

## BrokerCheck Report

# CHASE INVESTMENT SERVICES CORP.

CRD# 25574

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

## 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 <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

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

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

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[brokercheck.finra.org](http://brokercheck.finra.org)



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

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)

**CHASE INVESTMENT SERVICES CORP.**

CRD# 25574

SEC# 8-41840

**Main Office Location**300 SOUTH RIVERSIDE PLAZA  
11TH FLOOR  
CHICAGO, IL 60606**Mailing Address**1111 POLARIS PARKWAY  
SUITE 2J  
COLUMBUS, OH 43240**Business Telephone Number**

614-213-5442

**Report Summary for this Firm**

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

**Firm Profile**

This firm is classified as a corporation.

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

Its fiscal year ends in December.

**Firm History**

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

**Firm Operations**

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

**Disclosure Events**

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

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

**The following types of disclosures have been reported:**

Type	Count
Regulatory Event	62
Arbitration	19

The number of disclosures from non-registered control affiliates is 31

## Registration Withdrawal Information

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



**Date firm ceased business:** 10/01/2012

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



## Firm Profile

This firm is classified as a corporation.

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

Its fiscal year ends in December.

## Firm Names and Locations

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

### **CHASE INVESTMENT SERVICES CORP.**

**Doing business as CHASE INVESTMENT SERVICES CORP.**

**CRD#** 25574

**SEC#** 8-41840

### **Main Office Location**

300 SOUTH RIVERSIDE PLAZA  
11TH FLOOR  
CHICAGO, IL 60606

### **Mailing Address**

1111 POLARIS PARKWAY  
SUITE 2J  
COLUMBUS, OH 43240

### **Business Telephone Number**

614-213-5442



## Firm Profile

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

### Direct Owners and Executive Officers

<b>Legal Name &amp; CRD# (if any):</b>	BANC ONE CAPITAL HOLDINGS LLC
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Position</b>	DIRECT OWNER
<b>Position Start Date</b>	07/2006
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	ADITYA, MAHESH CHATTA 5586574
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	BOARD MEMBER
<b>Position Start Date</b>	05/2011
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	CHABOT, ALAN JAMES 2617874
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	PRESIDENT & CEO, BOARD MEMBER
<b>Position Start Date</b>	11/2008

## Firm Profile



### Direct Owners and Executive Officers (continued)

**Percentage of Ownership** Less than 5%

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

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

**Legal Name & CRD# (if any):** DAVIS, JAMES HUBER  
4166100

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

**Position** CHIEF OPERATIONS OFFICER

**Position Start Date** 03/2005

**Percentage of Ownership** Less than 5%

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

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

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

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

**Position** EXECUTIVE VICE PRESIDENT

**Position Start Date** 06/2012

**Percentage of Ownership** Less than 5%

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

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

**Legal Name & CRD# (if any):** DURKEE, JEFFREY WILLIS

## Firm Profile



### Direct Owners and Executive Officers (continued)

	1009266
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	EXECUTIVE VICE PRESIDENT
<b>Position Start Date</b>	03/2012
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	GINDI, SOL 4903526
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CFO, BOARD MEMBER
<b>Position Start Date</b>	06/2011
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	GRAY, ANNE LOUISE 1779722
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	SENIOR VICE PRESIDENT
<b>Position Start Date</b>	07/2009
<b>Percentage of Ownership</b>	Less than 5%





## Firm Profile

### Direct Owners and Executive Officers (continued)

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

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

**Legal Name & CRD# (if any):** HAIGIS, PHILIP HOWARD JR.  
4340276

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

**Position** EXECUTIVE VICE PRESIDENT

**Position Start Date** 05/2011

**Percentage of Ownership** Less than 5%

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

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

**Legal Name & CRD# (if any):** JULIAN, BETH WILSON  
1071047

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

**Position** EXECUTIVE VICE PRESIDENT

**Position Start Date** 05/2009

**Percentage of Ownership** Less than 5%

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

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

**Legal Name & CRD# (if any):** KLEINBAUM, GREGG ADAM  
2555215



## Firm Profile

### Direct Owners and Executive Officers (continued)

<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	EXECUTIVE VICE PRESIDENT
<b>Position Start Date</b>	12/2010
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	MARTIN, KEVIN LEE 2742022
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	EXECUTIVE VICE PRESIDENT
<b>Position Start Date</b>	06/2011
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	PANTALEO, LAURA ANN 1501065
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	EXECUTIVE VICE PRESIDENT
<b>Position Start Date</b>	12/2008
<b>Percentage of Ownership</b>	Less than 5%

## Firm Profile



### Direct Owners and Executive Officers (continued)

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

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

**Legal Name & CRD# (if any):** QUINN, JOHN P  
5631540

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

**Position** EXECUTIVE VICE PRESIDENT,NATIONAL SALES DIRECTOR

**Position Start Date** 12/2008

**Percentage of Ownership** Less than 5%

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

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

**Legal Name & CRD# (if any):** REED, JAMIE MATTHEW  
2797383

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

**Position** EXECUTIVE VICE PRESIDENT

**Position Start Date** 12/2008

**Percentage of Ownership** Less than 5%

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

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

**Legal Name & CRD# (if any):** SKARDA, JOSEPH BRIEL  
4288186

## Firm Profile



### Direct Owners and Executive Officers (continued)

<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	EXECUTIVE VICE PRESIDENT
<b>Position Start Date</b>	12/2008
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	TEPPER, ERIC DAVID 2242377
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	EXECUTIVE VICE PRESIDENT
<b>Position Start Date</b>	03/2012
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	WILBURN, DOUGLAS FREDERICK 1407686
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF COMPLIANCE OFFICER
<b>Position Start Date</b>	05/2009
<b>Percentage of Ownership</b>	Less than 5%

## Firm Profile



### Direct Owners and Executive Officers (continued)

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

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

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## Firm Profile

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

### Indirect Owners

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

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## Firm History

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

No information reported.



## Firm Operations



### Registrations

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

**This firm is no longer registered.**

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





## Firm Operations

### Types of Business

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

**This firm currently conducts 17 types of businesses.**

#### Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities dealer
U S. government securities broker
Municipal securities dealer
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Solicitor of time deposits in a financial institution
Put and call broker or dealer or option writer
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in the secondary market
Non-exchange member arranging for transactions in listed securities by exchange member
Trading securities for own account
Private placements of securities
Broker or dealer involved in a networking, kiosk or similar arrangement with a: bank, savings bank or association, or credit union



## Firm Operations

### Clearing Arrangements

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

### Introducing Arrangements

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

**Name:** J.P. MORGAN CLEARING CORP.

**CRD #:** 28432

**Business Address:** THREE CHASE METROTECH CENTER  
BROOKLYN, NY 11245

**Effective Date:** 08/01/2011

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

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**Name:** NATIONAL FINANCIAL SERVICES LLC

**CRD #:** 13041

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

**Effective Date:** 05/09/1996

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

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## Firm Operations

### Industry Arrangements



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

**Name:** J.P. MORGAN CLEARING CORP.  
**CRD #:** 28432  
**Business Address:** THREE CHASE METROTECH CENTER  
 BROOKLYN, NY 11245  
**Effective Date:** 08/01/2011  
**Description:** CHASE INVESTMENT SERVICES CORP. HAS ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH J.P. MORGAN CLEARING CORP. ("JPMCC"), A WHOLLY OWNED SUBSIDIARY OF J.P. MORGAN CHASE & CO. CUSTOMER ACCOUNT AND THOSE RECORDS CUSTOMARILY MAINTAINED BY THE CLEARING BROKER IN SUCH AN ARRANGEMENT ARE MAINTAINED BY JPMCC. IN ADDITION, JPMCC IS RESPONSIBLE FOR THE SAFEGUARDING OF FUNDS AND SECURITIES HELD BY IT FOR THE CUSTOMER ACCOUNTS OF CHASE INVESTMENT SERVICES CORP.

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**Name:** NATIONAL FINANCIAL SERVICES LLC  
**CRD #:** 13041  
**Business Address:** 200 LIBERTY STREET  
 5TH FLOOR  
 NEW YORK, NY 10281  
**Effective Date:** 05/09/1996  
**Description:** CHASE INVESTMENT SERVICES CORP. HAS ENTERED INTO A FULLY DISCLOSED CLEARING AGREEMENT WITH NATIONAL FINANCIAL SERVICES, LLC ("NFS"), A WHOLLY OWNED SUBSIDIARY OF FIDELITY BROKERAGE SERVICES. CUSTOMER ACCOUNTS AND THOSE RECORDS CUSTOMARILY MAINTAINED BY THE CLEARING BROKER IN SUCH AN ARRANGEMENT ARE MAINTAINED BY NFS. IN ADDITION, NFS IS RESPONSIBLE FOR THE SAFEGUARDING OF FUNDS AND SECURITIES HELD BY IT FOR THE CUSTOMER ACCOUNTS OF CHASE INVESTMENT SERVICES CORP.

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

**Name:** J.P. MORGAN CLEARING CORP.  
**CRD #:** 28432  
**Business Address:** THREE CHASE METROTECH CENTER

## Firm Operations



### Industry Arrangements (continued)

BROOKLYN, NY 11245

**Effective Date:** 08/01/2011

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

**Name:** NATIONAL FINANCIAL SERVICES LLC

**CRD #:** 13041

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

**Effective Date:** 05/09/1996

**Description:** SEE RESPONSE TO QUESTION 8A.

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

**Name:** J.P. MORGAN CLEARING CORP.

**CRD #:** 28432

**Business Address:** THREE CHASE METROTECH CENTER  
BROOKLYN, NY 11245

**Effective Date:** 08/01/2011

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

**Name:** NATIONAL FINANCIAL SERVICES LLC

**CRD #:** 13041

**Business Address:** 200 LIBERTY STREET

## Firm Operations



### Industry Arrangements (continued)

5TH FLOOR  
NEW YORK, NY 10281

**Effective Date:** 05/09/1996

**Description:** SEE RESPONSE TO QUESTIONS 8A.

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### Control Persons/Financing

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

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



## Firm Operations

### Organization Affiliates

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

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

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

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

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

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

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

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** ONE CANADA SQUARE  
LONDON, ENGLAND

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** UNITED KINGDOM

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 45 OLD BOND STREET  
4TH FLOOR  
LONDON, ENGLAND

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** UNITED KINGDOM

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

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**BSCGP INC is under common control with the firm.**

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

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

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

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

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

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** ISRAEL

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

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

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

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

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** UNITED KINGDOM



## Firm Operations



### Organization Affiliates (continued)

**Securities Activities:** No

**Investment Advisory Activities:** Yes

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

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

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

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** CAYMAN ISLANDS

**Securities Activities:** No

**Investment Advisory Activities:** Yes

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

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

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

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

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

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

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

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

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

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** UNITED KINGDOM

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

## Firm Operations



### Organization Affiliates (continued)

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

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

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

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

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

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

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

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

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

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

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** CAYMAN ISLANDS

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

## Firm Operations



### Organization Affiliates (continued)

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

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

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

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** CAYMAN ISLANDS

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

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

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** CAYMAN ISLANDS

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No



**Firm Operations****Organization Affiliates (continued)****Country:****Securities Activities:** Yes**Investment Advisory Activities:** No**Description:** UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO**CONSTELLATION VENTURES MANAGEMENT II, LLC is under common control with the firm.****Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179**Effective Date:** 04/08/2008**Foreign Entity:** No**Country:****Securities Activities:** Yes**Investment Advisory Activities:** No**Description:** UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO**BSTJ, INC. is under common control with the firm.****Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179**Effective Date:** 04/08/2008**Foreign Entity:** No**Country:****Securities Activities:** Yes**Investment Advisory Activities:** No**Description:** UNDER COMMON CONTROL OF ULTIMATE PARENT, JP MORGAN CHASE & CO**THE BSC EMPLOYEE FUND II, L.P is under common control with the firm.****Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

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

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

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

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

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

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

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

## Firm Operations



### Organization Affiliates (continued)

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

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

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

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** SINGAPORE

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

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

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

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

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

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

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

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

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

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

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

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

**Business Address:** 383 MADSION AVENUE

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

NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

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

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** CAYMAN ISLANDS

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

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

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** BERMUDA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

## Firm Operations



### Organization Affiliates (continued)

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** ONE CANADA SQUARE  
LONDON E14 5AD, ENDLAND

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** UNITED KINGDOM

**Securities Activities:** Yes

## Firm Operations



### Organization Affiliates (continued)

**Investment Advisory Activities:** No

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

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

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

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** UNITED KINGDOM

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

---

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

**Business Address:** C/O. MAPLES & CALDER, UGLAND HOUSE  
GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLANDS

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes



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

**Country:** CAYMAN ISLANDS

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

## Firm Operations



### Organization Affiliates (continued)

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

---

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

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

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

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

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

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

**Business Address:** 383 MADISON AVE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

---

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

**Business Address:** 383 MADISON AVE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 383 MADISON AVENUE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

---

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

**Business Address:** 383 MADISON AVE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

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

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**Business Address:** 39 ALLEE SCHEFFER L-2520  
LUXEMBOURG, LUXEMBOURG

**Effective Date:** 04/08/2008

**Foreign Entity:** Yes

**Country:** LUXEMBOURG

**Securities Activities:** No

**Investment Advisory Activities:** Yes

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

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

**CRD #:** 28432

**Business Address:** ONE METROTECH CENTER NORTH  
BROOKLYN, NY 11201-3859

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

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

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

**CRD #:** 79

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

**Business Address:** 383 MADISON AVE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

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

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

**CRD #:** 113359

**Business Address:** 383 MADISON AVE  
NEW YORK, NY 10179

**Effective Date:** 04/08/2008

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

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

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

**CRD #:** 19920

**Business Address:** 140E 45TH ST 2ND FL  
NEW YORK, NY 10017

**Effective Date:** 09/07/2007

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

## Firm Operations



### Organization Affiliates (continued)

**Investment Advisory Activities:** No

**Description:** UNDER COMMON CONTROL OF ULTIMATE PARENT- JPMORGAN CHASE & CO.

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

**Business Address:** TOKYO BUILDING 7-3 MARUNOUCHI  
2 CHROME CHIYODA-KU  
TOKYO, JAPAN 100 6432

**Effective Date:** 04/10/2002

**Foreign Entity:** Yes

**Country:** JAPAN

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** UNDER COMMON CONTROL OF ULTIMATE PARENT-JPMORGAN CHASE & CO

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

**Business Address:** 270 PARK AVENUE  
NEW YORK, NY 10017

**Effective Date:** 07/01/2004

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** UNDER COMMON CONTROL OF ULTIMATE PARENT-JPMORGAN CHASE & CO.

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

**Business Address:** LEVEL 32, GROSVENOR PLACE  
225 GEORGE STREET-NSW 2000  
SYDNEY, AUSTRALIA

**Effective Date:** 07/01/2004

## Firm Operations



### Organization Affiliates (continued)

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

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

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

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

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

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#### CAZENOVE AG is under common control with the firm.

<b>Business Address:</b>	BOERSENSTRASSE 2-4D-60313
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**Firm Operations****Organization Affiliates (continued)**

FRANKFURT AM MAIN D-60313  
FRANKFURT, GERMANY

**Effective Date:** 11/29/2001

**Foreign Entity:** Yes

**Country:** GERMANY

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** UNDER COMMON CONTROL OF THE PARENT CORPORATION

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

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

**Effective Date:** 07/18/2002

**Foreign Entity:** Yes

**Country:** IRELAND

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

**Business Address:** UNKNOWN  
NASSAU, BAHAMAS

**Effective Date:** 06/17/2005

**Foreign Entity:** Yes

**Country:** BAHAMAS

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

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

**Business Address:** 500 STANTON CHRISTIANA ROAD  
NEWARK, DE

**Effective Date:** 01/25/1994

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

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

**Effective Date:** 07/06/2012

**Foreign Entity:** Yes

**Country:** ENGLAND

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

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

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

**Effective Date:** 07/29/1957

**Foreign Entity:** Yes

**Country:** AUSTRALIA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

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## Firm Operations



### Organization Affiliates (continued)

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

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

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

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

**JPMORGAN SOLUTIONS LLC is under common control with the firm.**

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

## Firm Operations



### Organization Affiliates (continued)

**Description:** AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

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

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

**Effective Date:** 10/02/1984

**Foreign Entity:** Yes

**Country:** ARGENTINA

**Securities Activities:** Yes

**Investment Advisory  
Activities:** No

**Description:** AFFILIATE UNDER COMMON CONTROL OF THE PARENT CORPORATION

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**JPMORGAN CAZENOVE LIMITED is under common control with the firm.**

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

**Effective Date:** 06/15/2012

**Foreign Entity:** Yes

**Country:** ENGLAND

**Securities Activities:** Yes

**Investment Advisory  
Activities:** No

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

**Business Address:** VIA CATENA 4  
MILAN, ITALY 20121

**Effective Date:** 07/12/1994

**Foreign Entity:** Yes

**Country:** ITALY

## Firm Operations



### Organization Affiliates (continued)

<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

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

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

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

#### JF TAIWAN LIMITED is under common control with the firm.

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

## Firm Operations



### Organization Affiliates (continued)

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

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

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

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

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

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

<b>Business Address:</b>	LEVEL 23, 600 BOURKE ST MELBOURNE VICTORIA 300 MELBOURNE, AUSTRALIA
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**Firm Operations****Organization Affiliates (continued)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## Firm Operations



### Organization Affiliates (continued)

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

**Effective Date:** 04/20/1988

**Foreign Entity:** Yes

**Country:** LUXEMBOURG

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

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

**Effective Date:** 09/23/1981

**Foreign Entity:** Yes

**Country:** AUSTRALIA

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

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

**Effective Date:** 07/29/1994

**Foreign Entity:** Yes

**Country:** SINGAPORE

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

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

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

**Effective Date:** 02/18/2000

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** AFFILIATE UNDER COMMON CONTROL - REGISTERED IA

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

**CRD #:** 106201

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

**Effective Date:** 07/01/2004

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

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

**Effective Date:** 07/01/2004

**Foreign Entity:** No

**Country:** 01/01/2007

**Securities Activities:** No

## Firm Operations



### Organization Affiliates (continued)

**Investment Advisory Activities:** No

**Description:** BANC ONE INVESTMENT ADVISOR CORPORATION OWNS 49% & PACHOLDER ASSOCIATES, INC. OWNS 51%

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

**CRD #:** 104234

**Business Address:** 1111 POLARIS PARKWAY  
COLUMBUS, OH 43240

**Effective Date:** 07/01/2004

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

**Business Address:** 1221 AVENUE OF THE AMERICAS  
39TH FLOOR  
NEW YORK, NY 10020

**Effective Date:** 12/08/1994

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

---

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

**Business Address:** 1221 AVENUE OF THE AMERICAS  
39TH FLOOR  
NEW YORK, NY 10020

**Effective Date:** 01/03/2001

## Firm Operations



### Organization Affiliates (continued)

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

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

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

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

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

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

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

## Firm Operations



### Organization Affiliates (continued)

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

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

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

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

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

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

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

## Firm Operations



### Organization Affiliates (continued)

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

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

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

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#### JPMORGAN AUSTRALIA LIMITED is under common control with the firm.

