

## BrokerCheck Report

# STATE FARM VP MANAGEMENT CORP.

CRD# 43036

<b><u>Section Title</u></b>	<b><u>Page(s)</u></b>
Report Summary	1
Firm Profile	2 - 7
Firm History	8
Firm Operations	9 - 16
Disclosure Events	17



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.

- 

**Thank you for using FINRA BrokerCheck.**



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

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



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

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



## STATE FARM VP MANAGEMENT CORP.

CRD# 43036

SEC# 8-50128

### Main Office Location

ONE STATE FARM PLAZA  
BLOOMINGTON, IL 61710-0001  
Regulated by FINRA Chicago Office

### Mailing Address

ONE STATE FARM PLAZA  
BLOOMINGTON, IL 61710-0001

### Business Telephone Number

800-447-4930

## 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 11/27/1996.

Its fiscal year ends in December.

### Firm History

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

### Firm Operations

**This firm is registered with:**

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

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

This firm conducts 4 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

### Disclosure Events

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

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

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

Type	Count
Regulatory Event	6



## Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 11/27/1996.

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.

### **STATE FARM VP MANAGEMENT CORP.**

**Doing business as STATE FARM VP MANAGEMENT CORP.**

**CRD#** 43036

**SEC#** 8-50128

### **Main Office Location**

ONE STATE FARM PLAZA  
BLOOMINGTON, IL 61710-0001

**Regulated by FINRA Chicago Office**

### **Mailing Address**

ONE STATE FARM PLAZA  
BLOOMINGTON, IL 61710-0001

### **Business Telephone Number**

800-447-4930



## Firm Profile

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

### Direct Owners and Executive Officers

**Legal Name & CRD# (if any):** STATE FARM INVESTMENT MANAGEMENT  
3487

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

**Position** SHAREHOLDER

**Position Start Date** 01/2006

**Percentage of Ownership** 75% or more

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

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

**Legal Name & CRD# (if any):** HARBERT, RANDALL HOUSTON  
2992788

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

**Position** SR. VICE PRESIDENT AND DIRECTOR

**Position Start Date** 12/2011

**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):** HINTZ, SCOTT ALEXANDER  
2004555

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

**Position** VICE PRESIDENT - FINANCIAL AND SECRETARY



## Firm Profile

### Direct Owners and Executive Officers (continued)

**Position Start Date** 12/2018

**Percentage of Ownership** Less than 5%

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

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

**Legal Name & CRD# (if any):** LUDWIG, TERRENCE MICHAEL  
3231040

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

**Position** CHIEF COMPLIANCE OFFICER AND TREASURER, ANTI-MONEY LAUNDERING AND OFFICE OF FOREIGN ASSETS CONTROL COMPLIANCE OFFICER

**Position Start Date** 02/2016

**Percentage of Ownership** Less than 5%

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

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

**Legal Name & CRD# (if any):** MINEAU, SARAH  
4634160

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

**Position** VICE PRESIDENT AND DIRECTOR

**Position Start Date** 03/2021

**Percentage of Ownership** Less than 5%

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

## Firm Profile



### Direct Owners and Executive Officers (continued)

Is this a public reporting company? No

---

**Legal Name & CRD# (if any):** MONK, JOSEPH RILEY JR  
1357149

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

**Position** SR. VICE PRESIDENT AND DIRECTOR

**Position Start Date** 07/2010

**Percentage of Ownership** Less than 5%

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

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

---

**Legal Name & CRD# (if any):** MOORE, DAVID MICHAEL  
2876793

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

**Position** ASSISTANT SECRETARY & COUNSEL

**Position Start Date** 04/2009

**Percentage of Ownership** Less than 5%

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

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

---

**Legal Name & CRD# (if any):** SMITH, PAUL JOSEPH  
4971235

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

**Position** SR. VICE PRESIDENT AND DIRECTOR

**Firm Profile****Direct Owners and Executive Officers (continued)**

<b>Position Start Date</b>	12/2011
<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

---

<b>Legal Name &amp; CRD# (if any):</b>	TIPSORD, MICHAEL LEON 1943922
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	PRESIDENT AND DIRECTOR
<b>Position Start Date</b>	04/2015
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

---





## 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>	STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Company through which indirect ownership is established</b>	STATE FARM INVESTEMENT MANAGEMENT CORP.
<b>Relationship to Direct Owner</b>	SHAREHOLDER
<b>Relationship Established</b>	09/1995
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

---

## Firm History

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

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 currently registered with the SEC, 1 SRO and 51 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	11/19/1997

### SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

A government securities broker or dealer only: No

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

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	11/19/1997



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	01/26/2001
Alaska	Approved	01/03/2001
Arizona	Approved	08/21/1998
Arkansas	Approved	06/24/2003
California	Approved	12/27/2000
Colorado	Approved	12/13/2000
Connecticut	Approved	01/08/2001
Delaware	Approved	01/11/2001
District of Columbia	Approved	05/10/1997
Florida	Approved	12/15/2000
Georgia	Approved	12/11/2000
Hawaii	Approved	02/28/2001
Idaho	Approved	01/01/2001
Illinois	Approved	01/25/2001
Indiana	Approved	03/12/2001
Iowa	Approved	03/04/1999
Kansas	Approved	01/02/2001
Kentucky	Approved	01/23/2001
Louisiana	Approved	01/02/2001
Maine	Approved	01/11/2001
Maryland	Approved	01/24/2001
Massachusetts	Approved	03/20/2001
Michigan	Approved	02/05/2001
Minnesota	Approved	09/02/1998
Mississippi	Approved	01/30/2001
Missouri	Approved	01/02/2001
Montana	Approved	11/20/1997
Nebraska	Limited	01/01/2001
Nevada	Approved	04/22/1998
New Hampshire	Limited	02/15/2001
New Jersey	Approved	02/09/2001
New Mexico	Approved	02/06/2001
New York	Approved	02/27/2001

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	11/09/2000
North Dakota	Approved	11/18/1998
Ohio	Approved	01/26/2001
Oklahoma	Approved	01/01/2001
Oregon	Approved	01/19/2001
Pennsylvania	Approved	02/08/2001
Rhode Island	Approved	03/06/2001
South Carolina	Approved	02/01/2001
South Dakota	Approved	11/26/1997
Tennessee	Approved	02/07/2001
Texas	Limited	02/27/2001
Utah	Approved	03/04/1999
Vermont	Approved	10/20/1998
Virginia	Approved	11/15/2000
Washington	Approved	01/29/1998
West Virginia	Approved	12/01/2000
Wisconsin	Approved	02/26/2001
Wyoming	Approved	09/04/1998

## 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 4 types of businesses.**

#### Types of Business

Mutual fund underwriter or sponsor

Mutual fund retailer

Municipal securities broker

Broker or dealer selling variable life insurance or annuities

## 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:** RBC CAPITAL MARKETS, LLC

**CRD #:** 31194

**Business Address:** 3 WORLD FINANCIAL CENTER  
200 VESEY ST.  
NEW YORK, NY 10281

**Effective Date:** 08/24/2018

**Description:** STATE FARM VP MANAGEMENT CORP. WILL BE AN INTRODUCING  
BROKER-DEALER FOR RBC CORRESPONDENT SERVICES, A DIVISION  
OF RBC CAPITAL MARKETS, LLC, A FULLY-DISCLOSED CLEARING FIRM.

---

## Firm Operations

### Industry Arrangements



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

<b>Name:</b>	SMARSH, INC.
<b>Business Address:</b>	851 SW 6TH AVE SUITE 800 PORTLAND, OR 97204
<b>Effective Date:</b>	03/01/2022
<b>Description:</b>	AGREED TO MAINTAIN AND PRESERVE RECORDS REQUIRED OF THE APPLICANT UNDER THE SECURITIES AND EXCHANGE ACT OF 1934 (ELECTRONIC COMMUNICATIONS)
<b>Name:</b>	UNION BANK & TRUST
<b>Business Address:</b>	3606 S. 48TH STREET P.O. BOX 82535 LINCOLN, NE 68501
<b>Effective Date:</b>	12/07/2020
<b>Description:</b>	UNION BANK & TRUST IS THE ACCOUNT MANAGER OF THE STATE FARM 529 SAVINGS PLAN AND THE RECORD KEEPER OF ACCOUNT INFORMATION.
<b>Name:</b>	JACKSON NATIONAL LIFE INSURANCE COMPANY
<b>Business Address:</b>	1 CORPORATE WAY LANSING, MI 48951
<b>Effective Date:</b>	02/03/2020
<b>Description:</b>	STATE FARM VP MANAGEMENT CORP. AND ITS AFFILIATED INSURANCE AGENCY, INSURANCE PLACEMENT SERVICES, INC., MARKET AND SERVICE VARIABLE ANNUITIES AND FIXED INDEX ANNUITIES PURSUANT TO SELLING AGREEMENTS WITH JACKSON NATIONAL LIFE INSURANCE COMPANY AND JACKSON NATIONAL LIFE INSURANCE COMPANY OF NEW YORK, AND THEIR AFFILIATED DISTRIBUTOR JACKSON NATIONAL LIFE DISTRIBUTORS, LLC.
<b>Name:</b>	STATE FARM LIFE INSURANCE COMPANY
<b>Business Address:</b>	ONE STATE FARM PLAZA BLOOMINGTON, IL 61710-0001
<b>Effective Date:</b>	02/01/1998
<b>Description:</b>	STATE FARM VP MANAGEMENT CORP. HAS ENTERED INTO AN

