDICATE MEMBER; AND, FAILED TO TIMELY SUBMIT FORMS G-37).
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 06/18/1998
ocket/Case Number: C10970151
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 06/18/1998
Sanctions Ordered: Censure

Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: ON JUNE 18, 1998, DISTRICT NO. 10 NOTIFIED RESPONDENT FAHNESTOCK & CO., INC. THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C10970151 WAS ACCEPTED; THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED \$500 -

Reporting Source: Firm
Current Status: Final
Allegations: MSRB RULE G-37, THE FIRM FAILED TO DISCLOSE ON FORMS G-37 NEGOTIATED UNDERWRITINGS IN WHICH IT PARTICIPATED AS A SYNDICATE MEMBER; AND FAILED TO TIMELY SUBMIT FORMS G-37.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 06/18/1998
ocket/Case Number: C10970151
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought: FINE
Resolution: Consent
Resolution Date: 06/18/1998
Sanctions Ordered: Censure
 Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: CENSURE AND FINE OF \$500.00 WAS PAID ON 7/20/98.

Disclosure 56 of 73

Reporting Source: Regulator
Current Status: Final
Allegations: Not Provided

Initiated By: Not Provided

Date Initiated: 03/20/1998

ocket/Case Number: HPD 98-48

Principal Product Type:

Other Product Type(s):

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

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

Resolution: Stipulation and Consent

Resolution Date: 06/26/1998

Sanctions Ordered: Censure
Monetary/Fine \$100,000.00

Other Sanctions Ordered:

Sanction Details: Not Provided

Regulator Statement *6/26/98*THE DECISION IS FINAL AND EFFECTIVE
IMMEDIATELY. CONTACT: PEGGY GERMINO (212) 656-8450

Reporting Source: Firm

Current Status: Final

Allegations: VARIOUS DEFICIENCIES IN ADHERANCE TO RULES AND REGULATION
ARISING OUT OF ROUTINE SALES PRACTICE AND OPERATIONS
EXAMINATIONS

Initiated By: DIVISION OF ENFORCEMENT, NEW YORK STOCK EXCHANGE

Date Initiated: 08/01/1997

ocket/Case Number: 98-48

Principal Product Type: No Product

Other Product Type(s):

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

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

Resolution: Settled
Resolution Date: 05/12/1998
Sanctions Ordered: Monetary/Fine \$100,000.00
Other Sanctions Ordered:
Sanction Details: IN MAY, 1998 THE NEW YORK STOCK EXCHANGE, INC. (THE "EXCHANGE") ACCEPTED A STIPULATION OF FACTS AND CONSENT TO PENALTY ENTERED INTO WITH THE FIRM WITHOUT ITS ADMITTING OR DENYING VIOLATION OF CERTAIN NYSE RULES AND SEC REGULATIONS. THE FIRM AGREED TO A FINE OF \$100,000 AND AN UNDERTAKING TO RETAIN A CONSULTANT TO REVIEW CERTAIN OF THE FIRM'S SYSTEMS, POLICIES AND PROCEDURES.

Disclosure 57 of 73

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 04/23/1997
ocket/Case Number: CMS960202

Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 04/23/1997
Sanctions Ordered: Monetary/Fine \$2,000.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement LETTER OF ACCEPTANCE, WAIVER & CONSENT NO. CMS960202 AWC. ON APRIL 23, 1997, FAHNESTOCK & CO., INC. (FAHN) WAS NOTIFIED THAT THE LETTER OF ACCEPTANCE, WAIVER & CONSENT (AWC) IT SUBMITTED

WAS ACCEPTED BY THE MARKET REGULATION AND THE NATIONAL BUSINESS CONDUCT COMMITTEES. FAHN IS ALLEGED TO HAVE VIOLATED MARKETPLACE RULE 4613(e) FOR ENTERING OR MAINTAINING QUOTATIONS IN THE NASDAQ STOCK MARKET, DURING NORMAL BUSINESS HOURS, WHICH CAUSED A LOCKED MARKET CONDITION TO OCCUR IN THREE SECURITIES. FAHN IS HEREBY FINED \$2,000.

\$2,000.00 PAID ON 6/2/97, INVOICE #97-MS-434

Reporting Source: Firm

Current Status: Final

Allegations: AN AWC WAS RECEIVED ON 4/23/1997, ALLEGING THAT THE FIRM VIOLATED RULE 4613(E) FOR ENTERING OR MAINTAINING QUOTATIONS IN THE NASDAQ STOCK MARKET DURING NORMAL BUSINESS HOURS WHICH CAUSED A LOCKED MARKET CONDITION TO OCCUR IN THREE SECURITIES.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 04/23/1997

ocket/Case Number: CMS960202

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief sought: Other

Other Sanction(s)/Relief sought: FINED

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/23/1997

Sanctions Ordered: Monetary/Fine \$2,000.00

Other Sanctions Ordered:

Sanction Details: A FINE OF 2000.00 WAS PAID ON 6/2/97.

Disclosure 58 of 73

Reporting Source: Regulator

Current Status: Final

Allegations: FAHN IS ALLEGED TO HAVE VIOLATED SEC RULE 17A-3 AND NASD CONDUCT RULE 3010. FAHN RECORDED AN INACCURATE EXECUTION TIME ON ORDER TICKETS FOR 215 TRANSACTIONS AND FAILED TO CREATE RECORDS SHOWING THE ENTRY OF TWO ORDERS. IN ADDITION, FAHN FAILED TO ESTABLISH AND MAINTAIN WRITTEN SUPERVISORY PROCEDURES DESIGNED TO DETECT AND DETER TRADE REPORTING FUNCTIONS.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 04/23/1997

ocket/Case Number: CMS960226

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: 04/23/1997

Sanctions Ordered: Monetary/Fine \$10,000.00

Other Sanctions Ordered:

Sanction Details: LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. CMS960226 AWC. ON APRIL 23, 1997, FAHNESTOCK & COMPANY, INC. (FAHN) WAS NOTIFIED THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) IT SUBMITTED WAS ACCEPTED BY THE MARKET REGULATION AND THE NATIONAL BUSINESS CONDUCT COMMITTEES. FAHN IS HEREBY FINED \$10,000.

Reporting Source: Firm

Current Status: Final

Allegations: AWC RECEIVED ON 4/23/97 BY THE MARKET REGULATION AND THE NATIONAL BUSINESS CONDUCT COMMITTEES. IT WAS ALLEGED THAT THE

FIRM HAD VIOLATED SEC RULE 17A-3 AND NASD CONDUCT RULE 3010. AN INACCURATE EXECUTION TIME ON ORDER WAS RECORDED.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 04/23/1997
ocket/Case Number: CMS960226
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief sought: Other
Other Sanction(s)/Relief sought: FINED
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 04/23/1997
Sanctions Ordered: Monetary/Fine \$10,000.00
Other Sanctions Ordered:
Sanction Details: FINE OF \$10,000 WAS PAID ON 6/6/97.

Disclosure 59 of 73

Reporting Source: Regulator
Current Status: Final
Allegations: THE COMMISSION ALLEGED THAT FROM FEBRUARY 1993 THROUGH MAY 1994 FAHNESTOCK & CO., INC. ("FAHNESTOCK") FAILED REASONABLY TO SUPERVISE A FORMER REGISTERED REPRESENTATIVE WHO MISAPPROPRIATED MORE THAN \$260,000 FROM THE BROKERAGE ACCOUNTS OF TWO FORMER FAHNESTOCK CUSTOMERS.
Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated: 09/30/1996
ocket/Case Number: REL. 34-43054; FILE #3-9122
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief sought: Cease and Desist

Other Sanction(s)/Relief sought: (1) CENSURE; AND (2) A CIVIL PENALTY.

Resolution: Consent

Resolution Date: 07/20/2000

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00
Cease and Desist/Injunction

Other Sanctions Ordered: ORDERS FAHNESTOCK TO COMPLY WITH CERTAIN UNDERTAKINGS, INCLUDING REVISING ITS INTERNAL COMPLIANCE PROCEDURES REGARDING THE DISBURSEMENT OF FUNDS FROM CUSTOMERS' ACCOUNTS AND CONDUCTING ADDITIONAL IN-HOUSE SEMINARS ON PROPER COMPLIANCE PROCEDURES.

Sanction Details: (1) CENSURES FAHNESTOCK FOR ITS FAILURE TO REASONABLY SUPERVISE A FORMER REGISTERED REPRESENTATIVE; (2) CEASE AND DESIST FROM COMMITTING OR CAUSING ANY FUTURE VIOLATIONS OF SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3 THEREUNDER; AND (3) ORDERS FAHNESTOCK TO PAY A \$20,000 PENALTY.

Regulator Statement 10-02-96, SEC NEWS DIGEST ISSUE NO. 96-187, DATED 10/01/1996, ENFORCEMENT PROCEEDINGS DISCLOSE: THE SEC HAS INSTITUTED PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS AGAINST FAHNESTOCK AND CO., INC. (FAHNESTOCK), A REGISTERED BROKER-DEALER PURSUANT TO SECTIONS 15(B), 19(H) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934. THE SEC'S ORDER ALLEGES THAT FAHNESTOCK FAILED TO REASONABLY SUPERVISE A REGISTERED REPRESENTATIVE FORMERLY ASSOCIATED WITH THE JENKINTOWN, PENNSYLVANIA BRANCH OFFICE. THE ORDER ALSO ALLEGES THAT FAHNESTOCK WILLFULLY VIOLATED THE RECORD KEEPING PROVISIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULES 17A-3 AND 17A-4 THEREUNDER. ** +07/24/2000+ SEC NEWS DIGEST, ISSUE NO. 2000-138, DATED 07/20/2000, ENFORCEMENT PROCEEDINGS DISCLOSES: THE SEC ANNOUNCED TODAY THAT REGISTERED BROKER-DEALER FAHNESTOCK & CO., INC. ("FAHNESTOCK") SETTLED AN ADMINISTRATIVE PROCEEDING INSTITUTED BY THE SEC ON SEPTEMBER 30, 1996. IN SETTLEMENT OF THESE PROCEEDINGS, FAHNESTOCK HAS CONSENTED TO AN ORDER THAT CENSURES FAHNESTOCK FOR ITS FAILURE TO REASONABLY SUPERVISE A FORMER REGISTERED REPRESENTATIVE, CEASE AND DESIST FROM COMMITTING OR CAUSING ANY FUTURE VIOLATIONS OF SECURITIES LAWS, ORDERS TO PAY A \$20,000 PENALTY, AND ORDERS FAHNESTOCK TO COMPLY WITH CERTAIN UNDERTAKINGS. THE ORDER ALSO RECOGNIZES CERTAIN UNDERTAKINGS THAT FAHNESTOCK HAS ALREADY IMPLEMENTED TO

PREVENT FUTURE VIOLATIONS, SUCH AS ASSIGNING A NEW COMPLIANCE MANAGER TO CONDUCT AN EXAMINATION OF FAHNESTOCK'S JENKINTOWN BRANCH OFFICE AND CONDUCTING REFRESHER TRAINING WITH EMPLOYEES ON SUPERVISORY AND COMPLIANCE PROCEDURES REGARDING THE DISBURSEMENT OF CUSTOMER FUNDS. (REL. 34-43054; FILE #3-9122)

Reporting Source: Firm

Current Status: Final

Allegations: FIRM HAD INSUFFICIENT PROCEEDINGS IN PLACE WITH A VIEW TOWARDS PREVENTING WENDELL JEFFREY LEE'S FORGERY'S AND MISAPPROPRIATION OF CUSTOMERS FUNDS.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 09/30/1996

ocket/Case Number: 96-187

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief Sought: CENSURE, FINE

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 07/19/2000

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: FIRM RESPONSIBLE FOR FULL AMOUNT OF FINE.