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

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

**CRD #:** 20989

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

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

**Effective Date:** 07/02/1987

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** AFFILIATE UNDER COMMON CONTROL-REGISTERED BROKER DEALER

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

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

**Effective Date:** 01/17/1980

**Foreign Entity:** Yes

**Country:** SWITZERLAND

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

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

**Effective Date:** 01/31/2003

**Foreign Entity:** Yes

**Country:** INDONESIA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

## Firm Operations



### Organization Affiliates (continued)

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

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

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

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

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

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



## Firm Operations



### Organization Affiliates (continued)

**Investment Advisory Activities:** No

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

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

**Effective Date:** 04/03/2002

**Foreign Entity:** Yes

**Country:** PHILIPPINES

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

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

**Effective Date:** 11/06/2003

**Foreign Entity:** Yes

**Country:** HONG KONG

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

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

**Effective Date:** 04/03/2002

**Foreign Entity:** Yes

## Firm Operations



### Organization Affiliates (continued)

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

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

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

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

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

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

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

## Firm Operations



### Organization Affiliates (continued)

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

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

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

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

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

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

## Firm Operations



### Organization Affiliates (continued)

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

**Effective Date:** 01/31/2003

**Foreign Entity:** Yes

**Country:** BRITISH VIRGIN ISLANDS

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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#### JF FUNDS LIMITED is under common control with the firm.

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

**Effective Date:** 04/03/2002

**Foreign Entity:** Yes

**Country:** HONG KONG

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

**Business Address:** 10 ALDERMANBURY  
LONDON EC2V 7RF, ENGLAND

**Effective Date:** 05/04/2004

**Foreign Entity:** Yes

**Country:** ENGLAND

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

## Firm Operations



### Organization Affiliates (continued)

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

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

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

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

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

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

## Firm Operations



### Organization Affiliates (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Firm Operations



### Organization Affiliates (continued)

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

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

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

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

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

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



## Firm Operations



### Organization Affiliates (continued)

**Business Address:** 1 FRICKER ROAD ILLOVO  
JOHANNESBURG, SOUTH AFRICA

**Effective Date:** 01/01/2001

**Foreign Entity:** Yes

**Country:** SOUTH AFRICA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

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

**Effective Date:** 01/01/2001

**Foreign Entity:** Yes

**Country:** CANADA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

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

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

**CRD #:** 102920

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

**Effective Date:** 10/30/2002

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

## Firm Operations



### Organization Affiliates (continued)

**Investment Advisory Activities:** No

**Description:** AFFILIATE UNDER COMMON CONTROL - REGISTERED BROKER DELAER

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

**Business Address:** 245 PARK AVENUE  
NEW YORK, NY 10167

**Effective Date:** 01/01/2001

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** INVESTMENT ADVISORY/ASSET MANAGEMENT AFFILIATE.

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

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

**Effective Date:** 05/04/2004

**Foreign Entity:** Yes

**Country:** CAYMAN ISLANDS, BWI

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** AFFILIATE UNDER COMMON CONTROL OF PARENT CORPORATION

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

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

**Effective Date:** 07/19/2002

**Foreign Entity:** Yes

## Firm Operations



### Organization Affiliates (continued)

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

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

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

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

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

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

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

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

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

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**This firm is directly or indirectly, controlled by the following:**

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

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

<b>Business Address:</b>	270 PARK AVENUE NEW YORK, NY 10017
<b>Effective Date:</b>	11/26/1968
<b>Description:</b>	CHASE INVESTMENT SERVICES CORP. IS A WHOLLY-OWNED SUBSIDIARY OF JPMORGAN CHASE BANK.

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## Disclosure Events

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

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	0	62	0
Arbitration	N/A	19	N/A

## Disclosure Event Details

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

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - 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:**
  - 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:**
  - 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.
  - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

### Regulatory - Final

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

#### Disclosure 1 of 62

**Reporting Source:** Regulator  
**Current Status:** Final

**Allegations:**

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

**Initiated By:**

FINRA



**Date Initiated:** 12/18/2013  
**Docket/Case Number:** 2011026279101  
**Principal Product Type:** Mutual Fund(s)  
**Other Product Type(s):** EXCHANGE TRADED FUND(S)  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 12/18/2013  
**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$825,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE IT IS CENSURED AND FINED \$825,000. FINE PAID IN FULL ON JANUARY 9, 2014.

#### Disclosure 2 of 62

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** THE DIVISION ALLEGED THAT: (1) RESPONDENT ENGAGED IN UNETHICAL BUSINESS PRACTICES WARRANTING SANCTIONS UNDER SECTION 61-1-6(2)(A)(II)(G) OF THE UTAH UNIFORM SECURITIES ACT ("ACT"); AND (2) RESPONDENT FAILED TO SUPERVISE ITS AGENTS WARRANTING SANCTIONS UNDER SECTION 61-1-6(2)(A)(II)(J) OF THE ACT.  
**Initiated By:** UTAH  
**Date Initiated:** 10/27/2011  
**Docket/Case Number:** SD-11-0087



**URL for Regulatory Action:**

**Principal Product Type:** Other  
**Other Product Type(s):** AUCTION RATE SECURITIES  
**Principal Sanction(s)/Relief Sought:** Cease and Desist  
**Other Sanction(s)/Relief Sought:** ADMINISTRATIVE FINE

**Resolution:** Stipulation and Consent

**Resolution Date:** 10/27/2011

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

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

**Other Sanctions Ordered:**

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

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

**Reporting Source:** Firm

**Current Status:** Final

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

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

**Date Initiated:** 10/20/2011

**Docket/Case Number:** SD-11-0087

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES.



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

### Disclosure 3 of 62

**Reporting Source:** Regulator



**Current Status:** Final

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



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

**Initiated By:** FINRA

**Date Initiated:** 11/15/2011

**Docket/Case Number:** 2008015078603

**Principal Product Type:** Unit Investment Trust(s)

**Other Product Type(s):** UNSPECIFIED SECURITIES

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

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

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

**Resolution Date:** 11/15/2011

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



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

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED, FINED \$1.7 MILLION, AND ORDERED TO PAY \$1.92 MILLION IN RESTITUTION. A REGISTERED PRINCIPAL ON BEHALF OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION. THIS PROOF SHALL BE PROVIDED TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THE AWC. FINE PAID IN FULL DECEMBER 9, 2011.

**Regulator Statement** (CONTINUED FROM ALLEGATIONS) THE FIRM FAILED TO COMPLY WITH ITS PROCEDURES THAT REQUIRED A POST-LAUNCH REVIEW OF A PRODUCT TO BE COMPLETED APPROXIMATELY SIX MONTHS AFTER THE PRODUCT HAD BEEN APPROVED AND LAUNCHED. THE FIRM FAILED TO FOLLOW ITS PROCEDURES IN THAT THE POST-LAUNCH FOLLOW UP REVIEW OF THE SEVEN FUNDS THAT WERE APPROVED IN OCTOBER 2007 DID NOT OCCUR UNTIL JULY 2008, APPROXIMATELY TEN MONTHS AFTER THE PRODUCTS WERE APPROVED AND LAUNCHED. THE FLOATING RATE LOAN FUNDS SOLD BY THE FIRM WERE SUBJECT TO SIGNIFICANT CREDIT AND LIQUIDITY RISKS. ACCORDINGLY, CONCENTRATED POSITIONS IN THE FUNDS WERE NOT SUITABLE FOR CERTAIN INVESTORS WITH CONSERVATIVE RISK TOLERANCES. THE FUNDS WERE ALSO NOT SUITABLE FOR CERTAIN INVESTORS SEEKING PRESERVATION OF PRINCIPAL, AND FUNDS WITH RESTRICTIVE REDEMPTION POLICIES WERE NOT SUITABLE FOR INVESTORS SEEKING LIQUIDITY. DESPITE THESE FEATURES OF FLOATING RATE FUNDS, FIRM REGISTERED REPRESENTATIVES MADE RECOMMENDATIONS FOR THE PURCHASE OF FLOATING RATE FUNDS TO CERTAIN CUSTOMERS WHO HAD CONSERVATIVE RISK TOLERANCES AND/OR WERE SEEKING PRESERVATION OF PRINCIPAL. THESE CUSTOMERS SUFFERED LOSSES IN THE TOTAL AMOUNT OF APPROXIMATELY \$736,167 AS A RESULT OF THESE UNSUITABLE TRANSACTIONS. WHEN THE FIRM RECOMMENDED THESE TRANSACTIONS, IT DID NOT HAVE REASONABLE GROUNDS FOR BELIEVING THAT THE RECOMMENDATIONS WERE SUITABLE FOR THE CUSTOMERS. THE FIRM PROVIDED NO FORMAL TRAINING TO BROKERS REGARDING FLOATING RATE FUNDS. THE FIRM FAILED TO ADEQUATELY TRAIN ITS REGISTERED PERSONS ON THE CREDIT AND LIQUIDITY RISKS ASSOCIATED WITH FLOATING RATE FUNDS, OR THE CUSTOMERS FOR WHOM SUCH FUNDS WOULD BE SUITABLE. THE FIRM'S PROCEDURES REQUIRED IT TO REVIEW ALL SALES OF



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

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

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

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

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



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





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

**Initiated By:** FINRA

**Date Initiated:** 11/15/2011

**Docket/Case Number:** 2008015078603

**Principal Product Type:** Unit Investment Trust(s)

**Other Product Type(s):** UNSPECIFIED SECURITIES

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

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

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

**Resolution Date:** 11/15/2011

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

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED, FINED \$1.7 MILLION, AND ORDERED TO PAY \$1.92 MILLION IN RESTITUTION.





## Firm Statement

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



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

#### Disclosure 4 of 62

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



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

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

**Other Sanctions Ordered:**

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

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

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**Reporting Source:** Firm

**Current Status:** Final

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

**Initiated By:** FLORIDA OFFICE OF FINANCIAL REGULATION

**Date Initiated:** 10/14/2011

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

**Principal Product Type:** No Product

**Other Product Type(s):**

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


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

**Resolution:** Order  
**Resolution Date:** 10/14/2011  
**Sanctions Ordered:** Monetary/Fine \$30,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** \$30,000 ADMINISTRATIVE FINE PAID IN FULL ON 10/14/2011  
**Firm Statement** CHASE INVESTMENT SERVICES CORP. NEITHER ADMITTED NOR DENIED THE FINDINGS BUT CONSENTED TO THE ENTRY OF FINDINGS BY THE OFFICE. CHASE INVESTMENT SERVICES CORP. AGREED TO PAY AN ADMINISTRATIVE FINE IN THE AMOUNT OF \$30,000.

**Disclosure 5 of 62**

**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.  
**Initiated By:** GOVERNMENT OF THE DISTRICT OF COLUMBIA DEPARTMENT OF INSURANCE, SECURITIES, AND BANKING.  
**Date Initiated:** 06/16/2011  
**Docket/Case Number:** SB-CO-11-11  
**Principal Product Type:** Other  
**Other Product Type(s):** AUCTION RATE SECURITIES.  
**Principal Sanction(s)/Relief Sought:** Restitution  
**Other Sanction(s)/Relief Sought:** IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.  
**Resolution:** Consent



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

#### Disclosure 6 of 62

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



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



**Reporting Source:** Firm

**Current Status:** Final

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

**Initiated By:** STATE OF MARYLAND OFFICE OF THE ATTORNEY GENERAL SECURITIES DIVISION.

**Date Initiated:** 04/06/2011

**Docket/Case Number:** SECURITIES DIVISION NO. 2009-0312

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES.

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

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

**Resolution:** Consent

**Resolution Date:** 04/06/2011

**Sanctions Ordered:** Monetary/Fine \$155,740.92  
Disgorgement/Restitution  
Cease and Desist/Injunction

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

**Sanction Details:** THE FINE WAS PAID ON APRIL 12, 2011. THE FINE REPRESENTS THE MARYLAND PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL



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

### Firm Statement

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

### Disclosure 8 of 62

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





Cease and Desist/Injunction

**Other Sanctions Ordered:**

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

**Sanction Details:**

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

**Firm Statement**

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

**Disclosure 9 of 62**

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

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

**Initiated By:**

STATE OF OHIO DIVISION OF SECURITIES.

**Date Initiated:**

01/24/2011

**Docket/Case Number:**

11-007

**Principal Product Type:**

Other

**Other Product Type(s):**

AUCTION RATE SECURITIES.

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

Restitution

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

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



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

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

## Disclosure 10 of 62

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



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

**Initiated By:** FINRA  
**Date Initiated:** 12/21/2010  
**Docket/Case Number:** 2008015700701



**Principal Product Type:** Unit Investment Trust(s)

**Other Product Type(s):**

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

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

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

**Resolution Date:** 12/21/2010

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

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

**Other Sanctions Ordered:** UNDERTAKING

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



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

### Regulator Statement

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

### Reporting Source:

Firm

### Current Status:

Final

### Allegations:

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



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

**Initiated By:** FINRA

**Date Initiated:** 12/21/2010

**Docket/Case Number:** 2008015700701

**Principal Product Type:** Unit Investment Trust(s)

**Other Product Type(s):**

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

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

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

**Resolution Date:** 12/21/2010

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

**Other Sanctions Ordered:** UNDERTAKING



### Sanction Details:

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

### Firm Statement

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



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

### Disclosure 11 of 62

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





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

**Sanction Details:**

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

**Firm Statement**

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

**Disclosure 12 of 62**

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES
<b>Initiated By:</b>	STATE OF IOWA INSURANCE DIVISION
<b>Date Initiated:</b>	11/01/2010
<b>Docket/Case Number:</b>	IOWA INSURANCE DIVISION DOCKET NO. 67155
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	AUCTION RATE SECURITIES.
<b>Principal Sanction(s)/Relief Sought:</b>	Restitution
<b>Other Sanction(s)/Relief Sought:</b>	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL



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

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

#### Disclosure 13 of 62

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



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



CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

## Disclosure 14 of 62

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



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

#### Disclosure 15 of 62

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



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

#### Disclosure 16 of 62

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



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

## Disclosure 17 of 62

**Reporting Source:** Firm



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





INCURRED BY NASAA.

### Firm Statement

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

### Disclosure 18 of 62

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



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

#### Disclosure 19 of 62

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



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

## Disclosure 20 of 62

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND



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

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

**Date Initiated:** 09/16/2009

**Docket/Case Number:** C09-V007

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES.

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

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

**Resolution:** Consent

**Resolution Date:** 09/16/2010

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

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

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

**Firm Statement**

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

**Disclosure 21 of 62**

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



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

**Sanction Details:**

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

**Firm Statement**

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

**Disclosure 22 of 62**

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



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

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

#### Disclosure 23 of 62

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



GOVERNOR DIVISION OF BANKING AND INSURANCE

**Date Initiated:** 08/06/2010  
**Docket/Case Number:** NO. 10-10  
**Principal Product Type:** Other  
**Other Product Type(s):** AUCTION RATE SECURITIES.  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Consent  
**Resolution Date:** 08/06/2010  
**Sanctions Ordered:** Monetary/Fine \$50,000.00  
**Other Sanctions Ordered:**

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

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

## Disclosure 24 of 62

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





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

**Initiated By:** CONNECTICUT

**Date Initiated:** 08/02/2010

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

**URL for Regulatory Action:**

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES

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

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

**Resolution:** Consent

**Resolution Date:** 08/02/2010

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

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

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

**Sanction Details:** SEE RESPONSE TO ITEM 13.B.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND



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

**Initiated By:** STATE OF CONNECTICUT DEPARTMENT OF BANKING

**Date Initiated:** 08/02/2010

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

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES.

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

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

**Resolution:** Consent

**Resolution Date:** 08/02/2010

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

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

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

**Firm Statement** THE ACTION RELATED TO ALLEGATIONS WITH RESPECT TO



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

#### Disclosure 25 of 62

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



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

**Sanction Details:**

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

**Firm Statement**

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

**Disclosure 26 of 62**

**Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

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

**Initiated By:**

WASHINGTON

**Date Initiated:**

01/13/2010

**Docket/Case Number:**

S-09-196-09-CO01

**URL for Regulatory Action:**



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

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



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



## Disclosure 27 of 62

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



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

#### Firm Statement

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

#### Disclosure 28 of 62

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





Disgorgement/Restitution  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

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

**Sanction Details:**

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

**Firm Statement**

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

**Disclosure 29 of 62**

**Reporting Source:** Firm

**Current Status:** Final

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

**Initiated By:** STATE OF ARKANSAS SECURITIES DEPARTMENT

**Date Initiated:** 02/11/2010

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

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES

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

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



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

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND



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

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

**Date Initiated:** 02/19/2010

**Docket/Case Number:** S-09150(EX)

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES.

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

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

**Resolution:** Consent

**Resolution Date:** 02/19/2010

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

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

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

**Firm Statement**

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

**Disclosure 31 of 62**

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



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

**Sanction Details:**

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

**Firm Statement**

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

**Disclosure 32 of 62**

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



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

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

## Disclosure 33 of 62

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



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

**Date Initiated:** 11/04/2009

**Docket/Case Number:** N/A

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES.

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

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

**Resolution:** Consent

**Resolution Date:** 11/04/2009

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

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

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

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



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

#### Disclosure 34 of 62

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





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

**Sanction Details:**

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

**Firm Statement**

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

**Disclosure 35 of 62**

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



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

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

#### Disclosure 36 of 62

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



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



## Disclosure 37 of 62

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



**Sanction Details:** THE FINE WAS PAID ON SEPTEMBER 11, 2009. THE FINE REPRESENTS THE MICHIGAN PORTION OF A TOTAL FINE OF \$25 MILLION NEGOTIATED WITH THE NYAG AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION ON BEHALF OF THE NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER STATES. ALSO PAID WAS \$15,000 TO NASAA AS REIMBURSEMENT FOR INVESTIGATIVE COSTS INCURRED BY NASAA.