## Firm Operations



### Industry Arrangements (continued)

AGREEMENT WITH A CONTROL AFFILIATE, STATE FARM LIFE INSURANCE COMPANY ("LIFE COMPANY"), PURSUANT TO WHICH LIFE COMPANY HAS AGREED TO MAINTAIN AND PRESERVE RECORDS REQUIRED OF THE APPLICANT UNDER THE SECURITIES AND EXCHANGE ACT OF 1934.

---

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

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

**Name:** RBC CAPITAL MARKETS, LLC

**CRD #:** 31194

**Business Address:** 3 WORLD FINANCIAL CENTER  
200 VESEY ST.  
NEW YORK, NY 10281

**Effective Date:** 08/24/2018

**Description:** RBC CORRESPONDENT SERVICES, A DIVISION OF RBC CAPITAL MARKETS LLC WILL SERVE AS THE FULLY-DISCLOSED CLEARING FIRM FOR STATE FARM VP MANAGEMENT CORP AND WILL HOLD AND MAINTAIN CUSTOMER ACCOUNTS, FUNDS, AND SECURITIES.

---

### 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.

**STATE FARM LIFE AND ACCIDENT ASSURANCE COMPANY is under common control with the firm.**

<b>Business Address:</b>	ONE STATE FARM PLAZA BLOOMINGTON, IL 61710
<b>Effective Date:</b>	09/01/1998
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	APPLICANT IS A WHOLLY-OWNED SUBSIDIARY OF STATE FARM INVESTMENT MANAGEMENT CORP. BOTH STATE FARM LIFE AND ACCIDENT ASSURANCE COMPANY AND STATE FARM INVESTMENT MANAGMENT CORP. ARE WHOLLY-OWNED SUBSIDIARIES OF STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY.

---

**STATE FARM LIFE INSURANCE COMPANY is under common control with the firm.**

<b>Business Address:</b>	ONE STATE FARM PLAZA BLOOMINGTON, IL 61710
<b>Effective Date:</b>	02/01/1998
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	APPLICANT IS A WHOLLY-OWNED SUBSIDIARY OF STATE FARM INVESTMENT MANAGEMENT CORP. BOTH STATE FARM LIFE INSURANCE

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

COMPANY AND STATE FARM INVESTMENT MANAGEMENT CORP. ARE WHOLLY-OWNED SUBSIDIARIES OF STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY.

**STATE FARM INVESTMENT MANAGEMENT CORP. controls the firm.**

**CRD #:** 3487

**Business Address:** ONE STATE FARM PLAZA, D-3  
BLOOMINGTON, IL 61710-0001

**Effective Date:** 11/27/1996

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** APPLICANT IS A WHOLLY-OWNED SUBSIDIARY OF STATE FARM INVESTMENT MANAGEMENT CORP. STATE FARM INVESTMENT MANAGEMENT CORP IS A WHOLLY-OWNED SUBSIDIARY OF STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY.

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

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



## Disclosure Events

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

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	1	5	0

## 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 5

**Reporting Source:** Regulator

**Current Status:** Final



**Allegations:** STATE FARM VP MANAGEMENT CORP. FAILED TO REASONABLY SUPERVISE ONE AGENT WHO OFFERED AND SOLD UNREGISTERED SECURITIES IN PA IN VIOLATION OF THE PA SECURITIES ACT OF 1972.

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

**Date Initiated:** 01/08/2013

**Docket/Case Number:** 2012-09-12 (130006)

**URL for Regulatory Action:**

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

**Resolution:** Settled

**Resolution Date:** 01/08/2013

**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:** Monetary/Fine \$75,000.00

**Other Sanctions Ordered:**

**Sanction Details:** STATE FARM VP MANAGEMENT CORP. IS ORDERED TO PAY, WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS ORDER, AN ADMINISTRATIVE ASSESSMENT IN THE AMOUNT OF \$75,000.00 AND INVESTIGATIVE AND LEGAL COSTS IN THE AMOUNT OF \$10,000.00.