Firm Statement WENDELL JEFFREY LEE, A REGISTERED REPRESENTATIVE WITH BROKER-DEALER FROM JULY 1992 THROUGH MAY 1994, WAS CONVICTED OF FORGERY AND MISAPPROPRIATION OF CUSTOMER FUNDS. FAHNESTOCK VOLUNTARILY MADE FULL RESTITUTION TO ANY CLIENT AFFECTED. FAHNESTOCK WAS FOUND BY THE SEC TO HAVE FAILED TO REASONABLY SUPERVISE LEE, WITH A VIEW TO PREVENTING LEE'S VIOLATIONS. FAHNESTOCK AGREED, WITHOUT ADMITTING OR DENYING

TO A CENSURE, A CEASE AND DESIST ORDER AND A FINE BY THE SEC OF \$20,000. FAHNESTOCK FURTHER AGREED TO TAKE REMEDIAL STEPS TO SHORE UP ITS PROCEDURES IN ORDER TO AVOID A SIMILAR OCCURANCE.

Disclosure 60 of 73

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 04/28/1994

ocket/Case Number: CMS-940036

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/29/1994

Sanctions Ordered: Monetary/Fine \$800.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement MARKET SURVEILLANCE COMMITTEE COMPLAINT #CMS940036 AWC

LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) ALLEGES VIOLATIONS OF SECTION c)2(D) OF THE RULES OF PRACTICE AND PROCEDURE FOR SOES IN THAT THE RESPONDENTS ENTERED ORDERS ON AN AGENCY BASIS INTO SOES FOR SECURITIES IN WHICH THEY WERE REGISTERED MARKET MAKERS. THE COMPLAINT WAS FILED ON 4/28/94 AND ACCEPTED BY THE NBCC ON 8/29/94, WHEREBY FAHNESTOCK & CO., INC WAS FINED \$800. THE AWC BECAME FINAL ON AUGUST 29, 1994.

\$800 PAID ON 9/20/94 INVOICE #94-MS-576

Reporting Source: Firm
Current Status: Final
Allegations: AWC LETTER ALLEGES VIOLATIONS OF SECTION C)2(D) OF THE RULES OF PRACTICE AND PROCEDURE FOR SOES IN THAT THE FIRM ENTERED ORDERS ON AN AGENCY BASIS INTO SOES FOR SECURITIES IN WHICH THEY WERE REGISTERED MARKET MAKERS.
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 04/28/1994
ocket/Case Number: CMS940036
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief sought: Other
Other Sanction(s)/Relief sought: FINE
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 08/29/1994
Sanctions Ordered: Monetary/Fine \$800.00
Other Sanctions Ordered:
Sanction Details: AWC BECAME FINAL ON 8/29/94 A FINE OF \$800.00 WAS PAID.

Disclosure 61 of 73

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 03/07/1994
ocket/Case Number: CMS940021
Principal Product Type:
Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 06/02/1994

Sanctions Ordered: Monetary/Fine \$250.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

MARKET SURVEILLANCE COMMITTEE COMPLAINT #CMS940021 AWC

LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) ALLEGES VIOLATIONS OF ARTICLE III, SECTION 1 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE IN THAT THE RESPONDENT UPDATED QUOTATIONS IN THE BULLETIN BOARD SYSTEM OUTSIDE THE ALLOWABLE TIME FOR UPDATING FOREIGN OR ADR SECURITIES ON THE BULLETIN BOARD. THE COMPLAINT WAS FILED ON 3/07/94, AND ACCEPTED BY THE NBCC ON 5/31/94 WHEREBY, FAHNESTOCK & CO, INC. WAS FINED \$250. THE AWC BECAME FINAL ON 6/02/94.

\$250 PAID ON 6/23/94 INVOICE #94-MS-417

Reporting Source: Firm

Current Status: Final

Allegations: AWC ALLEGES VIOLATIONS OF ARTICLE III, SECTION 1 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE IN THAT THE FIRM UPDATED QUOTATIONS IN THE BULLETIN BOARD SYSTEM OUTSIDE THE ALLOWABLE TIME FOR UPDATING FOREIGN OR ADR SECURITIES ON THE BULLETIN BOARD.

Initiated By: NATIONAL ASSOCIATION SECURITIES DEALERS, INC.

Date Initiated: 03/07/1994

ocket/Case Number: CMS940021

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief sought: Other
Other Sanction(s)/Relief sought: FINE
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 06/02/1994
Sanctions Ordered: Monetary/Fine \$250.00
Other Sanctions Ordered:
Sanction Details: FINE OF 250.00 WAS PAID ON 6/23/94.

Disclosure 62 of 73

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 08/12/1993
ocket/Case Number: CMS930042

Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief sought:
Other Sanction(s)/Relief sought:
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 11/15/1993
Sanctions Ordered: Monetary/Fine \$250.00
Other Sanctions Ordered:
Sanction Details:

Regulator Statement 11/18/93: MARKET SURVEILLANCE COMMITTEE COMPLAINT #CMS930042 (AWC) (A) LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED AUGUST 12, 1993; AGAINST RESPONDENT MEMBER FAHNESTOCK & CO., INC.

ALLEGING VIOLATIONS OF ARTICLE III, SECTION 1 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE IN THAT THE RESPONDENTS UPDATED QUOTATIONS IN THE BULLETIN BOARD SYSTEM OUTSIDE THE ALLOWABLE TIME FOR UPDATING FOREIGN OR ADR SECURITIES ON THE BULLETIN BOARD.

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON OCTOBER 14, 1993 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON NOVEMBER 15, 1993. \$250.00 FINED.

** \$250.00 PAID ON 12/8/93 INVOICE #93-12-921**

Reporting Source: Firm

Current Status: Final

Allegations: ALLEGING VIOLATIONS OF ARTICLE III, SECTION 1 OF THE ASSOCIATIONS RULES OF FAIR PRACTICE IN THAT WE UPDATED QUOTATIONS IN THE BULLETIN BOARD SYSTEM OUTSIDE THE ALLOWABLE TIME FOR UPDATING FOREIGN SECURITIES ON THE BULLETIN BOARD.

Initiated By: NATIONAL ASSOCIATION SECURITIES DEALERS, INC.

Date Initiated: 08/12/1993

ocket/Case Number: CMS930042

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief sought: Other

Other Sanction(s)/Relief sought: FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 11/15/1993

Sanctions Ordered: Monetary/Fine \$250.00

Other Sanctions Ordered:

Sanction Details: 250.00 FINE PAID ON 12/8/93

Reporting Source: Regulator
Current Status: Final
Allegations: FILED AUDITED FINANCIALS LATE
Initiated By: IOWA SECURITIES BUREAU
Date Initiated: 05/05/1993
ocket/Case Number: C93-03-392
URL for Regulatory Action:
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Decision
Resolution Date: 05/05/1993
Sanctions Ordered:
Other Sanctions Ordered:
Sanction Details: \$500.00 CIVIL PENALTY
Regulator Statement FOR FURTHER INFORMATION, PLEASE CONTACT GARY MARQUETT, ENFORCEMENT DIRECTOR, 515-281-4441

Reporting Source: Firm
Current Status: Final
Allegations: FIRM FILED AUDITED FINANCIALS LATE.
Initiated By: IOWA SECURITIES BUREAU
Date Initiated: 05/05/1993
ocket/Case Number: C93-03-392
Principal Product Type: No Product
Other Product Type(s):

Principal Sanction(s)/Relief sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief sought:
Resolution: Settled
Resolution Date: 05/05/1993
Sanctions Ordered: Monetary/Fine \$500.00
Other Sanctions Ordered:
Sanction Details: A CIVIL PENALTY OF \$500.00 WAS PAID.

Disclosure 64 of 73

Reporting Source: Regulator
Current Status: Final
Allegations: FAHNESTOCK HAS BEEN A REGISTERED BROKER-DEALER IN MASSACHUSETTS SINCE AT LEAST JULY 1981. PHIL JACOB LIFSCHITZ WAS AN EMPLOYEE OF FAHNESTOCK AT ALL TIMES RELEVANT TO THE MATTERS REFERRED TO IN THE PROCEEDING. THE PRACTICE AT FAHNESTOCK WAS FOR CERTAIN AGENTS, INCLUDING LIFSCHITZ TO "SHARE A BOOK". IN THESE ARRANGEMENTS, AGENTS SHARE CLIENTS AND THE COMMISSIONS GENERAED FROM SALES TO THOSE CLIENTS. BETWEEN DECEMBER, 1988 AND JANUARY, 1989 LIFSCHITZ SOLD SECURITIES OF THE ORIGINAL DIET PIZZA COMPANY TO THREE MASSACHUSETTS RESIDENT. HE DID NOT INFORM THESE INVESTORS THAT HE WAS NOT REGISTERED TO SELL SECURITIES IN MASSACHUSETTS.
Initiated By: MASSACHUSETTS SECURITIES DIVISION
Date Initiated: 03/13/1992
ocket/Case Number: E-90-118
RL for Regulatory Action:
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision
Resolution Date: 06/28/1994
Sanctions Ordered: Monetary/Fine \$6,500.00

Other Sanctions Ordered:

Sanction Details: Not Provided

Regulator Statement

ON JUNE 28, 1994 THE MASSACHUSETTS SECURITIES DIVISION ENTERED AN ORDER INSTITUTING PROCEEDINGS, MAKING FINDINGS AND IMPOSING SANCTIONS. FAHNESTOCK HAS VOLUNTARILY UNDERTAKEN AND REPRESENTED THAT IT HAS AMENDED ITS INTERNAL PROCEDURES TO PROHIBIT "BOOK-SHARING" ARRANGEMENTS ON ALL OFFERS AND SALES OF SECURITIES TO MASS RESIDENTS UNLESS ALL OF THE AGENTS WHO PARTICIPATE IN THOSE ARRANGEMENTS ARE REGISTERED IN THE COMMONWEALTH; THEY WILL COMPLY WITH ALL STATUTES AND REGULATIONS RELATING TO THE TRANSACTION OF BUSINESS IN SECURITIES IN MASSACHUSETTS; THEY WILL MAKE WRITTEN OFFERS OF RESCISSION TO ALL MASS INVESTORS IN DIET PIZZA STOCK WHO PURCHASE SUCH SHARES FROM AN AGENT NOT THE DULY REGISTERED WITH THE DIVISION AT THE TIME OF PURCHASE AND SHALL PROVIDE COPIES OF SUCH OFFERS AND THE RESPONSE TO THE DIVISION AND FAHNESTOCK SHALL PAY TO THE DIVISION COSTS OF \$3,500 AND PAY TO THE DIVISION A FINE OF \$6,500. AS TO LIFSCHITZ HE SHALL PAY TO THE DIVISION A FINE OF \$500. CONTACT: KERRY STELZER 617-727-3548

Reporting Source: Firm

Current Status: Final

Allegations: WITH RESPECT TO THREE UNSOLICITED SALES IN 1989 TO RESIDENTS OF MASSACHUSETTS BY A REPRESENTATIVE WHO WAS NOT REGISTERED IN MASSACHUSETTS.

