

FORM ADV

UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION AND REPORT BY EXEMPT REPORTING ADVISERS

Primary Business Name: HILLTOP SECURITIES INC.	CRD Number: 6220
Annual Amendment - All Sections	Rev. 10/2021
3/28/2024 3:49:33 PM	

**WARNING:** Complete this form truthfully. False statements or omissions may result in denial of your application, revocation of your registration, or criminal prosecution. You must keep this form updated by filing periodic amendments. See Form ADV General Instruction 4.

Item 1 Identifying Information

Responses to this Item tell us who you are, where you are doing business, and how we can contact you. If you are filing an *umbrella registration*, the information in Item 1 should be provided for the *filing adviser* only. General Instruction 5 provides information to assist you with filing an *umbrella registration*.

A. Your full legal name (if you are a sole proprietor, your last, first, and middle names):  
HILLTOP SECURITIES INC.

B. (1) Name under which you primarily conduct your advisory business, if different from Item 1.A.  
HILLTOP SECURITIES INC.

List on *Section 1.B. of Schedule D* any additional names under which you conduct your advisory business.

(2) If you are using this Form ADV to register more than one investment adviser under an *umbrella registration*, check this box ☐

If you check this box, complete a *Schedule R* for each relying adviser.

C. If this filing is reporting a change in your legal name (Item 1.A.) or primary business name (Item 1.B.(1)), enter the new name and specify whether the name change is of  
☐ your legal name or ☐ your primary business name:

D. (1) If you are registered with the SEC as an investment adviser, your SEC file number: 801-55529  
(2) If you report to the SEC as an *exempt reporting adviser*, your SEC file number:  
(3) If you have one or more Central Index Key numbers assigned by the SEC ("CIK Numbers"), all of your CIK numbers:

CIK Number
891055

E. (1) If you have a number ("CRD Number") assigned by the *FINRA's CRD* system or by the IARD system, your *CRD* number: 6220

If your firm does not have a *CRD* number, skip this Item 1.E. Do not provide the *CRD* number of one of your officers, employees, or affiliates.

(2) If you have additional *CRD* Numbers, your additional *CRD* numbers:  
No Information Filed

F. Principal Office and Place of Business

(1) Address (do not use a P.O. Box):

Number and Street 1:  
717 N. HARWOOD STREET  
City:  
DALLAS

State:  
Texas

Number and Street 2:  
SUITE 3400  
Country:  
United States  
ZIP+4/Postal Code:  
75201

If this address is a private residence, check this box: ☐

List on *Section 1.F. of Schedule D* any office, other than your principal office and place of business, at which you conduct investment advisory business. If you are applying for registration, or are registered, with one or more state securities authorities, you must list all of your offices in the state or states to which you are applying for registration or with whom you are registered. If you are applying for SEC registration, if you are registered only with the SEC, or if you are reporting to the SEC as an exempt reporting adviser, list the largest twenty-five offices in terms of numbers of employees as of the end of your most recently completed fiscal year.

(2) Days of week that you normally conduct business at your *principal office and place of business*:  
☒ Monday - Friday ☐ Other:  
Normal business hours at this location:  
8:00AM-5:00PM  
(3) Telephone number at this location:  
214-859-1800  
(4) Facsimile number at this location, if any:  
214-859-6497



- ☒ \$10 billion to less than \$50 billion
- ☐ \$50 billion or more

For purposes of Item 1.O. only, "assets" refers to your total assets, rather than the assets you manage on behalf of clients. Determine your total assets using the total assets shown on the balance sheet for your most recent fiscal year end.

P. Provide your *Legal Entity Identifier* if you have one:  
549300IXU82PMU6XZT45

A *legal entity identifier* is a unique number that companies use to identify each other in the financial marketplace. You may not have a *legal entity identifier*.

SECTION 1.B. Other Business Names

No Information Filed

SECTION 1.F. Other Offices

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1: 777 MAIN STREET		Number and Street 2: SUITE 1525	
City: FT. WORTH	State: Texas	Country: United States	ZIP+4/Postal Code: 76102

If this address is a private residence, check this box: ☐

Telephone Number: 817-840-6500	Facsimile Number, if any: 817-336-5572
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If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
628368

How many *employees* perform investment advisory functions from this office location?  
3

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1: 704 WALL STREET		Number and Street 2:	
City: NORMAN	State: Oklahoma	Country: United States	ZIP+4/Postal Code: 73069

If this address is a private residence, check this box: ☐

Telephone Number:  
405-928-5900

Facsimile Number, if any:  
405-307-8579

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
407993

How many *employees* perform investment advisory functions from this office location?  
6

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

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Number and Street 1:  
2999 DOUGLAS BLVD

City:  
ROSEVILLE

State:  
California

Country:  
United States

Number and Street 2:  
SUITE 220

ZIP+4/Postal Code:  
95661

If this address is a private residence, check this box: ☐

Telephone Number:  
916-517-1300

Facsimile Number, if any:  
916-517-1292

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
386316

How many *employees* perform investment advisory functions from this office location?  
6

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

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Number and Street 1:

Number and Street 2:



5601 GRANITE PARKWAY		SUITE 300	
City:	State:	Country:	ZIP+ 4/Postal Code:
PLANO	Texas	United States	75024
If this address is a private residence, check this box: <input type="checkbox"/>			
Telephone Number:		Facsimile Number, if any:	
972-624-6360		972-624-6310	
If this office location is also required to be registered with FINRA or a <i>state securities authority</i> as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the <i>CRD</i> Branch Number here: 316667			
How many <i>employees</i> perform investment advisory functions from this office location? 9			
Are other business activities conducted at this office location? (check all that apply)			
<input checked="" type="checkbox"/> (1) Broker-dealer (registered or unregistered)			
<input type="checkbox"/> (2) Bank (including a separately identifiable department or division of a bank)			
<input checked="" type="checkbox"/> (3) Insurance broker or agent			
<input checked="" type="checkbox"/> (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)			
<input type="checkbox"/> (5) Registered municipal advisor			
<input type="checkbox"/> (6) Accountant or accounting firm			
<input type="checkbox"/> (7) Lawyer or law firm			
Describe any other <i>investment-related</i> business activities conducted from this office location:			

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:		Number and Street 2:	
750 B STREET		SUITE 3100	
City:	State:	Country:	ZIP+4/Postal Code:
SAN DIEGO	California	United States	92101
If this address is a private residence, check this box: <input type="checkbox"/>			
Telephone Number:		Facsimile Number, if any:	
800-765-2222		619-232-9124	
If this office location is also required to be registered with FINRA or a <i>state securities authority</i> as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the <i>CRD</i> Branch Number here: 386327			
How many <i>employees</i> perform investment advisory functions from this office location? 7			
Are other business activities conducted at this office location? (check all that apply)			
<input checked="" type="checkbox"/> (1) Broker-dealer (registered or unregistered)			
<input type="checkbox"/> (2) Bank (including a separately identifiable department or division of a bank)			
<input checked="" type="checkbox"/> (3) Insurance broker or agent			
<input type="checkbox"/> (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)			
<input type="checkbox"/> (5) Registered municipal advisor			
<input type="checkbox"/> (6) Accountant or accounting firm			
<input type="checkbox"/> (7) Lawyer or law firm			
Describe any other <i>investment-related</i> business activities conducted from this office location:			

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business.

You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1: 700 MILAM STREET		Number and Street 2: SUITE 500	
City: HOUSTON	State: Texas	Country: United States	ZIP+ 4/Postal Code: 77002

If this address is a private residence, check this box: ☐

Telephone Number: 713-651-9850	Facsimile Number, if any: 713-654-8650
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If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
628375

How many *employees* perform investment advisory functions from this office location?  
3

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

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Number and Street 1: 2901 OVERLAND		Number and Street 2: SUITE 200	
City: SHERMAN	State: Texas	Country: United States	ZIP+ 4/Postal Code: 75092

If this address is a private residence, check this box: ☐

Telephone Number: 903-892-6565	Facsimile Number, if any:
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If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
740131

How many *employees* perform investment advisory functions from this office location?  
3

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

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Number and Street 1: 8201 PRESTON RD		Number and Street 2: STE 600	
City: DALLAS	State: Texas	Country: United States	ZIP+4/Postal Code: 75225

If this address is a private residence, check this box: ☐

Telephone Number: 214-987-5200	Facsimile Number, if any: 214-987-5234
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If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
165143

How many *employees* perform investment advisory functions from this office location?  
13

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

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Number and Street 1: 15301 VENTURA BLVD.		Number and Street 2: SUITE 410	
City: SHERMAN OAKS	State: California	Country: United States	ZIP+4/Postal Code: 91403

If this address is a private residence, check this box: ☐

Telephone Number: 800-765-2200	Facsimile Number, if any: 323-658-2232
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If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
385955

How many *employees* perform investment advisory functions from this office location?  
16

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor

☐ (6) Accountant or accounting firm

☐ (7) Lawyer or law firm

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Number and Street 1:	Number and Street 2:		
4811 GAILLARDIA PARKWAY	STE 105		
City:	State:	Country:	ZIP+4/Postal Code:
OKLAHOMA CITY	Oklahoma	United States	73142

If this address is a private residence, check this box: ☐

Telephone Number:	Facsimile Number, if any:
405-302-4130	405-302-4290

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
165150

How many *employees* perform investment advisory functions from this office location?  
7

Are other business activities conducted at this office location? (check all that apply)

☒ (1) Broker-dealer (registered or unregistered)

☐ (2) Bank (including a separately identifiable department or division of a bank)

☒ (3) Insurance broker or agent

☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

☐ (5) Registered municipal advisor

☐ (6) Accountant or accounting firm

☐ (7) Lawyer or law firm

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Number and Street 1:	Number and Street 2:		
50 CALIFORNIA ST	SUITE 2650		
City:	State:	Country:	ZIP+4/Postal Code:
SAN FRANCISCO	California	United States	94111

If this address is a private residence, check this box: ☐

Telephone Number:	Facsimile Number, if any:
888-657-8376	415-263-1111

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
386329

How many *employees* perform investment advisory functions from this office location?  
5

Are other business activities conducted at this office location? (check all that apply)

☒ (1) Broker-dealer (registered or unregistered)

- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

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Number and Street 1:		Number and Street 2:	
24600 SILVER CLOUD CT		SUITE 200	
City:	State:	Country:	ZIP+4/Postal Code:
MONTEREY	California	United States	93940

If this address is a private residence, check this box: ☐

Telephone Number:	Facsimile Number, if any:
800-765-2220	831-622-8922

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:

386318

How many *employees* perform investment advisory functions from this office location?

10

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
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Number and Street 1:		Number and Street 2:	
806 S. TIMBERLAND DR			
City:	State:	Country:	ZIP+4/Postal Code:
LUFKIN	Texas	United States	75901

If this address is a private residence, check this box: ☐

Telephone Number:	Facsimile Number, if any:
936.634.2183	

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:

723848

How many *employees* perform investment advisory functions from this office location?