**Regulator Statement** CONSENT AGREEMENT AND ORDER ISSUED TO STATE FARM VP MANAGEMENT CORP.

---

**Reporting Source:** Firm

**Current Status:** Final

**Appealed To and Date Appeal Filed:** N/A



**Allegations:** SFVPMC FAILED TO ADEQUATELY SUPERVISE IT'S REGISTERED REPRESENTATIVE, ANDREW PICCUTA. MR. PICCUTA OWNED AN OFFICE BUILDING AND RENTED PART OF THE BUILDING TO HLI.INC. MR. PICCUTA DID NOT REPORT THIS OBA TO THE FIRM. MR. PICCUTA INVESTED IN HLI INC. WITHOUT REPORTING HIS INVESTMENT TO THE FIRM AS A PRIVATE SECURITIES TRANSACTION. MR. PICCUTA WAS ALSO ACTIVELY INVOLVED IN THE PROMOTION AND DEVELOPMENT OF HLI. INC.

**Initiated By:** COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES

**Date Initiated:** 03/26/2012

**Docket/Case Number:** 2012-09-12

**Principal Product Type:** Other

**Other Product Type(s):** NO SPECIFIC PRODUCT - FAILURE TO SUPERVISE

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

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

**Resolution:** Consent

**Resolution Date:** 01/09/2013

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

**Other Sanctions Ordered:** \$10,000.00 IN LEGAL COSTS

**Sanction Details:** N/A

**Firm Statement** A CONSENT AGREEMENT AND ORDER WAS FINALIZED ON JANUARY 9, 2013. AS PART OF THE ORDER, SFVPMC AGREED TO PAY AN ASSESSMENT OF \$75,000.00 AND AN ADDITIONAL \$10,000.00 IN LEGAL COSTS. THE ASSESSMENT WAS BASED ON A FINDING THAT SFVPMC FAILED TO SUPERVISE IT'S REGISTERED REPRESENTATIVE, ANDREW PICCUTA. MR. PICCUTA PARTICIPATED IN AN OBA AND A PRIVATE SECURITIES TRANSACTION WITHOUT INFORMING THE FIRM OF SUCH ACTIVITIES.

#### Disclosure 2 of 5

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FAILURE TO SUPERVISE UNDER NASD RULE 3010 RELATED TO EMAIL RETENTION AND FINRA RULE 2010 RELATED TO PROSPECTUS DELIVERY.



FINRA ALLEGES THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM OR WRITTEN PROCEDURES REASONABLY DESIGNED TO ENSURE TIMELY DELIVERY OF MUTUAL FUND PROSPECTUSES. FINRA ALLEGES THE FIRM FAILED TO ENSURE COMPLIANCE WITH ITS WRITTEN SUPERVISORY PROCEDURES DIRECTIVE CONCERNING DELIVERY OF A CURRENT MUTUAL FUND PROSPECTUS BY ITS REGISTERED REPRESENTATIVES TO EACH CLIENT PRIOR TO OR AT THE TIME OF THE SALE. THE FIRM ALSO HAD INADEQUATE SYSTEMS AND PROCEDURES IN PLACE TO MONITOR OR OVERSEE THE PERFORMANCE OF ITS SERVICE PROVIDER, A THIRD PARTY SERVICE PROVIDER, IN ORDER TO ENSURE THAT MUTUAL FUND PROSPECTUSES WERE BEING DELIVERED TIMELY. FINRA ALSO ALLEGES THE FIRM FAILED TO ENFORCE ITS PROCEDURES REQUIRING DELIVERY OF UNDATED MUTUAL FUND PROSPECTUSES TO CERTAIN FUND HOLDERS. THE FIRM DID NOT ADEQUATELY MONITOR ITS THIRD PARTY VENDOR TO ENSURE THE MAILING LIST WAS COMPLETE, AS A RESULT, THE FIRM FAILED TO DELIVER UPDATED PROSPECTUSES TO CERTAIN FUND HOLDERS AS REQUIRED BY ITS PROCEDURES. FINRA ALSO ALLEGES THE FIRM FAILED TO IMPLEMENT A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO REVIEW, MONITOR AND RETAIN EMAIL SENT BY REGISTERED REPRESENTATIVES TO CUSTOMERS. FOR SUPERVISORY PURPOSES, ALL REGISTERED REPRESENTATIVES WERE REQUIRED TO COPY ALL SECURITIES-RELATED MESSAGES INTO A PARTICULAR MAILBOX. THE FIRM'S COMPLIANCE DEPARTMENT WAS RESPONSIBLE FOR REVIEWING THE EMAILS IN THAT BOX. THE FIRM DID NOT RETAIN SECURITIES-RELATED EMAILS WHICH WERE NOT COPIED TO THIS MAILBOX, BUT ESTABLISHED PROCEDURES, THROUGH EMAIL REVIEWS, TO VERIFY WHETHER REGISTERED REPRESENTATIVES WERE COMPLYING WITH THESE DIRECTIVES. THE FIRM WAS AWARE THAT NOT ALL OF ITS REGISTERED REPRESENTATIVES WERE COMPLYING WITH FIRM PROCEDURES. AS A RESULT OF THE REVIEWS, THE FIRM DISCOVERED NUMEROUS INCIDENTS OF NON-COMPLIANCE WITH FIRM GUIDELINES REGARDING THE USE OF THE MAILBOX BY THE SELECTED REPRESENTATIVES.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)

