

## BrokerCheck Report

# CLYDE MARSHALL THORNBURG

CRD# 1065161

Report #42508-44328, data current as of Thursday, May 08, 2014.

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## About BrokerCheck®

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

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

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

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

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

The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

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

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

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

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

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



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

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



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

**Thank you for using FINRA BrokerCheck.**

**CLYDE M. THORNBURG**

CRD# 1065161

This broker is not currently registered with FINRA.

**Report Summary for this Broker**

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

**Broker Qualifications**

**This broker is not currently registered with FINRA.**

**This broker has passed:**

- 2 Principal/Supervisory Exams
- 2 General Industry/Product Exams
- 2 State Securities Law Exams

**Registration History**

**This broker was previously registered with the following FINRA firm(s):**

**INTERNATIONAL FINANCIAL SOLUTIONS, INC.**  
 CRD# 40375  
 ATLANTA, GA  
 08/2010 - 11/2010

**WOODBURY FINANCIAL SERVICES, INC.**  
 CRD# 421  
 SARASOTA, FL  
 12/2009 - 06/2010

**NEXT FINANCIAL GROUP, INC.**  
 CRD# 46214  
 VENICE, FL  
 08/2007 - 12/2009

**Disclosure Events**

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

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

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

Type	Count
Regulatory Event	2
Customer Dispute	12
Termination	1

**Investment Adviser Representative Information**

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at

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

## Broker Qualifications



### Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered with FINRA.



## Broker Qualifications

### Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

**This individual has passed 2 principal/supervisory exams, 2 general industry/product exams, and 2 state securities law exams.**

### Principal/Supervisory Exams

Exam	Category	Date
General Securities Sales Supervisor Examination (Options Module & General Module)	Series 8	12/22/1998
Investment Company Products/Variable Contracts Principal Examination	Series 26	02/06/1997

### General Industry/Product Exams

Exam	Category	Date
Investment Company Products/Variable Contracts Representative Examination	Series 6	09/08/1982
General Securities Representative Examination	Series 7	11/24/1997

### State Securities Law Exams

Exam	Category	Date
Uniform Securities Agent State Law Examination	Series 63	09/10/1982
Uniform Investment Adviser Law Examination	Series 65	06/22/1998

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at [www.finra.org/brokerqualifications/registeredrep/](http://www.finra.org/brokerqualifications/registeredrep/).



## Registration and Employment History

### Registration History

The broker previously was registered with the following FINRA firms:

Registration Dates	Firm Name	CRD#	Branch Location
08/2010 - 11/2010	INTERNATIONAL FINANCIAL SOLUTIONS, INC.	40375	ATLANTA, GA
12/2009 - 06/2010	WOODBURY FINANCIAL SERVICES, INC.	421	SARASOTA, FL
08/2007 - 12/2009	NEXT FINANCIAL GROUP, INC.	46214	VENICE, FL
06/2005 - 09/2007	SII INVESTMENTS, INC.	2225	SARASOTA, FL
10/2000 - 06/2005	SENTRA SECURITIES CORPORATION	10249	PHOENIX, AZ
08/1997 - 11/2000	SHIELDS & COMPANY	11053	NEW YORK, NY
09/1982 - 06/1997	PRUCO SECURITIES CORPORATION	5685	NEWARK, NJ

### Employment History

Below is the broker's employment history for up to the last 10 years.

**Please note that the broker is required to provide this information only while registered with FINRA and the information is not updated after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.**

Employment Dates	Employer Name	Employer Location
08/2010 - Present	INTERNATIONAL FINANCIAL SOLUTIONS, INC.	ATLANTA, GA
10/2000 - Present	THORNBURG FINANCIAL	SARASOTA, FL
12/2009 - 06/2010	WOODBURY FINANCIAL SERVICES	SARASOTA, FL
08/2007 - 12/2009	NEXT FINANCIAL GROUP	SARASOTA, FL
06/2005 - 08/2007	SII INVESTMENTS	SARASOTA, FL
10/2000 - 06/2005	SENTRA SECURITIES	SARASOTA, FL

### Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

## Registration and Employment History



### Other Business Activities, continued

INSURANCES AND FIXED ANNUITY SALES & SERVICES BECAME AN AGENT 12/01/1981 APPROX 2 HOURS PER MONTH THORNBURG FINANCIAL LLC/THE ADVISOR GROUP OF FLORIDA NOT SECURITIES RELATED FIXED INSURANCE AND FIXED ANNUITY SALES PRESIDENT STARTED 10/15/2000 APPROX 2 HOURS PER MONTH ALL DURING TRADING HOURS 100% OWNERSHIP. ADDRESS IS 2970 UNIVERSITY PARKWAY, SARASOTA, FL.