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☐ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
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Number and Street 1:		Number and Street 2:	
7000 NORTH MOPAC EXPRESSWAY		SUITE 400	
City:	State:	Country:	ZIP+4/Postal Code:
AUSTIN	Texas	United States	78731

If this address is a private residence, check this box: ☐

Telephone Number:	Facsimile Number, if any:
512-514-6063	512-514-6843

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
99961

How many *employees* perform investment advisory functions from this office location?  
10

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
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- ☐ (7) Lawyer or law firm

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Number and Street 1:		Number and Street 2:	
42605 MOONRIDGE RD			
City:	State:	Country:	ZIP+4/Postal Code:
BIG BEAR LAKE	California	United States	92315

If this address is a private residence, check this box: ☐

Telephone Number:	Facsimile Number, if any:
909-584-4500	

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment

adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
791574

How many *employees* perform investment advisory functions from this office location?  
3

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
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- ☐ (7) Lawyer or law firm

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Number and Street 1:	Number and Street 2:		
70 NORTHEAST LOOP 410	SUITE 750		
City:	State:	Country:	ZIP+ 4/Postal Code:
SAN ANTONIO	Texas	United States	78216

If this address is a private residence, check this box: ☐

Telephone Number:	Facsimile Number, if any:
210-308-2200	210-349-7585

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:  
628371

How many *employees* perform investment advisory functions from this office location?  
2

Are other business activities conducted at this office location? (check all that apply)

- ☒ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☒ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:	Number and Street 2:		
1610 WOODSTEAD COURT	SUITE 355		
City:	State:	Country:	ZIP+ 4/Postal Code:
THE WOODLANDS	Texas	United States	77380

If this address is a private residence, check this box: ☐



Telephone Number:  
832-681-4630

Facsimile Number, if any:  
713-808-6920

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD Branch Number* here:  
799230

How many *employees* perform investment advisory functions from this office location?  
2

Are other business activities conducted at this office location? (check all that apply)

☒ (1) Broker-dealer (registered or unregistered)

☐ (2) Bank (including a separately identifiable department or division of a bank)

☒ (3) Insurance broker or agent

☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

☐ (5) Registered municipal advisor

☐ (6) Accountant or accounting firm

☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

SECTION 1.I. Website Addresses

List your website addresses, including addresses for accounts on publicly available social media platforms where you control the content (including, but not limited to, Twitter, Facebook and/or LinkedIn). You must complete a separate Schedule D Section 1.I. for each website or account on a publicly available social media platform.

Address of Website/Account on Publicly Available Social Media Platform: https://advisor.hilltopsecurities.com/david-gotz/

Address of Website/Account on Publicly Available Social Media Platform: https://advisor.hilltopsecurities.com/steve-crossman/

Address of Website/Account on Publicly Available Social Media Platform: https://advisor.hilltopsecurities.com/michael-karp/

Address of Website/Account on Publicly Available Social Media Platform: https://advisor.hilltopsecurities.com/victor-medina/

Address of Website/Account on Publicly Available Social Media Platform: https://advisor.hilltopsecurities.com/pacificcoastfinancialplanning/

Address of Website/Account on Publicly Available Social Media Platform: https://advisor.hilltopsecurities.com/steve-sarkissian/

Address of Website/Account on Publicly Available Social Media Platform: https://advisor.hilltopsecurities.com/eric-kloppers/

Address of Website/Account on Publicly Available Social Media Platform: https://advisor.hilltopsecurities.com/bill-skelton/

Address of Website/Account on Publicly Available Social Media Platform: https://advisor.hilltopsecurities.com/leonard-laub/

Address of Website/Account on Publicly Available Social Media Platform: https://advisor.hilltopsecurities.com/michael-davidson/

Address of Website/Account on Publicly Available Social Media Platform: https://advisor.hilltopsecurities.com/laurence-krueger/

Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/jim-pence/">https://advisor.hilltopsecurities.com/jim-pence/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/chris-murray/">https://advisor.hilltopsecurities.com/chris-murray/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/steve-jones/">https://advisor.hilltopsecurities.com/steve-jones/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/walter-anthony/">https://advisor.hilltopsecurities.com/walter-anthony/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/james-martin/">https://advisor.hilltopsecurities.com/james-martin/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/chris-good/">https://advisor.hilltopsecurities.com/chris-good/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/parker-brean/">https://advisor.hilltopsecurities.com/parker-brean/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/brad-glasman/">https://advisor.hilltopsecurities.com/brad-glasman/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/bill-pinkerton/">https://advisor.hilltopsecurities.com/bill-pinkerton/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/mickey-stern/">https://advisor.hilltopsecurities.com/mickey-stern/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/james-harding/">https://advisor.hilltopsecurities.com/james-harding/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/patrick-outlaw/">https://advisor.hilltopsecurities.com/patrick-outlaw/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/jarett-brugger/">https://advisor.hilltopsecurities.com/jarett-brugger/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/kevin-kott/">https://advisor.hilltopsecurities.com/kevin-kott/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/ray-weber/">https://advisor.hilltopsecurities.com/ray-weber/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/stacy-stern/">https://advisor.hilltopsecurities.com/stacy-stern/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/zachary-kitz/">https://advisor.hilltopsecurities.com/zachary-kitz/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/vito-dangelo/">https://advisor.hilltopsecurities.com/vito-dangelo/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/ric-kellogg/">https://advisor.hilltopsecurities.com/ric-kellogg/</a>

Address of Website/Account on Publicly Available Social Media Platform:	<a href="http://www.hilltopsecurities.com">HTTP://WWW.HILLTOPSECURITIES.COM</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/John-Rutledge/">https://advisor.hilltopsecurities.com/John-Rutledge/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/pamela-broms/">https://advisor.hilltopsecurities.com/pamela-broms/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/vickie-wise/">https://advisor.hilltopsecurities.com/vickie-wise/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/john-rutledge/">https://advisor.hilltopsecurities.com/john-rutledge/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/gary-frazeur/">https://advisor.hilltopsecurities.com/gary-frazeur/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/nick-feild/">https://advisor.hilltopsecurities.com/nick-feild/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/wayne-daugherty/">https://advisor.hilltopsecurities.com/wayne-daugherty/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://www.linkedin.com/company/hilltop-securities-inc-/">https://www.linkedin.com/company/hilltop-securities-inc-/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/richard-galen/">https://advisor.hilltopsecurities.com/richard-galen/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/wes-darilek/">https://advisor.hilltopsecurities.com/wes-darilek/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/drew-arden/">https://advisor.hilltopsecurities.com/drew-arden/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/dennis-robreck/">https://advisor.hilltopsecurities.com/dennis-robreck/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/mark-augusta/">https://advisor.hilltopsecurities.com/mark-augusta/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/saul-lico/">https://advisor.hilltopsecurities.com/saul-lico/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/donald-kartoon/">https://advisor.hilltopsecurities.com/donald-kartoon/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/paul-wunsch/">https://advisor.hilltopsecurities.com/paul-wunsch/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/joan-lawson/">https://advisor.hilltopsecurities.com/joan-lawson/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/phil-borenstein/">https://advisor.hilltopsecurities.com/phil-borenstein/</a>

Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/michael-forner/">https://advisor.hilltopsecurities.com/michael-forner/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/tyler-malinger/">https://advisor.hilltopsecurities.com/tyler-malinger/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/jacob-edwards/">https://advisor.hilltopsecurities.com/jacob-edwards/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/mark-clift/">https://advisor.hilltopsecurities.com/mark-clift/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/steve-balaban/">https://advisor.hilltopsecurities.com/steve-balaban/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/jeff-margolis/">https://advisor.hilltopsecurities.com/jeff-margolis/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/chris-gallo/">https://advisor.hilltopsecurities.com/chris-gallo/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/steve-powell/">https://advisor.hilltopsecurities.com/steve-powell/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/the-messina-group/">https://advisor.hilltopsecurities.com/the-messina-group/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/gary-waller/">https://advisor.hilltopsecurities.com/gary-waller/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/dan-steffes/">https://advisor.hilltopsecurities.com/dan-steffes/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/sean-coyle/">https://advisor.hilltopsecurities.com/sean-coyle/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/peter-cappos/">https://advisor.hilltopsecurities.com/peter-cappos/</a>
Address of Website/Account on Publicly Available Social Media Platform:	<a href="https://advisor.hilltopsecurities.com/robert-harty/">https://advisor.hilltopsecurities.com/robert-harty/</a>

SECTION 1.L. Location of Books and Records

Complete the following information for each location at which you keep your books and records, other than your *principal office and place of business*. You must complete a separate Schedule D, Section 1.L. for each location.

Name of entity where books and records are kept:  
SAI GLOBAL

Number and Street 1: 205 WEST WACKER DRIVE	Number and Street 2: SUITE 1800		
City: CHICAGO	State: Illinois	Country: United States	ZIP+4/Postal Code: 60606

If this address is a private residence, check this box: ☐

Telephone Number: 312-546-4500	Facsimile number, if any:
-----------------------------------	---------------------------

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
FIRM WRITTEN SUPERVISORY PROCEDURES EFFECTIVE 12/23/2019.

Name of entity where books and records are kept:  
IFS

Number and Street 1: 721 JETTON STREET		Number and Street 2: SUITE 300	
City: DAVIDSON	State: North Carolina	Country: United States	ZIP+4/Postal Code: 28036

If this address is a private residence, check this box: ☐

Telephone Number: 704-894-9331	Facsimile number, if any:
-----------------------------------	---------------------------

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
COMPREHENSIVE PORTION OF THE FIRM'S OPERATIONAL AND CUSTOMER ACCOUNT RECORDS.

Name of entity where books and records are kept:  
FIS

Number and Street 1: 3 VAN DE GRAAFF DRIVE		Number and Street 2:	
City: BURLINGTON	State: Michigan	Country: United States	ZIP+4/Postal Code: 01803

If this address is a private residence, check this box: ☐

Telephone Number: 781-275-7444	Facsimile number, if any: 781-275-7444
-----------------------------------	---

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
COMPREHENSIVE PORTION OF THE FIRM'S OPERATIONAL AND CUSTOMER ACCOUNT RECORDS.

Name of entity where books and records are kept:  
SMARSH

Number and Street 1: 851 SW 6TH STREET		Number and Street 2: SUITE 800	
City: PORTLAND	State: Oregon	Country: United States	ZIP+4/Postal Code: 97204

If this address is a private residence, check this box: ☐

Telephone Number:  
1-866-762-7741

Facsimile number, if any:

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
HILLTOP SECURITIES INC. HAS CONTRACTED WITH SMARSH FOR ELECTRONIC EMAIL COMMUNICATION RETENTION.

Name of entity where books and records are kept:  
BROADRIDGE ADVISOR COMPENSATION SOLUTIONS

Number and Street 1:  
5 DAKOTA DRIVE

City:  
LAKE SUCCESS

State:  
New York

Country:  
United States

Number and Street 2:  
SUITE 300

ZIP+4/Postal Code:  
11042

If this address is a private residence, check this box: ☐

Telephone Number:  
800-353-0103

Facsimile number, if any:

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☒ a third-party unaffiliated recordkeeper.
  - ☐ other.

Briefly describe the books and records kept at this location.  
VARIOUS ELECTRONIC ACCOUNT OPENING AND TRANSACTION RECORD DATA.

Name of entity where books and records are kept:  
IRON MOUNTAIN

Number and Street 1:  
1 FEDERAL STREET

City:  
BOSTON

State:  
Massachusetts

Country:  
United States

Number and Street 2:

ZIP+4/Postal Code:  
02110

If this address is a private residence, check this box: ☐

Telephone Number:  
8663379456

Facsimile number, if any:

- This is (check one):
- ☐ one of your branch offices or affiliates.
  - ☐ a third-party unaffiliated recordkeeper.
  - ☒ other.

Briefly describe the books and records kept at this location.  
THIS ORGANIZATION PROVIDE ARCHIVAL SERVICES FOR MULTIPLE BOOKS AND RECORDS DOCUMENTATION.

SECTION 1.M. Registration with Foreign Financial Regulatory Authorities

Item 2 SEC Registration/Reporting

Responses to this Item help us (and you) determine whether you are eligible to register with the SEC. Complete this Item 2.A. only if you are applying for SEC registration or submitting an *annual updating amendment* to your SEC registration. If you are filing an *umbrella registration*, the information in Item 2 should be provided for the *filing adviser* only.