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

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**Reporting Source:** Firm

**Current Status:** Final

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

**Initiated By:** OFFICE OF THE MISSISSIPPI SECRETARY OF STATE SECURITIES AND CHARITIES DIVISION

**Date Initiated:** 08/19/2009

**Docket/Case Number:** S-09-0224

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES.

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

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

**Resolution:** Consent



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

#### Disclosure 39 of 62

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



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

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**Reporting Source:** Firm





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





INCURRED BY NASAA.

### Firm Statement

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

### Disclosure 41 of 62

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



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

#### Disclosure 42 of 62

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



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

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

#### Disclosure 43 of 62

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



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

**Date Initiated:** 08/03/2009

**Docket/Case Number:** 09-072-S

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES.

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

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

**Resolution:** Consent

**Resolution Date:** 08/03/2009

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

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

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

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



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

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



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

**Sanction Details:**

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

**Firm Statement**

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

**Disclosure 45 of 62**

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES.
<b>Initiated By:</b>	STATE OF NEVADA OFFICE OF THE SECRETARY OF STATE SECURITIES DIVISION
<b>Date Initiated:</b>	07/27/2009
<b>Docket/Case Number:</b>	109-182
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	AUCTION RATE SECURITIES.
<b>Principal Sanction(s)/Relief Sought:</b>	Restitution
<b>Other Sanction(s)/Relief Sought:</b>	IN ADDITION TO THE AGREEMENT TO REPURCHASE CERTAIN AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLS FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES



INCURRED BY MUNICIPAL ISSUERS OF ARS AND A CIVIL PENALTY.

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

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



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





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



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

#### Firm Statement

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

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<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	CHASE INVESTMENT SERVICES IS A SUBSIDIARY OR AFFILIATE OF JP MORGAN CHASE & CO., WHICH WAS THE SUBJECT OF A NASAA TASK FORCE INVESTIGATION REGARDING ITS MARKETING AND SALES OF AUCTION RATE SECURITIES.
<b>Initiated By:</b>	CALIFORNIA DEPARTMENT OF CORPORATIONS.
<b>Date Initiated:</b>	08/03/2009
<b>Docket/Case Number:</b>	
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	AUCTION RATE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	08/03/2009



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

**Sanctions Ordered:** Monetary/Fine \$125,255.00  
Cease and Desist/Injunction  
Revocation/Expulsion/Denial

**Other Sanctions Ordered:** BUYBACKS, ETC. (SEE BELOW)

**Sanction Details:** JP MORGAN CHASE & CO., INC THROUGH ITS AFFILIATE OR SUBSIDIARY CHASE INVESTMENT SERVICES CORP. CONSENTED TO REPURCHASE AUCTION RATE SECURITIES SOLD TO INDIVIDUAL INVESTORS; CONSENTED TO A DAMAGES-ONLY FINRA ARBITRATION PROCESS FOR CLAIMS OF CONSEQUENTIAL DAMAGES; AND AGREED TO WORK WITH ISSUERS AND AGENCIES TOWARD LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Regulator Statement** AN ADMINISTRATIVE CONSENT ORDER WAS ISSUED 8/3/09 AND JP MORGAN CHASE PAID THE ABOVE PENALTIES. THE ORDER FINDS THAT JP MORGAN CHASE AND ITS AFFILIATES AND SUBSIDIARIES VIOLATED CALIFORNIA CORPORATIONS CODE SECTION 25218 AND 10 CCR 260.218.4 BY FAILING TO SUPERVISE ITS EMPLOYEES WITH REGARD TO THE SALE OF SECURITIES.

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**Reporting Source:** Firm

**Current Status:** Final

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

**Initiated By:** CALIFORNIA DEPARTMENT OF CORPORATIONS

**Date Initiated:** 08/03/2009

**Docket/Case Number:** N/A

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES.

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

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



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

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



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

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

**Date Initiated:** 08/25/2009

**Docket/Case Number:** 2009-07-08

**URL for Regulatory Action:**

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES

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

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

**Resolution:** Settled

**Resolution Date:** 08/25/2009

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

**Sanctions Ordered:** Monetary/Fine \$524,634.69

**Other Sanctions Ordered:**

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

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

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**Reporting Source:** Firm

**Current Status:** Final



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

**Initiated By:** PENNSYLVANIA SECURITIES DIVISION

**Date Initiated:** 08/25/2009

**Docket/Case Number:** 2009-07-08

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES.

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

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

**Resolution:** Consent

**Resolution Date:** 08/25/2009

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

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

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

**Firm Statement**

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

**Disclosure 50 of 62**

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



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

### Disclosure 51 of 62

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





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

**Sanction Details:**

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

**Firm Statement**

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

**Disclosure 52 of 62**

**Reporting Source:** Firm

**Current Status:** Final

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

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

**Date Initiated:** 06/02/2009

**Docket/Case Number:** N/A

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES.

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

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



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

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

#### Disclosure 53 of 62

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



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



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<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110, 3010 - FINRA CONDUCTED A BREAKPOINT SELF-ASSESSMENT REVIEW OF CHASE INVESTMENT SERVICES, INC. TO VERIFY COMPLIANCE WITH THE INSTRUCTIONS FOR THE SELF-ASSESSMENT OF BREAKPOINT COMPLIANCE FOR FIRMS THAT CHARGE FRONT-END LOADS. FINRA FOUND THAT THE FIRM FAILED TO ADEQUATELY ASSESS THE EXISTENCE OF AVAILABLE BREAKPOINT DISCOUNTS FOR CERTAIN MUTUAL FUND TRANSACTIONS AND FAILED TO PROVIDE CUSTOMERS WITH APPROPRIATE DISCOUNT FOR TRANSACTIONS. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN PROCEDURES REASONABLY DESIGNED TO ENSURE THAT CUSTOMERS WERE RECEIVING THE BENEFIT OF ALL APPLICABLE BREAKPOINT DISCOUNTS.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	03/23/2009
<b>Docket/Case Number:</b>	2005000977301
<b>Principal Product Type:</b>	Mutual Fund(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	03/23/2009
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$32,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$32,500.



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110, 3010 - FINRA CONDUCTED A BREAKPOINT SELF-ASSESSMENT REVIEW OF CHASE INVESTMENT SERVICES, INC. TO VERIFY COMPLIANCE WITH THE INSTRUCTIONS FOR THE SELF-ASSESSMENT OF BREAKPOINT COMPLIANCE FOR FIRMS THAT CHARGE FRONT-END LOADS. FINRA FOUND THAT THE FIRM FAILED TO ADEQUATELY ASSESS THE EXISTENCE OF AVAILABLE BREAKPOINT DISCOUNTS FOR CERTAIN MUTUAL FUND TRANSACTIONS AND FAILED TO PROVIDE CUSTOMERS WITH APPROPRIATE DISCOUNT FOR TRANSACTIONS. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN PROCEDURES REASONABLY DESIGNED TO ENSURE THAT CUSTOMERS WERE RECEIVING THE BENEFIT OF ALL APPLICABLE BREAKPOINT DISCOUNTS.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	03/23/2009
<b>Docket/Case Number:</b>	2005000977301
<b>Principal Product Type:</b>	Mutual Fund(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	03/23/2009
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$32,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$32,500.

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**Reporting Source:** Regulator



**Current Status:** Final

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

**Initiated By:** FINRA

**Date Initiated:** 02/04/2009

**Docket/Case Number:** 2007009764901

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 02/04/2009

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

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

**Other Sanctions Ordered:**

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

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**Reporting Source:** Firm



**Current Status:** Final

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

**Initiated By:** FINRA

**Date Initiated:** 02/04/2009

**Docket/Case Number:** 2007009764901

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 02/04/2009

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

**Other Sanctions Ordered:**

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

#### Disclosure 56 of 62

**Reporting Source:** Regulator

**Current Status:** Final

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



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

**Initiated By:** NASD

**Date Initiated:** 11/06/2006

**Docket/Case Number:** EAF0401110003

**Principal Product Type:** Other

**Other Product Type(s):** 529 COLLEGE SAVINGS PLANS

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

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

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

**Resolution Date:** 11/06/2006

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

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

**Other Sanctions Ordered:** REMEDIATION

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





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

**Reporting Source:** Firm

**Current Status:** Final

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

**Initiated By:** NASD

**Date Initiated:** 11/06/2006

**Docket/Case Number:** EAF0401110003

**Principal Product Type:** Other

**Other Product Type(s):** 529 COLLEGE SAVINGS PLANS

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

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

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

**Resolution Date:** 11/06/2006

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

**Other Sanctions Ordered:** REMEDIATION

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



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

### Disclosure 57 of 62

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



**Resolution Date:** 12/12/2005

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

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

**Other Sanctions Ordered:**

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

**Reporting Source:** Firm

**Current Status:** Final

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

**Initiated By:** NASD

**Date Initiated:** 12/12/2005

**Docket/Case Number:** E0220040352-01

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

**Other Product Type(s):**

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



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

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

**Resolution Date:** 12/12/2005

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

**Other Sanctions Ordered:**

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

**Disclosure 58 of 62**

**Reporting Source:** Regulator

**Current Status:** Final

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

**Initiated By:** NASD

**Date Initiated:** 06/28/2005

**Docket/Case Number:** C10050034

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 06/28/2005



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$60,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$60,000
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	MSRB RULE G-14 AND G-27 RESPONDENT FIRM FAILED TO TIMELY REPORT ITS MUNICIPAL SECURITIES CUSTOMER TRANSACTIONS TO THE MSRB. THE FIRM FAILED TO MONITOR ITS TRADE REPORTING TO ENSURE COMPLIANCE WITH MSRB RULE 6-14
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	06/28/2005
<b>Docket/Case Number:</b>	C10050034
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	06/28/2005
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$60,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF



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

## Disclosure 59 of 62

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110, 2310, 3010 - RESPONDENT MEMBER EFFECTED TRANSACTIONS WHERE IT MADE RECOMMENDATIONS TO PUBLIC CUSTOMERS TO PURCHASE CLASS B AND CLASS C SHARES THROUGH ITS REGISTERED REPRESENTATIVES WITHOUT CONSIDERING OR ADEQUATELY DISCLOSE ON A CONSISTENT BASIS, THAT AN EQUAL INVESTMENT IN CLASS A SHARES WOULD GENERALLY HAVE BEEN MORE ADVANTEGOUS TO CERTAIN CUSTOMERS. THE FIRM'S SUPERVISORY AND COMPLIANCE POLICIES AND PROCEDURES DURING THE REVIEW PERIOD, WERE NOT REASONABLY ESTABLISHED, MAINTAINED AND/OR ENFORCED SO THAT THE FIRM, AT THE POINT OF EACH SALE, PROVIDED ADEQUATE DISCLOSURE OF, OR CONSIDERATION TO, ON A CONSISTENT BASIS, THE BENEFITS OF THE VARIOUS MUTUAL FUND SHARE CLASSES AS THEY APPLIED TO INDIVIDUAL CUSTOMERS.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	03/22/2005
<b>Docket/Case Number:</b>	C02050023
<b>Principal Product Type:</b>	Mutual Fund(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	03/22/2005
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$2,000,000.00



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

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

**Reporting Source:** Firm

**Current Status:** Final

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

**Initiated By:** NASD

**Date Initiated:** 03/22/2005

**Docket/Case Number:** C02050023

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

**Other Product Type(s):**

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

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

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



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

#### Disclosure 60 of 62

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	ARTICLE V, SECTIONS 2(C) AND 3(B) OF NASD'S BY-LAWS, NASD RULES 2110, 3010 - CHASE INVESTMENT SERVICES CORPORATION FILED AT LEAST 230 FORMS U5 LATE, REPRESENTING APPROXIMATELY 25% OF FORMS U5 REQUIRED TO BE FILED. THE FIRM'S SUPERVISORY SYSTEM AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS ARTICLE V REPORTING OBLIGATIONS.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	11/30/2004
<b>Docket/Case Number:</b>	C10040111
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	11/30/2004





<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKINGS
<b>Sanction Details:</b>	<p>WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, CHASE INVESTMENT SERVICES CORPORATION CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED, FINED \$250,000 WHICH SHALL BE PAID WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF THIS AWC. PROMPTLY FOLLOWING NOTICE OF ACCEPTANCE OF THIS AWC, THE FIRM'S INTERNAL AUDIT DEPT. OR PERSONNEL NOT DIRECTLY RESPONSIBLE FOR THE FIRM'S ARTICLE V REPORTING OBLIGATIONS AND THEIR IMMEDIATE SUPERVISORS SHALL CONDUCT AN AUDIT FOR THE PERIOD JANUARY 1, 2004 THROUGH SEPTEMBER 30, 2004 TO ASSESS THE EFFECTIVENESS OF ITS SYSTEM AND PROCEDURES FOR ENSURING TIMELY FILING OF FORMS U5 AND SHALL PREPARE A WRITTEN REPORT SUMMARIZING FINDINGS AND RECOMMENDATIONS AND SHALL FOR THE NEXT FOUR CALENDAR QUARTERS BEGINNING FOURTH QUARTER 2004, CONDUCT A SIMILAR AUDIT AND PREPARE A SIMILAR WRITTEN AUDIT REPORT. NO LATER THAN 90 DAYS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED AND THE OFFICER HAS REVIEWED THE CURRENT AUDIT REPORT. NO LATER THAN 60 DAYS AFTER THE DATE OF THE REPORT, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS IMPLEMENTED, OR HAS BEGUN TO IMPLEMENT, ANY RECOMMENDATIONS WITHIN A SPECIFIED TIME PERIOD. NO LATER THAN 60 DAYS AFTER THE LAST DAY OF THE NEXT FOUR QUARTERS, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT AN AUDIT WAS CONDUCTED, THE CURRENT AUDIT REPORT WAS REVIEWED, AND RECOMMENDATIONS IMPLEMENTED, OR BEGUN TO BE IMPLEMENTED. NO LATER THAN SIX MONTHS AFTER NOTICE OF ACCEPTANCE OF THIS AWC, AN OFFICER SHALL CERTIFY IN WRITING TO NASD THAT THE FIRM HAS REVIEWED ITS SYSTEM AND PROCEDURES FOR COMPLYING WITH ITS ARTICLE V REPORTING OBLIGATIONS AND HAS ESTABLISHED A SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REPORTING REQUIREMENTS SET FORTH THEREIN.</p>



**Reporting Source:** Firm

**Current Status:** Final

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

**Initiated By:** NASD

**Date Initiated:** 11/30/2004

**Docket/Case Number:** C10040111

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 11/30/2004

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

**Other Sanctions Ordered:** UNDERTAKINGS

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



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

#### Disclosure 61 of 62

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



**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 01/19/1999  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$3,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** ON JANUARY 19, 1999, DISTRICT NO. 10 NOTIFIED  
 RESPONDENT CHASE INVESTMENT SERVICES CORP. THAT THE LETTER  
 OF  
 ACCEPTANCE, WAIVER AND CONSENT NO. C10980148 WAS ACCEPTED;  
 THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED \$3,000 -

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**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** CHASE INVESTMENT SERVICES CORP. (F/K/A) CHASE MANHATTAN  
 INVESTMENT SERVICES INC., CITED FOR ALLEGED VIOLATIONS OF MSRB  
 RULE G-8 REGARDING THE PRIMARY OFFERINGS OF MUNICIPAL  
 SECURITIES.  
**Initiated By:** NASD REGULATION, INC.  
**Date Initiated:** 11/15/1996  
**Docket/Case Number:** C10980148  
**Principal Product Type:** No Product  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Censure  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 01/19/1999  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$3,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** CENSURE AND A FINE IN THE AMOUNT OF \$3,000.00.  
**Firm Statement** CENSURE AND A FINE IN THE AMOUNT OF \$3,000.00.