**Date Initiated:** 07/02/2012

**Docket/Case Number:** [2011029102801](#)

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

**Other Product Type(s):** VARIABLE PRODUCTS

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

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

**Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 12/31/2012**Sanctions Ordered:** Censure  
Monetary/Fine \$155,000.00**Other Sanctions Ordered:****Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$155,000.00**Firm Statement** THIS ACTION WAS RESOLVED BY AN ACCEPTANCE WAIVER AND CONSENT WHICH BECAME FINAL ON 12/31/2012. ACCORDING TO ITS TERMS, THE FIRM DID NOT ADMIT LIABILITY BUT AGREED TO PAY A FINE OF \$155,000.00.**Disclosure 3 of 5****Reporting Source:** Regulator**Current Status:** Final**Allegations:** FINRA RULE 2010, NASD RULES 2110, 3010(A), 3010(A)(1), 3010(B), 3010(B)(1), AND 3010(D)(1): FOR NEARLY A FULL TWO-AND-A-HALF YEAR PERIOD, THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM OR WRITTEN PROCEDURES REASONABLY DESIGNED TO ENSURE TIMELY DELIVERY OF MUTUAL FUND PROSPECTUSES, WHEN IT WAS REQUIRED TO PROVIDE EACH OF ITS CUSTOMERS WHO PURCHASED A MUTUAL FUND A PROSPECTUS FOR THAT FUND NO LATER THAN THREE BUSINESS DAYS AFTER THE TRANSACTION. DURING A PERIOD, THE FIRM EXECUTED NUMEROUS MUTUAL FUND PURCHASE TRANSACTIONS THAT REQUIRED IT TO DELIVER A MUTUAL FUND PROSPECTUS, OR A SUMMARY PROSPECTUS, TO THE PURCHASING CUSTOMER, AND AS SUCH, THE FIRM WAS REQUIRED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES THAT WERE REASONABLY DESIGNED TO MONITOR AND ENSURE THE TIMELY DELIVERY OF MUTUAL FUND PROSPECTUSES. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE AN ADEQUATE SUPERVISORY SYSTEM OR WRITTEN PROCEDURES TO SUPERVISE MUTUAL FUND PROSPECTUS DELIVERY, WHEN, DURING THE PERIOD, IT HAD INADEQUATE SYSTEMS AND PROCEDURES IN PLACE TO MONITOR AND ENSURE COMPLIANCE WITH ITS WRITTEN SUPERVISORY PROCEDURES DIRECTIVE CONCERNING DELIVERY OF A CURRENT MUTUAL FUND PROSPECTUS BY ITS REGISTERED REPRESENTATIVES TO EACH CLIENT PRIOR TO OR AT THE