- A. To register (or remain registered) with the SEC, you must check **at least one** of the Items 2.A.(1) through 2.A.(12), below. If you are submitting an *annual updating amendment* to your SEC registration and you are no longer eligible to register with the SEC, check Item 2.A.(13). [Part 1A Instruction 2](#) provides information to help you determine whether you may affirmatively respond to each of these items.
- You (the adviser):
- ☒

(1) are a **large advisory firm** that either:
- (a) has regulatory assets under management of \$100 million (in U.S. dollars) or more; or
- (b) has regulatory assets under management of \$90 million (in U.S. dollars) or more at the time of filing its most recent *annual updating amendment* and is registered with the SEC;
- ☐

(2) are a **mid-sized advisory firm** that has regulatory assets under management of \$25 million (in U.S. dollars) or more but less than \$100 million (in U.S. dollars) and you are either:
- (a) not required to be registered as an adviser with the *state securities authority* of the state where you maintain your *principal office and place of business*; or
- (b) not subject to examination by the *state securities authority* of the state where you maintain your *principal office and place of business*;
- Click [HERE](#) for a list of states in which an investment adviser, if registered, would not be subject to examination by the state securities authority.*
- (3) Reserved
- ☐

(4) have your *principal office and place of business* **outside the United States**;
- ☐

(5) are **an investment adviser (or subadviser) to an investment company** registered under the Investment Company Act of 1940;
- ☐

(6) are **an investment adviser to a company which has elected to be a business development company** pursuant to section 54 of the Investment Company Act of 1940 and has not withdrawn the election, and you have at least \$25 million of regulatory assets under management;
- ☐

(7) are a **pension consultant** with respect to assets of plans having an aggregate value of at least \$200,000,000 that qualifies for the exemption in rule 203A-2(a);
- ☐

(8) are a **related adviser** under rule 203A-2(b) that *controls*, is *controlled* by, or is under common *control* with, an investment adviser that is registered with the SEC, and your *principal office and place of business* is the same as the registered adviser;
- If you check this box, complete [Section 2.A.\(8\) of Schedule D](#).*
- ☐

(9) are an **adviser** relying on rule 203A-2(c) because you **expect to be eligible for SEC registration within 120 days**;
- If you check this box, complete [Section 2.A.\(9\) of Schedule D](#).*
- ☐

(10) are a **multi-state adviser** that is required to register in 15 or more states and is relying on rule 203A-2(d);
- If you check this box, complete [Section 2.A.\(10\) of Schedule D](#).*
- ☐

(11) are an **Internet adviser** relying on rule 203A-2(e);
- ☐

(12) have **received an SEC order** exempting you from the prohibition against registration with the SEC;
- If you check this box, complete [Section 2.A.\(12\) of Schedule D](#).*
- ☐

(13) are **no longer eligible** to remain registered with the SEC.

State Securities Authority Notice Filings and State Reporting by Exempt Reporting Advisers

- C. Under state laws, SEC-registered advisers may be required to provide to *state securities authorities* a copy of the Form ADV and any amendments they file with the SEC. These are called *notice filings*. In addition, *exempt reporting advisers* may be required to provide *state securities authorities* with a copy of reports and any amendments they file with the SEC. If this is an initial application or report, check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to direct your *notice filings* or reports to additional state(s), check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to your registration to stop your *notice filings* or reports from going to state(s) that currently receive them, uncheck the box(es) next to those state(s).

Jurisdictions

<input checked="" type="checkbox"/> AL	<input checked="" type="checkbox"/> IL	<input checked="" type="checkbox"/> NE	<input checked="" type="checkbox"/> SC
<input checked="" type="checkbox"/> AK	<input checked="" type="checkbox"/> IN	<input checked="" type="checkbox"/> NV	<input checked="" type="checkbox"/> SD
<input checked="" type="checkbox"/> AZ	<input checked="" type="checkbox"/> IA	<input checked="" type="checkbox"/> NH	<input checked="" type="checkbox"/> TN
<input checked="" type="checkbox"/> AR	<input checked="" type="checkbox"/> KS	<input checked="" type="checkbox"/> NJ	<input checked="" type="checkbox"/> TX
<input checked="" type="checkbox"/> CA	<input checked="" type="checkbox"/> KY	<input checked="" type="checkbox"/> NM	<input checked="" type="checkbox"/> UT
<input checked="" type="checkbox"/> CO	<input checked="" type="checkbox"/> LA	<input checked="" type="checkbox"/> NY	<input checked="" type="checkbox"/> VT
<input checked="" type="checkbox"/> CT	<input checked="" type="checkbox"/> ME	<input checked="" type="checkbox"/> NC	<input type="checkbox"/> VI



<input checked="" type="checkbox"/> DE	<input checked="" type="checkbox"/> MD	<input checked="" type="checkbox"/> ND	<input checked="" type="checkbox"/> VA
<input checked="" type="checkbox"/> DC	<input checked="" type="checkbox"/> MA	<input checked="" type="checkbox"/> OH	<input checked="" type="checkbox"/> WA
<input checked="" type="checkbox"/> FL	<input checked="" type="checkbox"/> MI	<input checked="" type="checkbox"/> OK	<input checked="" type="checkbox"/> WV
<input checked="" type="checkbox"/> GA	<input checked="" type="checkbox"/> MN	<input checked="" type="checkbox"/> OR	<input checked="" type="checkbox"/> WI
<input type="checkbox"/> GU	<input checked="" type="checkbox"/> MS	<input checked="" type="checkbox"/> PA	<input type="checkbox"/> WY
<input checked="" type="checkbox"/> HI	<input checked="" type="checkbox"/> MO	<input checked="" type="checkbox"/> PR	
<input checked="" type="checkbox"/> ID	<input checked="" type="checkbox"/> MT	<input checked="" type="checkbox"/> RI	

*If you are amending your registration to stop your notice filings or reports from going to a state that currently receives them and you do not want to pay that state's notice filing or report filing fee for the coming year, your amendment must be filed before the end of the year (December 31).*

SECTION 2.A.(8) Related Adviser

If you are relying on the exemption in rule 203A-2(b) from the prohibition on registration because you *control*, are *controlled by*, or are under common *control* with an investment adviser that is registered with the SEC and your *principal office and place of business* is the same as that of the registered adviser, provide the following information:

Name of Registered Investment Adviser

CRD Number of Registered Investment Adviser

SEC Number of Registered Investment Adviser

-

SECTION 2.A.(9) Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days

If you are relying on rule 203A-2(c), the exemption from the prohibition on registration available to an adviser that expects to be eligible for SEC registration within 120 days, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations. You must make both of these representations:

☐ I am not registered or required to be registered with the SEC or a *state securities authority* and I have a reasonable expectation that I will be eligible to register with the SEC within 120 days after the date my registration with the SEC becomes effective.

☐ I undertake to withdraw from SEC registration if, on the 120th day after my registration with the SEC becomes effective, I would be prohibited by Section 203A(a) of the Advisers Act from registering with the SEC.

SECTION 2.A.(10) Multi-State Adviser

If you are relying on rule 203A-2(d), the multi-state adviser exemption from the prohibition on registration, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations.

If you are applying for registration as an investment adviser with the SEC, you must make both of these representations:

☐ I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of 15 or more states to register as an investment adviser with the *state securities authorities* in those states.

☐ I undertake to withdraw from SEC registration if I file an amendment to this registration indicating that I would be required by the laws of fewer than 15 states to register as an investment adviser with the *state securities authorities* of those states.

If you are submitting your *annual updating amendment*, you must make this representation:

☐ Within 90 days prior to the date of filing this amendment, I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of at least 15 states to register as an investment adviser with the *state securities authorities* in those states.

SECTION 2.A.(12) SEC Exemptive Order

If you are relying upon an SEC *order* exempting you from the prohibition on registration, provide the following information:

Application Number:

803-

Date of *order*:

Item 3 Form of Organization

If you are filing an *umbrella registration*, the information in Item 3 should be provided for the *filing adviser* only.

A. How are you organized?

☒ Corporation

- ☐ Sole Proprietorship
- ☐ Limited Liability Partnership (LLP)
- ☐ Partnership
- ☐ Limited Liability Company (LLC)
- ☐ Limited Partnership (LP)
- ☐ Other (specify):

If you are changing your response to this Item, see [Part 1A Instruction 4](#).

- B. In what month does your fiscal year end each year?  
DECEMBER
- C. Under the laws of what state or country are you organized?  
State Country  
Delaware United States

*If you are a partnership, provide the name of the state or country under whose laws your partnership was formed. If you are a sole proprietor, provide the name of the state or country where you reside.*

If you are changing your response to this Item, see [Part 1A Instruction 4](#).

## Item 4 Successions

- |    |  | Yes                   | No                               |
|----|--|-----------------------|----------------------------------|
| A. | Are you, at the time of this filing, succeeding to the business of a registered investment adviser, including, for example, a change of your structure or legal status (e.g., form of organization or state of incorporation)? | <input type="radio"/> | <input checked="" type="radio"/> |

If "yes", complete Item 4.B. and Section 4 of Schedule D.

- B. Date of Succession: (MM/DD/YYYY)

*If you have already reported this succession on a previous Form ADV filing, do not report the succession again. Instead, check "No." See [Part 1A Instruction 4](#).*

## SECTION 4 Successions

No Information Filed

## Item 5 Information About Your Advisory Business - Employees, Clients, and Compensation

Responses to this Item help us understand your business, assist us in preparing for on-site examinations, and provide us with data we use when making regulatory policy. [Part 1A Instruction 5.a.](#) provides additional guidance to newly formed advisers for completing this Item 5.

## Employees

*If you are organized as a sole proprietorship, include yourself as an employee in your responses to Item 5.A. and Items 5.B. (1), (2), (3), (4), and (5). If an employee performs more than one function, you should count that employee in each of your responses to Items 5.B. (1), (2), (3), (4), and (5).*

- A. Approximately how many *employees* do you have? Include full- and part-time *employees* but do not include any clerical workers.
- 113
- B. (1) Approximately how many of the *employees* reported in 5.A. perform investment advisory functions (including research)?
- 113
- (2) Approximately how many of the *employees* reported in 5.A. are registered representatives of a broker-dealer?
- 113
- (3) Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives*?
- 113
- (4) Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives* for an investment adviser other than you?
- 0
- (5) Approximately how many of the *employees* reported in 5.A. are licensed agents of an insurance company or agency?
- 69

(6) Approximately how many firms or other *persons* solicit advisory *clients* on your behalf?

0

*In your response to Item 5.B.(6), do not count any of your employees and count a firm only once – do not count each of the firm's employees that solicit on your behalf.*

Clients

*In your responses to Items 5.C. and 5.D. do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.*

- C. (1) To approximately how many *clients* for whom you do not have regulatory assets under management did you provide investment advisory services during your most recently completed fiscal year?
- 9
- (2) Approximately what percentage of your *clients* are non-United States persons?
- 1%

D. For purposes of this Item 5.D., the category "individuals" includes trusts, estates, and 401(k) plans and IRAs of individuals and their family members, but does not include businesses organized as sole proprietorships.

The category "business development companies" consists of companies that have made an election pursuant to section 54 of the Investment Company Act of 1940. Unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, do not answer (1)(d) or (3)(d) below.

Indicate the approximate number of your *clients* and amount of your total regulatory assets under management (reported in Item 5.F. below) attributable to each of the following type of *client*. If you have fewer than 5 *clients* in a particular category (other than (d), (e), and (f)) you may check Item 5.D.(2) rather than respond to Item 5.D.(1).