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## Disclosure Events

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

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
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 broker is required to disclose a particular criminal event.
  - A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all 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 brokers and brokerage 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.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Pending	Final	On Appeal
Regulatory Event	0	2	0





Customer Dispute	0	12	N/A
Termination	N/A	1	N/A



## Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

### Regulatory - Final

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

#### Disclosure 1 of 2

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	02/09/2012
<b>Docket/Case Number:</b>	<a href="#">2009016272904</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	NEXT FINANCIAL GROUP, INC.
<b>Product Type:</b>	Debt-Corporate Mutual Fund Unit Investment Trust
<b>Allegations:</b>	FINRA RULE 2010, NASD RULES 2110, 2310, 2510(B), 3110, AND INTERPRETATIVE MATERIAL-2310-2(B)(3): THORNBURG ENGAGED IN A PATTERN OF UNSUITABLE SHORT-TERM TRADING AND SWITCHING OF UNIT INVESTMENT TRUSTS (UITs), CORPORATE DEBT, AND MUTUAL FUNDS IN ACCOUNTS OWNED BY FIVE CUSTOMERS, FOUR OF WHOM WERE ELDERLY AND UNSOPHISTICATED INVESTORS, INCLUDING A MENTALLY INCAPACITATED 91-YEAR-OLD WIDOW UNDER THE CARE OF A GUARDIAN AND AN 82-YEAR-OLD WIDOW WHO WAS BEGINNING TO EXPERIENCE THE EFFECTS OF ALZHEIMER'S DISEASE. THORNBURG



RECOMMENDED SHORT-TERM TRANSACTION TO THE CUSTOMERS WITHOUT HAVING REASONABLE GROUNDS FOR BELIEVING THAT SUCH RECOMMENDATIONS WERE SUITABLE IN VIEW OF THE SIZE AND FREQUENCY OF THE TRANSACTIONS, AND EACH CUSTOMER'S INVESTMENT OBJECTIVES, FINANCIAL SITUATIONS, AND NEEDS. THORNBURG ROUTINELY EXERCISED DISCRETION IN THE ACCOUNTS BY PLACING TRADES WITHOUT CONTACTING THE CUSTOMERS OR CUSTOMERS' GUARDIAN AND ACCOUNTANT RESPONSIBLE FOR SUPERVISING THE FINANCES OR ACTIVITY IN ACCOUNTS. AS A RESULT, THORNBURG EXERCISED DE FACTO CONTROL OVER THE CUSTOMERS' ACCOUNTS. THORNBURG'S ACTIONS CAUSED THESE CUSTOMERS TO INCUR SALES CHARGES OF APPROXIMATELY \$332,231. THE CUSTOMERS' ACCOUNTS HAD CUMULATIVE LOSSES OF APPROXIMATELY \$983,152 IN VALUE. THORNBURG GENERATED GROSS COMMISSIONS OF ABOUT \$301,389, OF WHICH HE RECEIVED A SIGNIFICANT PORTION BASED ON HIS MEMBER FIRM'S PAYOUT STRUCTURE. AT THE TIME SOME OF THE CUSTOMERS OPENED THEIR ACCOUNTS, THORNBURG DIRECTLY INFORMED ONE OF THESE CUSTOMERS AND INFORMED ANOTHER THROUGH THE CUSTOMER'S ACCOUNTANT THAT THEY WOULD NOT PAY COSTS FOR TRADING PRODUCTS SUCH AS UITs AND OTHER SECURITIES. THESE CUSTOMERS PAID SALES CHARGES, COMMISSIONS, FRONT-END LOADS AND OTHER COSTS WHEN THEY BELIEVED THEY WERE NOT PAYING SUCH COSTS. THORNBURG MISLED THE CUSTOMERS BY OMITTING INFORMATION ABOUT THE ACTUAL CHARGES THEY WERE PAYING, WHICH FOR EXAMPLE, WITH UITs WERE INCLUDED IN THE PRODUCTS NET ASSET VALUE, AND BY MISREPRESENTING PRODUCTS AS NO COSTS WHEN IN FACT THEY DID HAVE A CHARGE. NONE OF THESE CUSTOMERS PROVIDED THORNBURG WITH PRIOR WRITTEN DISCRETIONARY AUTHORITY OVER THEIR ACCOUNTS. NONE OF THE ACCOUNTS HAD BEEN ACCEPTED BY THORNBURG'S FIRM AS DISCRETIONARY ACCOUNTS. THORNBURG EXERCISED DISCRETION WITHOUT PROPER WRITTEN OR VERBAL CUSTOMER AUTHORIZATION IN EACH OF THE TRANSACTIONS OCCURRING WITHIN THESE ACCOUNTS. THORNBURG'S PRACTICE WAS TO FILL OUT THE MUTUAL FUND DISCLOSURE FORM HIMSELF WHEN HE WAS CAUSING A CUSTOMER TO PURCHASE OR SWITCH MUTUAL FUNDS. ON SEVERAL MUTUAL FUND DISCLOSURE FORMS REFLECTING SEVERAL DIFFERENT TRANSACTIONS INVOLVING THESE CUSTOMERS, THORNBURG SIGNED THE CUSTOMER'S NAME OR CAUSED THE CUSTOMER'S NAME TO BE SIGNED BY SOMEONE OTHER THAN THE CUSTOMER. THORNBURG DID NOT HAVE AUTHORIZATION TO SIGN THE CUSTOMERS' NAMES OR CAUSE SOMEONE ELSE TO SIGN THE CUSTOMERS' NAMES. THORNBURG PROVIDED FALSE INFORMATION ABOUT THE CUSTOMERS' INCOME, LIQUID NET WORTH, RISK TOLERANCE AND INVESTMENT OBJECTIVES AND HE FORGED OR CAUSED TO BE FORGED THE NAMES OF SEVERAL CUSTOMERS ON



MUTUAL FUND DISCLOSURE FORMS. BY PROVIDING FALSE INFORMATION ABOUT THE CUSTOMERS ON THE FORMS, BY SIGNING THE NAMES OF CUSTOMERS OR CAUSING SOMEONE ELSE TO SIGN THE NAMES OF CUSTOMERS ON THE MUTUAL FUND DISCLOSURE FORMS, AND BY FALSELY REPRESENTING THAT THE CUSTOMERS WERE NOTIFIED OF THE INFORMATION CONTAINED IN THE DISCLOSURE FORMS, THORNBURG CAUSED HIS FIRM TO MAINTAIN INACCURATE BOOKS AND RECORDS.