TIME OF THE SALES PRESENTATION IN WHICH THE REPRESENTATIVE RECOMMENDED OR DISCUSSED A SPECIFIC MUTUAL FUND. THE FIRM ALSO HAD INADEQUATE SYSTEMS AND PROCEDURES IN PLACE TO MONITOR OR OVERSEE THE PERFORMANCE OF ITS SERVICE PROVIDER, A THIRD PARTY SERVICE PROVIDER, IN ORDER TO ENSURE THAT MUTUAL FUND PROSPECTUSES WERE BEING DELIVERED TIMELY. ALL CONSISTENT WITH SECTION 5(B)(2) OF THE SECURITIES ACT. THE FIRM FAILED TO ENFORCE ITS PROCEDURES REQUIRING DELIVERY OF UNDATED MUTUAL FUND PROSPECTUSES TO CERTAIN FUND HOLDERS. THE FIRM'S PROCEDURES REQUIRED DELIVERY OF MUTUAL FUND PROSPECTUSES FOLLOWING FUND COMPANIES' ANNUAL UPDATES TO THEIR PROSPECTUSES, HOWEVER, DURING A PERIOD, THE FIRM FAILED TO DELIVER PROSPECTUSES TO CERTAIN MUTUAL FUND HOLDERS FOLLOWING THE ANNUAL UPDATES OF THE FUNDS' PROSPECTUSES. DURING THAT TIME PERIOD, THE FIRM'S CUSTOMERS WERE GIVEN AN OPTION TO OPT OUT OF HOUSE-HOLDING WHEN COMPLETING PAPER APPLICATIONS. THROUGHOUT THE PERIOD, THE FIRM DID NOT ADEQUATELY MONITOR ITS THIRD PARTY VENDOR TO ENSURE THE MAILING LIST WAS COMPLETE, AS A RESULT, THE FIRM FAILED TO DELIVER UPDATED PROSPECTUSES TO CERTAIN FUND HOLDERS AS REQUIRED BY ITS PROCEDURES. THE FIRM FAILED TO IMPLEMENT A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO REVIEW, MONITOR AND RETAIN EMAIL SENT BY REGISTERED REPRESENTATIVES TO CUSTOMERS. DURING A PERIOD, THE FIRM PERMITTED REGISTERED REPRESENTATIVES TO USE AN EMAIL APPLICATION PROGRAM FOR PRE-APPROVED EMAIL COMMUNICATIONS WITH CUSTOMERS. THE FIRM ALSO USED A THIRD PARTY SERVICE PROVIDER FOR EMAIL ARCHIVAL. FOR SUPERVISORY PURPOSES, ALL REGISTERED REPRESENTATIVES WERE REQUIRED TO COPY ALL SECURITIES-RELATED MESSAGES INTO A PARTICULAR MAILBOX. THE FIRM'S COMPLIANCE DEPARTMENT WAS RESPONSIBLE FOR REVIEWING THE EMAILS IN THAT BOX. THE FIRM DID NOT RETAIN SECURITIES-RELATED EMAILS WHICH WERE NOT COPIED TO THIS MAILBOX, BUT ESTABLISHED PROCEDURES, THROUGH EMAIL REVIEWS, TO VERIFY WHETHER REGISTERED REPRESENTATIVES WERE COMPLYING WITH THESE DIRECTIVES. THE FIRM WAS AWARE THAT NOT ALL OF ITS REGISTERED REPRESENTATIVES WERE COMPLYING WITH FIRM PROCEDURES. AS A RESULT OF THE REVIEWS, THE FIRM DISCOVERED NUMEROUS INCIDENTS OF NON-COMPLIANCE WITH FIRM GUIDELINES REGARDING THE USE OF THE MAILBOX BY THE SELECTED REPRESENTATIVES. NOTWITHSTANDING THIS DISCOVERY, THE FIRM FAILED TO EXPAND ITS REVIEWS OR OTHERWISE MODIFY ITS PROCEDURES.

**Initiated By:** FINRA

**Date Initiated:** 12/31/2012



<b>Docket/Case Number:</b>	<a href="#">2011029102801</a>
<b>Principal Product Type:</b>	Mutual Fund(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/31/2012
<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 \$155,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$155,000. FINE PAID IN FULL ON 1/8/2013.
<b>Regulator Statement</b>	IN ASSESSING THE SANCTIONS IN THIS MATTER, FINRA TOOK INTO ACCOUNT THE FACT THAT, BEFORE FINRA COMMENCED ANY EXAMINATION INTO ANNUAL DELIVERY OF UPDATED MUTUAL FUND PROSPECTUSES, THE FIRM SELF-REPORTED THE FAILURES TO DELIVER UPDATED PROSPECTUSES, AND FOLLOWING FINRA'S INVESTIGATION OF THE FIRM'S FAILURE TO TIMELY DELIVER MUTUAL FUND PROSPECTUSES, THE FIRM SELF-REPORTED TO FINRA THAT ITS SERVICE PROVIDER DID NOT DELIVER CERTAIN UPDATED PROSPECTUSES DURING A PERIOD.
<hr/>	
<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FAILURE TO SUPERVISE UNDER NASD RULE 3010 RELATED TO EMAIL RETENTION AND FINRA RULE 2010 RELATED TO PROSPECTUS DELIVERY. FINRA ALLEGES THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM OR WRITTEN PROCEDURES REASONABLY