The aggregate amount of regulatory assets under management reported in Item 5.D.(3) should equal the total amount of regulatory assets under management reported in Item 5.F.(2)(c) below.

If a *client* fits into more than one category, select one category that most accurately represents the *client* to avoid double counting *clients* and assets. If you advise a registered investment company, business development company, or pooled investment vehicle, report those assets in categories (d), (e), and (f) as applicable.

Type of <i>Client</i>	(1) Number of <i>Client(s)</i>	(2) Fewer than 5 <i>Clients</i>	(3) Amount of Regulatory Assets under Management
(a) Individuals (other than <i>high net worth individuals</i> )	1372	<input type="checkbox"/>	\$ 429,245,103
(b) <i>High net worth individuals</i>	944	<input type="checkbox"/>	\$ 1,381,950,875
(c) Banking or thrift institutions		<input type="checkbox"/>	\$
(d) Investment companies			\$
(e) Business development companies			\$
(f) Pooled investment vehicles (other than investment companies and business development companies)			\$
(g) Pension and profit sharing plans (but not the plan participants or government pension plans)	5	<input type="checkbox"/>	\$ 39,542,972
(h) Charitable organizations	2	<input type="checkbox"/>	\$ 2,834,126
(i) State or municipal <i>government entities</i> (including government pension plans)		<input type="checkbox"/>	\$
(j) Other investment advisers		<input type="checkbox"/>	\$
(k) Insurance companies		<input type="checkbox"/>	\$
(l) Sovereign wealth funds and foreign official institutions		<input type="checkbox"/>	\$
(m) Corporations or other businesses not listed above	20	<input type="checkbox"/>	\$ 12,719,496
(n) Other:		<input type="checkbox"/>	\$

Compensation Arrangements

- E. You are compensated for your investment advisory services by (check all that apply):
- ☒ (1) A percentage of assets under your management
- ☒ (2) Hourly charges
- ☐ (3) Subscription fees (for a newsletter or periodical)
- ☒ (4) Fixed fees (other than subscription fees)
- ☐ (5) Commissions
- ☐ (6) *Performance-based fees*
- ☒ (7) Other (specify): 12B-1 FEES

Item 5 Information About Your Advisory Business - Regulatory Assets Under Management

Regulatory Assets Under Management

YesNo

F.

(1) Do you provide continuous and regular supervisory or management services to securities portfolios?

☒☐

(2) If yes, what is the amount of your regulatory assets under management and total number of accounts?

	U.S. Dollar Amount	Total Number of Accounts
Discretionary:	(a) \$ 1,366,252,847	(d) 3,385
Non-Discretionary:	(b) \$ 500,039,725	(e) 1,161
Total:	(c) \$ 1,866,292,572	(f) 4,546

Part 1A Instruction 5.b. explains how to calculate your regulatory assets under management. You must follow these instructions carefully when completing this Item.

(3) What is the approximate amount of your total regulatory assets under management (reported in Item 5.F.(2)(c) above) attributable to *clients* who are non-*United States persons*?

\$ 0

Item 5 Information About Your Advisory Business - Advisory Activities

Advisory Activities

G.

What type(s) of advisory services do you provide? Check all that apply.

☒

(1) Financial planning services

☒

(2) Portfolio management for individuals and/or small businesses

☐

(3) Portfolio management for investment companies (as well as "business development companies" that have made an election pursuant to section 54 of the Investment Company Act of 1940)

☐

(4) Portfolio management for pooled investment vehicles (other than investment companies)

☐

(5) Portfolio management for businesses (other than small businesses) or institutional *clients* (other than registered investment companies and other pooled investment vehicles)

☐

(6) Pension consulting services

☒

(7) Selection of other advisers (including *private fund* managers)

☒

(8) Publication of periodicals or newsletters

☐

(9) Security ratings or pricing services

☐

(10) Market timing services

☒

(11) Educational seminars/workshops

☐

(12) Other(specify):

Do not check Item 5.G.(3) unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, including as a subadviser. If you check Item 5.G.(3), report the 811 or 814 number of the investment company or investment companies to which you provide advice in Section 5.G.(3) of Schedule D.

H.

If you provide financial planning services, to how many *clients* did you provide these services during your last fiscal year?

☐ 0

☐ 1 - 10

☐ 11 - 25

☒ 26 - 50

☐ 51 - 100

☐ 101 - 250

☐ 251 - 500

☐ More than 500

If more than 500, how many?  
(round to the nearest 500)

In your responses to this Item 5.H., do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.

YesNo

I.

(1) Do you participate in a *wrap fee program*?

☒☐

(2) If you participate in a *wrap fee program*, what is the amount of your regulatory assets under management attributable to acting as:

(a) *sponsor* to a *wrap fee program*

\$ 1,075,869,419

(b) portfolio manager for a *wrap fee program*?

\$ 654,563,901

(c) *sponsor* to and portfolio manager for the same *wrap fee program*?

\$ 0

If you report an amount in Item 5.I.(2)(c), do not report that amount in Item 5.I.(2)(a) or Item 5.I.(2)(b).

If you are a portfolio manager for a wrap fee program, list the names of the programs, their sponsors and related information in [Section 5.I.\(2\) of Schedule D](#).

If your involvement in a wrap fee program is limited to recommending wrap fee programs to your clients, or you advise a mutual fund that is offered through a wrap fee program, do not check [Item 5.I.\(1\)](#) or enter any amounts in response to [Item 5.I.\(2\)](#).

	Yes	No
J.		
(1) In response to Item 4.B. of Part 2A of Form ADV, do you indicate that you provide investment advice only with respect to limited types of investments?	<input type="radio"/>	<input checked="" type="radio"/>
(2) Do you report <i>client</i> assets in Item 4.E. of Part 2A that are computed using a different method than the method used to compute your regulatory assets under management?	<input type="radio"/>	<input checked="" type="radio"/>
K.		
Separately Managed Account <i>Clients</i>		
(1) Do you have regulatory assets under management attributable to <i>clients</i> other than those listed in Item 5.D.(3)(d)-(f) (separately managed account <i>clients</i> )?	<input checked="" type="radio"/>	<input type="radio"/>
If yes, complete <a href="#">Section 5.K.(1) of Schedule D</a> .		
(2) Do you engage in borrowing transactions on behalf of any of the separately managed account <i>clients</i> that you advise?	<input checked="" type="radio"/>	<input type="radio"/>
If yes, complete <a href="#">Section 5.K.(2) of Schedule D</a> .		
(3) Do you engage in derivative transactions on behalf of any of the separately managed account <i>clients</i> that you advise?	<input type="radio"/>	<input checked="" type="radio"/>
If yes, complete <a href="#">Section 5.K.(2) of Schedule D</a> .		
(4) After subtracting the amounts in Item 5.D.(3)(d)-(f) above from your total regulatory assets under management, does any custodian hold ten percent or more of this remaining amount of regulatory assets under management?	<input type="radio"/>	<input checked="" type="radio"/>
If yes, complete <a href="#">Section 5.K.(3) of Schedule D</a> for each custodian.		
L.		
Marketing Activities		
(1) Do any of your <i>advertisements</i> include:		
(a) Performance results?	<input type="radio"/>	<input checked="" type="radio"/>
(b) A reference to specific investment advice provided by you (as that phrase is used in rule 206(4)-1(a)(5))?	<input type="radio"/>	<input checked="" type="radio"/>
(c) <i>Testimonials</i> (other than those that satisfy rule 206(4)-1(b)(4)(ii))?	<input type="radio"/>	<input checked="" type="radio"/>
(d) <i>Endorsements</i> (other than those that satisfy rule 206(4)-1(b)(4)(ii))?	<input type="radio"/>	<input checked="" type="radio"/>
(e) <i>Third-party ratings</i> ?	<input type="radio"/>	<input checked="" type="radio"/>
(2) If you answer "yes" to L(1)(c), (d), or (e) above, do you pay or otherwise provide cash or non-cash compensation, directly or indirectly, in connection with the use of <i>testimonials</i> , <i>endorsements</i> , or <i>third-party ratings</i> ?	<input type="radio"/>	<input checked="" type="radio"/>
(3) Do any of your <i>advertisements</i> include <i>hypothetical performance</i> ?	<input type="radio"/>	<input checked="" type="radio"/>
(4) Do any of your <i>advertisements</i> include <i>predecessor performance</i> ?	<input type="radio"/>	<input checked="" type="radio"/>

SECTION 5.G.(3) Advisers to Registered Investment Companies and Business Development Companies

No Information Filed

SECTION 5.I.(2) *Wrap Fee Programs*

If you are a portfolio manager for one or more *wrap fee programs*, list the name of each program and its *sponsor*. You must complete a separate Schedule D Section 5.I.(2) for each *wrap fee program* for which you are a portfolio manager.

Name of *Wrap Fee Program*

AVIATOR

Name of *Sponsor*  
HILLTOP SECURITIES INC.

*Sponsor's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):  
801 - 55529

*Sponsor's CRD* Number (if any):  
6220

Name of *Wrap Fee Program*  
CO-PILOT

Name of *Sponsor*  
HILLTOP SECURITIES INC.

*Sponsor's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):  
-

*Sponsor's CRD* Number (if any):

Name of *Wrap Fee Program*  
COMPASS UMA PROGRAM

Name of *Sponsor*  
HILLTOP SECURITIES INC.

*Sponsor's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):  
-

*Sponsor's CRD* Number (if any):

Name of *Wrap Fee Program*  
DESTINATION FEE-BASED ANNUITY

Name of *Sponsor*  
HILLTOP SECURITIES INC.

*Sponsor's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):  
801 - 55529

*Sponsor's CRD* Number (if any):  
6220

Name of *Wrap Fee Program*  
ENDEAVOR ACTIVEPASSIVE

Name of *Sponsor*  
HILLTOP SECURITIES INC.

*Sponsor's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):  
801 - 55529

*Sponsor's CRD* Number (if any):  
6220

<div><div>Name of <i>Wrap Fee Program</i></div><div>GATEWAY - FUND STRATEGIST PORTFOLIOS</div></div> <div><div>Name of <i>Sponsor</i></div><div>HILLTOP SECURITIES INC.</div></div> <div><div><i>Sponsor's</i> SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):</div><div>-</div></div> <div><div><i>Sponsor's</i> CRD Number (if any):</div><div></div></div>
<div><div>Name of <i>Wrap Fee Program</i></div><div>MOMENTUM PATHWAYS UMA</div></div> <div><div>Name of <i>Sponsor</i></div><div>HILLTOP SECURITIES INC.</div></div> <div><div><i>Sponsor's</i> SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):</div><div>801 - 55529</div></div> <div><div><i>Sponsor's</i> CRD Number (if any):</div><div>6220</div></div>
<div><div>Name of <i>Wrap Fee Program</i></div><div>OUTSIDE MANAGER ACCESS</div></div> <div><div>Name of <i>Sponsor</i></div><div>HILLTOP SECURITIES INC.</div></div> <div><div><i>Sponsor's</i> SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):</div><div>-</div></div> <div><div><i>Sponsor's</i> CRD Number (if any):</div><div></div></div>
<div><div>Name of <i>Wrap Fee Program</i></div><div>PASSPORT SERIES SMA</div></div> <div><div>Name of <i>Sponsor</i></div><div>HILLTOP SECURITIES INC.</div></div> <div><div><i>Sponsor's</i> SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):</div><div>-</div></div> <div><div><i>Sponsor's</i> CRD Number (if any):</div><div></div></div>

**SECTION 5.K.(1) Separately Managed Accounts**

After subtracting the amounts reported in Item 5.D.(3)(d)-(f) from your total regulatory assets under management, indicate the approximate percentage of this remaining amount attributable to each of the following categories of assets. If the remaining amount is at least \$10 billion in regulatory assets under management, complete Question (a). If the remaining amount is less than \$10 billion in regulatory assets under management, complete Question (b).