Initiated By: MASSACHUSETTS SECURITIES DIVISION

Date Initiated: 03/13/1992

ocket/Case Number: E-90-118

Principal Product Type: Equity Listed (Common & Preferred Stock)

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

Other Sanction(s)/Relief Sought:

Resolution: Settled
Resolution Date: 03/13/1992
Sanctions Ordered: Monetary/Fine \$6,500.00

Other Sanctions Ordered:

Sanction Details: THE MATTER WAS RESOLVED BY ALLOWING CUSTOMERS TO RESCIND THEIR TRANSACTION, RECEIVE A FULL REFUND OF THE PURCHASE PRICE ALONG WITH INTEREST WHERE APPLICABLE. FAHNESTOCK PAID THE DIVISION COSTS OF \$3500.00 AND A FINE OF \$6500.00

Disclosure 65 of 73

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NEW YORK STOCK EXCHANGE
Date Initiated: 03/10/1989

ocket/Case Number:

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

Other Sanction(s)/Relief Sought:

Resolution: Decision
Resolution Date: 03/10/1989
Sanctions Ordered: Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

6/25/90^ SEC LITIGATION, ACTIONS AND PROCEEDINGS BULLETIN FOR THE QUARTER ENDING 6/30/89 (VOLUME 55, BULLETIN 02, PAGE 255) DISCLOSES: THE NEW YORK STOCK EXCHANGE FINED FAHNESTOCK & CO \$2,500 ON MARCH 10, 1989 BASED ON A VIOLATION OF EXCHANGE RULE 132.30 AND FAILED TO SUBMIT AUDIT TRAIL DATA TO QUALIFIED CLEARING AGENCY REGARDING STOCK TRANS. FOR THE WEEKS OF 8/1, 9/12 AND 10/17/88.

Reporting Source:

Firm

Current Status:

Final

Allegations:

ALLEGED FAILURE TO SUBMIT AUDIT TRAIL DATA TO QUALIFIED CLEARING AGENCY REGARDING STOCK TRANSACTIONS FOR THE WEEKS OF 8/1 AND 9/12 AND 10/17/1988

Initiated By:

NEW YORK STOCK EXCHANGE

Date Initiated:

03/10/1989

ocket/Case Number:

Principal Product Type:

No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other

Other Sanction(s)/Relief Sought:

FINED 2500.00

Resolution:

Decision

Resolution Date:

03/10/1989

Sanctions Ordered:

Monetary/Fine \$2,500.00

Other Sanctions Ordered:

Sanction Details:

A VIOLATION OF EXCHANGE RULE 132.30 AND A FINE OF 2500.00 PAID ON 3/10/89.

Disclosure 66 of 73

Reporting Source:

Regulator

Current Status: Final
Allegations:
Initiated By: CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated: 04/21/1987
ocket/Case Number: 87-0006
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Decision & Order of Offer of Settlement
Resolution Date: 04/21/1987
Sanctions Ordered: Monetary/Fine \$500.00
Other Sanctions Ordered:
Sanction Details:
Regulator Statement

7/9/87-CBOE DECISION ACCEPTING OFFER OF SETTLEMENT IN THE MATTER OF: EDWARD A. VINER & CO., INC., RESPONDENT; FILE NO. 87-0006. THIS PROCEEDING WAS INSTITUTED BY THE BUSINESS CONDUCT COMMITTEE OF THE CBOE AS A RESULT OF AN INVESTIGATION BY THE STAFF OF THE EXCHANGE, WHICH INDICATED THAT THERE WAS PROBABLE CAUSE FOR FINDING A VIOLATION WITHIN THE DISCIPLINARY JURISDICTION OF THE EXCHANGE. IN SUBMITTING THIS OFFER OF SETTLEMENT, THE RESPONDENT NEITHER ADMITS NOR DENIES THE VIOLATIONS ALLEGED IN THE STATEMENT OF CHARGES. ON THE BASIS OF THE STATEMENT OF CHARGES AND OFFER OF SETTLEMENT, THE COMMITTEE HAS DETERMINED TO ACCEPT THE RESPONDENT'S OFFER OF SETTLEMENT
 BASED UPON ITS FINDING OF THE FOLLOWING FACTS: ON AUGUST 13, 1986, VINER FAILED TO SUBMIT TO THE EXCHANGE ON BEHALF OF ONE OF ITS NON-MEMBER CUSTOMERS A CBOE EXERCISE ADVICE FORM FOR THE CUSTOMER'S EXERCISE OF 400 STANDARD & POOR'S 100 STOCK INDEX

("OEX") AUG 220 CALL OPTION CONTRACTS. ON AUGUST 13, 1986, VINER FAILED TO TIME STAMP THE INTERNAL EXERCISE NOTICE IT PREPARED FOR THE EXERCISE OF THE OEX OPTION CONTRACTS REFERRED

TO ABOVE. THE COMMITTEE HAS DETERMINED TO ACCEPT THE RESPONDENT'S OFFER OF SETTLEMENT BASED UPON ITS MAKING THE FOLLOWING CONCLUSIONS: THE ACTS, PRACTICES AND CONDUCT DESCRIBED ABOVE CONSTITUTE SEPARATE VIOLATIONS OF EXCHANGE RULE

11.1 BY VINER. WITH DUE REGARD FOR THE PARTICULAR FACTS OF THIS MATTER, THE COMMITTEE BELIEVES IT APPROPRIATE TO ACCEPT THE RESPONDENT'S OFFER OF SETTLEMENT WHEREIN IT CONSENTS TO A \$500

FINE FOR THE CONDUCT DESCRIBED ABOVE. ACCORDINGLY IT IS ORDERED, THAT THE RESPONDENT, EDWARD A. VINER & CO., INC., SHALL BE AND HEREBY IS FINED IN THE AMOUNT OF \$500. ORDER DATED APRIL 21, 1987.

Reporting Source: Firm

Current Status: Final

Allegations: VINER FAILED TO SUBMIT TO THE EXCHANGE ON BEHALF OF ONE OF IT'S NON-MEMBER CUSTOMERS A CBOE EXERCISE ADVICE FOR THE CUSTOMERS EXERCISE OF 400 S&P 10 STOCK INDEX AUG 220 CALL OPTION CONTRACTS.

Initiated By: CHICAGO BOARD OPTIONS EXCHANGE

Date Initiated: 04/21/1987

ocket/Case Number: 87-0006

Principal Product Type: Options

Other Product Type(s):

Principal Sanction(s)/Relief sought: Other

Other Sanction(s)/Relief sought: FINE

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 04/21/1987

Sanctions Ordered: Monetary/Fine \$500.00

Other Sanctions Ordered:

Sanction Details: AN OFFER OF SETTLEMENT WHEREIN VINER CONSENTS TO A \$500.00 FINE.

Disclosure 67 of 73

Reporting Source: Regulator

Current Status: Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 12/09/1986

ocket/Case Number: MS-456-AWC

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/23/1987

Sanctions Ordered: Monetary/Fine \$1,000.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-456-AWC:

LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WAS FILED ON DECEMBER 9, 1986, ALLEGING VIOLATIONS OF PART I, SECTION C.3.(a) OF SCHEDULE D OF THE ASSOCIATION'S BY-LAWS IN THAT RESPONDENT (EDWARD A. VINER & CO., INC.) ENTERED QUOTATIONS INTO THE NASDAQ SYSTEM ON 9/29/86, 10/2/86, AND 10/3/86 THAT WERE NOT REASONABLY RELATED TO THE PREVAILING MARKET. THE AWC WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON MARCH 2, 1987 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON APRIL 23, 1987. \$1,000 FINE RECEIVED 1/23/87

Reporting Source: Firm
Current Status: Final
Allegations: ALLEGED VIOLATIONS OF PART I SECTION C,3.(A) OF SCHEDULE D OF THE ASSOCIATIONS BYLAWS IN THAT VINER ENTERED QUOTATIONS I ON THE NASDAQ SYSTEM ON 9/29/86,10/2/86, AND 10/3/86 THAT WERE NOT REASONABLY RELATED TO THE PREVAILING MARKET.
Initiated By: NASD
Date Initiated: 12/09/1986
ocket/Case Number:
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief sought:
Resolution: Settled
Resolution Date: 03/02/1987
Sanctions Ordered: Monetary/Fine \$1,000.00
Other Sanctions Ordered:
Sanction Details: A LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON 3/2/87 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON 4/23/87. A FINE OF \$1000.00 WAS PAID.

Disclosure 68 of 73

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NEW YORK STOCK EXCHANGE
Date Initiated: 04/06/1982
ocket/Case Number: 82-30 AND 82-31

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Stipulation and Consent

Resolution Date: 04/06/1982

Sanctions Ordered: Monetary/Fine \$25,000.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

NEW YORK STOCK EXCHANGE DECISION 82-30 AND 82-31
 APRIL 6, 1982
 AN EXCHANGE HEARING PANEL ACCEPTED A STIPULATION OF FACTS
 AND
 CONSENT TO PENALTY AGREEMENT ENTERED BETWEEN THE EXCHANGE
 STAFF
 AND EDWARD A VINER & COMPANY AND STEPHEN H. BLITTNER, A
 FORMER
 BOND CLERK WITH THAT FIRM. WITHOUT ADMITTING OR DENYING THE
 ALLEGATIONS, THE RESPONDENTS CONSENTED TO THE FINDINGS THAT:
 BLITTNER HAD VIOLATED SECTION 10(b) OF THE SEC ACT OF 1934 AND
 RULE 10b-5 THEREUNDER IN CONNECTION WITH THE PURCHASE AND
 SALE
 OF CERTAIN BONDS; VIOLATED EXCHANGE RULE 476(a)(8) IN THAT HE
 USED ANOTHER FIRM'S AUTOMATIC BOND SYSTEM TERMINAL TO MAKE
 AND
 ENTER A FICTITIOUS SELL ORDER; VIOLATED EXCHANGE RULE 410 AND
 SECTION 17a-3 AND 17a-4 OF THE 1934 ACT AND RULES THEREUNDER,
 IN THAT HE DESTROYED REPORTS OF EXECUTION OF CERTAIN BOND
 TRADES; AND VIOLATED EXCHANGE RULE 120 IN THAT HE EXERCISED
 DISCRETION IN ENTERING BIDS AND OFFERS FOR THE PURCHASE OR
 SALE
 OF CERTAIN BONDS. THE FIRM WAS FOUND TO HAVE VIOLATED
 EXCHANGE
 RULE 343(b) IN CONNECTION WITH SUPERVISION AND CONTROL OF
 ACTIVITIES OF ITS EMPLOYEE; VIOLATED EXCHANGE RULE 54 IN THAT IT
 PERMITTED AN EMPLOYEE WHO WAS NOT A MEMBER OF THE EXCHANGE
 TO
 TRANSACT BUSINESS ON THE BOND FLOOR, AND VIOLATED EXCHANGE

RULE
 120 IN THAT IT FAILED TO ADHERE TO THE PRINCIPLES OF GOOD
 PRACTICES IN THE CONDUCT OF ITS BUSINESS AFFAIRS IN THE
 CONNECTION WITH THE PURCHASES AND SALES OF CERTAIN BONDS.
 THE
 RESPONDENTS CONSENTED TO THE PENALTY FOR BLITTNER, WHICH
 WAS A
 CENSURE, A 19 MONTH SUSPENSION FROM EMPLOYMENT ON THE
 FLOOR, A
 FURTHER SUSPENSION FROM EMPLOYMENT WITH A BROKER-DEALER
 FOR TWO
 YEARS AND A TWELVE MONTH PROBATIONARY PERIOD. THE FIRM
 CONSENTED
 TO A \$25,000 FINE AND ANCILLARY REQUIREMENTS WHEREBY THE FIRM
 HAS AGREED TO: 1)WITHDRAWAL OF ITS EMPLOYEES FROM THE BOND
 FLOOR
 OF THE EXCHANGE; PREPARATION, ADOPTION AND CIRCULATION OF
 NEW
 WRITTEN POLICIES DESIGNED TO ASSURE COMPLIANCE WITH ALL
 EXCHANGE
 RULES INVOLVING THE SUPERVISI*See FAQ #1*

Reporting Source: Firm

Current Status: Final

Allegations: AN EXCHANGE HEARING PANEL OF THE NYSE RENDERED DECISIONS 82-30 AND 82-31 WHICH ADOPTED A STIPULATION OF FACTS AND CONSENT TO PENALTY ENTERED AMONG THE EXCHANGE, VINER AND A FORMER BOND CLERK OF VINER'S. VINER WAS FOUND TO HAVE FAILED TO PROPERLY SUPERVISE CLERK, WHICH LED TO A FINE OF \$25,000 AND SUBJECT TO CERTAIN ANCILLARY REQUIREMENTS.