**Current Status:** Final

**Resolution:** Decision & Order of Offer of Settlement

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

**Resolution Date:** 10/09/2012

**Sanctions Ordered:** Bar (Permanent)

**If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?** No

**(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?**



**(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or**

**(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?**

**Sanction 1 of 1**

<b>Sanction Type:</b>	Bar (Permanent)
<b>Capacities Affected:</b>	ANY CAPACITY
<b>Duration:</b>	N/A
<b>Start Date:</b>	10/09/2012
<b>End Date:</b>	

**Regulator Statement**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THORNBURG CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE HE IS BARRED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY.

**Disclosure 2 of 2**

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Suspension

**Date Initiated:** 06/14/2011

**Docket/Case Number:** 10-03524

**Employing firm when activity occurred which led to the regulatory action:** N/A

**Product Type:** No Product

**Allegations:** THORNBURG FAILED TO COMPLY WITH AN ARBITRATION AWARD OR SETTLEMENT AGREEMENT OR TO SATISFACTORILY RESPOND TO A FINRA REQUEST TO PROVIDE INFORMATION CONCERNING THE STATUS OF COMPLIANCE.

**Current Status:** Final

**Resolution:** LETTER

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

**Resolution Date:** 06/14/2011

**Sanctions Ordered:** Suspension



**If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?**

No

**(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?**

**(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or**



**(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?**

**Sanction 1 of 1**

**Sanction Type:** Suspension  
**Capacities Affected:** ANY CAPACITY  
**Duration:** N/A  
**Start Date:** 06/14/2011  
**End Date:**

**Regulator Statement**

PURSUANT TO ARTICLE VI, SECTION 3 OF FINRA BY-LAWS, AND FINRA RULE 9554, THORNBURG IS SUSPENDED JUNE 14, 2011 FOR FAILURE TO COMPLY WITH AN ARBITRATION AWARD OR SETTLEMENT AGREEMENT OR TO SATISFACTORILY RESPOND TO A FINRA REQUEST TO PROVIDE INFORMATION CONCERNING THE STATUS OF COMPLIANCE





## Customer Dispute - Award/Judgment

This type of disclosure event involves a final, consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the broker that resulted in an arbitration award or civil judgment for the customer.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Employing firm when activities occurred which led to the complaint:</b>	SENTRA SECURITIES CORP., SUNAMERICA SECURITIES, INC., AMERICAN INTERNATIONAL GROUP
<b>Allegations:</b>	CLAIMANT ALLEGED THAT RESPONDENTS MISREPRESENTED FACTS ABOUT FEES, COSTS, AND YIELDS. CLAIMANT FURTHER ALLEGED THAT RESPONDENTS ENGAGED IN UNAUTHORIZED TRADING, OMITTED AND MISREPRESENTED FACTS TO HER REGARDING THE PURCHASE OF BONDS AND FUNDS IN HER ACCOUNT. CLAIMANT MAINTAINED THAT DUE TO RESPONDENTS' ACTIONS, THE ACCOUNT SUFFERED LOSSES.
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	BONDS, FUNDS
<b>Alleged Damages:</b>	\$10,000.00
<b>Arbitration Information</b>	
<b>Arbitration/Reparation Claim filed with and Docket/Case No.:</b>	<a href="#">NASD - CASE #03-03122</a>
<b>Date Notice/Process Served:</b>	04/29/2003
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Award
<b>Disposition Date:</b>	10/22/2003
<b>Disposition Detail:</b>	RESPONDENT IS JOINTLY AND SEVERALLY LIABLE AND SHALL PAY CLAIMANT \$3,000.

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<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	SENTRA SECURITIES CORPORATION
<b>Allegations:</b>	ON 6/5/02 CUSTOMER DEPOSITED \$100,000.00 INTO HER ACCOUNT. ON



6/6/02, THORNBURG PURCHASED TWO MUTUAL FUNDS AND A CORPORATE BOND FOR CUSTOMER. ON 6/20/02 CUSTOMER DEPOSITED \$150,000 INTO HER ACCOUNT. ON 6/24/02 AND 6/26/02 THRONBURG PURCHASED THREE MUTUAL FUNDS FOR CUSTOMER. ON 7/16/02 CUSTOMER EXPRESSED HER CONCERN TO THORNBURG THAT THE LATTER THREE MUTUAL FUND TRADES WERE PURCHASED WITHOUT HER APPROVAL. ON 7/17/02 THORNBURG CONTACTED HIS REGIONAL MANAGER TO REPORT THE PROBLEM. ON 7/22/02, THORNBURG RECEIVED A WRITTEN COMPLAINT FROM CUSTOMER ALLEGING MISREPRESENTATION ON THE 6/6/02 PURCHASES AND UNAUTHORIZED TRADES ON THE 6/24/02 AND 6/26/02 PURCHASES.