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.



If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment* . Mid-year is the date six months before the end of year date. Each column should add up to 100% and numbers should be rounded to the nearest percent.

Investments in derivatives, registered investment companies, business development companies, and pooled investment vehicles should be reported in those categories. Do not report those investments based on related or underlying portfolio assets. Cash equivalents include bank deposits, certificates of deposit, bankers' acceptances and similar bank instruments.

Some assets could be classified into more than one category or require discretion about which category applies. You may use your own internal methodologies and the conventions of your service providers in determining how to categorize assets, so long as the methodologies or conventions are consistently applied and consistent with information you report internally and to current and prospective clients. However, you should not double count assets, and your responses must be consistent with any instructions or other guidance relating to this Section.

(a)

Asset Type	Mid-year	End of year
(i) Exchange-Traded Equity Securities	%	%
(ii) Non Exchange-Traded Equity Securities	%	%
(iii) U.S. Government/Agency Bonds	%	%
(iv) U.S. State and Local Bonds	%	%
(v) Sovereign Bonds	%	%
(vi) Investment Grade Corporate Bonds	%	%
(vii) Non-Investment Grade Corporate Bonds	%	%
(viii) Derivatives	%	%
(ix) Securities Issued by Registered Investment Companies or Business Development Companies	%	%
(x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	%	%
(xi) Cash and Cash Equivalents	%	%
(xii) Other	%	%

Generally describe any assets included in "Other"

(b)

Asset Type	End of year
(i) Exchange-Traded Equity Securities	66 %
(ii) Non Exchange-Traded Equity Securities	0 %
(iii) U.S. Government/Agency Bonds	5 %
(iv) U.S. State and Local Bonds	5 %
(v) Sovereign Bonds	0 %
(vi) Investment Grade Corporate Bonds	2 %
(vii) Non-Investment Grade Corporate Bonds	0 %
(viii) Derivatives	0 %
(ix) Securities Issued by Registered Investment Companies or Business Development Companies	22 %
(x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	0 %
(xi) Cash and Cash Equivalents	0 %
(xii) Other	0 %

Generally describe any assets included in "Other"

SECTION 5.K.(2) Separately Managed Accounts - Use of Borrowingsand Derivatives

☒ No information is required to be reported in this Section 5.K.(2) per the instructions of this Section 5.K.(2)

If your regulatory assets under management attributable to separately managed accounts are at least \$10 billion, you should complete Question (a). If your regulatory assets under management attributable to separately managed accounts are at least \$500 million but less than \$10 billion, you should complete Question (b).

(a) In the table below, provide the following information regarding the separately managed accounts you advise. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise. End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. Mid-year is the date six months before the end of year date.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

In column 3, provide aggregate *gross notional value* of derivatives divided by the aggregate regulatory assets under management of the accounts included in column 1 with respect to each category of derivatives specified in 3(a) through (f).

You may, but are not required to, complete the table with respect to any separately managed account with regulatory assets under management of less than \$10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

(i) Mid-Year

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings	(3) Derivative Exposures					
			(a) Interest Rate Derivative	(b) Foreign Exchange Derivative	(c) Credit Derivative	(d) Equity Derivative	(e) Commodity Derivative	(f) Other Derivative
Less than 10%	\$	\$	%	%	%	%	%	%
10-149%	\$	\$	%	%	%	%	%	%
150% or more	\$	\$	%	%	%	%	%	%

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(ii) End of Year

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings	(3) Derivative Exposures					
			(a) Interest Rate Derivative	(b) Foreign Exchange Derivative	(c) Credit Derivative	(d) Equity Derivative	(e) Commodity Derivative	(f) Other Derivative
Less than 10%	\$	\$	%	%	%	%	%	%
10-149%	\$	\$	%	%	%	%	%	%
150% or more	\$	\$	%	%	%	%	%	%

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(b) In the table below, provide the following information regarding the separately managed accounts you advise as of the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

You may, but are not required to, complete the table with respect to any separately managed accounts with regulatory assets under management of less than \$10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings
Less than 10%	\$ 0	\$ 0
10-149%	\$ 0	\$ 0
150% or more	\$ 0	\$ 0

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

SECTION 5.K.(3) Custodians for Separately Managed Accounts

No Information Filed

Item 6 Other Business Activities

In this Item, we request information about your firm's other business activities.

A. You are actively engaged in business as a (check all that apply):

☒

(1)

broker-dealer (registered or unregistered)

☐

(2)

registered representative of a broker-dealer

☒

(3)

commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

☐

(4)

futures commission merchant

☐

(5)

real estate broker, dealer, or agent

☒

(6)

insurance broker or agent

☐

(7)

bank (including a separately identifiable department or division of a bank)

☐

(8)

trust company

☒

(9)

registered municipal advisor

☐

(10)

registered security-based swap dealer

☒

(11)

major security-based swap participant

☐

(12)

accountant or accounting firm

☐

(13)

lawyer or law firm

☐

(14)

other financial product salesperson (specify):

If you engage in other business using a name that is different from the names reported in Items 1.A. or 1.B.(1), complete [Section 6.A. of Schedule D](#).

Yes

No

B. (1) Are you actively engaged in any other business not listed in Item 6.A. (other than giving investment advice)?

(2) If yes, is this other business your primary business?

If "yes," describe this other business on [Section 6.B.\(2\) of Schedule D](#), and if you engage in this business under a different name, provide that name.

Yes

No

(3) Do you sell products or provide services other than investment advice to your advisory *clients*?

If "yes," describe this other business on [Section 6.B.\(3\) of Schedule D](#), and if you engage in this business under a different name, provide that name.

SECTION 6.A. Names of Your Other Businesses

No Information Filed

SECTION 6.B.(2) Description of Primary Business

Describe your primary business (not your investment advisory business):

If you engage in that business under a different name, provide that name:

SECTION 6.B.(3) Description of Other Products and Services

Describe other products or services you sell to your *client*. You may omit products and services that you listed in Section 6.B.(2) above.  
STOCKS, BONDS, MUTUAL FUNDS, OPTIONS, UIT'S

If you engage in that business under a different name, provide that name:

Item 7 Financial Industry Affiliations

In this Item, we request information about your financial industry affiliations and activities. This information identifies areas in which conflicts of interest may occur between you and your *clients*.

A. This part of Item 7 requires you to provide information about you and your *related persons*, including foreign affiliates. Your *related persons* are all of your *advisory affiliates* and any *person* that is under common *control* with you.

You have a *related person* that is a (check all that apply):

☒

(1)

broker-dealer, municipal securities dealer, or government securities broker or dealer (registered or unregistered)

☒

(2)

other investment adviser (including financial planners)

☒

(3)

registered municipal advisor

☐

(4)

registered security-based swap dealer

☒

(5)

major security-based swap participant

- ☒

(6)

commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐

(7)

futures commission merchant
- ☒

(8)

banking or thrift institution
- ☐

(9)

trust company
- ☐

(10)

accountant or accounting firm
- ☐

(11)

lawyer or law firm
- ☒

(12)

insurance company or agency
- ☐

(13)

pension consultant
- ☐

(14)

real estate broker or dealer
- ☐

(15)

sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
- ☐

(16)

sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

*Note that Item 7.A. should not be used to disclose that some of your employees perform investment advisory functions or are registered representatives of a broker-dealer. The number of your firm's employees who perform investment advisory functions should be disclosed under Item 5.B.(1). The number of your firm's employees who are registered representatives of a broker-dealer should be disclosed under Item 5.B.(2).*

*Note that if you are filing an umbrella registration, you should not check Item 7.A.(2) with respect to your relying advisers, and you do not have to complete Section 7.A. in Schedule D for your relying advisers. You should complete a Schedule R for each relying adviser.*

*For each related person, including foreign affiliates that may not be registered or required to be registered in the United States, complete [Section 7.A. of Schedule D](#).*

*You do not need to complete Section 7.A. of Schedule D for any related person if: (1) you have no business dealings with the related person in connection with advisory services you provide to your clients; (2) you do not conduct shared operations with the related person; (3) you do not refer clients or business to the related person, and the related person does not refer prospective clients or business to you; (4) you do not share supervised persons or premises with the related person; and (5) you have no reason to believe that your relationship with the related person otherwise creates a conflict of interest with your clients.*

*You must complete [Section 7.A. of Schedule D](#) for each related person acting as qualified custodian in connection with advisory services you provide to your clients (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)), regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.*

SECTION 7.A. Financial Industry Affiliations

Complete a separate Schedule D Section 7.A. for each *related person* listed in Item 7.A.

1.

Legal Name of *Related Person*:

MOMENTUM INDEPENDENT NETWORK INC.
2.

Primary Business Name of *Related Person*:

MOMENTUM INDEPENDENT NETWORK INC.
3.

*Related Person's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)

801 - 60812

or

Other
4.

*Related Person's*

(a)

CRD Number (if any):

17587

(b)

CIK Number(s) (if any):

No Information Filed
5.

*Related Person* is: (check all that apply)

(a)

☒

broker-dealer, municipal securities dealer, or government securities broker or dealer

(b)

☒

other investment adviser (including financial planners)

(c)

☐

registered municipal advisor

(d)

☐

registered security-based swap dealer

(e)

☐

major security-based swap participant

(f)

☐

commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

(g)

☐

futures commission merchant

(h)

☐

banking or thrift institution

(i)

☐

trust company

(j)

☐

accountant or accounting firm

(k)

☐

lawyer or law firm

(l)

☐

insurance company or agency

(m)

☐

pension consultant

(n)

☐

real estate broker or dealer

(o)

☐

sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles

(p)

☐

sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

		Yes	No
6.	Do you <i>control</i> or are you <i>controlled</i> by the <i>related person</i> ?	<input type="radio"/>	<input checked="" type="radio"/>
7.	Are you and the <i>related person</i> under common <i>control</i> ?	<input checked="" type="radio"/>	<input type="radio"/>
8.	(a) Does the <i>related person</i> act as a qualified custodian for your <i>clients</i> in connection with advisory services you provide to <i>clients</i> ?	<input type="radio"/>	<input checked="" type="radio"/>
	(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the <i>related person</i> and thus are not required to obtain a surprise examination for your <i>clients'</i> funds or securities that are maintained at the <i>related person</i> ?	<input type="radio"/>	<input type="radio"/>
	(c) If you have answered "yes" to question 8.(a) above, provide the location of the <i>related person's</i> office responsible for <i>custody</i> of your <i>clients'</i> assets: Number and Street 1: _____ Number and Street 2: _____ City: _____ State: _____ Country: _____ ZIP+4/Postal Code: _____ If this address is a private residence, check this box: <input type="checkbox"/>		
		Yes	No
9.	(a) If the <i>related person</i> is an investment adviser, is it exempt from registration?	<input type="radio"/>	<input checked="" type="radio"/>
	(b) If the answer is yes, under what exemption?		
10.	(a) Is the <i>related person</i> registered with a <i>foreign financial regulatory authority</i> ?	<input type="radio"/>	<input checked="" type="radio"/>
	(b) If the answer is yes, list the name and country, in English of each <i>foreign financial regulatory authority</i> with which the <i>related person</i> is registered. No Information Filed		
11.	Do you and the <i>related person</i> share any <i>supervised persons</i> ?	<input checked="" type="radio"/>	<input type="radio"/>
12.	Do you and the <i>related person</i> share the same physical location?	<input checked="" type="radio"/>	<input type="radio"/>