Initiated By: NEW YORK STOCK EXCHANGE

Date Initiated: 04/06/1982

ocket/Case Number:

Principal Product Type: No Product

Other Product Type(s):

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

Other Sanction(s)/Relief sought:

Resolution: Settled
Resolution Date: 04/06/1982
Sanctions Ordered: Monetary/Fine \$25,000.00
Other Sanctions Ordered:
Sanction Details: A FINE OF \$25,000.00 WAS PAID ON 4/6/82.

Disclosure 69 of 73

Reporting Source: Regulator
Current Status: Final
Allegations: NASDAQ COMPLAINT #N-VS-235 FILED 11/18/76
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 11/18/1976
ocket/Case Number: N-VS-235
Principal Product Type: Other
Other Product Type(s): UNKNOWN
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Other
Resolution Date: 11/18/1976
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:
Other Sanctions Ordered:
Sanction Details: DUE TO THE AGE OF THIS MATTER, THE FINAL DISPOSITION COULD NOT BE OBTAINED.

Reporting Source: Firm
Current Status: Final
Allegations: NO ALLEGATIONS ARE SPECIFIED DUE TO THE AGE OF THIS ACTION.
Initiated By: NASDAQ
Date Initiated: 11/18/1976
ocket/Case Number: N-VS-235
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:
Resolution: Other
Resolution Date: 11/18/1976
Sanctions Ordered:
Other Sanctions Ordered:
Sanction Details: NO FURTHER INFORMATION IS OBTAINABLE

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Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 10/30/1970
ocket/Case Number: NY-1309
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:

Resolution: Decision
Resolution Date: 10/31/1971
Sanctions Ordered: Censure
 Monetary/Fine \$1,500.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement
 COMPLAINT #NY-1309 FILED 10/30/70
 DECISION RENDERED 1/13/71 WHEREIN RESPONDENT MEMBER IS FINED \$1,000. TO BE FINAL 2/12/71.
 ON 2/12/71 COMPLAINT WAS CALLED BEFORE THE B/G FOR REVIEW.
 DBCC DECISION IS STAYED.
 B/G DECISION RENDERED 10/1/71 WHEREIN FINDINGS MADE BY DBCC ARE AFFIRMED BUT PENALTIES ARE INCREASED. RESPONDENT MEMBER IS CENSURED AND FINED \$1,500. J&S
 TO BE FINAL - 10/31/71
 PAID - 11/18/71

Reporting Source: Firm
Current Status: Final
Allegations: FINDINGS MADE BY THE DBCC. DUE TO THE AGE OF THIS OCCURANCE NO ADDITIONAL INFORMATION IS OBTAINABLE.
Initiated By: NATIONAL ASSOCIATION SECURITIES DEALERS, INC.
Date Initiated: 10/30/1970
ocket/Case Number: NY-1309
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief sought: Censure
Other Sanction(s)/Relief sought: FINED
Resolution: Decision
Resolution Date: 10/31/1971
Sanctions Ordered: Censure
 Monetary/Fine \$1,500.00

Other Sanctions Ordered:

Sanction Details: CENSURE AND FIND PAID 1500.00 ON 11/18/1971

Disclosure 71 of 73

Reporting Source: Regulator
Current Status: Final
Allegations:
Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Date Initiated: 07/22/1970
ocket/Case Number: NY-1234

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

Other Sanction(s)/Relief Sought:

Resolution: Decision
Resolution Date: 10/23/1970
Sanctions Ordered: Censure
 Monetary/Fine \$1,200.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement COMPLAINT #NY-1234 FILED 7/22/70
 DECISION 9/23/70 - MEMBER CENSURED AND FINED \$1200.
 IS FINAL 10/23/70
 10/23/70: B/G REMANDED COMPLAINT TO DISTRICT

Reporting Source: Firm
Current Status: Final
Allegations: DUE TO THE AGE OF THIS ACTION, NO INFORMATION IS OBTAINABLE.
Initiated By: NATIONAL ASSOCIATION SECURITIES DEALERS, INC.

Date Initiated: 07/22/1970
ocket/Case Number: NY-1234
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought: FINE
Resolution: Decision
Resolution Date: 10/23/1970
Sanctions Ordered: Censure
 Monetary/Fine \$1,200.00
Other Sanctions Ordered:
Sanction Details: CENSURE AND FINE OF 1200.00 WAS PAID, FINAL DECISION ON 10/23/1970.
Form Statement COMPLAINT FILED 7/22/70 DECISION ON 9/23/70. FINE PAID ON 10/23/70.

Disclosure 72 of 73

Reporting Source: Regulator
Current Status: Final
Allegations: SEE RESULTS
Initiated By: NEW YORK STOCK EXCHANGE
Date Initiated: 06/26/1992
ocket/Case Number: 92-68
Principal Product Type:
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Consent

Resolution Date: 06/26/1992

Sanctions Ordered: Censure
Monetary/Fine

Other Sanctions Ordered:

Sanction Details: EDWARD A. VINER & CO.,INC. (NOW KNOWN AS FAHNESTOCK & CO.,INC.) VIOLATED SEC REGULATION 240.15c3-1 BY COMPUTING ITS NET CAPITAL INACCURATELY; VIOLATED REGULATION 240.15c3-3(e) IN THAT IT INCORRECTLY COMPUTED THE AMOUNT REQUIRED TO BE DEPOSITED INTO ITS SPECIAL RESERVE BANK ACCOUNT, AND FAILED TO MAINTAIN ITS SPECIAL RESERVE ACCOUNT AT THE LEVEL REQUIRED BY THE REGULATION; VIOLATED REGULATION 240.15c3-3(i) IN THAT IT FAILED TO NOTIFY THE SEC AND THE EXCHANGE THAT IT FAILED TO DEPOSIT THE AMOUNT REQUIRED TO BE DEPOSITED IN ITS SPECIAL RESERVE ACCOUNT; VIOLATED REGULATION 240.15c3-3(b)(1) IN THAT IT DID NOT OBTAIN AND MAINTAIN THE PHYSICAL POSSESSION OR CONTROL OF FULLY PAID AND EXCESS MARGIN SECURITIES; VIOLATED REGULATION 240.15c3-3(d) IN THAT IT FAILED TO REDUCE TO ITS POSSESSION OR CONTROL THE REQUIRED QUANTITY OF FULLY PAID AND EXCESS MARGIN SECURITIES; VIOLATED REGULATION 240.15c3-3(m) IN THAT IT FAILED TO PURCHASE IMMEDIATELY SECURITIES OF LIKE KIND TO THOSE SOLD BY A CUSTOMER AND NOT OBTAINED FROM THE CUSTOMER WITHIN TEN DAYS AFTER SETTLEMENT DATE; VIOLATED 240.17a-3 IN THAT ITS CNS AND/OR SOME OTHER ACCOUNTS HAD NOT BEEN RECONCILED ON A CURRENT BASIS; VIOLATED RULE 382(a) BY ENTERING INTO A CARRYING AGREEMENT WITH ANOTHER BROKER WHICH AGREEMENT BECAME EFFECTIVE PRIOR TO BEING SUBMITTED TO THE EXCHANGE; VIOLATED RULE 401 IN THAT IT: ENTERED INTO AN AGREEMENT TO CARRY ACCOUNTS WHEN IT LACKED THE CAPACITY TO CLEAR THE ADDITIONAL BUSINESS, PERMITTED CERTAIN CUSTOMERS TO ENGAGE IN OTC TRANSACTIONS AT PRICES NOT REASONABLY RELATED TO PREVAILING MARKETS AND DID NOT HAVE PROCEDURES TO DETECT OR PREVENT SUCH TRANSACTIONS, DID NOT HAVE PROCEDURES DESIGNED TO BRING CERTAIN PRACTICES TO THE ATTENTION OF SENIOR MANAGEMENT, PERMITTED OPTION TRADING IN ACCOUNTS WHICH HAD NOT BEEN PROPERLY APPROVED, IMPROPERLY CANCELLED AND/OR REBILLED A PURCHASE

TRANSACTION, AND PERMITTED TWO SUPERVISORY PERSONS TO APPROVE ACCOUNT DESIGNA*See FAQ #1*

Regulator Statement

SEE RESULTS

Reporting Source:

Firm

Current Status:

Final

Allegations:

THE NYSE ACCEPTED ON OFFER OF SETTLEMENT WHEREIN THE EXCHANGE ALLEGED CERTAIN VIOLATIONS OF BOOKKEEPING, WHICH OCCURRED IN THE MID TO LATE 1980'S. THE FIRM WITHOUT ADMITTING OR DENYING ANY OF THE ALLEGED VIOLATIONS, AGREED TO A FINE OF \$200,000 AND TO THE ESTABLISHMENT OF A COMMITTEE OF THE BOARD OF DIRECTORS WHICH WOULD SUPERVISE A REVIEW OF ITS PROCEDURES.

Initiated By:

NEW YORK STOCK EXCHANGE

Date Initiated:

07/03/1990

ocket/Case Number:

92-68

Principal Product Type:

No Product

Other Product Type(s):

Principal Sanction(s)/Relief sought:

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

Other Sanction(s)/Relief sought:

Resolution:

Decision & Order of Offer of Settlement

Resolution Date:

04/29/1992

Sanctions Ordered:

Monetary/Fine \$200,000.00

Other Sanctions Ordered:

Sanction Details:

\$200,000.00 FINE PAID 7/23/92.

Disclosure 73 of 73

Reporting Source:

Regulator

Current Status:

Final

Allegations:

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 04/17/1996

ocket/Case Number: CMS950117

Principal Product Type:

Other Product Type(s):

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

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

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 05/01/1997

Sanctions Ordered: Censure
Monetary/Fine \$6,500.00

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

ON APRIL 17, 1996 AND OCTOBER 26, 1996 THE MARKET REGULATION COMMITTEE FILED A COMPLAINT (CMS950117A) AND AN AMENDED COMPLAINT RESPECTIVELY AGAINST FAHNESTOCK & CO., INC. ALLEGING VIOLATIONS OF THE RULES OF NATIONAL ASSOCIATION OF SECURITIES DEALERS. ON MAY 1, 1997 THE MARKET REGULATION COMMITTEE ISSUED A DECISION AND ORDER OF ACCEPTANCE OF FAHNESTOCK & CO., INC. OFFER OF SETTLEMENT. THE COMMITTEE FINES THAT FAHNESTOCK VIOLATED CONDUCT RULE 2110 AND MARKETPLACE RULE 4730(B)(5) OF THE RULES OF THE ASSOCIATION. FAHNESTOCK IS CENSURED AND FINED \$6,500.