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

**Alleged Damages:** \$0.00

### Customer Complaint Information

**Date Complaint Received:** 07/22/2002

**Complaint Pending?** No

**Status:** Arbitration/Reparation

**Status Date:** 04/29/2003

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** [NASD #03-03122](#)

**Date Notice/Process Served:** 04/29/2003

**Arbitration Pending?** No

**Disposition:** Award to Customer

**Disposition Date:** 10/22/2003

**Monetary Compensation Amount:** \$3,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** FIRM DENIED CLAIM-CUSTOMER NOT SATISFIED AND FILED NASD ARBITRATION. ENTIRE AWARD PAID BY FIRM.



## Customer Dispute - Settled

This type of disclosure event involves a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit containing allegations of sale practice violations against the broker that resulted in a monetary settlement to the customer.

### Disclosure 1 of 8

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	WOODBURY FINANCIAL SERVICES, INC.
<b>Allegations:</b>	CLIENT ALLEGES REPRESENTATIVE ENGAGED IN EXCESSIVE TRADING OF UITS IN THE CLIENT'S BROKERAGE ACCOUNT.
<b>Product Type:</b>	Unit Investment Trust
<b>Alleged Damages:</b>	\$50,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	12-04304
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	12/21/2012

### Customer Complaint Information

<b>Date Complaint Received:</b>	01/07/2013
<b>Complaint Pending?</b>	Yes
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	
<b>Firm Statement</b>	AS OF MARCH 27, 2013 THIS ARBITRATION CONTINUES TO BE PENDING FOR WOODBURY FINANCIAL SERVICES, INC.



**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** NEXT FINANCIAL GROUP, INC., WOODBURY FINANCIAL SERVICES, INC.

**Allegations:** FAILURE BY RESPONDENTS TO SUPERVISE THE BROKER, OMISSION OF MATERIAL FACTS, NEGLIGENCE AND BREACH OF CONTRACT.

**Product Type:** Unit Investment Trust

**Alleged Damages:** \$50,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 12-04304

**Filing date of arbitration/CFTC reparation or civil litigation:** 12/21/2012

### Customer Complaint Information

**Date Complaint Received:** 01/07/2013

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 03/06/2013

**Settlement Amount:** \$3,500.00

**Individual Contribution Amount:** \$0.00

### Disclosure 2 of 8

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** IFS SECURITIES, NEXT FINANCIAL, WOODBURY FINANCIAL SVCS, SII INVESTMENTS



**Allegations:** CLIENT ALLEGES INSURANCE TWISTING BETWEEN A VA AND EQUITY INDEXED ANNUITIES AS WELL AS UNSUITABLE INVESTMENT IN REIT. CLIENT ALSO ALLEGES FRAUD WHEN REPRESENTATIVE INDUCED CLIENT TO INVEST 5000 IN FICTITIOUS SECURITY.

**Product Type:** Annuity-Fixed  
Annuity-Variable  
Real Estate Security

**Alleged Damages:** \$500,000.00

**Alleged Damages Amount Explanation (if amount not exact):** STATEMENT OF CLAIM STATES DAMAGES TO BE IN EXCESS OF \$500,000.

### Arbitration Information

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA

**Docket/Case #:** 12-04023

**Date Notice/Process Served:** 12/10/2012

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 03/25/2013

**Monetary Compensation Amount:** \$10,000.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** NEXT FINANCIAL GROUP, INC., INTERNATIONAL FINANCIAL SOLUTIONS, INC., WOODBURY FINANCIAL SERVICES, INC., SII INVESTMENTS, INC.

**Allegations:** CUSTOMER ALLEGES INSURANCE TWISTING AND UNSUITABLE RECOMMENDATION TO INVEST IN REIT

**Product Type:** Annuity-Variable  
Real Estate Security

**Alleged Damages:** \$500,000.00



**Alleged Damages Amount Explanation (if amount not exact):** STATE OF CLAIM STATES DAMAGES TO BE IN EXCESS OF \$500,000.

### Arbitration Information

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA

**Docket/Case #:** 12-04023

**Date Notice/Process Served:** 12/11/2012

**Arbitration Pending?** Yes

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**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** IFS SECURITIES, NEXT FINANCIAL GROUP, INC. SII INVESTMENTS, INC., WOODBURY FINANCIAL SERVICES, INC.

**Allegations:** CLIENT ALLEGES THAT A VARIABLE ANNUITY AND REIT PURCHASED WHILE THE REPRESENTATIVE WAS REGISTERED WITH A PREVIOUS BROKER/DEALER WERE UNSUITABLE.

**Product Type:** Annuity-Variable  
Real Estate Security

**Alleged Damages:** \$500,000.00

**Alleged Damages Amount Explanation (if amount not exact):** STATEMENT OF CLAIM STATES DAMAGES TO BE IN EXCESS OF \$500,000.00.