1.	Legal Name of <i>Related Person</i> : HILLTOP SECURITIES INSURANCE AGENCY INC.		
2.	Primary Business Name of <i>Related Person</i> : HILLTOP SECURITIES INSURANCE AGENCY INC.		
3.	<i>Related Person's</i> SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-) - or Other		
4.	<i>Related Person's</i> (a) <i>CRD</i> Number (if any):  (b) <i>CIK</i> Number(s) (if any):  No Information Filed		
5.	<i>Related Person</i> is: (check all that apply) (a) <input type="checkbox"/> broker-dealer, municipal securities dealer, or government securities broker or dealer (b) <input type="checkbox"/> other investment adviser (including financial planners) (c) <input type="checkbox"/> registered municipal advisor (d) <input type="checkbox"/> registered security-based swap dealer (e) <input type="checkbox"/> major security-based swap participant (f) <input type="checkbox"/> commodity pool operator or commodity trading advisor (whether registered or exempt from registration) (g) <input type="checkbox"/> futures commission merchant (h) <input type="checkbox"/> banking or thrift institution (i) <input type="checkbox"/> trust company (j) <input type="checkbox"/> accountant or accounting firm (k) <input type="checkbox"/> lawyer or law firm (l) <input checked="" type="checkbox"/> insurance company or agency (m) <input type="checkbox"/> pension consultant (n) <input type="checkbox"/> real estate broker or dealer (o) <input type="checkbox"/> sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles (p) <input type="checkbox"/> sponsor, general partner, managing member (or equivalent) of pooled investment vehicles		
		Yes	No
6.	Do you <i>control</i> or are you <i>controlled</i> by the <i>related person</i> ?	<input type="radio"/>	<input checked="" type="radio"/>
7.	Are you and the <i>related person</i> under common <i>control</i> ?	<input checked="" type="radio"/>	<input type="radio"/>
8.	(a) Does the <i>related person</i> act as a qualified custodian for your <i>clients</i> in connection with advisory services you provide to <i>clients</i> ?	<input type="radio"/>	<input checked="" type="radio"/>





If this address is a private residence, check this box: ☐

YesNo

9.

(a)

If the *related person* is an investment adviser, is it exempt from registration?

(b)

If the answer is yes, under what exemption?

10.

(a)

Is the *related person* registered with a *foreign financial regulatory authority* ?

(b)

If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.

No Information Filed

11.

Do you and the *related person* share any *supervised persons*?

12.

Do you and the *related person* share the same physical location?

1.

Legal Name of *Related Person*:  
SOUTHWEST FINANCIAL INSURANCE AGENCY, INC.

2.

Primary Business Name of *Related Person*:  
SOUTHWEST FINANCIAL INSURANCE AGENCY, INC.

3.

*Related Person's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)

-

or

Other

4.

*Related Person's*

(a)

*CRD* Number (if any):

(b)

CIK Number(s) (if any):

No Information Filed

5.

*Related Person* is: (check all that apply)

(a)

☐

broker-dealer, municipal securities dealer, or government securities broker or dealer

(b)

☐

other investment adviser (including financial planners)

(c)

☐

registered municipal advisor

(d)

☐

registered security-based swap dealer

(e)

☐

major security-based swap participant

(f)

☐

commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

(g)

☐

futures commission merchant

(h)

☐

banking or thrift institution

(i)

☐

trust company

(j)

☐

accountant or accounting firm

(k)

☐

lawyer or law firm

(l)

☒

insurance company or agency

(m)

☐

pension consultant

(n)

☐

real estate broker or dealer

(o)

☐

sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles

(p)

☐

sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

6.

Do you *control* or are you *controlled* by the *related person*?

7.

Are you and the *related person* under common *control*?

8.

(a)

Does the *related person* act as a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?

(b)

If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the *related person* and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person*?

(c)

If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

9.

(a)

If the *related person* is an investment adviser, is it exempt from registration?

(b)

If the answer is yes, under what exemption?

10.

(a)

Is the *related person* registered with a *foreign financial regulatory authority* ?





Item 7 Private Fund Reporting

YesNo

B. Are you an adviser to any private fund?

If "yes," then for each private fund that you advise, you must complete a Section 7.B.(1) of Schedule D, except in certain circumstances described in the next sentence and in Instruction 6 of the Instructions to Part 1A. If you are registered or applying for registration with the SEC or reporting as an SEC exempt reporting adviser, and another SEC-registered adviser or SEC exempt reporting adviser reports this information with respect to any such private fund in Section 7.B.(1) of Schedule D of its Form ADV (e.g., if you are a subadviser), do not complete Section 7.B.(1) of Schedule D with respect to that private fund. You must, instead, complete Section 7.B.(2) of Schedule D.

In either case, if you seek to preserve the anonymity of a private fund client by maintaining its identity in your books and records in numerical or alphabetical code, or similar designation, pursuant to rule 204-2(d), you may identify the private fund in Section 7.B.(1) or 7.B.(2) of Schedule D using the same code or designation in place of the fund's name.

SECTION 7.B.(1) Private Fund Reporting

No Information Filed

SECTION 7.B.(2) Private Fund Reporting

No Information Filed

Item 8 Participation or Interest in Client Transactions

In this Item, we request information about your participation and interest in your clients' transactions. This information identifies additional areas in which conflicts of interest may occur between you and your clients. Newly-formed advisers should base responses to these questions on the types of participation and interest that you expect to engage in during the next year.

Like Item 7, Item 8 requires you to provide information about you and your related persons, including foreign affiliates.

Proprietary Interest in Client Transactions

A. Do you or any related person:

YesNo

(1) buy securities for yourself from advisory clients, or sell securities you own to advisory clients (principal transactions)?

(2) buy or sell for yourself securities (other than shares of mutual funds) that you also recommend to advisory clients?

(3) recommend securities (or other investment products) to advisory clients in which you or any related person has some other proprietary (ownership) interest (other than those mentioned in Items 8.A.(1) or (2))?

Sales Interest in Client Transactions

B. Do you or any related person:

YesNo

(1) as a broker-dealer or registered representative of a broker-dealer, execute securities trades for brokerage customers in which advisory client securities are sold to or bought from the brokerage customer (agency cross transactions)?

(2) recommend to advisory clients, or act as a purchaser representative for advisory clients with respect to, the purchase of securities for which you or any related person serves as underwriter or general or managing partner?

(3) recommend purchase or sale of securities to advisory clients for which you or any related person has any other sales interest (other than the receipt of sales commissions as a broker or registered representative of a broker-dealer)?

Investment or Brokerage Discretion

C. Do you or any related person have discretionary authority to determine the:

YesNo

(1) securities to be bought or sold for a client's account?

(2) amount of securities to be bought or sold for a client's account?

(3) broker or dealer to be used for a purchase or sale of securities for a client's account?

(4) commission rates to be paid to a broker or dealer for a client's securities transactions?

D. If you answer "yes" to C.(3) above, are any of the brokers or dealers related persons?

E. Do you or any related person recommend brokers or dealers to clients?

F. If you answer "yes" to E. above, are any of the brokers or dealers related persons?

G. (1) Do you or any related person receive research or other products or services other than execution from a broker-dealer or a third party ("soft dollar benefits") in connection with client securities transactions?



(2) your related person(s) act as qualified custodian(s)

If you checked "yes" to Item 9.D.(2), all related persons that act as qualified custodians (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)) must be identified in Section 7.A. of Schedule D, regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.

E. If you are filing your annual updating amendment and you were subject to a surprise examination by an independent public accountant during your last fiscal year, provide the date (MM/YYYY) the examination commenced:  
06/2023

F. If you or your related persons have custody of client funds or securities, how many persons, including, but not limited to, you and your related persons, act as qualified custodians for your clients in connection with advisory services you provide to clients?  
1

SECTION 9.C. Independent Public Accountant

You must complete the following information for each independent public accountant engaged to perform a surprise examination, perform an audit of a pooled investment vehicle that you manage, or prepare an internal control report. You must complete a separate Schedule D Section 9.C. for each independent public accountant.

(1) Name of the independent public accountant:  
PRICEWATERHOUSECOOPERS LLP

(2) The location of the independent public accountant's office responsible for the services provided:

Number and Street 1:  
2001 ROSS AVE  
City:  
DALLAS

State:  
Texas

Number and Street 2:  
SUITE 1800  
Country:  
United States

ZIP+4/Postal Code:  
75201

(3) Is the independent public accountant registered with the Public Company Accounting Oversight Board?

Yes

No

If "yes," Public Company Accounting Oversight Board-Assigned Number:  
238

(4) If "yes" to (3) above, is the independent public accountant subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?

(5) The independent public accountant is engaged to:

A. ☐ audit a pooled investment vehicle

B. ☒ perform a surprise examination of clients' assets

C. ☒ prepare an internal control report

(6) Since your last annual updating amendment, did all of the reports prepared by the independent public accountant that audited the pooled investment vehicle or that examined internal controls contain unqualified opinions?

☒ Yes

☐ No

☐ Report Not Yet Received

If you check "Report Not Yet Received", you must promptly file an amendment to your Form ADV to update your response when the accountant's report is available.

Item 10 Control Persons

In this Item, we ask you to identify every person that, directly or indirectly, controls you. If you are filing an umbrella registration, the information in Item 10 should be provided for the filing adviser only.

If you are submitting an initial application or report, you must complete Schedule A and Schedule B. Schedule A asks for information about your direct owners and executive officers. Schedule B asks for information about your indirect owners. If this is an amendment and you are updating information you reported on either Schedule A or Schedule B (or both) that you filed with your initial application or report, you must complete Schedule C.

A. Does any person not named in Item 1.A. or Schedules A, B, or C, directly or indirectly, control your management or policies?

Yes

No

If yes, complete Section 10.A. of Schedule D.

B. If any person named in Schedules A, B, or C or in Section 10.A. of Schedule D is a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934, please complete Section 10.B. of Schedule D.

SECTION 10.A. Control Persons

No Information Filed

SECTION 10.B. Control Person Public Reporting Companies

B. If any *person* named in Schedules A, B, or C, or in Section 10.A. of Schedule D is a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934, please provide the following information (you must complete a separate Schedule D Section 10.B. for each public reporting company):

(1) Full legal name of the public reporting company:

HILLTOP HOLDINGS INC.

(2) The public reporting company's CIK number (Central Index Key number that the SEC assigns to each reporting company):

1265131

Item 11 Disclosure Information

In this Item, we ask for information about your disciplinary history and the disciplinary history of all your *advisory affiliates*. We use this information to determine whether to grant your application for registration, to decide whether to revoke your registration or to place limitations on your activities as an investment adviser, and to identify potential problem areas to focus on during our on-site examinations. One event may result in "yes" answers to more than one of the questions below. In accordance with General Instruction 5 to Form ADV, "you" and "your" include the *filing adviser* and all *relying advisers* under an *umbrella registration*.

Your *advisory affiliates* are: (1) all of your current *employees* (other than *employees* performing only clerical, administrative, support or similar functions); (2) all of your officers, partners, or directors (or any *person* performing similar functions); and (3) all *persons* directly or indirectly *controlling* you or *controlled* by you. If you are a "separately identifiable department or division" (SID) of a bank, see the Glossary of Terms to determine who your *advisory affiliates* are.