DESIGNED TO ENSURE TIMELY DELIVERY OF MUTUAL FUND PROSPECTUSES. FINRA ALLEGES THE FIRM FAILED TO ENSURE COMPLIANCE WITH ITS WRITTEN SUPERVISORY PROCEDURES DIRECTIVE CONCERNING DELIVERY OF A CURRENT MUTUAL FUND PROSPECTUS BY ITS REGISTERED REPRESENTATIVES TO EACH CLIENT PRIOR TO OR AT THE TIME OF THE SALE. THE FIRM ALSO HAD INADEQUATE SYSTEMS AND PROCEDURES IN PLACE TO MONITOR OR OVERSEE THE PERFORMANCE OF ITS SERVICE PROVIDER, A THIRD PARTY SERVICE PROVIDER, IN ORDER TO ENSURE THAT MUTUAL FUND PROSPECTUSES WERE BEING DELIVERED TIMELY. FINRA ALSO ALLEGES THE FIRM FAILED TO ENFORCE ITS PROCEDURES REQUIRING DELIVERY OF UNDATED MUTUAL FUND PROSPECTUSES TO CERTAIN FUND HOLDERS. THE FIRM DID NOT ADEQUATELY MONITOR ITS THIRD PARTY VENDOR TO ENSURE THE MAILING LIST WAS COMPLETE, AS A RESULT, THE FIRM FAILED TO DELIVER UPDATED PROSPECTUSES TO CERTAIN FUND HOLDERS AS REQUIRED BY ITS PROCEDURES. FINRA ALSO ALLEGES THE FIRM FAILED TO IMPLEMENT A SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO REVIEW, MONITOR AND RETAIN EMAIL SENT BY REGISTERED REPRESENTATIVES TO CUSTOMERS. FOR SUPERVISORY PURPOSES, ALL REGISTERED REPRESENTATIVES WERE REQUIRED TO COPY ALL SECURITIES-RELATED MESSAGES INTO A PARTICULAR MAILBOX. THE FIRM'S COMPLIANCE DEPARTMENT WAS RESPONSIBLE FOR REVIEWING THE EMAILS IN THAT BOX. THE FIRM DID NOT RETAIN SECURITIES-RELATED EMAILS WHICH WERE NOT COPIED TO THIS MAILBOX, BUT ESTABLISHED PROCEDURES, THROUGH EMAIL REVIEWS, TO VERIFY WHETHER REGISTERED REPRESENTATIVES WERE COMPLYING WITH THESE DIRECTIVES. THE FIRM WAS AWARE THAT NOT ALL OF ITS REGISTERED REPRESENTATIVES WERE COMPLYING WITH FIRM PROCEDURES. AS A RESULT OF THE REVIEWS, THE FIRM DISCOVERED NUMEROUS INCIDENTS OF NON-COMPLIANCE WITH FIRM GUIDELINES REGARDING THE USE OF THE MAILBOX BY THE SELECTED REPRESENTATIVES.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)

**Date Initiated:** 07/02/2012

**Docket/Case Number:** [2011029102801](#)

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

**Other Product Type(s):** VARIABLE PRODUCTS

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

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



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

**Resolution Date:** 12/31/2012

**Sanctions Ordered:** Censure  
Monetary/Fine \$155,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$155,000.00

**Firm Statement** THIS ACTION WAS RESOLVED BY AN ACCEPTANCE WAIVER AND CONSENT WHICH BECAME FINAL ON 12/31/2012. ACCORDING TO ITS TERMS, THE FIRM DID NOT ADMIT LIABILITY BUT AGREED TO PAY A FINE OF \$155,000.00.

#### Disclosure 4 of 5

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** ARTICLE V, SECTION 3 OF NASD BY-LAWS AND NASD CONDUCT RULES 2110 AND 3010; RESPONDENT SUBMITTED LATE TERMINATION NOTICE FOR SECURITIES INDUSTRY REGISTRATION (FORM U5); IT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS TO ENSURE THE TIMELY FILING OF FORMS U5 FOR INDIVIDUALS WHOSE REGISTRATIONS WERE TERMINATED.

**Initiated By:** NASD

**Date Initiated:** 01/13/2006

**Docket/Case Number:** [E8A2005019201](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

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

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

**Resolution Date:** 01/13/2006



**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 \$133,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$133,000.