### Arbitration Information

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA

**Docket/Case #:** 12-04023

**Date Notice/Process Served:** 12/10/2012

**Arbitration Pending?** Yes

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### Disclosure 3 of 8

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	NEXT FINANCIAL GROUP, INC.
<b>Allegations:</b>	CUSTOMER ALLEGES THE REPRESENTATIVE TRADED EXCESSIVELY IN UNSUITABLE PRODUCTS FOR HER ACCOUNTS, MISREPRESENTED FEES AND COMMISSIONS THAT WOULD BE CHARGED, FAILED TO DISCLOSE MATERIAL INFORMATION RELATED TO INVESTMENTS, AND BREACHED HIS FIDUCIARY DUTY. CUSTOMER IS SEEKING DAMAGES IN THE AMOUNT OF \$945,030 PLUS UNSPECIFIED PUNITIVE DAMAGES, INTEREST, COSTS, AND ATTORNEY FEES.
<b>Product Type:</b>	Annuity-Variable Debt-Corporate Equity Listed (Common & Preferred Stock) Mutual Fund Real Estate Security Unit Investment Trust
<b>Alleged Damages:</b>	\$945,030.00
<b>Arbitration Information</b>	
<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	11-03339
<b>Date Notice/Process Served:</b>	09/19/2011
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	02/11/2013
<b>Monetary Compensation Amount:</b>	\$330,000.00
<b>Individual Contribution Amount:</b>	\$0.00

### Disclosure 4 of 8

**Reporting Source:** Firm



**Employing firm when activities occurred which led to the complaint:** NEXT FINANCIAL GROUP, INC.

**Allegations:** FROM 2008 TO 2009, CUSTOMER ALLEGES UNSUITABLE RECOMMENDATIONS IN LIGHT OF INVESTMENT OBJECTIVES, EXPERIENCE AND INCOME NEEDS.

**Product Type:** Debt-Corporate  
Real Estate Security  
Unit Investment Trust

**Alleged Damages:** \$500,000.00

**Alleged Damages Amount Explanation (if amount not exact):** ACTUAL AMOUNT TO BE DETERMINED AT ARBITRATION.

**Is this an oral complaint?** No

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 11-01451

**Filing date of arbitration/CFTC reparation or civil litigation:** 04/07/2011

### Customer Complaint Information

**Date Complaint Received:** 04/26/2011

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 01/24/2012

**Settlement Amount:** \$222,000.00

**Individual Contribution Amount:** \$5,000.00





**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** NEXT FINANCIAL GROUP, INC

**Allegations:** CUSTOMER ALLEGES CHURNING AND UNAUTHORIZED TRADING IN HER ACCOUNT, IN ADDITION TO MAKING UNSUITABLE RECOMMENDATIONS

**Product Type:** Unit Investment Trust

**Alleged Damages:** \$25,000.00

**Alleged Damages Amount Explanation (if amount not exact):** CUSTOMER'S ATTORNEY ESTIMATES DAMAGES EXCEED \$25,000.00 BUT ARE LESS THAN \$50,000.00

### Arbitration Information

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA

**Docket/Case #:** 10-05394

**Date Notice/Process Served:** 01/18/2011

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 08/12/2011

**Monetary Compensation Amount:** \$18,500.00

**Individual Contribution Amount:** \$0.00

### Disclosure 6 of 8

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** NEXT FINANCIAL GROUP INC

**Allegations:** ATTORNEY ON BEHALF OF CLIENT ALLEGES THE REPRESENTATIVE CHURNED AND ENGAGED IN UNAUTHROZIED TRADING IN HER 3 BROKERAGE ACCOUNTS BETWEEN JUNE 2009 AND JANUARY 2010



**Product Type:** Unit Investment Trust  
**Alleged Damages:** \$37,043.47  
**Is this an oral complaint?** No  
**Is this a written complaint?** Yes  
**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 10/26/2010  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 12/21/2010  
**Settlement Amount:** \$17,500.00  
**Individual Contribution Amount:** \$0.00

**Firm Statement** THE FIRM DID NOT RECEIVE THE ORIGINAL COMPLAINT AND DID NOT PARTICIPATE IN ITS RESOLUTION OR SETTLEMENT. ALL UPDATES TO WEBCRD WERE BASED ON OTHER FIRM REPORTING.

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**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** WOODBURY FINANCIAL SERVICES, INC

**Allegations:** ATTORNEY ON BEHALF OF CLIENT ALLEGES THE REPRESENTATIVE CHURNED AND ENGAGED IN UNAUTHORIZED TRADING IN HER 3 BROKERAGE ACCOUNTS BETWEEN JANUARY AND JUNE 2010.

**Product Type:** Other: UNIT INVESTMENT TRUST AND BROKERAGE ACCOUNT  
**Alleged Damages:** \$35,277.42  
**Is this an oral complaint?** No  
**Is this a written complaint?** Yes  
**Is this an arbitration/CFTC reparation or civil litigation?** No



## Customer Complaint Information

**Date Complaint Received:** 10/27/2010  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 12/21/2010  
**Settlement Amount:** \$17,500.00  
**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** WOODBURY FINANCIAL SERVICES, INC.

**Allegations:** ATTORNEY ON BEHALF OF CLIENT ALLEGES THE REPRESENTATIVE CHURNED AND ENGAGED IN UNAUTHORIZED TRADING IN HER 3 BROKERAGE ACCOUNTS BETWEEN JANUARY AND JUNE 2010.