*If you are registered or registering with the SEC or if you are an exempt reporting adviser, you may limit your disclosure of any event listed in Item 11 to ten years following the date of the event. If you are registered or registering with a state, you must respond to the questions as posed; you may, therefore, limit your disclosure to ten years following the date of an event only in responding to Items 11.A.(1), 11.A.(2), 11.B.(1), 11.B.(2), 11.D.(4), and 11.H.(1)(a). For purposes of calculating this ten-year period, the date of an event is the date the final order, judgment, or decree was entered, or the date any rights of appeal from preliminary orders, judgments, or decrees lapsed.*

You must complete the appropriate Disclosure Reporting Page ("DRP") for "yes" answers to the questions in this Item 11.

	Yes	No
Do any of the events below involve you or any of your <i>supervised persons</i> ?	<input type="radio"/>	<input type="radio"/>
<u>For "yes" answers to the following questions, complete a Criminal Action DRP:</u>		
A. In the past ten years, have you or any <i>advisory affiliate</i> :	Yes	No
(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any <i>felony</i> ?	<input type="radio"/>	<input checked="" type="radio"/>
(2) been <i>charged</i> with any <i>felony</i> ?	<input type="radio"/>	<input checked="" type="radio"/>
<i>If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.A.(2) to charges that are currently pending.</i>		
B. In the past ten years, have you or any <i>advisory affiliate</i> :		
(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a <i>misdemeanor</i> involving: investments or an <i>investment-related</i> business, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?	<input type="radio"/>	<input checked="" type="radio"/>
(2) been <i>charged</i> with a <i>misdemeanor</i> listed in Item 11.B.(1)?	<input type="radio"/>	<input checked="" type="radio"/>
<i>If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.B.(2) to charges that are currently pending.</i>		
<u>For "yes" answers to the following questions, complete a Regulatory Action DRP:</u>		
C. Has the SEC or the Commodity Futures Trading Commission (CFTC) ever:	Yes	No
(1) <i>found</i> you or any <i>advisory affiliate</i> to have made a false statement or omission?	<input type="radio"/>	<input checked="" type="radio"/>
(2) <i>found</i> you or any <i>advisory affiliate</i> to have been <i>involved</i> in a violation of SEC or CFTC regulations or statutes?	<input checked="" type="radio"/>	<input type="radio"/>
(3) <i>found</i> you or any <i>advisory affiliate</i> to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="radio"/>	<input checked="" type="radio"/>
(4) entered an <i>order</i> against you or any <i>advisory affiliate</i> in connection with <i>investment-related</i> activity?	<input checked="" type="radio"/>	<input type="radio"/>
(5) imposed a civil money penalty on you or any <i>advisory affiliate</i> , or <i>ordered</i> you or any <i>advisory affiliate</i> to cease and desist from any activity?	<input checked="" type="radio"/>	<input type="radio"/>
D. Has any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> :		

(1)	ever <i>found</i> you or any <i>advisory affiliate</i> to have made a false statement or omission, or been dishonest, unfair, or unethical?	<input checked="" type="radio"/>	<input type="radio"/>
(2)	ever <i>found</i> you or any <i>advisory affiliate</i> to have been <i>involved</i> in a violation of <i>investment-related</i> regulations or statutes?	<input checked="" type="radio"/>	<input type="radio"/>
(3)	ever <i>found</i> you or any <i>advisory affiliate</i> to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="radio"/>	<input checked="" type="radio"/>
(4)	in the past ten years, entered an <i>order</i> against you or any <i>advisory affiliate</i> in connection with an <i>investment-related</i> activity?	<input checked="" type="radio"/>	<input type="radio"/>
(5)	ever denied, suspended, or revoked your or any <i>advisory affiliate's</i> registration or license, or otherwise prevented you or any <i>advisory affiliate</i> , by <i>order</i> , from associating with an <i>investment-related</i> business or restricted your or any <i>advisory affiliate's</i> activity?	<input checked="" type="radio"/>	<input type="radio"/>
E.	Has any <i>self-regulatory organization</i> or commodities exchange ever:		
(1)	<i>found</i> you or any <i>advisory affiliate</i> to have made a false statement or omission?	<input type="radio"/>	<input checked="" type="radio"/>
(2)	<i>found</i> you or any <i>advisory affiliate</i> to have been <i>involved</i> in a violation of its rules (other than a violation designated as a " <i>minor rule violation</i> " under a plan approved by the SEC)?	<input checked="" type="radio"/>	<input type="radio"/>
(3)	<i>found</i> you or any <i>advisory affiliate</i> to have been the cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="radio"/>	<input checked="" type="radio"/>
(4)	disciplined you or any <i>advisory affiliate</i> by expelling or suspending you or the <i>advisory affiliate</i> from membership, barring or suspending you or the <i>advisory affiliate</i> from association with other members, or otherwise restricting your or the <i>advisory affiliate's</i> activities?	<input type="radio"/>	<input checked="" type="radio"/>
F.	Has an authorization to act as an attorney, accountant, or federal contractor granted to you or any <i>advisory affiliate</i> ever been revoked or suspended?	<input checked="" type="radio"/>	<input type="radio"/>
G.	Are you or any <i>advisory affiliate</i> now the subject of any regulatory <i>proceeding</i> that could result in a "yes" answer to any part of Item 11.C., 11.D., or 11.E.?	<input checked="" type="radio"/>	<input type="radio"/>

For "yes" answers to the following questions, complete a Civil Judicial Action DRP:			
H.	(1) Has any domestic or foreign court:	Yes	No
	(a) in the past ten years, <i>enjoined</i> you or any <i>advisory affiliate</i> in connection with any <i>investment-related</i> activity?	<input type="radio"/>	<input checked="" type="radio"/>
	(b) ever <i>found</i> that you or any <i>advisory affiliate</i> were <i>involved</i> in a violation of <i>investment-related</i> statutes or regulations?	<input type="radio"/>	<input checked="" type="radio"/>
	(c) ever dismissed, pursuant to a settlement agreement, an <i>investment-related</i> civil action brought against you or any <i>advisory affiliate</i> by a state or <i>foreign financial regulatory authority</i> ?	<input type="radio"/>	<input checked="" type="radio"/>
	(2) Are you or any <i>advisory affiliate</i> now the subject of any civil <i>proceeding</i> that could result in a "yes" answer to any part of Item 11.H.(1)?	<input checked="" type="radio"/>	<input type="radio"/>

Item 12 Small Businesses

The SEC is required by the Regulatory Flexibility Act to consider the effect of its regulations on small entities. In order to do this, we need to determine whether you meet the definition of "small business" or "small organization" under rule 0-7.

Answer this Item 12 only if you are registered or registering with the SEC **and** you indicated in response to Item 5.F.(2)(c) that you have regulatory assets under management of less than \$25 million. You are not required to answer this Item 12 if you are filing for initial registration as a state adviser, amending a current state registration, or switching from SEC to state registration.

For purposes of this Item 12 only:

- Total Assets refers to the total assets of a firm, rather than the assets managed on behalf of *clients*. In determining your or another *person's* total assets, you may use the total assets shown on a current balance sheet (but use total assets reported on a consolidated balance sheet with subsidiaries included, if that amount is larger).
- *Control* means the power to direct or cause the direction of the management or policies of a *person*, whether through ownership of securities, by contract, or otherwise. Any *person* that directly or indirectly has the right to vote 25 percent or more of the voting securities, or is entitled to 25 percent or more of the profits, of another *person* is presumed to *control* the other *person*.

		Yes	No
A.	Did you have total assets of \$5 million or more on the last day of your most recent fiscal year?	<input type="radio"/>	<input type="radio"/>
If "yes," you do not need to answer Items 12.B. and 12.C.			
B.	Do you:		
(1)	<i>control</i> another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year?	<input type="radio"/>	<input type="radio"/>
(2)	<i>control</i> another <i>person</i> (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year?	<input type="radio"/>	<input type="radio"/>
C.	Are you:		
(1)	<i>controlled</i> by or under common <i>control</i> with another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year?	<input type="radio"/>	<input type="radio"/>
(2)	<i>controlled</i> by or under common <i>control</i> with another <i>person</i> (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year?	<input type="radio"/>	<input type="radio"/>

Schedule A

Direct Owners and Executive Officers

1. Complete Schedule A only if you are submitting an initial application or report. Schedule A asks for information about your direct owners and executive officers. Use Schedule C to amend this information.
2. Direct Owners and Executive Officers. List below the names of:

(a) each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer(Chief Compliance Officer is required if you are registered or applying for registration and cannot be more than one individual), director, and any other individuals with similar status or functions;

(b) if you are organized as a corporation, each shareholder that is a direct owner of 5% or more of a class of your voting securities, unless you are a public reporting company (a company subject to Section 12 or 15(d) of the Exchange Act);  
Direct owners include any *person* that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5% or more of a class of your voting securities. For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.

(c) if you are organized as a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 5% or more of your capital;

(d) in the case of a trust that directly owns 5% or more of a class of your voting securities, or that has the right to receive upon dissolution, or has contributed, 5% or more of your capital, the trust and each trustee; and

(e) if you are organized as a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 5% or more of your capital, and (ii) if managed by elected managers, all elected managers.
3. Do you have any indirect owners to be reported on Schedule B? ☒ Yes ☐ No
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner or executive officer is an individual.
5. Complete the Title or Status column by entering board/management titles; status as partner, trustee, sole proprietor, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are:    NA - less than 5%                      B - 10% but less than 25%      D - 50% but less than 75%  
   A - 5% but less than 10%      C - 25% but less than 50%      E - 75% or more
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
- (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
- (c) Complete each column.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Title or Status	Date Title or Status Acquired MM/YYYY	Ownership Code	Control Person	PR	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.
LEVENTHAL, LAURA	I	BOARD DIRECTOR	09/2013	NA	Y	N	1175259
HILLTOP SECURITIES HOLDINGS, LLC	DE	PARENT	01/2015	E	Y	N	
MUSCHALEK, JOHN RICHARD	I	BOARD DIRECTOR	03/2015	NA	Y	N	2226859
EDGE, JOSEPH MICHAEL	I	CHIEF FINANCIAL OFFICER	01/2016	NA	Y	N	4326551
LEVENTHAL, LAURA	I	TREASURER/CHIEF ACCOUNTING OFFICER/PRINCIPAL FINANCIAL OFFICER	12/2011	NA	Y	N	1175259
WITTNEBEN, BRIAN LANE	I	GENERAL COUNSEL/SECRETARY	03/2016	NA	Y	N	4861905
MEDANICH, DAVID KING	I	BOARD DIRECTOR	08/2017	NA	Y	N	1030727
ALEXANDER, LAURA BONNELL	I	BOARD DIRECTOR	08/2017	NA	Y	N	2900382
WINGES, MARTIN BRADLEY	I	CEO/PRESIDENT/DIRECTOR	02/2019	NA	Y	N	1929509
SOBEL, JONATHAN SCOTT	I	CHAIRMAN	07/2019	NA	Y	N	1540818
EDGE, JOSEPH MICHAEL	I	BOARD DIRECTOR	10/2015	NA	N	N	4326551
COYA, SCOTT	I	CHIEF COMPLIANCE OFFICER	01/2022	NA	Y	N	2511281
PINEDA, ROMEO	I	PRINCIPAL OPERATIONS OFFICER	03/2022	NA	N	N	2193669

Schedule B

Indirect Owners

1. Complete Schedule B only if you are submitting an initial application or report. Schedule B asks for information about your indirect owners; you must first complete Schedule A, which asks for information about your direct owners. Use Schedule C to amend this information.
2. Indirect Owners. With respect to each owner listed on Schedule A (except individual owners), list below:

(a) in the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of a voting security of that corporation;

For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.

(b) in the case of an owner that is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital;

(c) in the case of an owner that is a trust, the trust and each trustee; and

(d) in the case of an owner that is a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 25% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.