---

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ARTICLE V, SECTION 3 OF THE NASD BY-LAWS AND NASD CONDUCT RULES 2110 AND 3010; RESPONDENT SUBMITTED LATE TERMINATION NOTICE FOR SECURITIES INDUSTRY REGISTRATION (FORM U5; IT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS TO ENSURE THE TIMELY FILING OF FORMS U5 FOR INDIVIDUALS WHOSE REGISTRATIONS WERE TEMINATED.

**Initiated By:** NASD

**Date Initiated:** 01/13/2006

**Docket/Case Number:** [E8A2005019201](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

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

**Other Sanction(s)/Relief Sought:** FINE OF \$133,000.00

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

**Resolution Date:** 01/13/2006

**Sanctions Ordered:** Censure  
Monetary/Fine \$133,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; WAS CENSURED AND FINED \$133,000.00

**Firm Statement** SEE RESPONSES TO QUESTION 7 AND QUESTION 12(C)

**Disclosure 5 of 5**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** RESPONDENT ENGAGED IN THE SALE OF ANNUITIES TO RESIDENTS OF NORTH DAKOTA PRIOR TO ITS REGISTRATION IN NORTH DAKOTA AS A BROKER/DEALER.

**Initiated By:** THE NORTH DAKOTA SECURITIES COMMISSIONER

**Date Initiated:** 12/08/1998

**Docket/Case Number:**

**URL for Regulatory Action:**

**Principal Product Type:**

**Other Product Type(s):**

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

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

**Resolution:** Consent

**Resolution Date:** 12/08/1998

**Sanctions Ordered:** Disgorgement/Restitution

**Other Sanctions Ordered:**

**Sanction Details:** RESPONDENT ENTERED INTO A CONSENT ORDER WHEREBY IT AGREED TO MAKE AN OFFER OF RESCISSION TO EACH NORTH DAKOTA RESIDENT AND WHEREBY IT AGREED TO MAKE PAYMENT TO THE COMMISSIONER A CIVIL PENALTY IN THE AMOUNT OF \$7,000.

**Regulator Statement** CONTACT: MATTHEW BAHRENBURG (701) 328-4701



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGED THAT APPLICANT SOLD SECURITIES IN NORTH DAKOTA WITHOUT BEING REGISTERED WITH THE NORTH DAKOTA SECURITIES COMMISSIONER.

**Initiated By:** NORTH DAKOTA SECURITIES COMMISSIONER

**Date Initiated:** 09/25/1998

**Docket/Case Number:** NONE

**Principal Product Type:** Annuity(ies) - Variable

**Other Product Type(s):**

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

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

**Resolution:** Consent

**Resolution Date:** 12/04/1998

**Sanctions Ordered:** Monetary/Fine \$7,000.00

**Other Sanctions Ordered:**

**Sanction Details:** CIVIL FINE IMPOSED ON APPLICANT IN THE AMOUNT OF \$7,000.00 OR \$500 FOR EACH OF THE 14 SECURITIES SALES. APPLICANT HAS ALSO OFFERED SECURITIES PURCHASERS RIGHT OF RECISION WITH INTEREST WITH RESPECT TO THEIR PURCHASES.

**Firm Statement** APPLICANT THOUGHT THAT IT COULD REGISTER WITH THE NORTH DAKOTA SECURITIES COMMISSIONER BY CHECKING THE NORTH DAKOTA BOX ON FORM BD. APPLICANT DID NOT FIND OUT THAT THE COMMISSIONER HAD ADDITIONAL REQUIREMENTS FOR REGISTRATION AND THAT IT WAS NOT REGISTERED UNTIL IT HAD ALREADY BEGAN SALES.



## Regulatory - Pending

This type of disclosure event may include a pending formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory agency such as the Securities and Exchange Commission, foreign financial regulatory body) for alleged violations of investment-related rules or regulations.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Pending
<b>Allegations:</b>	THIS ENFORCEMENT REFERRAL IS IN RELATION TO THE FIRM'S HANDLING OF REDUCED SALES CHARGE OPTIONS FOR CUSTOMERS.
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
<b>Date Initiated:</b>	02/25/2021
<b>Docket/Case Number:</b>	EXAMINATION NUMBER 20200680177
<b>Principal Product Type:</b>	Mutual Fund(s)
<b>Other Product Type(s):</b>	529 PLANS AND VARIABLE PRODUCTS
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Firm Statement</b>	ON FEBRUARY 25, 2021 THE FIRM RECEIVED A LETTER FROM FINRA NOTIFYING THAT THE MATTER HAD BEEN SENT TO THEIR ENFORCEMENT DIVISION FOR REVIEW.



## End of Report



**This page is intentionally left blank.**