**Product Type:** Unit Investment Trust  
 Other: BROKERAGE ACCOUNTS

**Alleged Damages:** \$35,277.42

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** No

## Customer Complaint Information

**Date Complaint Received:** 10/27/2010  
**Complaint Pending?** Yes  
**Settlement Amount:**  
**Individual Contribution Amount:**

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**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** NEXT FINANCIAL GROUP INC

**Allegations:** PERSONAL REPRESENTATIVE OF CUSTOMERS' ESTATE ALLEGES NEXT REPRESENTATIVE EXCESSIVELY TRADED ACCOUNT, RECOMMENDED UNSITABLE INVESTMENTS, AND MISREPRESENTED INVESTMENTS

**Product Type:** Debt-Corporate  
Equity Listed (Common & Preferred Stock)  
Mutual Fund  
Unit Investment Trust

**Alleged Damages:** \$145,000.00

**Alleged Damages Amount Explanation (if amount not exact):** STATEMENT OF CLAIM STATES "IN EXCESS OF \$146,000 OUT OF POCKET."

**Arbitration Information**

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA

**Docket/Case #:** 10-03289

**Date Notice/Process Served:** 08/02/2010

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 06/01/2011

**Monetary Compensation Amount:** \$95,000.00

**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** NEXT FINANCIAL GROUP, INC.

**Allegations:** ALLEGATIONS AGAINST CLYDE THORNBURG ARE BREACH OF FIDUCIARY



DUTY, EXCESSIVE AND FRAUDULENT TRADING, UNSUITABLE RECOMMENDATIONS, MISREPRESENTATION AND NEGLIGENT INVESTMENT ADVICE FOR ACCOUNT "LUTHERAN SERVICES FLORIDA INC GUARDIAN FOR [CUSTOMER]", ACCOUNT #[ACCT NUMBER]. ALLEGATIONS AGAINST NEXT FINANCIAL ARE FAILURE TO ADEQUATELY SUPERVISE MR. THORNBURG.

**Product Type:** Equity Listed (Common & Preferred Stock)  
Mutual Fund  
Unit Investment Trust

**Alleged Damages:** \$146,000.00

**Alleged Damages Amount Explanation (if amount not exact):** INITIAL ESTIMATE OF OUT-OF-POCKET LOSSES.

### Arbitration Information

**Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):** FINRA

**Docket/Case #:** 10-

**Date Notice/Process Served:** 08/02/2010

**Arbitration Pending?** Yes

**Broker Statement** CLIENT HAD LEHMAN BROTHERS BOND THAT THEY HELD WHEN THE COMPANY BANKRUPTED. LOSSES WERE MAINLY DUE TO THIS ACTION AND CLIENT SOLD AGAINST MY ADVICE.

### Disclosure 8 of 8

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** NEXT FINANCIAL GROUP INC

**Allegations:** FROM SEPT 2007 TO FEB 2009, CLIENT ALLEGES THE REPRESENTATIVE PURPOSELY TRADED SECURITIES EXCESSIVELY TO GENRATE COMMISSIONS; GAVE UNSUITABLE INVESTMENT ADVICE

**Product Type:** Debt-Corporate  
Equity Listed (Common & Preferred Stock)  
Mutual Fund

**Alleged Damages:** \$190,352.10



**Is this an oral complaint?** No  
**Is this a written complaint?** No  
**Is this an arbitration/CFTC reparation or civil litigation?** Yes  
**Arbitration/Reparation forum or court name and location:** FINRA  
**Docket/Case #:** 10-01053  
**Filing date of arbitration/CFTC reparation or civil litigation:** 02/28/2010

### Customer Complaint Information

**Date Complaint Received:** 03/31/2010  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 04/15/2011  
**Settlement Amount:** \$128,000.00  
**Individual Contribution Amount:** \$0.00

**Reporting Source:** Broker  
**Employing firm when activities occurred which led to the complaint:** NEXT FINANCIAL GROUP, INC

**Allegations:** FROM SEPT 2007 TO FEB 2009, CLIENT ALLEGES THE REPRESENTATIVE PURPOSELY TRADED SECURITIES EXCESSIVELY TO GENERATE COMMISSIONS; GAVE UNSUITABLE INVESTMENT ADVICE.

**Product Type:** Other: EQUITY LISTED DEBT - CORPORATE AND MUTUAL FUND

**Alleged Damages:** \$190,352.10

**Is this an oral complaint?** No

**Is this a written complaint?** Yes



**Is this an arbitration/CFTC  
reparation or civil litigation?** Yes

**Arbitration/Reparation forum  
or court name and location:** FINRA

**Docket/Case #:** 10-01053

**Filing date of  
arbitration/CFTC reparation  
or civil litigation:** 02/28/2010

**Customer Complaint Information**

**Date Complaint Received:** 03/31/2010

**Complaint Pending?** Yes

**Settlement Amount:**

**Individual Contribution  
Amount:**



### Customer Dispute - Closed-No Action/Withdrawn/Dismissed/Denied

This type of disclosure event involves (1) a consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the individual broker that was dismissed, withdrawn, or denied; or (2) a consumer-initiated, investment-related written complaint containing allegations that the broker engaged in sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities, which was closed without action, withdrawn, or denied.