\$6,500.00 PAID ON 5/15/97, INVOICE #97-MS-367

Reporting Source: Firm

Current Status: Final

Allegations: THE MARKET REGULATION COMMITTEE ALLEGED A VIOLATION OF CONDUCT RULE 2110.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Date Initiated: 04/17/1996

ocket/Case Number: CMS950117
Principal Product Type: No Product
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Censure
Other Sanction(s)/Relief Sought: FINE
Resolution: Decision & Order of Offer of Settlement
Resolution Date: 05/01/1997
Sanctions Ordered: Censure
 Monetary/Fine \$6,500.00
Other Sanctions Ordered:
Sanction Details: CENSURE AND FINE OF 6500.00 WAS PAID ON 5/15/97.
Form Statement ON APRIL 17, 1996 AND OCTOBER 26, 1996 THE MARKET REGULATION COMMITTEE FILED A COMPLAINT ALLEGING VIOLATIONS OF THE RULES. ON MAY 1, 1997 THE REGULATION MADE AN OFFER OF SETTLEMENT. FAHNESTOCK WAS CENSURED AND FINED 6500.00

Arbitration Award - Award/Judgment

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

The full text of arbitration awards issued by FINRA is available at www.finra.org/awardsonline.

Disclosure 1 of 177

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-TRANSFER

Arbitration Forum: NASD

Case Initiated: 05/12/2000

Case Number: [00-01158](#)

Disputed Product Type: OTHER TYPES OF SECURITIES

Amount of All Relief Requested: \$20,000.01

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/08/2001

Amount of All Relief Awarded: \$8,776.00

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 177

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: 05/26/2000

Case Number: [00-01631](#)

Disputed Product Type: COMMON STOCK; CORPORATE BONDS
Amount of All Relief Requested: \$1,400,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/20/2002
Amount of All Relief Awarded: \$295,605.01

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 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER
Arbitration Forum: NASD
Case Initiated: 06/26/2000
Case Number: [00-02317](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$472,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/21/2002
Amount of All Relief Awarded: \$197,300.01

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 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-COLLECTION
Arbitration Forum: NASD
Case Initiated: 10/13/2000

Case Number: [00-04498](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$288,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/25/2002
Amount of All Relief Awarded: \$0.00

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 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-MARGIN CALLS; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 12/06/2000
Case Number: [00-04744](#)
Disputed Product Type: COMMON STOCK; OPTIONS
Amount of All Relief Requested: \$522,425.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/20/2002
Amount of All Relief Awarded: \$300.00

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 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING

Arbitration Forum: NASD
Case Initiated: 12/28/2000
Case Number: [00-04919](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$45,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/16/2001
Amount of All Relief Awarded: \$175.00

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 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 01/11/2001
Case Number: [00-05357](#)
Disputed Product Type:
Amount of All Relief Requested: \$185,960.01
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/20/2002
Amount of All Relief Awarded: \$80,000.00

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

Disclosure 8 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 01/18/2001
Case Number: [00-05654](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: Unspecified Damages
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/13/2002
Amount of All Relief Awarded: \$2,824.30

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 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 02/15/2001
Case Number: [01-00114](#)
Disputed Product Type: COMMON STOCK; MUTUAL FUNDS
Amount of All Relief Requested: \$123,654.89
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/09/2002
Amount of All Relief Awarded: \$150,312.23

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 177

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: NASD
Case Initiated: 05/09/2001
Case Number: [01-01340](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$3,958,388.12
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/03/2003
Amount of All Relief Awarded: \$196,463.70

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 04/19/2001
Case Number: [01-01931](#)
Disputed Product Type: COMMON STOCK; MUTUAL FUNDS
Amount of All Relief Requested: \$250.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/05/2002
Amount of All Relief Awarded: \$65,558.01

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 177

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE

Arbitration Forum: NASD

Case Initiated: 05/16/2001

Case Number: [01-02491](#)

Disputed Product Type: UNKNOWN TYPE OF SECURITIES

Amount of All Relief Requested: \$167,488.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 06/03/2002

Amount of All Relief Awarded: \$167,488.00

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 177

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING

Arbitration Forum: NASD

Case Initiated: 08/24/2001

Case Number: [01-03155](#)

Disputed Product Type: COMMON STOCK

Amount of All Relief Requested: \$600,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/28/2002

Amount of All Relief Awarded: \$40,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 07/18/2001
Case Number: [01-03417](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$925,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/13/2002
Amount of All Relief Awarded: \$275,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: NASD
Case Initiated: 09/06/2001
Case Number: [01-04440](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$8,652.50
Disposition: AWARD AGAINST PARTY

Disposition Date: 03/28/2002

Amount of All Relief Awarded: \$8,977.50

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

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Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 09/18/2001

Case Number: [01-04829](#)

Disputed Product Type: COMMON STOCK

Amount of All Relief Requested: \$452,698.61

Disposition: AWARD AGAINST PARTY

Disposition Date: 02/21/2003

Amount of All Relief Awarded: \$226,649.31

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

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Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 11/30/2001

Case Number: [01-04961](#)

Disputed Product Type: COMMON STOCK

Amount of All Relief Requested: \$1,302,732.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/26/2002
Amount of All Relief Awarded: \$273,925.01

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT
Arbitration Forum: NASD
Case Initiated: 11/19/2001
Case Number: [01-04996](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$1,087,115.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/26/2002
Amount of All Relief Awarded: \$130,830.16

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-MARGIN CALLS
Arbitration Forum: NASD
Case Initiated: 10/18/2001

Case Number: [01-05440](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$489,383.01
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/24/2003
Amount of All Relief Awarded: \$462,808.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 10/25/2001
Case Number: [01-05665](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$302,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/26/2003
Amount of All Relief Awarded: \$50,150.01

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

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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: 11/15/2001
Case Number: [01-06025](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$163,879.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/24/2002
Amount of All Relief Awarded: \$104,000.01

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER
Arbitration Forum: NASD
Case Initiated: 12/17/2001
Case Number: [01-06124](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$71,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/26/2002
Amount of All Relief Awarded: \$20,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 11/30/2001
Case Number: [01-06296](#)
Disputed Product Type: COMMON STOCK; CORPORATE BONDS; MUTUAL FUNDS; OPTIONS
Amount of All Relief Requested: \$3,003,725.20
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/17/2003
Amount of All Relief Awarded: \$3,079,088.21

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS
Arbitration Forum: NASD
Case Initiated: 12/12/2001
Case Number: [01-06366](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$10,982,091.83
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/17/2003
Amount of All Relief Awarded: \$300,000.01

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

Disclosure 25 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 01/16/2002
Case Number: [01-06854](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$33,764.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/20/2003
Amount of All Relief Awarded: \$25,498.01

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT
Arbitration Forum: NASD
Case Initiated: 02/25/2002
Case Number: [02-00957](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$373,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/09/2004
Amount of All Relief Awarded: \$140,000.01

There may be a non-monetary award associated with this arbitration.

Please select the Case Number above to view more detailed information.

Disclosure 27 of 177

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT

Arbitration Forum: NASD

Case Initiated: 03/11/2002

Case Number: [02-01206](#)

Disputed Product Type: UNKNOWN TYPE OF SECURITIES

Amount of All Relief Requested: \$5,000,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 04/20/2004

Amount of All Relief Awarded: \$89,919.47

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

Disclosure 28 of 177

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-MARGIN CALLS; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD

Case Initiated: 04/04/2003

Case Number: [02-02443](#)

Disputed Product Type: COMMON STOCK

Amount of All Relief Requested: \$146,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 05/07/2004

Amount of All Relief Awarded: \$17,200.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-OMISSION OF FACTS;
 ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum: NASD
Case Initiated: 08/20/2002
Case Number: [02-04609](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$68,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/25/2003
Amount of All Relief Awarded: \$99,854.00

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

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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
Arbitration Forum: NASD
Case Initiated: 10/15/2002
Case Number: [02-05978](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$70,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 12/12/2003

Amount of All Relief Awarded: \$10,000.00

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

Disclosure 31 of 177

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD

Case Initiated: 02/10/2003

Case Number: [02-06681](#)

Disputed Product Type: COMMON STOCK

Amount of All Relief Requested: \$25,571.88

Disposition: AWARD AGAINST PARTY

Disposition Date: 07/09/2003

Amount of All Relief Awarded: \$2,902.61

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

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Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: EXECUTIONS-FAILURE TO EXECUTE

Arbitration Forum: NASD

Case Initiated: 11/13/2002

Case Number: [02-06758](#)

Disputed Product Type: COMMON STOCK

Amount of All Relief Requested: \$75,406.58
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/24/2003
Amount of All Relief Awarded: \$50,000.00

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

Disclosure 33 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OTHER;
 ACCOUNT RELATED-MARGIN CALLS
Arbitration Forum: NASD
Case Initiated: 12/10/2002
Case Number: [02-07211](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$992,494.90
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/13/2004
Amount of All Relief Awarded: \$349,255.01

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OTHER;
 ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT
 RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 12/19/2002

Case Number: [02-07551](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$160,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 04/01/2004
Amount of All Relief Awarded: \$109,649.40

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-MARGIN CALLS; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 12/23/2002
Case Number: [02-07577](#)
Disputed Product Type: COMMON STOCK; MUTUAL FUNDS
Amount of All Relief Requested: \$237,534.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/02/2004
Amount of All Relief Awarded: \$113,155.51

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD
Case Initiated: 02/10/2003
Case Number: [03-00833](#)
Disputed Product Type: CORPORATE BONDS
Amount of All Relief Requested: \$135,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/24/2006
Amount of All Relief Awarded: \$30,300.00

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

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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
Arbitration Forum: NASD
Case Initiated: 04/24/2003
Case Number: [03-02667](#)
Disputed Product Type: COMMON STOCK; MUTUAL FUNDS
Amount of All Relief Requested: \$200,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/04/2004
Amount of All Relief Awarded: \$15,225.00

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

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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
Arbitration Forum: NASD
Case Initiated: 04/24/2003
Case Number: [03-02669](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$40,502.21
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/26/2004
Amount of All Relief Awarded: \$10,677.22

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-MARGIN CALLS
Arbitration Forum: NASD
Case Initiated: 06/26/2003
Case Number: [03-03335](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$575,175.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 10/26/2004
Amount of All Relief Awarded: \$36,000.00

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

Disclosure 40 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 06/16/2003
Case Number: [03-04232](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$16,500.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 04/22/2004
Amount of All Relief Awarded: \$11,125.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 11/10/2003
Case Number: [03-06130](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$125,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/24/2005
Amount of All Relief Awarded: \$75,000.00

There may be a non-monetary award associated with this arbitration.

Please select the Case Number above to view more detailed information.