## Disclosure 62 of 62

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

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



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

## Arbitration Award - Award / Judgment

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

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

### Disclosure 1 of 19

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	03/02/2000
<b>Case Number:</b>	00-00390
<b>Disputed Product Type:</b>	NO OTHER TYPE OF SEC INVOLVE; FREDDIE MACS
<b>Sum of All Relief Requested:</b>	\$37,132.95
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	01/09/2002
<b>Sum of All Relief Awarded:</b>	\$16,670.40

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

### Disclosure 2 of 19

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



**Disputed Product Type:** COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE  
**Sum of All Relief Requested:** Unspecified Damages  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 08/19/2004  
**Sum of All Relief Awarded:** \$255,210.05

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

### Disclosure 3 of 19

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-BREACH OF CONTRACT; NO OTHER CONTROVERSY INVOLVED  
**Arbitration Forum:** NASD  
**Case Initiated:** 12/21/2001  
**Case Number:** 01-06531  
**Disputed Product Type:** NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS  
**Sum of All Relief Requested:** \$190,150.94  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 03/21/2003  
**Sum of All Relief Awarded:** \$21,520.03

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

### Disclosure 4 of 19

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE  
**Arbitration Forum:** NASD





**Case Initiated:** 11/19/2003  
**Case Number:** 03-06770  
**Disputed Product Type:** NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS; OTHER TYPES OF SECURITIES  
**Sum of All Relief Requested:** \$18,667.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 01/10/2005  
**Sum of All Relief Awarded:** \$10,425.00

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

#### Disclosure 5 of 19

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE  
**Arbitration Forum:** NASD  
**Case Initiated:** 03/04/2004  
**Case Number:** 04-01104  
**Disputed Product Type:** ANNUITIES; NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS  
**Sum of All Relief Requested:** \$700,000.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 08/29/2005  
**Sum of All Relief Awarded:** \$85,000.01

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

#### Disclosure 6 of 19

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** EXECUTIONS-FAILURE TO EXECUTE; NO OTHER CONTROVERSY



INVOLVED

**Arbitration Forum:** NASD  
**Case Initiated:** 11/03/2005  
**Case Number:** 05-05603  
**Disputed Product Type:** NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES  
**Sum of All Relief Requested:** \$11,627.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 04/03/2006  
**Sum of All Relief Awarded:** \$12,052.01

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

#### Disclosure 7 of 19

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-NEGLIGENCE; EXECUTIONS-FAILURE TO EXECUTE; NO OTHER CONTROVERSY INVOLVED  
**Arbitration Forum:** NASD  
**Case Initiated:** 06/09/2006  
**Case Number:** 06-01931  
**Disputed Product Type:** COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS  
**Sum of All Relief Requested:** \$90,000.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 03/29/2007  
**Sum of All Relief Awarded:** \$38,297.41

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

#### Disclosure 8 of 19

**Reporting Source:** Regulator



**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY

**Arbitration Forum:** FINRA

**Case Initiated:** 02/27/2009

**Case Number:** 08-04508

**Disputed Product Type:** NO OTHER TYPE OF SEC INVOLVE; VARIABLE ANNUITIES

**Sum of All Relief Requested:** Unspecified Damages

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 10/09/2009

**Sum of All Relief Awarded:** \$71,000.00

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

#### Disclosure 9 of 19

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-NEGLIGENCE; NO OTHER CONTROVERSY INVOLVED; OTHER-OTHER

**Arbitration Forum:** FINRA

**Case Initiated:** 04/02/2009

**Case Number:** 09-01030

**Disputed Product Type:** NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS

**Sum of All Relief Requested:** \$25,343.22

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 12/16/2009

**Sum of All Relief Awarded:** \$5,000.00

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



### Disclosure 10 of 19

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	04/17/2009
<b>Case Number:</b>	09-02065
<b>Disputed Product Type:</b>	OTHER TYPES OF SECURITIES
<b>Sum of All Relief Requested:</b>	\$24,214.00
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	11/10/2009
<b>Sum of All Relief Awarded:</b>	\$24,339.00

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

### Disclosure 11 of 19

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	07/09/2009
<b>Case Number:</b>	09-02807
<b>Disputed Product Type:</b>	MUTUAL FUNDS
<b>Sum of All Relief Requested:</b>	\$29,980.38
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	12/31/2009
<b>Sum of All Relief Awarded:</b>	\$21,989.63

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



### Disclosure 12 of 19

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	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
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	02/25/2010
<b>Case Number:</b>	10-00578
<b>Disputed Product Type:</b>	MUTUAL FUNDS
<b>Sum of All Relief Requested:</b>	\$36,553.76
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	02/24/2011
<b>Sum of All Relief Awarded:</b>	\$43,923.42

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

### Disclosure 13 of 19

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING; ACCOUNT RELATED-FAILURE TO SUPERVISE
<b>Arbitration Forum:</b>	FINRA
<b>Case Initiated:</b>	03/11/2010
<b>Case Number:</b>	10-00672
<b>Disputed Product Type:</b>	OTHER TYPES OF SECURITIES
<b>Sum of All Relief Requested:</b>	\$60,899.52
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	02/17/2011



**Sum of All Relief Awarded:** \$39,784.05

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

#### Disclosure 14 of 19

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-SUITABILITY  
**Arbitration Forum:** FINRA  
**Case Initiated:** 06/01/2010  
**Case Number:** 10-02506  
**Disputed Product Type:** MUTUAL FUNDS  
**Sum of All Relief Requested:** \$14,596.27  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 12/09/2010  
**Sum of All Relief Awarded:** \$14,171.27

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

#### Disclosure 15 of 19

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-FAILURE TO SUPERVISE  
**Arbitration Forum:** FINRA  
**Case Initiated:** 12/06/2010  
**Case Number:** 10-05395  
**Disputed Product Type:** EXCHANGE-TRADED FUNDS; UNIT INVESTMENT TRUST  
**Sum of All Relief Requested:** Unspecified Damages  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 11/09/2012



**Sum of All Relief Awarded:** \$36,250.00

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

#### Disclosure 16 of 19

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

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

**Arbitration Forum:** FINRA

**Case Initiated:** 10/10/2012

**Case Number:** 12-03055

**Disputed Product Type:** VARIABLE ANNUITIES

**Sum of All Relief Requested:** \$31,039.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 03/12/2013

**Sum of All Relief Awarded:** \$1,712.50

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

#### Disclosure 17 of 19

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:**

**Arbitration Forum:** FINRA

**Case Initiated:** 02/20/2013

**Case Number:** 13-00409

**Disputed Product Type:**

**Sum of All Relief Requested:** \$14,101.59

**Disposition:** AWARD AGAINST PARTY



**Disposition Date:** 08/14/2013

**Sum of All Relief Awarded:** \$14,526.59

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

#### Disclosure 18 of 19

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

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

**Arbitration Forum:** NASD

**Case Initiated:** 07/02/1997

**Case Number:** 97-02871

**Disputed Product Type:** COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE

**Sum of All Relief Requested:** \$266,500.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 01/26/1998

**Sum of All Relief Awarded:** \$6,226.00

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

#### Disclosure 19 of 19

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT RELATED-ERRORS-CHARGES; ACCOUNT RELATED-OTHER; EXECUTIONS-FAILURE TO EXECUTE; NO OTHER CONTROVERSY INVOLVED

**Arbitration Forum:** NASD

**Case Initiated:** 10/05/1998

**Case Number:** 98-03071

**Disputed Product Type:** COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE; FANNIE MAE





**Sum of All Relief Requested:** \$30,000.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 05/03/2000  
**Sum of All Relief Awarded:** \$2,500.00

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



## Disclosure Events for Non-Registered Control Affiliates

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

	Pending	Final	On Appeal
Regulatory Event	0	21	0
Criminal	3	5	0
Civil Event	0	2	0

## Disclosure Event Details

### Regulatory - Final

#### Disclosure 1 of 21

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	JPMORGAN CHASE BANK N.A
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>PURSUANT TO AN OFFER OF SETTLEMENT, J.P. MORGAN CHASE BANK N.A. ("JPM") PRESENTED AT A HEARING ON MAY 30, 2012, IN WHICH JPM NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, A PANEL OF THE NYMEX BUSINESS CONDUCT COMMITTEE ("BCC PANEL") FOUND THAT IT HAS JURISDICTION OVER JPM BECAUSE IT IS AN AFFILIATE OF AN NYMEX MEMBER AND THAT ON 10 SEPARATE OCCASIONS BETWEEN JANUARY 1, 2011 AND JUNE 30, 2011, IN AN EFFORT TO MANAGE POSITION LIMITS, TRADERS EMPLOYED BY JPM EXECUTED BLOCK TRADES BETWEEN SEPARATE LEGAL ENTITIES WITH THE SAME BENEFICIAL OWNER IN WTI OR GASOLINE DURING THE LAST THREE DAYS PRIOR TO EXPIRATION OF THE PARTICULAR CONTRACT. THE BCC PANEL ALSO FOUND THAT IN EACH OF THESE 10 INSTANCES, THE TRADER WAS THE SOLE DECISION MAKER FOR BOTH THE BUY AND SELL SIDE OF THE TRADE. THE BCC PANEL FOUND THAT AS A RESULT, JPM VIOLATED NYMEX RULES 432.W AND 534.</p>
<b>Initiated By:</b>	NEW YORK MERCANTILE EXCHANGE
<b>Date Initiated:</b>	06/01/2012
<b>Docket/Case Number:</b>	11-08428-BC
<b>Principal Product Type:</b>	Futures - Commodity
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	06/01/2012
<b>Sanctions Ordered:</b>	Monetary/Fine \$30,000.00
<b>Other Sanctions Ordered:</b>	



**Sanction Details:** IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE BCC PANEL ORDERED JPM TO PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF \$30,000.

**Firm Statement** IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE BCC PANEL ORDERED JPM TO PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF \$30,000.

## Disclosure 2 of 21

**Reporting Source:** Firm

**Affiliate:** JPMORGAN CHASE BANK N.A.

**Current Status:** Final

**Allegations:** PURSUANT TO AN OFFER OF SETTLEMENT, J.P. MORGAN CHASE BANK N.A. ("JPM") PRESENTED AT A HEARING ON MAY 30, 2012, IN WHICH JPM NEITHER ADMITTED NOR DENIED THE RULE VIOLATIONS UPON WHICH THE PENALTY IS BASED, A PANEL OF THE NYMEX BUSINESS CONDUCT COMMITTEE ("BCC PANEL") FOUND THAT IT HAS JURISDICTION OVER JPM BECAUSE IT IS AN AFFILIATE OF AN NYMEX MEMBER AND THAT ON 10 SEPARATE OCCASIONS BETWEEN JANUARY 1, 2011 AND JUNE 30, 2011, IN AN EFFORT TO MANAGE POSITION LIMITS, TRADERS EMPLOYED BY JPM EXECUTED BLOCK TRADES BETWEEN SEPARATE LEGAL ENTITIES WITH THE SAME BENEFICIAL OWNER IN WTI OR GASOLINE DURING THE LAST THREE DAYS PRIOR TO EXPIRATION OF THE PARTICULAR CONTRACT. THE BCC PANEL ALSO FOUND THAT IN EACH OF THESE 10 INSTANCES, THE TRADER WAS THE SOLE DECISION MAKER FOR BOTH THE BUY AND SELL SIDE OF THE TRADE. THE BCC PANEL FOUND THAT AS A RESULT, JPM VIOLATED NYMEX RULES 432.W AND 534.

**Initiated By:** NEW YORK MERCANTILE EXCHANGE

**Date Initiated:** 06/01/2012

**Docket/Case Number:** 11-08428-BC

**Principal Product Type:** Futures - Commodity

**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



<b>Resolution Date:</b>	06/01/2012
<b>Sanctions Ordered:</b>	Monetary/Fine \$30,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE BCC PANEL ORDERED JPM TO PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF \$30,000.
<b>Firm Statement</b>	IN ACCORDANCE WITH THE SETTLEMENT OFFER, THE BCC PANEL ORDERED JPM TO PAY A FINE TO THE EXCHANGE IN THE AMOUNT OF \$30,000.

### Disclosure 3 of 21

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	JPMORGAN CHASE BANK NA
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>THE CFTC ALLEGES THAT FROM AT LEAST IN OR ABOUT NOVEMBER 2006 THROUGH IN OR ABOUT SEPTEMBER 2008, JPMORGAN CHASE BANK, NA WAS A DEPOSITORY INSTITUTION SERVING LEHMAN BROTHERS, INC. ("LBI"), WHICH WAS A FUTURES COMMISSION MERCHANT ("FCM"), REGISTERED AS SUCH WITH THE COMMISSION. LBI DEPOSITED WITH JPMORGAN CHASE BANK, NA FUNDS BELONGING TO LBI'S CUSTOMERS RANGING IN AGGREGATE AMOUNTS FROM APPROXIMATELY \$250,000,000 TO OVER \$1,000,000,000. THE CFTC FURTHER ALLEGES THAT PURSUANT TO THE COMMODITY EXCHANGE ACT ("CEA"), NEITHER JPM NOR LBI WAS PERMITTED TO USE OR HOLD THESE CUSTOMER FUNDS AS THOUGH THEY BELONGED TO ANYONE OTHER THAN LBI'S CUSTOMERS, AND THE FUNDS WERE NOT PERMITTED TO BE USED TO EXTEND CREDIT TO LBI. THE CFTC FURTHER ALLEGES THAT DURING THIS PERIOD, JPMORGAN CHASE BANK, NA VIOLATED SECTION 4D(B) OF THE CEA AND COMMISSION REGULATIONS 1.20(A) AND (C), BY EXTENDING CREDIT TO LBI BASED ON LBI'S CUSTOMERS' SEGREGATED FUNDS, AND THEN BY DECLINING TO RELEASE THE FUNDS FOR A PERIOD OF APPROXIMATELY 14 DAYS AFTER SEPTEMBER 17, 2008, WHICH WAS TWO DAYS AFTER LBI'S HOLDING COMPANY, LEHMAN BROTHERS HOLDINGS, INC. ("LBHI") FILED FOR BANKRUPTCY. ULTIMATELY, ON SEPTEMBER 30, 2008, AFTER RECEIVING INSTRUCTIONS FROM THE LBI TRUSTEE AND COMMISSION OFFICIALS, JPMORGAN CHASE BANK, NA RELEASED LBI'S CUSTOMERS' SEGREGATED FUNDS.</p>
<b>Initiated By:</b>	COMMODITY FUTURES TRADING COMMISSION ("CFTC")
<b>Date Initiated:</b>	04/04/2012



<b>Docket/Case Number:</b>	12-17
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	US BROKER DEALER CLEARING
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	MONETARY PENALTY; UNDERTAKINGS
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	04/04/2012
<b>Sanctions Ordered:</b>	Monetary/Fine \$20,000,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	UNDERTAKINGS: JPMORGAN CHASE BANK, NA AGREED (1) THAT IT SHALL NOT TAKE ANY ACTION OR MAKE ANY PUBLIC STATEMENT DENYING ANY FINDINGS OR CONCLUSIONS IN THE ORDER OR CREATING THE IMPRESSION THE ORDER IS WITHOUT A FACTUAL BASIS, (2) TO CERTAIN UNDERTAKINGS RELATED TO: THE TRANSFER OF CUSTOMER SEGREGATED FUNDS HELD PURSUANT TO CEA SECTION 4D(B); PROCEDURES FOR THE MAINTENANCE AND TRANSFER OF SUCH FUNDS; WRITTEN ACKNOWLEDGEMENTS REQUIRED BY REGULATION 1.20(A); ACCESS TO THE BDAS SYSTEM OR SIMILAR SYSTEM.
<b>Sanction Details:</b>	JPMORGAN CHASE BANK NA SUBMITTED AN OFFER OF SETTLEMENT TO THE CFTC, WHICH THE CFTC ACCEPTED, IN WHICH JPMORGAN CHASE NA, WITHOUT ADMITTING OR DENYING THE CFTC'S FINDINGS OR CONCLUSIONS, CONSENTED TO THE ENTRY OF AN ORDER THAT ORDERED IT TO: (1) CEASE AND DESIST FROM VIOLATING SECTION 4D(B) OF THE CEA, 7 U.S. C. § 6D(B), AND COMMISSION REGULATIONS 1. 20(A) & (C), 17 C.F. R. §§ 1. 20 (A) & (C) (2011); (2) PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$20,000, 000; AND (3) COMPLY WITH THE UNDERTAKINGS SET FORTH IN THE ORDER. THE CIVIL MONETARY PENALTY WAS PAID ON APRIL 16, 2012.

#### Disclosure 4 of 21

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	JPMORGAN CHASE & CO.
<b>Current Status:</b>	Final
<b>Allegations:</b>	ON JULY 7, 2011, JPMORGAN CHASE & CO., J.P. MORGAN SECURITIES LLC,



AND JPMORGAN CHASE BANK, N.A. (COLLECTIVELY, "JPMORGAN") ENTERED INTO A CLOSING AGREEMENT OF FINAL DETERMINATION OF TAX LIABILITY AND SPECIFIC MATTERS ("AGREEMENT") WITH THE INTERNAL REVENUE SERVICE IN CONNECTION WITH JPMORGAN'S ROLE IN PROVIDING OR BIDDING ON CERTAIN GUARANTEED INVESTMENT CONTRACTS, SWAPS AND OTHER CONTRACTS WITH CERTAIN ISSUERS OF MUNICIPAL BONDS OR WITH CERTAIN ENTITIES WHICH BORROWED THE PROCEEDS OF SUCH BONDS FROM THE ISSUER THEREOF OR OTHERWISE WERE THE BENEFICIARIES OF SUCH BONDS. THE AGREEMENT WAS ENTERED WITH JPMORGAN TO RESOLVE CERTAIN REGULATORY VIOLATIONS OF THE INTERNAL REVENUE CODE.

**Initiated By:** INTERNAL REVENUE SERVICE

**Date Initiated:** 07/07/2011

**Docket/Case Number:** N/A

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):** DERIVATIVE(S)

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

**Other Sanction(s)/Relief Sought:** AGREEMENT, \$50 MILLION PAYMENT.

**Resolution:** Settled

**Resolution Date:** 07/07/2011

**Sanctions Ordered:**

**Other Sanctions Ordered:** \$50 MILLION PAYMENT.

**Sanction Details:** JPMORGAN AGREED TO PAY \$50 MILLION FOR CERTAIN REGULATORY VIOLATIONS OF THE INTERNAL REVENUE CODE COMMITTED IN CONNECTION WITH JPMORGAN'S ROLE IN PROVIDING OR BIDDING ON CERTAIN GUARANTEED INVESTMENT CONTRACTS, SWAPS AND OTHER CONTRACTS WITH THE ISSUERS OF CERTAIN MUNICIPAL BONDS OR WITH CERTAIN ENTITIES WHICH BORROWED THE PROCEEDS OF SUCH BONDS FROM THE ISSUER THEREOF OR OTHERWISE WERE THE BENEFICIARIES OF SUCH BONDS.

**Firm Statement** JPMORGAN ENTERED INTO THE AGREEMENT WITH THE IRS. THE SETTLEMENT RESOLVED THE INVESTIGATIONS DESCRIBED ABOVE AND RESULTED IN THE PAYMENT DESCRIBED ABOVE. WITH RESPECT TO COMPLIANCE BY THE ISSUERS WITH THE ARBITRAGE REQUIREMENTS OF SECTION 148 OF THE INTERNAL REVENUE CODE, UNDER THE SETTLEMENT AGREEMENT THE INVESTMENT AND DERIVATIVE

CONTRACTS ASSOCIATED WITH A STATE OR LOCAL BOND ENTERED INTO WITH JPMORGAN DURING THE PERIOD 1997 THROUGH 2006 ARE DEEMED TO HAVE BEEN ENTERED INTO ON TERMS WHICH REPRESENT THE FAIR MARKET VALUE OF SUCH CONTRACTS. IN COORDINATION WITH THE IRS SETTLEMENT, JPMORGAN CHASE & CO. AND CERTAIN OF ITS AFFILIATES ALSO ENTERED INTO SETTLEMENTS WITH OTHER AGENCIES TO RESOLVE CONCURRENT INVESTIGATIONS. THOSE SETTLEMENTS ARE AS FOLLOWS: THE U.S. SECURITIES AND EXCHANGE COMMISSION FILED A COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS AND J.P. MORGAN SECURITIES LLC SUBMITTED AN EXECUTED CONSENT TO THE ENTRY OF A FINAL JUDGMENT, WHICH THE DISTRICT COURT ENTERED ON JULY 8, 2011; JPMORGAN CHASE BANK, N.A. ENTERED INTO A FORMAL AGREEMENT AND A CONSENT ORDER FOR A CIVIL MONEY PENALTY WITH THE OFFICE OF THE COMPTROLLER OF THE CURRENCY; AND JPMORGAN CHASE & CO. ENTERED INTO WRITTEN AGREEMENTS WITH THE FEDERAL RESERVE BANK OF NEW YORK, THE U.S. DEPARTMENT OF JUSTICE, AND A GROUP OF STATE ATTORNEYS GENERALS.