#### Disclosure 1 of 3

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** NEXT FINANCIAL GROUP INC

**Allegations:** UNSUITABLE RECOMMENDATION INVOLVING A REIT 9/4/2007-12/4/2007

**Product Type:** Other

**Other Product Type(s):** REIT

**Alleged Damages:** \$35,000.00

#### Customer Complaint Information

**Date Complaint Received:** 12/04/2007

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 01/03/2008

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement** CLIENT PURCHASED REIT WITH FULL KNOWLEDGE OF PRODUCT, SIGNED DISCLOSURE FORM AND APPLICATION AND INITIALED THE APPLICATION ABOUT LIQUIDITY. COMPLIANT WAS DENIED.

#### Disclosure 2 of 3

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** PRUCO SECURITIES

**Allegations:** REGARDING THE 1991 PURCHASE OF A VARIABLE APPRECIABLE LIFE





INSURANCE POLICY, THE CLIENT ALLEGED MISREPRESENTATION CONCERNING THE ABBREVIATED PAYMENT PLAN. THIS MATTER IS BEING REPORTED BECAUSE THE COMPLAINANT HAS ALLEGED NO DOLLAR AMOUNT AND THE FIRM HAS NOT MADE A GOOD FAITH DETERMINATION THAT THE DAMAGES FROM THE ALLEGED CONDUCT WOULD BE LESS THAN \$5,000.

**Product Type:** Insurance

**Alleged Damages:**

### Customer Complaint Information

**Date Complaint Received:** 07/06/2006

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 07/10/2006

**Settlement Amount:**

**Individual Contribution Amount:**

**Firm Statement**

THIS CONCERNS A POLICY INCLUDED IN THE CLASS OF POLICIES THAT WAS THE SUBJECT OF A NATIONWIDE CLASS ACTION SETTLEMENT IN WHICH PRUDENTIAL, ITS INSURANCE AFFILIATES AND PERSONNEL WERE RELEASED CONCERNING LIFE INSURANCE SALES PRACTICES. THE CLASS ACTION SETTLEMENT REMEDIATION PROCESSES FOR ADDRESSING CLAIMS FOR POLICIES INCLUDED IN THE CLASS HAVE CONCLUDED. BECAUSE THE COMPANY AND THE REPRESENTATIVE(S) WERE RELEASED FROM ANY FURTHER LIABILITY OR OBLIGATION WITH RESPECT TO CLAIMS LIKE THOSE MADE BY THE POLICYHOLDER, THE COMPANY IS NOT REVIEWING THIS INQUIRY AND IS MAKING NO FINDING OR FURTHER FILING REGARDING THIS INQUIRY.

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** PRUCO SECURITIES

**Allegations:** REGARDING THE 1991 PURCHASE OF A VARIABLE APPRECIABLE LIFE INSURANCE POLICY, THE CLIENT ALLEGED MISREPRESENTATION CONCERNING THE ABBREVIATED PAYMENT PLAN. THIS MATTER IS BEING REPORTED BECAUSE OF THE COMPLAINANT HAS ALLEGED NO DOLLAR



AMOUNT AND THE FIRM HAS NOT MADE A GOOD FAITH DETERMINATION THAT THE DAMAGES FROM THE ALLEGED CONDUCT WOULD BE LESS THAN \$5K

**Product Type:** Insurance

**Alleged Damages:**

### Customer Complaint Information

**Date Complaint Received:** 07/06/2006

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 07/10/2006

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement**

THIS CONCERNS A POLICY INCLUDED IN THE CLASS OF POLICIES THAT WAS THE SUBJECT OF A NATIONWIDE CLASS ACTION SETTLEMENT IN WHICH PRUDENTIAL, ITS INSURANCE AFFILIATES AND PERSONNEL WERE RELEASED CONCERNING LIFE INSURANCE CLASS PRACTICES. THE CLASS ACTION SETTLEMENT REMEDIATION PROCESSES FOR ADDRESSING CLAIMS FOR POLICIES INCLUDED IN THE CLASS HAVE CONCLUDED. BECAUSE THE COMPANY AND THE REPRESENTATIVE(S) WERE RELEASED FROM ANY FURTHER LIABILITY OR OBLIGATION WITH RESPECT TO CLAIMS LIKE THOSE MADE BY THE POLICYHOLDER, THE COMPANY IS NOT REVIEWING THIS INQUIRY AND IS MAKING NO FINDING OR FURTHER FILING REGARDING THIS INQUIRY.\*\*\*[CUSTOMER]WAS NEVER A CLIENT OF MINE. I WAS A GENERAL MANAGER (NON PRODUCING REPRESENTATIVE) FOR PRUDENTIAL AT THAT TIME AND MAY HAVE SUPERVISED THE INDIVIDUAL WHO WROTE A POLICY FOR THIS CLIENT.

### Disclosure 3 of 3

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** PRUCO SECURITIES

**Allegations:** REGARDING A 1992 POLICY, THE CLIENT ALLEGES WHEN THE SERVICING AGENT TOOK OVER, HE STARTED MAKING CHANGES AND HE ALSO USE A



SMALL LIFE INSURANCE POLICY AND CASH IT IN WITHOUT HER AUTHORIZATION. THIS IS BEING REPORTED BECAUSE THE COMPLAINT HAS ALLEGED NO DOLLAR AMOUNT AND THE FIRM HAS NOT MADE A GOOD FAITH DETERMINATION THAT THE DAMAGES FROM THE ALLEGED CONDUCT WOULD BE LESS THAN \$5,000.