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Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING

Arbitration Forum: NASD

Case Initiated: 10/13/2003

Case Number: [03-07283](#)

Disputed Product Type: UNKNOWN TYPE OF SECURITIES

Amount of All Relief Requested: \$5,100,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 10/06/2005

Amount of All Relief Awarded: \$600.00

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

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Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD

Case Initiated: 10/28/2003

Case Number: [03-07651](#)

Disputed Product Type: COMMON STOCK

Amount of All Relief Requested: Unspecified Damages

Disposition: AWARD AGAINST PARTY

Disposition Date: 09/13/2004

Amount of All Relief Awarded: \$101,933.27

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 12/04/2003
Case Number: [03-08354](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$135,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/13/2004
Amount of All Relief Awarded: \$15,000.00

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

Disclosure 45 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 12/17/2003
Case Number: [03-08872](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$500,000.00

Disposition: AWARD AGAINST PARTY
Disposition Date: 03/24/2005
Amount of All Relief Awarded: \$37,222.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum: NASD
Case Initiated: 02/03/2004
Case Number: [04-00171](#)
Disputed Product Type: ANNUITIES
Amount of All Relief Requested: \$49,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/19/2006
Amount of All Relief Awarded: \$30,675.50

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-ERRORS-CHARGES
Arbitration Forum: NASD
Case Initiated: 05/14/2004
Case Number: [04-01946](#)
Disputed Product Type: MUNICIPAL BONDS
Amount of All Relief Requested: \$50.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 12/27/2004

Amount of All Relief Awarded: \$25.00

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

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Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-MARGIN CALLS; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD

Case Initiated: 05/20/2004

Case Number: [04-03596](#)

Disputed Product Type: COMMON STOCK; OPTIONS

Amount of All Relief Requested: \$9,219,698.88

Disposition: AWARD AGAINST PARTY

Disposition Date: 12/08/2005

Amount of All Relief Awarded: \$23,036.26

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

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Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 08/03/2004

Case Number: [04-05439](#)

Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$190,236.69
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/07/2005
Amount of All Relief Awarded: \$36,400.01

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY;
 ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT
 RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 03/15/2005
Case Number: [05-01315](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$189,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/21/2006
Amount of All Relief Awarded: \$300.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT
 ACTIVITY-CHURNING; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING;
 ACCOUNT RELATED-BREACH OF CONTRACT
Arbitration Forum: NASD

Case Initiated: 05/20/2005
Case Number: [05-02458](#)
Disputed Product Type: MUTUAL FUNDS
Amount of All Relief Requested: \$468,145.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 04/28/2006
Amount of All Relief Awarded: \$356,397.01

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT
Arbitration Forum: NASD
Case Initiated: 06/10/2005
Case Number: [05-02506](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: Unspecified Damages
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/12/2006
Amount of All Relief Awarded: \$20,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OTHER; ACCOUNT

Arbitration Forum: RELATED-NEGLIGENCE
Case Initiated: NASD
Case Number: 06/06/2005
Disputed Product Type: [05-02908](#)
Amount of All Relief Requested: COMMON STOCK
Disposition: \$100,000.00
Disposition Date: AWARD AGAINST PARTY
Amount of All Relief Awarded: 05/08/2006
 \$102,600.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT
 ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; OTHER-OTHER
Arbitration Forum: NASD
Case Initiated: 04/09/2007
Case Number: [07-01108](#)
Disputed Product Type: COMMON STOCK; OPTIONS
Amount of All Relief Requested: Unspecified Damages
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/26/2008
Amount of All Relief Awarded: \$138,200.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 06/01/2007
Case Number: [07-01651](#)
Disputed Product Type:
Amount of All Relief Requested: \$10,080,838.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 04/25/2008
Amount of All Relief Awarded: \$250.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-BREACH OF CONTRACT
Arbitration Forum: FINRA
Case Initiated: 05/01/2008
Case Number: [08-01074](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: Unspecified Damages
Disposition: AWARD AGAINST PARTY
Disposition Date: 04/14/2009
Amount of All Relief Awarded: \$22,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: FINRA
Case Initiated: 08/29/2008
Case Number: [08-03005](#)
Disputed Product Type: COMMON STOCK; OPTIONS
Amount of All Relief Requested: \$677,432.78
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/06/2010
Amount of All Relief Awarded: \$328,684.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-OTHER
Arbitration Forum: FINRA
Case Initiated: 12/22/2008
Case Number: [08-04886](#)
Disputed Product Type: FANNIE MAE; PREFERRED STOCK
Amount of All Relief Requested: \$25,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/07/2009
Amount of All Relief Awarded: \$212.50

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

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Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: FINRA

Case Initiated: 03/02/2009

Case Number: [09-00878](#)

Disputed Product Type: AUCTION RATE SECURITIES; OTHER TYPES OF SECURITIES; STRUCTURED PRODUCTS

Amount of All Relief Requested: \$1,012,400,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 01/30/2013

Amount of All Relief Awarded: \$30,000,000.00

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

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Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA

Case Initiated: 03/13/2009

Case Number: [09-01309](#)

Disputed Product Type: COMMON STOCK

Amount of All Relief Requested: \$74,975.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 12/10/2009

Amount of All Relief Awarded: \$30,225.00

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

Disclosure 61 of 177

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: FINRA

Case Initiated: 04/22/2009

Case Number: [09-01568](#)

Disputed Product Type: AUCTION RATE SECURITIES

Amount of All Relief Requested: \$700,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 11/10/2010

Amount of All Relief Awarded: \$18,816.98

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

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Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: FINRA

Case Initiated: 04/02/2009

Case Number: [09-01728](#)

Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$250,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/16/2011
Amount of All Relief Awarded: \$221,120.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 04/17/2009
Case Number: [09-02041](#)
Disputed Product Type: MUTUAL FUNDS; OTHER TYPES OF SECURITIES
Amount of All Relief Requested: \$1,800,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/12/2010
Amount of All Relief Awarded: \$110,800.01

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-BREACH OF CONTRACT; EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: FINRA

Case Initiated: 08/24/2009
Case Number: [09-04587](#)
Disputed Product Type:
Amount of All Relief Requested: \$27,078.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/29/2010
Amount of All Relief Awarded: \$8,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 09/17/2009
Case Number: [09-05276](#)
Disputed Product Type: COMMON STOCK; OPTIONS
Amount of All Relief Requested: \$1,538,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/03/2011
Amount of All Relief Awarded: \$40,600.01

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF

FACTS; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE

Arbitration Forum: FINRA
Case Initiated: 10/02/2009
Case Number: [09-05596](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$4,000,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/17/2013
Amount of All Relief Awarded: \$1,074,552.21

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 12/24/2009
Case Number: [09-07047](#)
Disputed Product Type: OTHER TYPES OF SECURITIES
Amount of All Relief Requested: \$5,383,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/29/2013
Amount of All Relief Awarded: \$2,450,000.01

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION
Arbitration Forum: FINRA
Case Initiated: 12/29/2009
Case Number: [09-07108](#)
Disputed Product Type: AUCTION RATE SECURITIES; MUTUAL FUNDS
Amount of All Relief Requested: \$1,075,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/08/2011
Amount of All Relief Awarded: \$290,625.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 03/24/2010
Case Number: [10-01145](#)
Disputed Product Type: AUCTION RATE SECURITIES
Amount of All Relief Requested: \$550,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/27/2011
Amount of All Relief Awarded: \$428,800.00

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

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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: 07/08/2010
Case Number: [10-03067](#)
Disputed Product Type: AUCTION RATE SECURITIES
Amount of All Relief Requested: Unspecified Damages
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/05/2012
Amount of All Relief Awarded: \$134,108.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 08/06/2010
Case Number: [10-03410](#)
Disputed Product Type: COMMON STOCK; OPTIONS; PREFERRED STOCK
Amount of All Relief Requested: \$4,000,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 08/26/2011

Amount of All Relief Awarded: \$1,112,500.01

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

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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: 09/15/2010

Case Number: [10-03776](#)

Disputed Product Type: AUCTION RATE SECURITIES

Amount of All Relief Requested: \$1,025,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 11/30/2011

Amount of All Relief Awarded: \$625,000.00

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

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Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: FINRA

Case Initiated: 09/23/2010
Case Number: [10-04145](#)
Disputed Product Type:
Amount of All Relief Requested: \$240,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 10/17/2011
Amount of All Relief Awarded: \$52,500.00

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

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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-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 12/06/2010
Case Number: [10-05250](#)
Disputed Product Type: AUCTION RATE SECURITIES
Amount of All Relief Requested: \$430,200.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/16/2012
Amount of All Relief Awarded: \$143,400.01

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY;

ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: FINRA
Case Initiated: 02/23/2011
Case Number: [11-00703](#)
Disputed Product Type: ANNUITIES; COMMON STOCK; CORPORATE BONDS; MUNICIPAL BONDS; MUTUAL FUNDS; VARIABLE ANNUITIES
Amount of All Relief Requested: \$100,000.01
Disposition: AWARD AGAINST PARTY
Disposition Date: 04/30/2012
Amount of All Relief Awarded: \$100,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-NEGLIGENCE; EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: FINRA
Case Initiated: 01/10/2012
Case Number: [12-00061](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$22,524.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/29/2012
Amount of All Relief Awarded: \$22,524.01

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

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Reporting Source: Regulator

Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: FINRA
Case Initiated: 02/28/2012
Case Number: [12-00626](#)
Disputed Product Type: COMMON STOCK; MUTUAL FUNDS
Amount of All Relief Requested: \$261,601.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 10/04/2013
Amount of All Relief Awarded: \$355,482.98

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum: FINRA
Case Initiated: 04/13/2012
Case Number: [12-01306](#)
Disputed Product Type:
Amount of All Relief Requested: \$1,000,000.01
Disposition: AWARD AGAINST PARTY
Disposition Date: 07/25/2013
Amount of All Relief Awarded: \$75,000.00

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

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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-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 06/07/2012
Case Number: [12-02024](#)
Disputed Product Type: COMMON STOCK; PRIVATE EQUITIES
Amount of All Relief Requested: \$450,000.01
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/24/2014
Amount of All Relief Awarded: \$231,900.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 06/11/2012
Case Number: [12-02052](#)
Disputed Product Type: COMMON STOCK; MUTUAL FUNDS; PRIVATE EQUITIES
Amount of All Relief Requested: \$99,999.70
Disposition: AWARD AGAINST PARTY
Disposition Date: 10/25/2013

Amount of All Relief Awarded: \$126,512.34

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-OTHER
Arbitration Forum: FINRA
Case Initiated: 05/07/2013
Case Number: [13-01223](#)
Disputed Product Type: ANNUITIES; MUTUAL FUNDS; VARIABLE ANNUITIES
Amount of All Relief Requested: \$1,500,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/25/2014
Amount of All Relief Awarded: \$600.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 10/18/2013

Case Number: [13-02460](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$500,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/13/2015
Amount of All Relief Awarded: \$299,948.00

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

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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-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: FINRA
Case Initiated: 03/18/2014
Case Number: [14-00824](#)
Disputed Product Type: COMMON STOCK; MUTUAL FUNDS; UNIT INVESTMENT TRUST
Amount of All Relief Requested: \$66,964.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/26/2014
Amount of All Relief Awarded: \$14,600.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-SUITABILITY

Arbitration Forum: NASD
Case Initiated:
Case Number: [88-00703](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$9,250.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/27/1989
Amount of All Relief Awarded: \$9,250.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 01/01/1988
Case Number: [88-02264](#)
Disputed Product Type: OPTIONS; UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$230,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/26/1990
Amount of All Relief Awarded: \$10,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-OTHER
Arbitration Forum: NASD
Case Initiated: 01/01/1989
Case Number: [89-01049](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$84,505.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/18/1990
Amount of All Relief Awarded: \$30,755.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OTHER;
 ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; EXECUTIONS-FAILURE TO
 EXECUTE
Arbitration Forum: NASD
Case Initiated: 01/01/1989
Case Number: [89-01172](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$200,112.50
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/11/1990
Amount of All Relief Awarded: \$27,844.00

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

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Reporting Source: Regulator

Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-ERRORS-CHARGES; TRADING DISPUTES-BUY IN
Arbitration Forum: NASD
Case Initiated: 03/20/1990
Case Number: [90-00521](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$153,612.71
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/30/1992
Amount of All Relief Awarded: \$44,189.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 02/05/1991
Case Number: [90-02512](#)
Disputed Product Type: COMMON STOCK; WARRANTS/RIGHTS
Amount of All Relief Requested: \$48,075.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/27/1992
Amount of All Relief Awarded: \$4,500.00