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**Reporting Source:** Firm

**Affiliate:** JPMORGAN CHASE BANK, N.A.

**Current Status:** Final

**Allegations:** ON JULY 7, 2011, JPMORGAN CHASE & CO., J.P. MORGAN SECURITIES LLC, AND JPMORGAN CHASE BANK, N.A. (COLLECTIVELY, "JPMORGAN") ENTERED INTO A CLOSING AGREEMENT OF FINAL DETERMINATION OF TAX LIABILITY AND SPECIFIC MATTERS ("AGREEMENT") WITH THE INTERNAL REVENUE SERVICE IN CONNECTION WITH JPMORGAN'S ROLE IN PROVIDING OR BIDDING ON CERTAIN GUARANTEED INVESTMENT CONTRACTS, SWAPS AND OTHER CONTRACTS WITH CERTAIN ISSUERS OF MUNICIPAL BONDS OR WITH CERTAIN ENTITIES WHICH BORROWED THE PROCEEDS OF SUCH BONDS FROM THE ISSUER THEREOF OR OTHERWISE WERE THE BENEFICIARIES OF SUCH BONDS. THE AGREEMENT WAS ENTERED WITH JPMORGAN TO RESOLVE CERTAIN REGULATORY VIOLATIONS OF THE INTERNAL REVENUE CODE.

**Initiated By:** INTERNAL REVENUE SERVICE

**Date Initiated:** 07/07/2011

**Docket/Case Number:** N/A

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):** DERIVATIVE(S)





<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	AGREEMENT, \$50 MILLION PAYMENT.
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	07/07/2011
<b>Sanctions Ordered:</b>	
<b>Other Sanctions Ordered:</b>	\$50 MILLION PAYMENT.
<b>Sanction Details:</b>	JPMORGAN AGREED TO PAY \$50 MILLION FOR CERTAIN REGULATORY VIOLATIONS OF THE INTERNAL REVENUE CODE COMMITTED IN CONNECTION WITH JPMORGAN'S ROLE IN PROVIDING OR BIDDING ON CERTAIN GUARANTEED INVESTMENT CONTRACTS, SWAPS AND OTHER CONTRACTS WITH THE ISSUERS OF CERTAIN MUNICIPAL BONDS OR WITH CERTAIN ENTITIES WHICH BORROWED THE PROCEEDS OF SUCH BONDS FROM THE ISSUER THEREOF OR OTHERWISE WERE THE BENEFICIARIES OF SUCH BONDS.
<b>Firm Statement</b>	JPMORGAN ENTERED INTO THE AGREEMENT WITH THE IRS. THE SETTLEMENT RESOLVED THE INVESTIGATIONS DESCRIBED ABOVE AND RESULTED IN THE PAYMENT DESCRIBED ABOVE. WITH RESPECT TO COMPLIANCE BY THE ISSUERS WITH THE ARBITRAGE REQUIREMENTS OF SECTION 148 OF THE INTERNAL REVENUE CODE, UNDER THE SETTLEMENT AGREEMENT THE INVESTMENT AND DERIVATIVE CONTRACTS ASSOCIATED WITH A STATE OR LOCAL BOND ENTERED INTO WITH JPMORGAN DURING THE PERIOD 1997 THROUGH 2006 ARE DEEMED TO HAVE BEEN ENTERED INTO ON TERMS WHICH REPRESENT THE FAIR MARKET VALUE OF SUCH CONTRACTS. IN COORDINATION WITH THE IRS SETTLEMENT, JPMORGAN CHASE & CO. AND CERTAIN OF ITS AFFILIATES ALSO ENTERED INTO SETTLEMENTS WITH OTHER AGENCIES TO RESOLVE CONCURRENT INVESTIGATIONS. THOSE SETTLEMENTS ARE AS FOLLOWS: THE U.S. SECURITIES AND EXCHANGE COMMISSION FILED A COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS AND J.P. MORGAN SECURITIES LLC SUBMITTED AN EXECUTED CONSENT TO THE ENTRY OF A FINAL JUDGMENT, WHICH THE DISTRICT COURT ENTERED ON JULY 8, 2011; JPMORGAN CHASE BANK, N.A. ENTERED INTO A FORMAL AGREEMENT AND A CONSENT ORDER FOR A CIVIL MONEY PENALTY WITH THE OFFICE OF THE COMPTROLLER OF THE CURRENCY; AND JPMORGAN CHASE & CO. ENTERED INTO WRITTEN AGREEMENTS WITH THE FEDERAL RESERVE BANK OF NEW YORK, THE U.S. DEPARTMENT OF JUSTICE, AND A GROUP OF STATE ATTORNEYS GENERALS.



## Disclosure 5 of 21

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	JPMORGAN CHASE BANK, N.A.
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>ON JULY 6, 2011, JPMORGAN CHASE BANK, N.A. ("JPMCB") ENTERED INTO A</p> <p>"STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER FOR A CIVIL MONEY PENALTY" WITH THE OFFICE OF THE COMPTROLLER OF THE CURRENCY ("OCC"), WHEREBY JPMCB CONSENTED TO THE OCC'S ISSUANCE OF A CONSENT ORDER FOR A CIVIL MONEY PENALTY ("CONSENT ORDER"). THE CONSENT ORDER REFLECTS THE OCC'S FINDINGS, WHICH JPMCB NEITHER ADMITS NOR DENIES, THAT IN CONNECTION WITH THE SALE AND PRICING OF CERTAIN DERIVATIVE FINANCIAL PRODUCTS TO CERTAIN MUNICIPALITIES AND NON-PROFIT ORGANIZATIONS, EMPLOYEES AND/OR AGENTS OF JPMCB ENGAGED IN VIOLATIONS OF LAW, INCLUDING VIOLATIONS OF FEDERAL ANTITRUST LAW, SECURITIES LAW, AND IRS REGULATIONS, AND/OR UNSAFE OR</p>
<b>Initiated By:</b>	COMPTROLLER OF THE CURRENCY
<b>Date Initiated:</b>	07/07/2011
<b>Docket/Case Number:</b>	NO. AA-EC-11-63
<b>Principal Product Type:</b>	Debt - Municipal
<b>Other Product Type(s):</b>	DERIVATIVES(S)
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	PURSUANT TO A RELATED AGREEMENT, JPMC WILL DISTRIBUTE MONEY TO CERTAIN COUNTERPARTIES AND UNDERTAKE CERTAIN REMEDIAL MEASURES.
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	07/07/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$22,000,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKINGS, PAYMENT OF \$13,051,526 MILLION TO CERTAIN PARTIES.
<b>Sanction Details:</b>	THE CONSENT ORDER REQUIRED JPMCB TO PAY A CIVIL MONEY PENALTY OF \$22 MILLION. CONTEMPORANEOUS WITH THE ISSUANCE OF THE CONSENT ORDER, JPMCB AND THE OCC ENTERED INTO A FORMAL AGREEMENT WHEREBY JPMCB AGREED TO DISTRIBUTE \$13,051,526 TO CERTAIN COUNTERPARTIES IDENTIFIED BY THE OCC. THE MONEY WAS



PLACED IN AN ACCOUNT ON JULY 15, 2011, AND WILL BE DISTRIBUTED PURSUANT TO THE CONSENT ORDER AND THE FORMAL AGREEMENT. JPMCB ALSO AGREED TO UNDERTAKE CERTAIN REMEDIAL MEASURES.

### Firm Statement

IN SETTLEMENT OF THIS ACTION, JPMCB ENTERED INTO A FORMAL AGREEMENT AND A STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER FOR A CIVIL MONEY PENALTY WITH THE OCC, WHEREBY JPMCB CONSENTED TO THE OCC'S ISSUANCE OF THE CONSENT ORDER DESCRIBED ABOVE, WITHOUT ADMITTING OR DENYING ANY WRONGDOING. THE SETTLEMENT RESOLVED THE INVESTIGATIONS DESCRIBED IN SECTION 7 ABOVE AND RESULTED IN THE SANCTIONS DESCRIBED IN ITEM 12 ABOVE. IN COORDINATION WITH THE OCC SETTLEMENT, JPMORGAN CHASE & CO. AND CERTAIN OF ITS AFFILIATES ALSO ENTERED INTO SETTLEMENTS WITH OTHER AGENCIES TO RESOLVE CONCURRENT INVESTIGATIONS. THOSE SETTLEMENTS ARE AS FOLLOWS: THE U.S. SECURITIES AND EXCHANGE COMMISSION FILED A COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS AND J.P. MORGAN SECURITIES LLC SUBMITTED AN EXECUTED CONSENT TO THE ENTRY OF A FINAL JUDGMENT, WHICH THE DISTRICT COURT ENTERED ON JULY 8, 2011; JPMORGAN CHASE & CO., J.P. MORGAN SECURITIES LLC, AND JPMORGAN CHASE BANK, N.A. ENTERED INTO A CLOSING AGREEMENT OF FINAL DETERMINATION OF TAX LIABILITY AND SPECIFIC MATTERS WITH THE INTERNAL REVENUE SERVICE; AND JPMORGAN CHASE & CO. ENTERED INTO WRITTEN AGREEMENTS WITH THE ANTITRUST DIVISION OF THE U.S. DEPARTMENT OF JUSTICE, THE FEDERAL RESERVE BANK OF NEW YORK, AND A GROUP OF STATES ATTORNEYS GENERAL.

### Disclosure 6 of 21

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	JPMORGAN CHASE & CO.
<b>Current Status:</b>	Final
<b>Allegations:</b>	ON JULY 6, 2011, JPMORGAN CHASE & CO., INCLUDING ITS PREDECESSORS AND SUBSIDIARIES ("JPMC"), ENTERED INTO A NON-PROSECUTION AGREEMENT WITH THE ANTITRUST DIVISION OF THE U.S. DEPARTMENT OF JUSTICE ("DOJ") IN WHICH JPMC ACCEPTS RESPONSIBILITY FOR THE CONDUCT OF CERTAIN FORMER EMPLOYEES ON JPMC'S NOW-CLOSED MUNICIPAL DERIVATIVES DESK, WHO BETWEEN 2001 AND 2006 ENTERED INTO UNLAWFUL AGREEMENTS TO MANIPULATE THE BIDDING PROCESS AND RIG BIDS ON CERTAIN RELEVANT MUNICIPAL CONTRACTS, AND MADE PAYMENTS AND ENGAGED IN OTHER ACTIVITIES IN CONNECTION WITH THESE AGREEMENTS, IN VIOLATION OF SECTION 1 OF THE SHERMAN ACT AND CERTAIN SECTIONS OF TITLE 18.



**Initiated By:** U.S. DEPARTMENT OF JUSTICE

**Date Initiated:** 07/07/2011

**Docket/Case Number:** N/A

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):** DERIVATIVE(S)

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

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

**Resolution:** Settled

**Resolution Date:** 07/07/2011

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** "JPMC AGREED TO CERTAIN NOTICE, DISCLOSURE, AND COOPERATION REQUIREMENTS. JPMC ALSO AGREED TO MAKE ALL REASONABLE EFFORTS TO PAY RESTITUTION TO ANY PERSON OR ENTITY INJURED AS A RESULT OF THE CONDUCT."

**Firm Statement** JPMC ENTERED INTO THE NON-PROSECUTION AGREEMENT WITH THE ANTITRUST DIVISION IN CONNECTION WITH AN INVESTIGATION OF THE BIDDING ON OR PROVISION OF CERTAIN RELEVANT MUNICIPAL CONTRACTS IN THE UNITED STATES. THE SETTLEMENT RESOLVED THE INVESTIGATIONS DESCRIBED ABOVE, SUBJECT TO CONDITIONS REGARDING ON-GOING COMPLIANCE AND TO CERTAIN NOTICE AND COOPERATION REQUIREMENTS."  
 "IN COORDINATION WITH THE DOJ SETTLEMENT, JPMORGAN CHASE & CO. AND CERTAIN OF ITS AFFILIATES ALSO ENTERED INTO SETTLEMENTS WITH OTHER AGENCIES TO RESOLVE CONCURRENT INVESTIGATIONS ARISING OUT OF THE SAME CONDUCT. THOSE SETTLEMENTS ARE AS FOLLOWS: THE U.S. SECURITIES AND EXCHANGE COMMISSION FILED A COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS AND JPMORGAN SECURITIES LLC SUBMITTED AN EXECUTED CONSENT TO THE ENTRY OF A FINAL JUDGMENT, WHICH THE DISTRICT COURT ENTERED ON JULY 8, 2011; JPMORGAN CHASE BANK, N.A. ENTERED INTO A FORMAL AGREEMENT AND A CONSENT ORDER FOR A CIVIL MONEY PENALTY WITH THE OFFICE OF THE COMPTROLLER OF THE CURRENCY; JPMORGAN CHASE & CO., J.P. MORGAN SECURITIES LLC, AND JPMORGAN CHASE BANK, N.A. ENTERED INTO A CLOSING AGREEMENT OF FINAL DETERMINATION OF TAX LIABILITY AND SPECIFIC MATTERS WITH THE

INTERNAL REVENUE SERVICE; AND J.P. MORGAN CHASE & CO. ENTERED INTO WRITTEN AGREEMENTS WITH THE FEDERAL RESERVE BANK OF NEW YORK AND A GROUP OF STATES ATTORNEYS GENERAL."

#### Disclosure 7 of 21

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	BEAR STEARNS (JAPAN)LTD
<b>Current Status:</b>	Final
<b>Allegations:</b>	ALLEGATIONS OF SELLING JAPANESE EQUITIES NOT IN ACCORDANCE WITH SHORT SALE REGULATIONS AND EXECUTING ORDERS FOR AFFILIATED COMPANIES NOT IN ACCORDANCE WITH DISCRETIONARY TRADING RULE
<b>Initiated By:</b>	TOKYO STOCK EXCHANGE
<b>Date Initiated:</b>	02/27/2002
<b>Docket/Case Number:</b>	TOSHO KOH NO. 84
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY LISTED
<b>Principal Sanction(s)/Relief Sought:</b>	Suspension
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	02/27/2002
<b>Sanctions Ordered:</b>	Suspension
<b>Other Sanctions Ordered:</b>	(1) FINE FOR YEN 2 MILLION FOR VIOLATION OF SHORT SALE; (2) FINE FOR YEN 3 MILLION FOR DISCRETIONARY TRADING RULE VIOLATION.
<b>Sanction Details:</b>	SUSPENSION OF INTER-GROUP COMPANY JGB FUTURES/OPTIONS TRADE ON TSE FROM 02/28/2002-03/27/2002

#### Disclosure 8 of 21

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	BEAR, STEARNS INTERNATIONAL LIMITED



**Current Status:** Final

**Allegations:** THE FSA ALLEGED POSSIBLE VIOLATIONS OF FSA RULES, NAMELY SUPERVISION: OBLIGATION TO MAKE TRANSACTION REPORTS (SUP 17.4)

**Initiated By:** FINANCIAL SERVICES AUTHORITY (FSA)

**Date Initiated:** 07/21/2005

**Docket/Case Number:**

**Principal Product Type:** Derivative(s)

**Other Product Type(s):**

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

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

**Resolution:** Consent

**Resolution Date:** 07/22/2005

**Sanctions Ordered:** Monetary/Fine \$70,210.00  
Disgorgement/Restitution

**Other Sanctions Ordered:**

**Sanction Details:** BEAR, STEARNS INTERNATIONAL LIMITED CONSENTED TO THE FINANCIAL PENALTY OF 40,000 POUNDS(OR APPROXIMATELY \$70,210).

#### Disclosure 9 of 21

**Reporting Source:** Firm

**Affiliate:** BEAR STEARNS (JAPAN) LTD

**Current Status:** Final

**Allegations:** ALLEGATIONS OF SELLING JAPANESE EQUITIES NOT IN ACCORDANCE WITH SHORT SALE REGULATIONS AND EXECUTING ORDERS FOR AFFILIATED COMPANIES NOT IN ACCORDANCE WITH DISCRETIONARY TRADING RULE

**Initiated By:** OSAKA SECURITIES EXCHANGE

**Date Initiated:** 02/27/2002

**Docket/Case Number:** DAISHO SANKAN NO. 221

**Principal Product Type:** Other



**Other Product Type(s):** EQUITY LISTED  
**Principal Sanction(s)/Relief Sought:** Suspension  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Decision  
**Resolution Date:** 02/27/2002  
**Sanctions Ordered:** Suspension  
**Other Sanctions Ordered:**  
**Sanction Details:** SUSPENSION OF INTER-GROUP COMPANY SECURITIES TRANSACTIONS ON OSE FROM 02/28/02 TO 03/27/02

#### Disclosure 10 of 21

**Reporting Source:** Firm  
**Affiliate:** BEAR STEARNS (JAPAN) LTD  
**Current Status:** Final  
**Allegations:** ALLEGATIONS OF SELLING JAPANESE EQUITIES NOT IN ACCORDANCE WITH SHORT SALE REGULATIONS AND EXECUTING ORDERS FOR AFFILIATED COMPANIES NOT IN ACCORDANCE WITH DISCRETIONARY TRADING RULE  
**Initiated By:** TOKYO STOCK EXCHANGE  
**Date Initiated:** 02/27/2002  
**Docket/Case Number:** TOSHO KOH NO.59  
**Principal Product Type:** Other  
**Other Product Type(s):** EQUITY LISTED  
**Principal Sanction(s)/Relief Sought:** Suspension  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Decision  
**Resolution Date:** 02/27/2002  
**Sanctions Ordered:** Suspension



**Other Sanctions Ordered:** (1) FINE FOR YEN 2 MILLION FOR VIOLATION OF SORT SALE; (2) FINE FOR YEN 3 MILLION FOR DISCRETIONARY TRADING RULE VIOLATION.