**Product Type:** Insurance

**Other Product Type(s):** VAL

**Alleged Damages:**

### Customer Complaint Information

**Date Complaint Received:** 05/04/2005

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 05/18/2005

**Settlement Amount:**

**Individual Contribution Amount:**

### Firm Statement

THIS CONCERNS A POLICY INCLUDED IN THE CLASS OF POLICIES THAT WAS THE SUBJECT OF A NATIONWIDE CLASS ACTION SETTLEMENT IN WHICH PRUDENTIAL, ITS INSURANCE AFFILIATES AND PERSONNEL WERE RELEASED CONCERNING LIFE INSURANCE SALES PRACTICES. THE CLASS ACTION SETTLEMENT REMEDIATION PROCESSES FOR ADDRESSING CLAIMS FOR POLICIES INCLUDED IN THE CLASS HAVE CONCLUDED. BECAUSE THE COMPANY AND THE REPRESENTATIVE(S) WERE RELEASED FROM ANY FURTHER LIABILITY OR OBLIGATION WITH RESPECT TO CLAIMS LIKE THOSE MADE BY THE POLICYHOLDER, THE COMPANY IS NOT REVIEWING THIS INQUIRY AND IS MAKING NO FINDING OR FURTHER FILING REGARDING THIS INQUIRY.

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** PRUCO SECURITIES

**Allegations:** REGARDING A 1992 POLICY, THE CLIENT ALLEGES WHEN THE SERVICING AGENT TOOK OVER, HE STATRED MAKING CHANGES AND HE ALSO USED A SMALL LIFE INSURANCE POLICY AND CASHED IT IN WITHOUT HER AUTHORIZATION. THIS IS BEING REPORTED BECAUSE THE COMPLAINT



HAS ALLEGED NO DOLLAR AMOUNT AND THE FIRM HAS NOT MADE A GOOD FAITH DETERMINATION THAT THE DAMAGES FROM THE ALLEGED CONDUCT WOULD BE LESS THAN \$5,000.

**Product Type:** Insurance

**Other Product Type(s):** VAL

**Alleged Damages:**

### **Customer Complaint Information**

**Date Complaint Received:** 05/23/2005

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 05/18/2005

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement**

THIS CONCERNS A POLICY INCLUDED IN THE CLASS OF POLICIES THAT WAS THE SUBJECT OF A NATIONWIDE CLASS ACTION SETTLEMENT IN WHICH PRUDENTIAL, ITS INSURANCE AFFILIATES AND PERSONNEL WERE RELEASED CONCERNING LIFE INSURANCE SALES PRACTICES. THE CLASS ACTION SETTLEMENT REMEDIATION PROCESSES FOR ADDRESSING CLAIMS FOR POLICIES INCLUDED IN THE CLASS HAVE CONCLUDED. BECAUSE THE COMPANY AND THE REPRESENTATIVE(S) WERE RELEASED FROM ANY FURTHER LIABILITY OR OBLIGATION WITH RESPECT TO CLAIMS LIKE THOSE MADE BY THE POLICYHOLDER, THE COMPANY IS NOT REVIEWING THIS INQUIRY AND IS MAKING NO FINDING OR FURTHER FILING REGARDING THIS INQUIRY.



## Employment Separation After Allegations

This type of disclosure event involves a situation where the broker voluntarily resigned, was discharged, or was permitted to resign after being accused of (1) violating investment-related statutes, regulations, rules or industry standards of conduct; (2) fraud or the wrongful taking of property; or (3) failure to supervise in connection with investment-related statutes, regulations, rules, or industry standards of conduct.

### Disclosure 1 of 1

**Reporting Source:** Firm

**Employer Name:** WOODBURY FINANCIAL SERVICES, INC

**Termination Type:** Discharged

**Termination Date:** 06/25/2010

**Allegations:** REGISTERED REPRESENTATIVE WAS DISCHARGED BECAUSE HE FAILED TO FOLLOW FIRM'S DIRECTION WITH RESPECT TO UIT TRADING ACTIVITY

**Product Type:** Mutual Fund  
Unit Investment Trust

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**Reporting Source:** Broker

**Employer Name:** WOODBURY FINANCIAL SERVICES, INC.

**Termination Type:** Discharged

**Termination Date:** 06/25/2010

**Allegations:** REGISTERED REPRESENTATIVE WAS DISCHARGED BECAUSE HE FAILED TO FOLLOW FIRM'S DIRECTION WITH RESPECT TO UIT TRADING ACTIVITY.

**Product Type:** Mutual Fund  
Unit Investment Trust

**Broker Statement** WOODBURY BELIEVES UIT'S ARE BUY AND HOLD VEHICLES. I HAVE ALWAYS BEEN TOLD THEY WERE NOT TO BE SHORT TRADED BUT AS THEY ARE 2 YEAR PRODUCTS, IT MAY BE IN A CLIENT'S BEST INTEREST TO CHANGE FROM INVESTMENT IF NECESSARY.

## End of Report



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