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

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Reporting Source: Regulator

Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-NEGLIGENCE; EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: NASD
Case Initiated: 05/20/1991
Case Number: [91-00869](#)
Disputed Product Type: MUNICIPAL BOND FUNDS
Amount of All Relief Requested: \$494.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/26/1992
Amount of All Relief Awarded: \$200.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum: NASD
Case Initiated: 10/23/1991
Case Number: [91-03131](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: Unspecified Damages
Disposition: AWARD AGAINST PARTY
Disposition Date: 10/22/1992
Amount of All Relief Awarded: \$35,000.00

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

Disclosure 92 of 177

Reporting Source: Regulator

Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-ERRORS-CHARGES; EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: NASD
Case Initiated: 12/19/1991
Case Number: [91-03675](#)
Disputed Product Type: OPTIONS
Amount of All Relief Requested: \$120,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/30/1992
Amount of All Relief Awarded: \$60,000.00

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

Disclosure 93 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 12/12/1991
Case Number: [91-03843](#)
Disputed Product Type: LIMITED PARTNERSHIPS
Amount of All Relief Requested: \$60,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/22/1992
Amount of All Relief Awarded: \$50,000.00

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

Disclosure 94 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 02/21/1992
Case Number: [92-00426](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$4,500.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/30/1992
Amount of All Relief Awarded: \$0.00

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

Disclosure 95 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-NEGLIGENCE; EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: NASD
Case Initiated: 04/16/1992
Case Number: [92-01205](#)
Disputed Product Type: COMMON STOCK; WARRANTS/RIGHTS
Amount of All Relief Requested: \$4,200.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/07/1993
Amount of All Relief Awarded: \$4,318.75

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

Disclosure 96 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: NASD
Case Initiated: 04/23/1992
Case Number: [92-01207](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$825.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/24/1993
Amount of All Relief Awarded: \$687.50

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 08/27/1992
Case Number: [92-02358](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$169,734.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/04/1994
Amount of All Relief Awarded: \$146,488.00

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

Disclosure 98 of 177

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: 08/17/1992
Case Number: [92-02673](#)
Disputed Product Type: OPTIONS
Amount of All Relief Requested: \$149,617.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/05/1995
Amount of All Relief Awarded: \$156,000.00

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

Disclosure 99 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT
Arbitration Forum: NASD
Case Initiated: 11/03/1992
Case Number: [92-03342](#)
Disputed Product Type: LIMITED PARTNERSHIPS
Amount of All Relief Requested: \$90,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/06/1993

Amount of All Relief Awarded: \$62,056.00

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

Disclosure 100 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 10/08/1992
Case Number: [92-03375](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$503,204.25
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/16/1994
Amount of All Relief Awarded: \$174,460.00

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

Disclosure 101 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 01/04/1993
Case Number: [92-04309](#)
Disputed Product Type: COMMON STOCK; WARRANTS/RIGHTS
Amount of All Relief Requested: \$247,708.36
Disposition: AWARD AGAINST PARTY

Disposition Date: 02/17/1994

Amount of All Relief Awarded: \$97,500.00

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

Disclosure 102 of 177

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 05/24/1993

Case Number: [93-00201](#)

Disputed Product Type: COMMON STOCK; OPTIONS

Amount of All Relief Requested: \$735,739.55

Disposition: AWARD AGAINST PARTY

Disposition Date: 12/18/1997

Amount of All Relief Awarded: \$31,185.00

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

Disclosure 103 of 177

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

Arbitration Forum: NASD

Case Initiated: 04/07/1993

Case Number: [93-01136](#)

Disputed Product Type: COMMON STOCK; LIMITED PARTNERSHIPS; OPTIONS

Amount of All Relief Requested: Unspecified Damages
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/25/1995
Amount of All Relief Awarded: \$20,000.00

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

Disclosure 104 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY;
 ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT
 RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 05/12/1993
Case Number: [93-01701](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$41,845.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/30/1994
Amount of All Relief Awarded: \$5,778.00

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

Disclosure 105 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION
 OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT
 ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 05/19/1993

Case Number: [93-01748](#)
Disputed Product Type: COMMON STOCK; OPTIONS
Amount of All Relief Requested: \$200,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/25/1994
Amount of All Relief Awarded: \$25,000.00

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

Disclosure 106 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 05/19/1993
Case Number: [93-01989](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$159,362.18
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/22/1994
Amount of All Relief Awarded: \$67,683.50

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

Disclosure 107 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE

Arbitration Forum: NASD
Case Initiated: 10/12/1993
Case Number: [93-04048](#)
Disputed Product Type: COMMODITIES FUTURES; COMMON STOCK; OPTIONS; PREFERRED STOCK
Amount of All Relief Requested: \$360,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 04/10/1995
Amount of All Relief Awarded: \$36,000.00

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

Disclosure 108 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: EXECUTIONS-EXECUTION PRICE
Arbitration Forum: NASD
Case Initiated: 01/06/1994
Case Number: [93-04410](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$28,500.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/29/1994
Amount of All Relief Awarded: \$28,506.00

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

Disclosure 109 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-BREACH OF

Arbitration Forum: CONTRACT; ACCOUNT RELATED-NEGLIGENCE
Case Initiated: NASD
Case Number: 06/10/1994
Disputed Product Type: [94-00927](#)
Amount of All Relief Requested: LIMITED PARTNERSHIPS
Disposition: \$103,660.89
Disposition Date: AWARD AGAINST PARTY
Amount of All Relief Awarded: 05/18/1995
 \$47,700.00

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

Disclosure 110 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-FAILURE TO SUPERVISE;
 EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: NASD
Case Initiated: 09/30/1994
Case Number: [94-03224](#)
Disputed Product Type: COMMON STOCK; PREFERRED STOCK
Amount of All Relief Requested: \$113,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/20/1997
Amount of All Relief Awarded: \$31,000.00

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

Disclosure 111 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY;
 ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 09/12/1994
Case Number: [94-03448](#)
Disputed Product Type: COMMON STOCK; CORPORATE BONDS; OPTIONS; WARRANTS/RIGHTS
Amount of All Relief Requested: \$215,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 10/24/1996
Amount of All Relief Awarded: \$65,902.00

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

Disclosure 112 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT
 ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY;
 ACCOUNT RELATED-BREACH OF CONTRACT
Arbitration Forum: NASD
Case Initiated: 11/03/1994
Case Number: [94-03489](#)
Disputed Product Type: COMMON STOCK; OPTIONS; WARRANTS/RIGHTS
Amount of All Relief Requested: \$20,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 07/01/1996
Amount of All Relief Awarded: \$30,068.00

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

Disclosure 113 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 09/13/1994
Case Number: [94-03630](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$48,575.48
Disposition: AWARD AGAINST PARTY
Disposition Date: 10/09/1995
Amount of All Relief Awarded: \$24,306.00

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

Disclosure 114 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 11/17/1994
Case Number: [94-04463](#)
Disputed Product Type: COMMON STOCK; OPTIONS
Amount of All Relief Requested: \$112,697.69
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/04/1996
Amount of All Relief Awarded: \$36,521.20

There may be a non-monetary award associated with this arbitration.

Please select the Case Number above to view more detailed information.

Disclosure 115 of 177

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING

Arbitration Forum: NASD

Case Initiated: 01/05/1995

Case Number: [94-05207](#)

Disputed Product Type: COMMON STOCK; MUNICIPAL BOND FUNDS; MUNICIPAL BONDS

Amount of All Relief Requested: \$1,000,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 12/31/1997

Amount of All Relief Awarded: \$3,675.00

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

Disclosure 116 of 177

Reporting Source: Regulator

Type of Event: ARBITRATION

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

Arbitration Forum: NASD

Case Initiated: 02/08/1995

Case Number: [95-00553](#)

Disputed Product Type: COMMON STOCK

Amount of All Relief Requested: \$68,139.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 04/16/1996

Amount of All Relief Awarded: \$2,611.32

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

Disclosure 117 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: NASD
Case Initiated: 04/03/1995
Case Number: [95-01356](#)
Disputed Product Type: COMMON STOCK; WARRANTS/RIGHTS
Amount of All Relief Requested: \$68,593.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/29/1996
Amount of All Relief Awarded: \$21,600.00

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

Disclosure 118 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum: NASD
Case Initiated: 04/05/1995
Case Number: [95-01434](#)
Disputed Product Type: COMMON STOCK; OPTIONS
Amount of All Relief Requested: \$257,345.00
Disposition: AWARD AGAINST PARTY

Disposition Date: 08/20/1996
Amount of All Relief Awarded: \$119,244.00

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

Disclosure 119 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 04/28/1995
Case Number: [95-01977](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$100,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 07/20/1998
Amount of All Relief Awarded: \$15,000.00

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

Disclosure 120 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 06/19/1995
Case Number: [95-02289](#)
Disputed Product Type: COMMON STOCK

Amount of All Relief Requested: \$336,742.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/26/1997
Amount of All Relief Awarded: \$298,912.90

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

Disclosure 121 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 06/27/1995
Case Number: [95-03000](#)
Disputed Product Type: COMMON STOCK; OPTIONS
Amount of All Relief Requested: \$20,001.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/13/1996
Amount of All Relief Awarded: \$15,179.95

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

Disclosure 122 of 177

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: 07/24/1995

Case Number: [95-03206](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$279,604.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/11/1997
Amount of All Relief Awarded: \$18,750.00

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

Disclosure 123 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 07/28/1995
Case Number: [95-03636](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$63,990.50
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/02/1996
Amount of All Relief Awarded: \$40,500.00

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

Disclosure 124 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD

Case Initiated: 11/22/1995
Case Number: [95-04065](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$4,920.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/20/1996
Amount of All Relief Awarded: \$5,045.00

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

Disclosure 125 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 10/12/1995
Case Number: [95-04430](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$19,015.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 07/11/1996
Amount of All Relief Awarded: \$19,015.00

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

Disclosure 126 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT

Arbitration Forum: RELATED-FAILURE TO SUPERVISE
Case Initiated: NASD
Case Number: 11/30/1995
Disputed Product Type: [95-05380](#)
Amount of All Relief Requested: OPTIONS
Disposition: \$413,000.00
Disposition Date: AWARD AGAINST PARTY
Amount of All Relief Awarded: 07/23/1998
 \$269,305.00

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

Disclosure 127 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT
 RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO
 SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 12/04/1995
Case Number: 95-05630
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$11,681.72
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/22/1996
Amount of All Relief Awarded: \$11,801.50

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

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Reporting Source: Regulator

Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum: NASD
Case Initiated: 02/07/1996
Case Number: [95-05846](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$608,956.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/10/1996
Amount of All Relief Awarded: \$2,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum: NASD
Case Initiated: 04/02/1996
Case Number: [96-00262](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$5,459.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/18/1996
Amount of All Relief Awarded: \$3,150.00

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

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Reporting Source: Regulator

Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 01/31/1996
Case Number: [96-00370](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: Unspecified Damages
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/19/1998
Amount of All Relief Awarded: \$175,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-OTHER
Arbitration Forum: NASD
Case Initiated: 02/21/1996
Case Number: [96-00751](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$27,644.81
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/13/1996
Amount of All Relief Awarded: \$28,916.59

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 03/04/1996
Case Number: [96-00901](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$14,805.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/28/1997
Amount of All Relief Awarded: \$7,292.48

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

Disclosure 133 of 177

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: 03/12/1996
Case Number: [96-00963](#)
Disputed Product Type: COMMON STOCK; WARRANTS/RIGHTS
Amount of All Relief Requested: \$535,124.05
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/11/1997
Amount of All Relief Awarded: \$980,845.99

There may be a non-monetary award associated with this arbitration.