**Sanction Details:** SUSPENSION OF INTER-GROUP COMPANY JGB FUTURES/OPTIONS TRADE ON TSE FROM 02/28/02 TO 03/27/02

#### Disclosure 11 of 21

**Reporting Source:** Firm

**Affiliate:** BEAR STEARNS (JAPAN) LTD

**Current Status:** Final

**Allegations:** ALLEGATIONS OF SELLING JAPANESE EQUITIES NOT IN ACCORDANCE WITH SHORT SALE REGULATIONS AND EXECUTING ORDERS FOR AFFILIATED COMPANIES NOT IN ACCORDANCE WITH DISCRETIONARY TRADING RULE

**Initiated By:** JAPAN SECURITIES DEALERS ASSOCIATION

**Date Initiated:** 03/20/2002

**Docket/Case Number:** NISSHOKYO(KISHIN)13 NO 496

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY LISTED

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

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

**Resolution:** Decision

**Resolution Date:** 03/20/2002

**Sanctions Ordered:**

**Other Sanctions Ordered:** (1) FINE FOR YEN 5 MILLION FOR VIOLATION OF SHORT SALES;(2) FINE FOR YEN 20MILLION FOR VIOLATION OF DISCRETIONARY TRADING RULES

**Sanction Details:** RECOMMENDATIONS FOR BUSINESS IMPROVEMENT

#### Disclosure 12 of 21

**Reporting Source:** Firm

**Affiliate:** BEAR STEARNS (JAPAN),LTD





**Current Status:** Final

**Allegations:** ALLEGATIONS OF SELLING JAPANESE EQUITIES NO IN ACCORDANCE WITH SHORT SALE REGULATIONS AND EXECUTING ORDERS FOR AFFILIATED COMPANIES NOT IN ACCORDANCE WITH DESCRETIONARY TRADING RULE

**Initiated By:** FINANCIAL SERVICES AGENCY

**Date Initiated:** 02/26/2002

**Docket/Case Number:** KINKAN NO. 682

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY LISTED

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

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

**Resolution:** Decision

**Resolution Date:** 02/26/2002

**Sanctions Ordered:** Suspension

**Other Sanctions Ordered:** BUSINESS SUSPENSION AND ORDERS FOR BUSINESS IMPROVEMENT

**Sanction Details:** BUSINESS SUSPENSION:(1) EQUITY BROKERAGE ON BEHALF OF GROUP COMPANIES FROM 02/28/2005 TO 03/06/2002;(2) ALL SECURITIES BUSINESS WITH GROUP COMPANIES FROM 02/28/02 TO 03/27/02

#### Disclosure 13 of 21

**Reporting Source:** Firm

**Affiliate:** JPMORGAN CHASE & CO

**Current Status:** Final

**Allegations:** JPMC ASSISTED IN THE VIOLATING SECTION 17(A)(3) OF THE SECURITIES ACE OF 1933 IN ALLOWING NCFE'S PRINCIPALS IN EXECUTING THEIR INSTRUCTIONS TO MAKE LARGE CASH TRANSFERS THAT AIDED IN DISGUIISING THE MIS-USE OF THEIR MONTH-END TRANSFERS.

**Initiated By:** SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 04/21/2005

**Docket/Case Number:** 3-13000



**Principal Product Type:** Debt - Asset Backed

**Other Product Type(s):**

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

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

**Resolution:** Consent

**Resolution Date:** 03/27/2008

**Sanctions Ordered:** Disgorgement/Restitution  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** THE ORDER FINDS THAT JPMORGAN CHASE WAS A CAUSE OF NCFE'S VIOLATION OF SECTION 17(A)(3) OF THE SECURITIES ACT AND ORDERS JPMORGAN CHASE TO PAY A DISGORGEMENT OF \$1,286,808.82 AND A PREJUDGMENT INTEREST OF \$711,335.76

**Firm Statement** THE ORDER REQUIRES JPMORGAN CHASE TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(3) OF THE SECURITIES ACT, AND ORDERS JPMORGAN CHASE TO PAY DISGORGEMENT OF \$1,286,808.82 AND PREJUDGMENT INTEREST OF \$711.335.76. JPMORGAN CHASE CONSENTED TO THE ISSUANCE OF THE ORDER WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS THEREIN

**Disclosure 14 of 21**

**Reporting Source:** Firm

**Affiliate:** BANK ONE CORPORATION

**Current Status:** Final

**Allegations:** IN THE OPINION AND ORDER OF THE SEC IN THE MATTER OF BANK ONE CORPORATION, THE SEC FOUND THAT BANK ONE CORP. VIOLATED SECTION 13(A)& 13(B)(2)(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 12B-20, 13A-1 AND 13A-11 THEREUNDER.

**Initiated By:** SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 06/10/1987

**Docket/Case Number:**



<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	ADMINISTRATIVE PENALTIES
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	06/10/1987
<b>Sanctions Ordered:</b>	
<b>Other Sanctions Ordered:</b>	RESTATE FINANCIAL STATEMENTS
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FACTS & CONCLUSIONS SET FORTH BY THE SEC, AND SOLELY FOR THE PURPOSE OF SETTLEMENT, BANK ONE CORP. AGREED TO RESTATE ITS FINANCIAL STATEMENTS AS OF & FOR YEARS ENDED DECEMBER 31, 1983 & 1984 TO REFLECT AN \$89.6 MILLION ALLOWANCE ADJUSTMENT.
<b>Firm Statement</b>	ADMINISTRATIVE PROCEEDING INVOLVING ACCOUNTING ISSUES RELATING TO BANK ONE CORP.'S 1983 AND 1984 FINANCIAL STATEMENTS. THE PROCEEDING CONCERNED THE TIMING OF A PORTION OF THE \$308 MILLION LOAN LOSS PROVISION MADE BY BANK ONE CORP. IN THE 3RD QUARTER OF 1984. BANK ONE CORPORATION IS A CONTROL AFFILIATE OF APPLICANT.

#### Disclosure 15 of 21

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	BANK ONE, NATIONAL ASSOCIATION
<b>Current Status:</b>	Final
<b>Allegations:</b>	FAILURE TO MAINTAIN ACCURATE RECORDS CONCERNING CUSTOMER ORDERS FOR SECURITIES ISSUED BY GOVERNMENT-SPONSORED AGENCIES: FEDERAL HOME LOAN BANKS; FEDERAL NATIONAL MORTGAGE ASSOCIATION; FEDERAL HOME LOAN MEETING CORPORATION; STUDENT LOAN MARKETING ASSOCIATION.
<b>Initiated By:</b>	OFFICE OF THE COMPTROLLER OF THE CURRENCY - "OCC"
<b>Date Initiated:</b>	09/01/1991
<b>Docket/Case Number:</b>	NONE



<b>Principal Product Type:</b>	Debt - Government
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	01/14/1992
<b>Sanctions Ordered:</b>	Monetary/Fine \$50,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	BANK ONE, TEXAS PAID CIVIL MONEY PENALTIES OF \$50,000. THE OCC, SECURITIES AND EXCHANGE COMMISSION, AND THE FEDERAL RESERVE BOARD ENTERED INTO COMPARABLE SETTLEMENTS WITH 98 BANKS AND/OR BROKER/DEALERS.
<b>Firm Statement</b>	THE ORDER DIRECTED BANK ONE TEXAS TO CEASE AND DESIST FROM THE RECORDKEEPING VIOLATION AND TO IMPLEMENT POLICIES AND PROCEDURES TO PREVENT RE-OCCURENCE.

#### Disclosure 16 of 21

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	THE CHASE MANHATTAN BANK N.A.
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE CHASE MANHATTAN BANK IN ITS FUNCTION AS TRANSFER AGENT FROM 1982-1985 & 1989 FAILED TO PROPERLY VERIFY WHETHER TWO OUTSIDE VENDORS HAD PROPERLY DESTROYED CANCELLED REGISTERED CORPORATE BOND CERTIFICATES DELIVERED TO THEM BY CHASE MANHATTAN BANK.
<b>Initiated By:</b>	OFFICE OF THE COMPTROLLER OF THE CURRENCY
<b>Date Initiated:</b>	08/01/1994
<b>Docket/Case Number:</b>	N/A
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)


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

**Resolution:** Settled  
**Resolution Date:** 09/30/1994  
**Sanctions Ordered:** Monetary/Fine \$100,000.00  
 Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** CHASE MANHATTAN BANK PAID A CIVIL PENALTY OF \$100,000.00, AGREED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATION OF 17A OF THE EXCHANGE ACT & RULE 17AD-12 THEREUNDER AND TO ADOPT & MAINTAIN POLICIES AND PROCEDURES TO PREVENT REOCCURENCE OF THE CONDUCT. WITHOUT ADMITTING OR DENYING THE MATTER SET FORTH IN THE PROCEEDING, CHASE MANHATTAN BANK SUBMITTED AN OFFER OF SETTLEMENT AND CONSENTED TO THE ENTRY OF A JOINT ORDER AND FINDING THAT ITS PRACTICES, POLICIES AND PROCEDURES WITH REGARD TO THE CANCELLATION AND DESTRUCTION OF CERTIFICATES WERE INADEQUATE, IN VIOLATION OF SECTION 17A OF THE EXCHANGE ACT AND RULE 17AD-12 THEREUNDER.

**Firm Statement** SEE ITEM 12(C)

**Disclosure 17 of 21**

**Reporting Source:** Firm

**Affiliate:** J.P. MORGAN SECURITIES ASIA PTE. LIMITED - TOKYO BRANCH

**Current Status:** Final

**Allegations:** FOLLOWING AN FSA AND SESC INSPECTION OF JPMSA-TOKYO WHICH COMMENCED IN NOVEMBER 2002, THE FSA AND SESC CONCLUDED THAT CERTAIN TRADING ACTIVITY CONDUCTED BY JPMSA EQUITY DERIVATIVE TRADING PERSONNEL IN JANUARY 2001 FOR THE PURPOSE OF HEDGING OF THE EXCHANGEABLE BOND FOR WHICH JPMSA WAS THE ARRANGER WERE DEEMED TO ACTS OF CONDUCTING A SERIES OF SECURITIES TRANSACTIONS INTENDED TO CREATE ARTIFICIAL MARKET PRICES WHICH DO NOT REFLECT ACTUAL STATES OF THE MARKET IN VIOLATION OF ARTICLE 4(III) OF THE ORDINANCE OF THE CABINET OFFICE CONCERNING THE REGULATIONS, ETC. OF CONDUCTS OF SECURITIES COMPANIES, AND THUS TO HAVE VIOLATED THE ARTICLE 42(1)(IX) OF THE LAWS AS APPLIED BY THE ARTICLE 14 (1) OF THE LAW ON FOREIGN SECURITIES FIRMS.

**Initiated By:** FINANCIAL SERVICES AGENCY (FSA) AND SECURITIES AND EXCHANGE



SURVEILLANCE COMMISSION (SESC)

**Date Initiated:** 11/01/2002**Docket/Case Number:****Principal Product Type:** Derivative(s)**Other Product Type(s):****Principal Sanction(s)/Relief Sought:** Suspension**Other Sanction(s)/Relief Sought:****Resolution:** Other**Resolution Date:** 02/28/2003**Sanctions Ordered:** Suspension**Other Sanctions Ordered:****Sanction Details:** SUSPENSION OF BUSINESS OPERATION. SUSPENSION OF ALL THE STOCK TRADING FROM JPMSA'S OWN ACCOUNT FROM WHICH MARCH 3, 2003 THROUGH MARCH 14, 2003 (INCLUSIVE).**Firm Statement**

FOLLOWING AN FSA AND SESC INSPECTION OF JPMSA-TOKYO WHICH COMMENCED NOVEMBER 2002, THE FSA AND SESC CONCLUDED THAT CERTAIN TRADING ACTIVITY CONDUCTED BY JPMSA EQUITY DERIVATIVE TRADING PERSONNEL IN JANUARY 2001 FOR THE PURPOSE OF HEDGING OF THE EXCHANGEABLE BOND FOR WHICH JPMSA WAS THE ARRANGER WERE DEEMED TO ACTS OF CONDUCTING A SERIES OF SECURITIES TRANSACTIONS INTENDED TO CREATE ARTIFICIAL MARKET PRICES WHICH DO NOT REFLECT ACTUAL STATES OF THE MARKET IN VIOLATION OF ARTICLE 4 (III) OF THE ORDINANCE OF THE CABINET OFFICE CONCERNING THE REGULATIONS, ETC. OF CONDUCTS OF SECURITIES COMPANIES, AND THUS TO HAVE VIOLATED THE ARTICLE 42 (1)(IX) OF THE LAW AS APPLIED BY THE ARTICLE 14(1) OF THE LAW OF FOREIGN SECURITIES FIRMS. JPMSA DID NOT APPEAL THIS DETERMINATION, BUT NOTED IN ITS AFFIDAVIT TO THE FSA THAT THE TRADER DID NOT ACT WITH INTENT.

**Disclosure 18 of 21****Reporting Source:** Firm**Affiliate:** JPMORGAN CHASE BANK**Current Status:** Final



<b>Allegations:</b>	THE SECURITIES AND EXCHANGE COMMISSION ("SEC") INVESTIGATED THE QUESTION OF WHETHER, IN CONNECTION WITH THE BOND PAYING AGENCY FUNCTION WITHIN JPMORGAN CHASE'S INSTITUTIONAL TRUST SERVICES GROUP, THERE HAD BEEN VIOLATIONS OF IT'S TRANSFER AGENCY RECORDKEEPING OR REPORTING REGULATIONS AND WHETHER JPMORGAN CHASE'S DISCLOSURE REGARDING THESE ISSUES HAD BEEN ADEQUATE AND TIMELY. IN SEPTEMBER 2001, JPMORGAN CONSENTED, WITHOUT ADMITTING OR DENYING THE UNDERLYING FACTUAL ALLEGATIONS OR FINDINGS, TO A \$1 MILLION DOLLAR CIVIL PENALTY AND TO A SEC ORDER THAT IT CEASE AND DESIST FROM FUTURE VIOLATIONS OF THE TRANSFER AGENCY RECORDKEEPING REPORTING PROVISIONS. THE CONDITIONS GIVING RISE TO THE INVESTIGATION HAVE SINCE BEEN ADDRESSED.
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	08/01/1999
<b>Docket/Case Number:</b>	
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	NOT APPLICABLE
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	NOT APPLICABLE
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/24/2001
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000,000.00
<b>Other Sanctions Ordered:</b>	CEASE AND DESIST FROM FUTURE VIOLATIONS OF THE TRANSFER AGENCY RECORDKEEPING REPORTING PROVISIONS.
<b>Sanction Details:</b>	NOT APPLICABLE

#### Disclosure 19 of 21

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	THE CHASE MANHATTAN BANK N.A.
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE CHASE MANHATTAN BANK IN ITS FUNCTION AS A TRANSFER AGENT FROM 1982-1985 & 1989 FAILED TO PROPERLY VERIFY TWO OUTSIDE



VENDORS HAD PROPERLY DESTROYED CANCELLED REGISTERED CORPORATE BOND CERTIFICATES DELIVERED TO THEM BY CHASE MANHATTAN BANK.

**Initiated By:** THE SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 08/01/1994

**Docket/Case Number:** N/A

**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:** 09/30/1994

**Sanctions Ordered:** Monetary/Fine \$100,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** CHASE MANHATTAN BANK PAID A CIVIL PENALTY OF \$100,000.00, AGREED TO CEASE & DESIST FROM COMMITTING OR CAUSING ANY VIOLATION OF 17A OF THE EXCHANGE ACT & RULE 17AD-12 THEREUNDER AND TO ADOPT 7 MAINTAIN POLICIES AND PROCEDURES TO PREVENT REOCCURENCE OF THE CONDUCT. WITHOUT ADMITTING OR DENYING THE MATTER SET FORTH IN THE PROCEEDING, CHASE MANHATTAN BANK SUBMITTED AN OFFER OF SETTLEMENT AND CONSENTED TO THE ENTRY OF A JOINT ORDER AND FINDING THAT ITS PRACTICES, POLICIES AND PROCEDURES WITH REGARD TO THE CANCELLATION AND DESTRUCTION OF CERTIFICATES WERE INADEQUATE, IN VIOLATION OF SECTION 17A OF THE EXCHANGE ACT AND RULE 17AD-12 THEREUNDER.

**Firm Statement** SEE ITEM 12(C)

## Disclosure 20 of 21

**Reporting Source:** Firm

**Affiliate:** JARDINE FLEMING INVESTMENT MANAGEMENT LIMITED

**Current Status:** Final

**Allegations:** IN AUGUST 1996 FIM, FITM, AND S&P ALL INVESTMENT ADVISORY





AFFILIATES OF RFI, WERE EACH FINED 100,000 (ENGLISH POUNDS) BY IMRO FOR BREACHES OF CERTAIN SEC AND INV. BOARD (SIB) PRINCIPLES AND IMRO RULES RELATING TO THE FAILURE OF FIM, FITN AND S&P TO SUPERVISE AN INVESTMENT MANAGEMENT DELEGATE, HONG KONG BASED JARDINE FLEMING INVESTMENT MANAGEMENT LIMITED (JFIM), IN RESPECT TO ENSURING ADEQUATE DEALING AND COMPLIANCE SYSTEMS AND PROCEDURES, FAILING TO TAKE ACTION WHEN THEY LEARNED OF WEAKNESSES, FAILING TO DISCLOSE THAT CERTAIN COMMISSIONS DISCLOSED TO CUSTOMERS WERE RETAINED BY AN ASSOCIATED BROKER AND FAILING TO INFORM IMRO THAT INVESTMENT BUSINESS HAD BEEN DELEGATED TO A FIRM WHICH HAD DEALING AND COMPLIANCE PROCEDURES WHICH DID NOT MEET IMRO'S STANDARDS. AS A RESULT OF THE SAME INVESTIGATION, HONG KONG BASED JARDINE FLEMING ASSET MANAGEMENT LIMITED (JFAM), WAS ALSO FINED 400,000 (ENGLISH POUNDS) BY IMRO FOR SIMILAR BREACHES OF SIB PRINCIPLES AND IMRO RULES, PARTICULARLY IN RELATION TO THE FAILURE OF JFAM TO SUPERVISE AN INVESTMENT MANAGEMENT DELEGATE, JFIM. IN ADDITION, JFAM ACCEPTED THE TERMINATION OF IT'S AUTHORIZATION WITH IMRO. IN A RELATED INVESTIGATION, JFIM, AN INVESTMENT ADVISORY AFFILIATE OF RFI, WAS PUBLICLY REPRIMANDED BY THE HONG KONG SECURITIES AND FUTURES COMMISSION (SFC) FOR BREACHES OF THE CODE OF CONDUCT FOR PERSONS REGISTERED WITH THE SFC. THE BREACHES RELATED TO JFIM'S INADEQUATE AND INEFFECTIVE INTERNAL CONTROLS AND COMPLIANCE MONITORING. JFIM ALSO AGREED WITH THE SFC, WITHOUT ADMITTING LIABILITY, TO MAKE VOLUNTARY PAYMENTS TOTALING APPROXIMATELY US \$19.1 MILLION TO COMPENSATE THREE CLIENTS WHICH WERE CONSIDERED BY THE SFC TO HAVE BEEN DISADVANTAGED BY THE LATE ALLOCATION OF DEALS BY ONE FUND MANAGER OF JFIM AFTER CHANGES IN THE PRICE OF THE INSTRUMENTS TRADED HAD OCCURRED. THE SFC REVOKED, FOR MISCONDUCT, THE REGISTRATION OF THE RESPONSIBLE FUND MANAGER AT JFIM AS AN INVESTMENT ADVISER, SECURITIES DEALER AND COMMODITIES TRADING.

**Initiated By:** IMRO (UK), HONG KONG SECURITIES & FUTURES COMMISSIONS ("SFC")

**Date Initiated:** 08/01/1996

**Docket/Case Number:** N/A

**Principal Product Type:** Other

**Other Product Type(s):** FOREIGN EXCHANGE LISTED EQUITY SECURITY

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

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



**Resolution:** Settled

**Resolution Date:** 08/01/1996

**Sanctions Ordered:** Monetary/Fine \$780,250.31

**Other Sanctions Ordered:**

**Sanction Details:** FLEMING INVESTMENT MANAGEMENT LIMITED, FLEMING INVESTMENT TRUST MANAGEMENT LIMITED AND SAVE & PROSPER SECURITIES LIMITED, ALL INVESTMENT ADVISORY AFFILIATES OF ROBERT FLEMING INC. WERE EACH FINED 100,000 (BRITISH POUNDS) AND JARDINE FLEMING ASSET MANAGEMENT LIMITED, AN INVESTMENT ADVISORY AFFILIATE OF ROBERT FLEMING INC. WAS FINED 400,000 (BRITISH POUNDS)

#### Disclosure 21 of 21

**Reporting Source:** Firm

**Affiliate:** CHASE MANHATTAN INTERNATIONAL LIMITED

**Current Status:** Final

**Allegations:** IT WAS ALLEGED THAT DURING THE PERIOD JANUARY 30/31 TO MARCH 1997 (THE "RELEVANT PERIOD") CMI HAD FAILED TO PERFORM ADEQUATE DAILY POSITION AND MARGIN RECONCILIATIONS CONTRARY TO RULE 3.30.1. (2)IF THIS ALLEGATION WAS ACCEPTED THEN A VIOLATION OF RULE 2.2.6 WOULD NECESSARILY HAVE BEEN COMMITTED.

**Initiated By:** LONDON INTERNATIONAL FINANCIAL FUTURES AND OPTIONS EXCHANGE

**Date Initiated:** 03/01/1997

**Docket/Case Number:** S98/3

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Other

**Resolution Date:** 03/05/1998

**Firm Statement** CMI PAID A FINE OF 60,000 POUNDS.



## Criminal - Final Disposition

### Disclosure 1 of 5

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	JPMORGAN CHASE BANK, N.A.
<b>Current Status:</b>	Final
<b>Status Date:</b>	12/4/2007
<b>Charge Details:</b>	JPMORGAN CHASE BANK, N.A. WAS CHARGED ON APRIL 12, 2007 WITH VIOLATING CITY OF CLEVELAND HOUSING CODE SECTIONS 3103.10, 357.13, 369.13, AND 369.15. SUCH VIOLATIONS ARE MISDEMEANORS UNDER CLEVELAND LAW. ON OCTOBER 17, 2007, A MORTGAGE SERVICER, ON BEHALF OF JPMORGAN CHASE BANK, N.A., ENTERED A PLEA OF "NOT GUILTY." ON DECEMBER 4, 2007, THE MORTGAGE SERVICER, ON BEHALF OF JPMORGAN CHASE BANK, N.A., CHANGED THE PLEA TO "NO CONTEST."
<b>Felony:</b>	No
<b>Court Details:</b>	CLEVELAND MUNICIPAL COURT; CLEVELAND, OHIO; 2007-CRB-010656.
<b>Charge Date:</b>	04/12/2007
<b>Disposition Details:</b>	THE COURT ACCEPTED THE "NO CONTEST" PLEA AND FOUND JPMORGAN CHASE BANK, N.A. GUILTY ON DECEMBER 4, 2007. THE COURT ASSESSED A FINE OF A \$10,000.00 PLUS THE COST OF THE ACTION ON THE SAME DATE. ON JANUARY 22, 2008, THE COURT SUSPENDED \$9,000.00 OF THE FINE AND DIRECTED JPMORGAN CHASE BANK, N.A. TO REMEDY THE VIOLATIONS OR DEMOLISH THE PROPERTY AT ITS OWN EXPENSE. THE VIOLATIONS WERE REMEDIED. JPMORGAN CHASE BANK, N.A. WAS PLACED ON INACTIVE PROBATION UNTIL THE FINE WAS PAID. ON OR ABOUT APRIL 18, 2008, THE REMAINING PORTION OF THE FINE WAS PAID AND THE CASE WAS CLOSED.
<b>Firm Statement</b>	JPMORGAN CHASE BANK, N.A., THE OWNER OF REAL ESTATE LOCATED IN CLEVELAND, OHIO, WAS CITED ON JANUARY 3, 2007 FOR VIOLATING CLEVELAND BUILDING AND HOUSING ORDINANCES, INCLUDING LANDSCAPE MAINTENANCE.

### Disclosure 2 of 5

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	JPMORGAN CHASE BANK, N.A.
<b>Current Status:</b>	Final



<b>Status Date:</b>	11/25/2008
<b>Charge Details:</b>	JPMORGAN CHASE BANK, N.A. WAS CHARGED ON MAY 13, 2008 WITH VIOLATING CITY OF CLEVELAND HOUSING CODE SECTIONS 3103.10, 369.13, AND 369.15. SUCH VIOLATIONS ARE MISDEMEANORS UNDER CLEVELAND LAW. ON JULY 28, 2008, A MORTGAGE SERVICER, ON BEHALF OF JPMORGAN CHASE BANK, N.A., ENTERED A PLEA OF "NOT GUILTY." ON NOVEMBER 25, 2008, THE MORTGAGE SERVICER, ON BEHALF OF JPMORGAN CHASE BANK, N.A., CHANGED THE PLEA TO "NO CONTEST."
<b>Felony:</b>	No
<b>Court Details:</b>	CLEVELAND MUNICIPAL COURT; CLEVELAND, OHIO; 2008-CRB-013465.
<b>Charge Date:</b>	05/13/2008
<b>Disposition Details:</b>	THE COURT ACCEPTED THE "NO CONTEST" PLEA AND FOUND JPMORGAN CHASE BANK, N.A. GUILTY ON NOVEMBER 25, 2008. THE COURT ASSESSED A FINE OF \$20,000.00 PLUS THE COST OF THE ACTION, SUSPENDED \$18,000.00 OF THE FINE ON THE SAME DATE, AND DIRECTED JPMORGAN CHASE BANK, N.A. TO REMEDY THE VIOLATIONS OR DEMOLISH THE PROPERTY AT ITS OWN EXPENSE. THE VIOLATIONS WERE REMEDIED. JPMORGAN CHASE BANK, N.A. WAS PLACED ON INACTIVE PROBATION UNTIL THE FINE WAS PAID. ON APRIL 29, 2009, THE REMAINING PORTION OF THE FINE WAS PAID AND THE CASE WAS CLOSED.
<b>Firm Statement</b>	JPMORGAN CHASE BANK, N.A., THE OWNER OF REAL ESTATE LOCATED IN CLEVELAND, OHIO, WAS CITED IN MARCH 2008 FOR VIOLATING CLEVELAND BUILDING AND HOUSING ORDINANCES.

### Disclosure 3 of 5

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	JPMORGAN CHASE BANK, N.A.
<b>Current Status:</b>	Final
<b>Status Date:</b>	3/4/2008
<b>Charge Details:</b>	JPMORGAN CHASE BANK, N.A. WAS CHARGED ON AUGUST 13, 2007 WITH VIOLATING CITY OF CLEVELAND HOUSING CODE SECTIONS 3103.09, 369.06, 369.07, 369.09, 369.12, 369.13, 369.14, 369.15, 369.16, AND 369.19. SUCH VIOLATIONS ARE MISDEMEANORS UNDER CLEVELAND LAW. ON OCTOBER 17, 2007, A MORTGAGE SERVICER, ON BEHALF OF JPMORGAN CHASE BANK, N.A., ENTERED A PLEA OF "NOT GUILTY." ON MARCH 4, 2008, THE MORTGAGE SERVICER, ON BEHALF OF JPMORGAN CHASE BANK, N.A., CHANGED THE PLEA TO "NO CONTEST."
<b>Felony:</b>	No



<b>Court Details:</b>	CLEVELAND MUNICIPAL COURT; CLEVELAND, OHIO; 2007-CRB-027611.
<b>Charge Date:</b>	08/13/2007
<b>Disposition Details:</b>	THE COURT ACCEPTED THE "NO CONTEST" PLEA AND FOUND JPMORGAN CHASE BANK, N.A. GUILTY ON MARCH 4, 2008. THE COURT ASSESSED A FINE OF \$10,000.00 PLUS THE COST OF THE ACTION, SUSPENDED \$9,000.00 OF THE FINE ON THE SAME DATE, AND DIRECTED JPMORGAN CHASE BANK, N.A. TO REMEDY THE VIOLATIONS OR DEMOLISH THE PROPERTY AT ITS OWN EXPENSE. JPMORGAN CHASE BANK, N.A. DEMOLISHED THE PROPERTY AT ITS OWN EXPENSE. ON MARCH 31, 2008, THE REMAINING PORTION OF THE FINE WAS PAID AND THE CASE WAS CLOSED.
<b>Firm Statement</b>	JPMORGAN CHASE BANK, N.A., THE OWNER OF REAL ESTATE LOCATED IN CLEVELAND, OHIO, WAS CITED IN JUNE 2007 FOR VIOLATING CLEVELAND BUILDING AND HOUSING ORDINANCES.

#### Disclosure 4 of 5

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	JPMORGAN CHASE BANK, N.A.
<b>Current Status:</b>	Final
<b>Status Date:</b>	9/16/2009
<b>Charge Details:</b>	JPMORGAN CHASE BANK, N.A. WAS CHARGED ON JULY 25, 2009 WITH VIOLATING CITY OF CLEVELAND HOUSING CODE SECTION 3103.10. SUCH VIOLATION IS A MISDEMEANOR UNDER CLEVELAND LAW. ON AUGUST 6, 2009, A MORTGAGE SERVICER, ON BEHALF OF JPMORGAN CHASE BANK, N.A., ENTERED A PLEA OF "NOT GUILTY." ON SEPTEMBER 16, 2009, THE MORTGAGE SERVICER, ON BEHALF OF JPMORGAN CHASE BANK, N.A., CHANGED THE PLEA TO "NO CONTEST."
<b>Felony:</b>	No
<b>Court Details:</b>	CLEVELAND MUNICIPAL COURT; CLEVELAND, OHIO; 2009-CRB-025029.
<b>Charge Date:</b>	07/25/2009
<b>Disposition Details:</b>	THE COURT ACCEPTED THE "NO CONTEST" PLEA AND FOUND JPMORGAN CHASE BANK, N.A. GUILTY ON SEPTEMBER 16, 2009. THE COURT ASSESSED A \$500.00 FINE ON THE SAME DATE. ON OR ABOUT JANUARY 13, 2010, THE FINE WAS PAID AND THE CASE WAS CLOSED
<b>Firm Statement</b>	JPMORGAN CHASE BANK, N.A., THE OWNER OF REAL ESTATE LOCATED IN CLEVELAND, OHIO, WAS CITED IN JUNE 2009 FOR VIOLATING CLEVELAND BUILDING AND HOUSING ORDINANCES, INCLUDING LANDSCAPE

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 MAINTENANCE.
 

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**Disclosure 5 of 5**

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	WM SPECIALTY MORTGAGE LLC
<b>Current Status:</b>	Final
<b>Status Date:</b>	8/20/2009
<b>Charge Details:</b>	WM SPECIALTY MORTGAGE LLC WAS CHARGED ON AUGUST 27, 2008 WITH VIOLATING CITY OF CLEVELAND HOUSING CODE SECTIONS 371.01, 3103.09, 3103.21, 369.06, 369.07, 369.09, 369.12, 369.13, 369.14, 369.15, AND 369.16. SUCH VIOLATIONS ARE MISDEMEANORS UNDER CLEVELAND LAW. ON DECEMBER 15, 2008, A MORTGAGE SERVICER, ON BEHALF OF WM SPECIALTY MORTGAGE LLC, ENTERED A PLEA OF "NOT GUILTY." ON AUGUST 20, 2009, THE MORTGAGE SERVICER, ON BEHALF OF WM SPECIALTY MORTGAGE LLC, CHANGED THE PLEA TO "NO CONTEST."
<b>Felony:</b>	No
<b>Court Details:</b>	CLEVELAND MUNICIPAL COURT; CLEVELAND, OHIO; 2008-CRB-028929.
<b>Charge Date:</b>	08/27/2008
<b>Disposition Details:</b>	THE COURT ACCEPTED THE "NO CONTEST" PLEA AND FOUND WM SPECIALTY MORTGAGE LLC GUILTY ON AUGUST 20, 2009. THE COURT ASSESSED A FINE OF \$30,000.00 PLUS THE COST OF THE ACTION ON THE SAME DATE. THE COURT SUSPENDED \$24,000.00 OF THE FINE ON SEPTEMBER 24, 2009 AND DIRECTED WM SPECIALTY MORTGAGE LLC TO REMEDY THE VIOLATIONS OR DEMOLISH THE PROPERTY AT ITS OWN EXPENSE. WM SPECIALTY MORTGAGE LLC DEMOLISHED THE PROPERTY AT ITS OWN EXPENSE. ON OR ABOUT FEBRUARY 3, 2010, THE REMAINING PORTION OF THE FINE WAS PAID AND THE CASE WAS CLOSED.
<b>Firm Statement</b>	WM SPECIALTY MORTGAGE LLC, THE OWNER OF REAL ESTATE LOCATED IN CLEVELAND, OHIO, WAS CITED IN JULY 2008 FOR VIOLATING CLEVELAND BUILDING AND HOUSING ORDINANCES, INCLUDING STRUCTURAL, MECHANICAL, AND AESTHETIC VIOLATIONS.



## Criminal - Pending Charge

### Disclosure 1 of 3

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	WM SPECIALTY MORTGAGE LLC
<b>Current Status:</b>	Pending
<b>Status Date:</b>	
<b>Charge Details:</b>	WM SPECIALTY MORTGAGE LLC WAS CHARGED ON OCTOBER 24, 2008 WITH VIOLATING CITY OF CLEVELAND HOUSING CODE SECTIONS 3101.10, 369.13, AND 369.15. SUCH VIOLATIONS ARE MISDEMEANORS UNDER CLEVELAND LAW. ON AUGUST 4, 2009, A MORTGAGE SERVICER, ON BEHALF OF WM SPECIALTY MORTGAGE LLC, ENTERED A PLEA OF "NOT GUILTY." ON SEPTEMBER 24, 2009, THE MORTGAGE SERVICER, ON BEHALF OF WM SPECIALTY MORTGAGE LLC, CHANGED THE PLEA TO "NO CONTEST."
<b>Felony:</b>	No
<b>Court Details:</b>	CLEVELAND MUNICIPAL COURT; CLEVELAND, OHIO; 2008-CRB-037404.
<b>Charge Date:</b>	10/24/2008
<b>Disposition Details:</b>	THE COURT ACCEPTED THE "NO CONTEST" PLEA AND FOUND WM SPECIALTY MORTGAGE LLC GUILTY ON SEPTEMBER 24, 2009. THE COURT ASSESSED A FINE OF \$25,700.00 PLUS THE COST OF THE ACTION ON THE SAME DATE. THE FINE AMOUNT IS CURRENTLY OUTSTANDING. ON JANUARY 19, 2010, THE MORTGAGE SERVICER, ON BEHALF OF WM SPECIALTY MORTGAGE LLC, FILED A MOTION TO EXTEND THE PAYMENT DEADLINE TO PROVIDE WM SPECIALTY MORTGAGE LLC TIME TO MITIGATE THE FINE BY ABATING THE NUISANCE. THE COURT GRANTED THE EXTENSION ON JANUARY 28, 2010. ON OCTOBER 8, 2010 A MOTION TO WITHDRAW THE "NO CONTEST" PLEA WAS FILED BASED UPON THE BELIEF THAT, ALTHOUGH WM SPECIALTY MORTGAGE LLC FORECLOSED ON THE PROPERTY, TITLE WAS NEVER TRANSFERRED INTO WM SPECIALTY MORTGAGE LLC'S NAME PER THE AUDITOR'S RECORDS. WM SPECIALTY MORTGAGE LLC IS CURRENTLY WAITING ON A RULING FROM THE COURT.
<b>Firm Statement</b>	WM SPECIALTY MORTGAGE LLC, THE OWNER OF REAL ESTATE LOCATED IN CLEVELAND, OHIO, WAS CITED ON AUGUST 20, 2008 FOR VIOLATING CLEVELAND BUILDING AND HOUSING ORDINANCES, INCLUDING STRUCTURAL AND AESTHETIC VIOLATIONS.

### Disclosure 2 of 3



<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	EMC MORTGAGE CORPORATION
<b>Current Status:</b>	Pending
<b>Status Date:</b>	
<b>Charge Details:</b>	EMC MORTGAGE CORPORATION WAS CHARGED ON APRIL 24, 2009 WITH VIOLATING CITY OF CLEVELAND HOUSING CODE SECTIONS 3103.09, 369.06, 369.07, 369.09, 369.12, 369.13, 369.14, 369.15, 369.16, AND 369.19. SUCH VIOLATIONS ARE MISDEMEANORS UNDER CLEVELAND LAW. ON MAY 21, 2009, A MORTGAGE SERVICER, ON BEHALF OF EMC MORTGAGE CORPORATION, ENTERED A PLEA OF "NOT GUILTY." ON SEPTEMBER 24, 2009, THE MORTGAGE SERVICER, ON BEHALF OF EMC MORTGAGE CORPORATION, CHANGED THE PLEA TO "NO CONTEST."
<b>Felony:</b>	No
<b>Court Details:</b>	CLEVELAND MUNICIPAL COURT; CLEVELAND, OHIO; 2009-CRB-011801.
<b>Charge Date:</b>	04/24/2009
<b>Disposition Details:</b>	THE COURT ACCEPTED THE "NO CONTEST" PLEA AND FOUND EMC MORTGAGE CORPORATION GUILTY ON SEPTEMBER 24, 2009. THE COURT ASSESSED A FINE OF \$50,000.00 PLUS THE COST OF THE ACTION ON THE SAME DATE. THE FINE AMOUNT IS CURRENTLY OUTSTANDING. ON FEBRUARY 17, 2010, A MORTGAGE SERVICER, ON BEHALF OF EMC MORTGAGE CORPORATION, FILED A MOTION TO MITIGATE THE FINE SINCE EMC MORTGAGE CORPORATION NO LONGER OWNS THE PROPERTY AND DOES NOT HAVE THE RIGHT TO CORRECT THE VIOLATIONS. EMC MORTGAGE CORPORATION IS CURRENTLY AWAITING THE RULING OF THE COURT.
<b>Firm Statement</b>	EMC MORTGAGE CORPORATION, THE OWNER OF REAL ESTATE LOCATED IN CLEVELAND, OHIO, WAS CITED ON AUGUST 29, 2008 FOR VIOLATING CLEVELAND BUILDING AND HOUSING ORDINANCES, INCLUDING STRUCTURAL, MECHANICAL, AND AESTHETIC VIOLATIONS.