Please select the Case Number above to view more detailed information.

Disclosure 134 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 04/01/1996
Case Number: [96-01259](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$80,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/23/1997
Amount of All Relief Awarded: \$18,500.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE; EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: NASD
Case Initiated: 05/31/1996
Case Number: [96-01789](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$30,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/05/1997

Amount of All Relief Awarded: \$29,064.53

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 06/14/1996
Case Number: [96-02208](#)
Disputed Product Type: COMMON STOCK; CORPORATE BONDS; PREFERRED STOCK; WARRANTS/RIGHTS
Amount of All Relief Requested: \$65,044.33
Disposition: AWARD AGAINST PARTY
Disposition Date: 04/21/1998
Amount of All Relief Awarded: \$27,000.00

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

Disclosure 137 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 06/27/1996
Case Number: [96-02680](#)
Disputed Product Type: COMMON STOCK; WARRANTS/RIGHTS

Amount of All Relief Requested: \$71,522.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/06/1997
Amount of All Relief Awarded: \$40,578.03

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 10/02/1996
Case Number: [96-03074](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$120,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 07/28/1998
Amount of All Relief Awarded: \$100,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 08/07/1996

Case Number: [96-03087](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$81,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 07/30/1997
Amount of All Relief Awarded: \$10,000.00

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

Disclosure 140 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OTHER;
 ACCOUNT RELATED-NEGLIGENCE; EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: NASD
Case Initiated: 08/16/1996
Case Number: [96-03439](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$20,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 05/15/1997
Amount of All Relief Awarded: \$16,500.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; EXECUTIONS-FAILURE TO
 EXECUTE
Arbitration Forum: NASD

Case Initiated: 09/25/1996
Case Number: [96-03657](#)
Disputed Product Type: COMMON STOCK; WARRANTS/RIGHTS
Amount of All Relief Requested: \$6,573.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/12/1997
Amount of All Relief Awarded: \$1,389.11

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OTHER;
 ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT
 RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 09/25/1996
Case Number: [96-04004](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$26,735.59
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/15/1997
Amount of All Relief Awarded: \$6,577.07

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT
 RELATED-NEGLIGENCE

Arbitration Forum: NASD
Case Initiated: 11/05/1996
Case Number: [96-04088](#)
Disputed Product Type: COMMON STOCK; OPTIONS
Amount of All Relief Requested: \$62,515.02
Disposition: AWARD AGAINST PARTY
Disposition Date: 10/13/1997
Amount of All Relief Awarded: \$63,015.02

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 10/28/1996
Case Number: [96-04130](#)
Disputed Product Type: COMMON STOCK; OTHER TYPES OF SECURITIES
Amount of All Relief Requested: \$630,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 04/03/1998
Amount of All Relief Awarded: \$367,045.59

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

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Reporting Source: Regulator
Type of Event: ARBITRATION

Allegations: ACCOUNT RELATED-OTHER
Arbitration Forum: NASD
Case Initiated: 10/07/1996
Case Number: [96-04209](#)
Disputed Product Type: COMMON STOCK; PREFERRED STOCK
Amount of All Relief Requested: \$50,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 04/11/2001
Amount of All Relief Awarded: \$50,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 12/11/1996
Case Number: [96-04612](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$14,099.40
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/18/1997
Amount of All Relief Awarded: \$15,000.00

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

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Reporting Source: Regulator

Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 01/08/1997
Case Number: [96-05198](#)
Disputed Product Type: OPTIONS
Amount of All Relief Requested: \$20,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 11/26/1997
Amount of All Relief Awarded: \$16,399.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-FAILURE TO SUPERVISE; EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: NASD
Case Initiated: 12/20/1996
Case Number: [96-05586](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$90,758.50
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/24/1997
Amount of All Relief Awarded: \$10,200.00

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

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Reporting Source: Regulator

Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: NASD
Case Initiated: 12/30/1996
Case Number: [96-05716](#)
Disputed Product Type: CORPORATE BONDS
Amount of All Relief Requested: \$18,123.11
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/02/1997
Amount of All Relief Awarded: \$2,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: EXECUTIONS-FAILURE TO EXECUTE
Arbitration Forum: NASD
Case Initiated: 01/24/1997
Case Number: [97-00117](#)
Disputed Product Type: OPTIONS
Amount of All Relief Requested: \$1,250.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 10/21/1997
Amount of All Relief Awarded: \$560.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 03/18/1997
Case Number: [97-01204](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$60,004.09
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/19/1997
Amount of All Relief Awarded: \$13,960.00

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

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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: 04/28/1997
Case Number: [97-02028](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$32,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/12/1998
Amount of All Relief Awarded: \$33,250.00

There may be a non-monetary award associated with this arbitration.

Please select the Case Number above to view more detailed information.

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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: 06/13/1997

Case Number: [97-02898](#)

Disputed Product Type: COMMON STOCK

Amount of All Relief Requested: \$89,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 04/20/1999

Amount of All Relief Awarded: \$15,000.00

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

Disclosure 154 of 177

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING

Arbitration Forum: NASD

Case Initiated: 07/17/1997

Case Number: [97-03067](#)

Disputed Product Type: UNKNOWN TYPE OF SECURITIES

Amount of All Relief Requested: \$50,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 01/26/1998

Amount of All Relief Awarded: \$4,200.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS
Arbitration Forum: NASD
Case Initiated: 09/23/1997
Case Number: [97-04322](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$78,499.39
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/06/1998
Amount of All Relief Awarded: \$19,810.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 10/02/1997
Case Number: [97-04536](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$411,000.00
Disposition: AWARD AGAINST PARTY

Disposition Date: 03/02/1999
Amount of All Relief Awarded: \$311,549.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-OTHER
Arbitration Forum: NASD
Case Initiated: 10/29/1997
Case Number: [97-05100](#)
Disputed Product Type: OPTIONS
Amount of All Relief Requested: \$39,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/23/1999
Amount of All Relief Awarded: \$28,006.61

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 01/06/1998
Case Number: [97-05893](#)
Disputed Product Type: COMMON STOCK; CORPORATE BONDS

Amount of All Relief Requested: \$327,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/18/1998
Amount of All Relief Awarded: \$107,750.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 12/29/1997
Case Number: [97-05930](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$9,815.61
Disposition: AWARD AGAINST PARTY
Disposition Date: 04/14/1998
Amount of All Relief Awarded: \$8,291.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION
Arbitration Forum: NASD
Case Initiated: 12/31/1997
Case Number: [97-05975](#)
Disputed Product Type: COMMON STOCK

Amount of All Relief Requested: \$5,524.88
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/01/1998
Amount of All Relief Awarded: \$2,912.44

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 01/27/1998
Case Number: [98-00133](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$450,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/11/1999
Amount of All Relief Awarded: \$180,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 04/13/1998

Case Number: [98-00492](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$67,326.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 08/16/1999
Amount of All Relief Awarded: \$50,300.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-FAILURE TO SUPERVISE
Arbitration Forum: NASD
Case Initiated: 03/03/1998
Case Number: [98-00681](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$77,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/30/1999
Amount of All Relief Awarded: \$4,500.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING

Arbitration Forum: NASD
Case Initiated: 03/12/1998
Case Number: [98-00761](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$213,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/23/2000
Amount of All Relief Awarded: \$156,693.10

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 05/11/1998
Case Number: [98-01544](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$100,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/07/1999
Amount of All Relief Awarded: \$27,445.00

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

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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
Arbitration Forum: NASD
Case Initiated: 06/04/1998
Case Number: 98-01947
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$90,534.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 09/07/1999
Amount of All Relief Awarded: \$40,889.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT RELATED-NEGLIGENCE; ACCOUNT RELATED-OTHER
Arbitration Forum: NASD
Case Initiated: 10/05/1998
Case Number: [98-02687](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$43,372.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/01/2000
Amount of All Relief Awarded: \$21,138.01

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

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Reporting Source: Regulator

Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 09/10/1998
Case Number: [98-03171](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$8,889.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/20/1999
Amount of All Relief Awarded: \$75.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 02/08/1999
Case Number: [99-00168](#)
Disputed Product Type: COMMON STOCK; OPTIONS
Amount of All Relief Requested: \$117,008.30
Disposition: AWARD AGAINST PARTY
Disposition Date: 12/13/1999
Amount of All Relief Awarded: \$10,000.00

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OTHER; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-BREACH OF CONTRACT
Arbitration Forum: NASD
Case Initiated: 05/20/1999
Case Number: [99-01524](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$45,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 07/10/2000
Amount of All Relief Awarded: \$27,810.34

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 06/03/1999
Case Number: [99-02291](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$25,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/21/2000
Amount of All Relief Awarded: \$16,463.20

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

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Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum: NASD
Case Initiated: 06/23/1999
Case Number: [99-02356](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$622,508.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/04/2001
Amount of All Relief Awarded: \$85,107.00

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

Disclosure 173 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 06/28/1999
Case Number: [99-02708](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$70,112.50
Disposition: AWARD AGAINST PARTY
Disposition Date: 01/23/2001

Amount of All Relief Awarded: \$112.50

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

Disclosure 174 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY
Arbitration Forum: NASD
Case Initiated: 07/21/1999
Case Number: [99-03152](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$350,196.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 06/05/2000
Amount of All Relief Awarded: \$119,216.39

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

Disclosure 175 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 08/18/1999
Case Number: [99-03213](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES
Amount of All Relief Requested: \$500,000.00

Disposition: AWARD AGAINST PARTY
Disposition Date: 04/14/2000
Amount of All Relief Awarded: \$0.00

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

Disclosure 176 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum: NASD
Case Initiated: 09/28/1999
Case Number: [99-03241](#)
Disputed Product Type: COMMON STOCK
Amount of All Relief Requested: \$22,960.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 03/09/2000
Amount of All Relief Awarded: \$212.50

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

Disclosure 177 of 177

Reporting Source: Regulator
Type of Event: ARBITRATION
Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE
Arbitration Forum: NASD
Case Initiated: 12/06/1999
Case Number: [99-05308](#)
Disputed Product Type: UNKNOWN TYPE OF SECURITIES

Amount of All Relief Requested: \$2,069,000.00
Disposition: AWARD AGAINST PARTY
Disposition Date: 02/21/2001
Amount of All Relief Awarded: \$74,241.25

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

Civil Bond

This type of disclosure event involves a civil bond for the brokerage firm that has been denied, paid, or revoked by a bonding company.

Disclosure 1 of 2

| | |
|------------------------------|--|
| Reporting Source: | Firm |
| Policy Holder: | FAHNESTOCK & CO. INC. |
| Bonding Company Name: | CONTINENTAL CASUALTY COMPANY |
| Disposition: | Payout |
| Disposition Date: | 07/25/1996 |
| Payout Details: | \$70,000 |
| Firm Statement | ASSISTANT MADE FRAUDULENT MARGIN CALLS |

Disclosure 2 of 2

| | |
|------------------------------|--|
| Reporting Source: | Firm |
| Policy Holder: | FAHNESTOCK & CO. INC. |
| Bonding Company Name: | CONTINENTAL CASUALTY COMPANY |
| Disposition: | Payout |
| Disposition Date: | 07/06/1995 |
| Payout Details: | \$133,614.55 |
| Firm Statement | IT IS ALLEGED THAT A REGISTERED REPRESENTATIVE STOLE MONEY FROM A CLIENTS ACCOUNT. |

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