### Disclosure 3 of 3

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	HOMESALES, INC.
<b>Current Status:</b>	Pending
<b>Status Date:</b>	
<b>Charge Details:</b>	HOMESALES, INC. WAS CHARGED ON DECEMBER 1, 2008 WITH VIOLATING



CITY OF CLEVELAND HOUSING CODE SECTIONS 371.01, 3103.09, 3103.20, 369.06, 369.09, 369.13, 369.15, AND 369.16. SUCH VIOLATIONS ARE MISDEMEANORS UNDER CLEVELAND LAW. ON AUGUST 10, 2009, A MORTGAGE SERVICER, ON BEHALF OF HOMESALES, INC., ENTERED A PLEA OF "NOT GUILTY." ON DECEMBER 1, 2009, THE MORTGAGE SERVICER, ON BEHALF OF HOMESALES, INC., CHANGED THE PLEA TO "NO CONTEST."

**Felony:** No

**Court Details:** CLEVELAND MUNICIPAL COURT; CLEVELAND, OHIO; 2008-CRB-041482.

**Charge Date:** 12/01/2008

**Disposition Details:** THE COURT ACCEPTED THE "NO CONTEST" PLEA AND FOUND HOMESALES, INC. GUILTY ON DECEMBER 1, 2009. THE COURT ASSESSED A \$55,000.00 FINE ON THE SAME DATE. ON AUGUST 12, 2010, THE MORTGAGE SERVICER, ON BEHALF OF HOMESALES, INC., FILED A MOTION TO MITIGATE THE FINE ON THE GROUNDS THAT IT ABATED THE NUISANCE BY DEMOLISHING THE PROPERTY. THE COURT APPROVED THE MOTION AND THE FINE IS \$5,215.00. THE FINE HAS NOT YET BEEN PAID.

**Firm Statement** HOMESALES, INC., THE OWNER OF REAL ESTATE LOCATED IN CLEVELAND, OHIO, WAS CITED IN OCTOBER 2008 FOR VIOLATING CLEVELAND BUILDING AND HOUSING ORDINANCES, INCLUDING STRUCTURAL, MECHANICAL, AND AESTHETIC VIOLATIONS.



## Civil - Final

### Disclosure 1 of 2

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	J.P.MORGAN CHASE BANK, N.A
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>ON MARCH 14, 2012, THE DEPARTMENT OF JUSTICE AND THE ATTORNEYS GENERAL OF 49 STATES AND THE DISTRICT OF COLUMBIA FILED A COMPLAINT ("COMPLAINT") AND CONSENT JUDGMENT AGAINST J.P. MORGAN CHASE &amp; COMPANY AND J.P. MORGAN CHASE BANK, N.A. (TOGETHER, "J.P. MORGAN") AND OTHER MAJOR MORTGAGE SERVICERS TO SETTLE A NUMBER OF RELATED INVESTIGATIONS INTO RESIDENTIAL LOAN SERVICING AND ORIGINATION PRACTICES (THE "SETTLEMENT"). THE COMPLAINT ALLEGED J.P. MORGAN'S MISCONDUCT RELATED TO ITS ORIGINATION AND SERVICING OF SINGLE FAMILY RESIDENTIAL MORTGAGES VIOLATED, AMONG OTHER LAWS, THE UNFAIR AND DECEPTIVE ACTS AND PRACTICES LAWS OF THE PLAINTIFF STATES, THE FALSE CLAIMS ACT, THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989, THE SERVICEMEMBERS CIVIL RELIEF ACT, AND THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE.</p>
<b>Initiated By:</b>	US DEPARTMENT OF JUSTICE AND THE ATTORNEYS GENERAL OF 49 STATES AND THE DISTRICT OF COLUMBIA
<b>Court Details:</b>	U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA, DOCKET NUMBER 1:12-CV-00361-RMC
<b>Date Court Action Filed:</b>	03/14/2012
<b>Principal Product Type:</b>	Other
<b>Other Product Types:</b>	RESIDENTIAL MORTGAGE LOAN ORIGINATION AND SERVICING
<b>Relief Sought:</b>	Other
<b>Other Relief Sought:</b>	FINANCIAL TERMS, ADDITIONAL SERVICING STANDARDS
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	04/05/2012
<b>Sanctions Ordered or Relief Granted:</b>	Monetary/Fine \$5,333,588,661.00
<b>Other Sanctions:</b>	ADDITIONAL SERVICING STANDARDS
<b>Sanction Details:</b>	J.P. MORGAN SHALL PAY OR CAUSE TO BE PAID INTO AN INTEREST BEARING ESCROW ACCOUNT TO BE ESTABLISHED FOR THIS PURPOSE



THE SUM OF \$1,121,188,661, WHICH SUM SHALL BE ADDED TO FUNDS BEING PAID BY OTHER INSTITUTIONS RESOLVING CLAIMS IN THIS MATTER AND ACCORDING TO CERTAIN CRITERIA ESTABLISHED IN THE SETTLEMENT. IN ADDITION, J.P. MORGAN SHALL PROVIDE \$3,675,400,000 OF RELIEF TO CONSUMERS WHO MEET CERTAIN ELIGIBILITY CRITERIA RELATING TO SERVICING OF LOANS. ALSO, J.P. MORGAN SHALL PROVIDE \$537,000,000 OF NEW REFINANCING PROGRAMS FOR CURRENT CONSUMERS WHO MEET OTHER ELIGIBILITY CRITERIA. ALSO, J.P. MORGAN WILL MAKE SIGNIFICANT CHANGES TO ITS SERVICING AND DEFAULT BUSINESS PURSUANT TO THE AGREED-UPON SERVICING STANDARDS. THE SERVICING STANDARDS INCLUDE, AMONG OTHER ITEMS, THE FOLLOWING ENHANCEMENTS TO J.P. MORGAN'S SERVICING OF LOANS: A PRE-FORECLOSURE NOTICE TO ALL BORROWERS, WHICH WILL INCLUDE ACCOUNT INFORMATION, HOLDER STATUS, AND LOSS MITIGATION STEPS TAKEN; ENHANCEMENTS TO PAYMENT APPLICATION AND COLLECTIONS PROCESSES; STRENGTHENING PROCEDURES FOR FILINGS IN BANKRUPTCY PROCEEDINGS; DEPLOYING SPECIFIC RESTRICTIONS ON "DUAL TRACK" OF FORECLOSURE AND LOSS MITIGATION; STANDARDIZING THE PROCESS FOR APPEAL OF LOSS MITIGATION DENIALS; AND IMPLEMENTING CERTAIN RESTRICTIONS ON FEES, INCLUDING THE WAIVER OF CERTAIN FEES WHILE A BORROWER'S LOSS MITIGATION APPLICATION IS BEING EVALUATED. COINCIDENT WITH THE SETTLEMENT, AND AS REFLECTED IN SCHEDULES FILED WITH THE COURT, JPMORGAN ALSO MADE ADDITIONAL PAYMENTS IN THE AMOUNT OF \$6,531,187.50, WHICH, TOGETHER WITH PORTIONS OF THE PAYMENTS DESCRIBED ABOVE, RESOLVED CERTAIN OTHER FEDERAL AND STATE ACTIONS THAT ARISE OUT OF THE SAME OR SIMILAR ALLEGED CONDUCT.

#### Firm Statement

J.P. MORGAN CONSENTED TO THE ENTRY OF THE CONSENT JUDGMENT WITHOUT ADMITTING THE ALLEGATIONS IN THE COMPLAINT OTHER THAN THOSE FACTS DEEMED NECESSARY TO JURISDICTION. THE ALLEGATIONS ARE DESCRIBED IN ITEM 7 ABOVE AND THE SANCTIONS ARE DESCRIBED IN ITEM 13 ABOVE. J.P. MORGAN MADE ITS PAYMENT TO THE ESCROW AGENT ON APRIL 12, 2012, AND HAS UNTIL APRIL 4, 2015 TO COMPLETE THE CONSUMER RELIEF AND REFINANCING PROGRAMS. THE SETTLEMENT DOES NOT RESULT IN AN INJUNCTION OR ANY FINDINGS OF VIOLATIONS OF LAW, INVESTMENT-RELATED STATUTES OR REGULATIONS.

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**Reporting Source:** Firm

**Affiliate:** J.P. MORGAN CHASE & COMPANY

**Current Status:** Final

**Allegations:** ON MARCH 14, 2012, THE DEPARTMENT OF JUSTICE AND THE ATTORNEYS GENERAL OF 49 STATES AND THE DISTRICT OF COLUMBIA FILED A



COMPLAINT ("COMPLAINT") AND CONSENT JUDGMENT AGAINST J.P. MORGAN CHASE & COMPANY AND J.P. MORGAN CHASE BANK, N.A. (TOGETHER, "J.P. MORGAN") AND OTHER MAJOR MORTGAGE SERVICERS TO SETTLE A NUMBER OF RELATED INVESTIGATIONS INTO RESIDENTIAL LOAN SERVICING AND ORIGINATION PRACTICES (THE "SETTLEMENT"). THE COMPLAINT ALLEGED J.P. MORGAN'S MISCONDUCT RELATED TO ITS ORIGINATION AND SERVICING OF SINGLE FAMILY RESIDENTIAL MORTGAGES VIOLATED, AMONG OTHER LAWS, THE UNFAIR AND DECEPTIVE ACTS AND PRACTICES LAWS OF THE PLAINTIFF STATES, THE FALSE CLAIMS ACT, THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989, THE SERVICEMEMBERS CIVIL RELIEF ACT, AND THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE.

**Initiated By:** US DEPARTMENT OF JUSTICE AND THE ATTORNEYS GENERAL OF 49 STATES AND THE DISTRICT OF COLUMBIA

**Court Details:** U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA, DOCKET NUMBER 1:12-CV-00361-RMC

**Date Court Action Filed:** 03/14/2012

**Principal Product Type:** Other

**Other Product Types:** RESIDENTIAL MORTGAGE LOAN ORIGINATION AND SERVICING

**Relief Sought:** Other

**Other Relief Sought:** FINANCIAL TERMS, ADDITIONAL SERVICING STANDARDS

**Resolution:** Consent

**Resolution Date:** 04/05/2012

**Sanctions Ordered or Relief Granted:** Monetary/Fine \$5,333,588,661.00

**Other Sanctions:** ADDITIONAL SERVICING STANDARDS

**Sanction Details:** J.P. MORGAN SHALL PAY OR CAUSE TO BE PAID INTO AN INTEREST BEARING ESCROW ACCOUNT TO BE ESTABLISHED FOR THIS PURPOSE THE SUM OF \$1,121,188,661, WHICH SUM SHALL BE ADDED TO FUNDS BEING PAID BY OTHER INSTITUTIONS RESOLVING CLAIMS IN THIS MATTER AND ACCORDING TO CERTAIN CRITERIA ESTABLISHED IN THE SETTLEMENT. IN ADDITION, J.P. MORGAN SHALL PROVIDE \$3,675,400,000 OF RELIEF TO CONSUMERS WHO MEET CERTAIN ELIGIBILITY CRITERIA RELATING TO SERVICING OF LOANS. ALSO, J.P. MORGAN SHALL PROVIDE \$537,000,000 OF NEW REFINANCING PROGRAMS FOR CURRENT CONSUMERS WHO MEET OTHER ELIGIBILITY CRITERIA. ALSO, J.P. MORGAN WILL MAKE SIGNIFICANT CHANGES TO ITS SERVICING AND DEFAULT BUSINESS PURSUANT TO THE AGREED-UPON SERVICING



STANDARDS. THE SERVICING STANDARDS INCLUDE, AMONG OTHER ITEMS, THE FOLLOWING ENHANCEMENTS TO J.P. MORGAN'S SERVICING OF LOANS: A PRE-FORECLOSURE NOTICE TO ALL BORROWERS, WHICH WILL INCLUDE ACCOUNT INFORMATION, HOLDER STATUS, AND LOSS MITIGATION STEPS TAKEN; ENHANCEMENTS TO PAYMENT APPLICATION AND COLLECTIONS PROCESSES; STRENGTHENING PROCEDURES FOR FILINGS IN BANKRUPTCY PROCEEDINGS; DEPLOYING SPECIFIC RESTRICTIONS ON "DUAL TRACK" OF FORECLOSURE AND LOSS MITIGATION; STANDARDIZING THE PROCESS FOR APPEAL OF LOSS MITIGATION DENIALS; AND IMPLEMENTING CERTAIN RESTRICTIONS ON FEES, INCLUDING THE WAIVER OF CERTAIN FEES WHILE A BORROWER'S LOSS MITIGATION APPLICATION IS BEING EVALUATED. COINCIDENT WITH THE SETTLEMENT, AND AS REFLECTED IN SCHEDULES FILED WITH THE COURT, JPMORGAN ALSO MADE ADDITIONAL PAYMENTS IN THE AMOUNT OF \$6,531,187.50, WHICH, TOGETHER WITH PORTIONS OF THE PAYMENTS DESCRIBED ABOVE, RESOLVED CERTAIN OTHER FEDERAL AND STATE ACTIONS THAT ARISE OUT OF THE SAME OR SIMILAR ALLEGED CONDUCT.

#### Firm Statement

J.P. MORGAN CONSENTED TO THE ENTRY OF THE CONSENT JUDGMENT WITHOUT ADMITTING THE ALLEGATIONS IN THE COMPLAINT OTHER THAN THOSE FACTS DEEMED NECESSARY TO JURISDICTION. THE ALLEGATIONS ARE DESCRIBED IN ITEM 7 ABOVE AND THE SANCTIONS ARE DESCRIBED IN ITEM 13 ABOVE. J.P. MORGAN MADE ITS PAYMENT TO THE ESCROW AGENT ON APRIL 12, 2012, AND HAS UNTIL APRIL 4, 2015 TO COMPLETE THE CONSUMER RELIEF AND REFINANCING PROGRAMS. THE SETTLEMENT DOES NOT RESULT IN AN INJUNCTION OR ANY FINDINGS OF VIOLATIONS OF LAW, INVESTMENT-RELATED STATUTES OR REGULATIONS.

#### Disclosure 2 of 2

<b>Reporting Source:</b>	Firm
<b>Affiliate:</b>	J.P. MORGAN CHASE & CO.
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE SECURITIES AND EXCHANGE COMMISSION ("SEC") ALLEGED THAT DURING THE PERIOD OF DECEMBER 1977 TO SEPTEMBER 2001, J.P. MORGAN CHASE & CO. ("JPMC") AIDED AND ABETTED ENRON CORP.'S VIOLATION OF THE ANTIFRAUD PROVISIONS OF THE FEDERAL SECURITIES LAWS, SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND EXCHANGE ACT RULE 10B-5. ENRON CORP. ALLEGEDLY MANIPULATED ITS REPORTED FINANCIAL RESULTS THROUGH A SERIES OF COMMODITY DERIVATIVE TRANSACTIONS KNOWN AS PREPAYS WHICH WERE ENTERED INTO WITH JPMC.
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION



<b>Court Details:</b>	UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS, CASE NO. H-03-2877
<b>Date Court Action Filed:</b>	07/28/2003
<b>Principal Product Type:</b>	Derivative(s)
<b>Other Product Types:</b>	PREPAID FORWARD TRANSACTIONS
<b>Relief Sought:</b>	Injunction
<b>Other Relief Sought:</b>	DISGORGEMENT CIVIL PENALTIES/AND FINES
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	07/28/2003
<b>Sanctions Ordered or Relief Granted:</b>	Monetary/Fine \$135,000,000.00 Disgorgement/Restitution Cease and Desist/Injunction
<b>Other Sanctions:</b>	
<b>Sanction Details:</b>	ON JULY 28, 2003, THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS ENTERED A FINAL JUDGMENT, 1. ENJOINING JPMC, ITS AGENTS, SERVANTS, EMPLOYEES, ATTORNEYS, ASSIGNS, AND ALL PERSONS IN ACTIVE CONCERT OR PARTICIPATION WITH THEM WHO RECEIVE ACTUAL NOTICE OF THE FINAL JUDGMENT BY PERSONAL SERVICE OR OTHERWISE FROM VIOLATING, DIRECTLY OR INDIRECTLY, SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5 PROMULGATED THEREUNDER; AND 2. ORDERING JPMC TO PAY A TOTAL OF \$135,000,000: \$65,000,000 REPRESENTING DISGORGEMENT, PREJUDGMENT INTEREST THEREON IN THE AMOUNT OF \$5,000,000, AND A CIVIL PENALTY OF \$65,000,000 PURSUANT TO SECTION 21(D) OF THE EXCHANGE ACT. NO PORTION OF THE PENALTY WAS WAIVED. JPMC MADE PAYMENT OF \$135,000,000 ON JULY 28, 2003.
<b>Firm Statement</b>	THE ACTION WAS SETTLED AS FOLLOWS: JPMC CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OF THE COMPLAINT, TO THE ENTRY OF FINAL JUDGMENT, IMPOSING AN INJUNCTION, AND PAYMENTS FOR DISGORGEMENT, INTEREST THEREON, AND A PENALTY. ON JULY 28, 2003, THE FINAL JUDGEMENT WAS SUBMITTED TO AND ENTERED BY THE COURT. NO FINDINGS WERE MADE BY THE COURT OR THE SEC.

## End of Report



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