3. Continue up the chain of ownership listing all 25% owners at each level. Once a public reporting company (a company subject to Sections 12 or 15(d) of the Exchange Act) is reached, no further ownership information need be given.
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner is an individual.
5. Complete the Status column by entering the owner's status as partner, trustee, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are:      C - 25% but less than 50%      E - 75% or more  
   D - 50% but less than 75%      F - Other (general partner, trustee, or elected manager)
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
- (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
- (c) Complete each column.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Entity in Which Interest is Owned	Status	Date Status Acquired MM/YYYY	Ownership Code	<i>Control Person</i>	PR	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.
HILLTOP HOLDINGS INC.	DE	HILLTOP SECURITIES HOLDINGS, LLC	PARENT	01/2015	E	Y	Y	

Schedule D - Miscellaneous

You may use the space below to explain a response to an Item or to provide any other information.

Schedule R

No Information Filed

DRP Pages

CRIMINAL DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

REGULATORY ACTION DISCLOSURE REPORTING PAGE (ADV)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*



If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ *SRO* ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

DISTRICT SIX BUSINESS CONDUCT COMMITTEE
2. Principal Sanction:

Censure

Other Sanctions:

\$2,000.00 FINE
3. Date Initiated (MM/DD/YYYY):

05/01/1997 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

CO6970008
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

No Product

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

VIOLATION OF MSRB RULE G-17. DID NOT INCLUDE ALL REPORTABLE CONTRIBUTIONS.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):

05/01/1997 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 2,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
LETTER OF AWC  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
\$2,000.00 FINE PAID 05/01/97

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
LETTER OF AWC. \$2,000.00 FINE PAID 05/01/97

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☒ 11.D(2)

☐ 11.D(3)

☒ 11.D(4)

☒ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate *DRP* for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one *DRP*. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one *DRP* to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate *DRP*.

PART I

A. The *person(s)* or entity(ies) for whom this *DRP* is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this *DRP* is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV *DRP* - ADVISORY AFFILIATE

CRD Number:

2357830

This *advisory affiliate* is

☐ a Firm

☒ an Individual

Registered:

☒ Yes

☐ No

Name:

TEMPLE, WILLIAM, BARRY  
(For individuals, Last, First, Middle)

- ☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:
- B.

If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

☒ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1.

Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☒ State

☐ *SRO*

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
2.

Principal Sanction:

Other Sanctions:
3.

Date Initiated (MM/DD/YYYY):

06/25/2001

☐ Exact

☐ Explanation

If not exact, provide explanation:
4.

Docket/Case Number:

SD-01-0087
5.

*Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6.

Principal Product Type:

Other Product Types:
7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):
8.

Current Status?

☐ Pending

☐ On Appeal

☐ Final
9.

If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10.

How was matter resolved:
11.

Resolution Date (MM/DD/YYYY):

☐ Exact

☐ Explanation

If not exact, provide explanation:
12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

- Regulatory Action initiated by:
  - ☐ SEC
  - ☐ Other Federal
  - ☐ State
  - ☒ SRO
  - ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

AMEX
- Principal Sanction:

Other

Other Sanctions:

FINED \$10,000.00 AND REQUIRED TO DEVELOP AND IMPLEMENT WRITTEN PROCEDURES SATISFACTORY TO THE EXCHANGE TO PRECLUDE THE SUBJECT VIIOLATIONS FROM RECURRING.
- Date Initiated (MM/DD/YYYY):

10/28/1983

  - ☒ Exact
  - ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:  
83-D-29
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
No Product  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
ORDERS WERE PLACED BY A CORRELSPONDENT BROKER, S. C. COSTA COMPANY, WHICH WERE CROSSES, BUT A CHANGE OF OWNERSHIP WAS NOT ACCOMPLISHED.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Settled
11. Resolution Date (MM/DD/YYYY):  
01/15/1984 ☐ Exact ☒ Explanation  
If not exact, provide explanation:  
OUR RECORDS JUST SHOW JANUARY 1984
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 10,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
WRITTEN SUPERVISORY PROCUEDURES ACCEPTABLE TO THE EXCHANGE TO BE IN PLACE WITHIN 30 DAYS.  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
PAID \$10,000.00 FINE IN JANUARY, 1984
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
ORDERS WERE PLACE BY A CORRELSPONDENT BROKER, S. C. COSTA, WHICH WERE CROSSES, BUT A CHANGE OF OWNERSHIP WAS NOT ACCOMPLISHED

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |   |                                  |                                  |                                  |
|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input checked="" type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input type="checkbox"/> 11.E(2)            | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate *DRP* for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one *DRP*. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one *DRP* to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate *DRP*.

PART I

A. The *person(s)* or entity(ies) for whom this *DRP* is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this *DRP* is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV *DRP* - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This *DRP* should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This *DRP* should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☒ State
- ☐ *SRO*
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

STATE OF MASSACHUSETTS

2. Principal Sanction:

Other

Other Sanctions:

FINED \$5,450.00

3. Date Initiated (MM/DD/YYYY):

06/01/1989 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

E-89-246

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

No Product

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

TRANSACTIONS IN THE STATE PRIOR TO REGISTRATION.

8. Current Status?

- ☐ Pending
- ☐ On Appeal
- ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Other

11. Resolution Date (MM/DD/YYYY):  
09/22/1989 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:  
A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  
☒ Monetary/Fine Amount: \$ 5,450.00  
☐ Revocation/Expulsion/Denial  
☐ Censure  
☐ Bar  
☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
\$5,450.00 FINE PAID 09/22/89

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
\$5,450.00 FINE PAID 09/22/89

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |   |                                  |                                  |                                  |
|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☒ You (the advisory firm)
  - ☐ You and one or more of your *advisory affiliates*
  - ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed



- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes

☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ *SRO*

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NASD
2. Principal Sanction:

Other

Other Sanctions:

FINED \$250.00
3. Date Initiated (MM/DD/YYYY):

12/06/1985

☒ Exact

☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

MS-177
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

No Product

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

INCONSISTENT PRINT
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled
11. Resolution Date (MM/DD/YYYY):

01/06/1985

☒ Exact

☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 250.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction



☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
PAID \$250 ON 01/06/85

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
PAID \$250 ON 01/06/85

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |   |                                  |                                  |                                  |
|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☒ You (the advisory firm)
  - ☐ You and one or more of your *advisory affiliates*
  - ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

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- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

DISTRICT SIX BUSINESS CONDUCT COMMITTEE
2. Principal Sanction:

Censure

Other Sanctions:

\$2,000.00 FINE
3. Date Initiated (MM/DD/YYYY):

05/01/1997 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

CO6970008
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

No Product

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

VIOLATION OF MSRB RULE G-17. DID NOT INCLUDE ALL REPORTABLE CONTRIBUTIONS.
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):

05/01/1997 ☒ Exact ☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 2,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

LETTER OF AWC

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

\$2,000.00 FINE PAID 05/01/97

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

\$2,000.00 FINE PAID 05/01/97
- GENERAL INSTRUCTIONS
- This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
NASD

2. Principal Sanction:

Censure  
Other Sanctions:  
AWC WITH \$250.00 FINE

3. Date Initiated (MM/DD/YYYY):

07/09/1987 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

MS-614-AWC

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6.

Principal Product Type:  
No Product  
Other Product Types:
7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):  
  
FAILURE TO REPORT NASDAQ VOLUME
8.

Current Status? ☐ Pending ☐ On Appeal ☒ Final
9.

If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:  
Acceptance, Waiver & Consent(AWC)
11.

Resolution Date (MM/DD/YYYY):  
  
07/06/1988 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 250.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
PAID \$250.00 ON 07/06/88

13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
  
PAID \$250.00 ON 07/06/88

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A.

The *person*(s) or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	17587	This <i>advisory affiliate</i> is	<input checked="" type="radio"/> a Firm	<input type="radio"/> an Individual
Registered:	<input checked="" type="radio"/> Yes <input type="radio"/> No			
Name:	SWS FINANCIAL SERVICES (For individuals, Last, First, Middle)			

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

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- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
2. Principal Sanction:

Censure

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

12/20/1994 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

COMPLAINT NO. C06940050
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

No Product

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

VIOLATIONS OF ARTICLE III, SECTIONS 1 AND 27 OF THE RULES OF FAIR PRACTICE: WALTER EFFECTED UNAUTHORIZED TRANSACTIONS IN PUBLIC CUSTOMER ACCOUNTS AND SWITCHED SECURITIES IN SUCH ACCOUNTS THROUGH TRANSACTIONS CONSISTING OF THE PURCHASE AND SALE OF INVESTMENT COMPANY SHARES, WITHOUT CUSTOMER AUTHORIZATION WHEN SUCH TRANSACTIONS INVOLVED THE SAME-DAY PURCHASE AND SALE OF INVESTMENT COMPANY SHARES HAVING THE SAME OR SIMILAR INVESTMENT OBJECTIVES AND WHEN SUCH TRANSACTIONS WERE EFFECTED FOR THE PRIMARY PURPOSE OF INCREASING THE COMMISSION INCOME OF WALTER AND NOT FOR THE BENEFIT OF THE CUSTOMER; AND THE FIRM FAILED TO MAINTAIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES AND A SUPERVISORY SYSTEM SO AS TO PREVENT THE AFOREMENTIONED ACTIVITIES.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Decision & Order of Offer of Settlement

11. Resolution Date (MM/DD/YYYY):

11/20/1995 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 20,000.00
- ☐ Revocation/Expulsion/Denial
- ☒ Censure
- ☐ Bar

- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☒ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
11/30/1995, THE DECISION AND ORDER OR ACCEPTANCE OF OFFER OF SETTLEMENT WAS ISSUED; WALTER IS CENSURED, FINED \$20,000 (\$15,000 WHICH REPRESENTS DISGORGED COMMISSIONS) AND SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER FOR 5 BUSINESS DAYS. THE COMPLAINT WAS DISMISSED AS TO THE FIRM REGARDING THE FIRM'S FAILURE TO SUPERVISE IN THAT THERE HAD BEEN NO CUSTOMER LOSS AND THE CUSTOMER HAS BEEN OFFERED CANCELLATION OR RECISSION OF THE TRANSACTIONS INVOLVED; WALTER WAS TERMINATED AS A RESULT OF THE FIRST SWITCH AND THE SECOND ATTEMPTED SWITCH; AND THE FIRM HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES AS DIRECTED BY THE COMMITTEE TO INSURE THAT FUTURE ACTIVITIES OF THIS TYPE WILL BE MONITORED MORE CLOSELY.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

COMPLAINT NO. C06940050 FILED 12/20/1994 BY DISTRICT NO. 6 AGAINST BROKERS TRANSACTION SERVICE, INC. (THE FIRM) AND ROSSI LAMONT WALTER ALLEGING VIOLATIONS OF ARTICLE III, SECTIONS 1 AND 27 OF THE RULES OF FAIR PRACTICE IN THAT WALTER EFFECTED UNAUTHORIZED TRANSACTIONS IN THE ACCOUNTS OF A PUBLIC CUSTOMER; AND THE FIRM FAILED TO ADEQUATELY SUPERVISE THE ACTIVITIES OF THE RESPONDENT WALTER. AMENDED COMPLAINT NO. C069400050 FILED 6/27/1995 BY DISTRICT 6 AGAINST FIRM AND ROSSI LAMONT WALTER ALLEGING VIOLATIONS OF ARTICLE III, SECTIONS 1 AND 27 OF THE RULES OF FAIR PRACTICE; WALTER EFFECTED UNAUTHORIZED TRANSACTIONS IN PUBLIC CUSTOMER ACCOUNTS AND SWITCHED SECURITIES IN SUCH ACCOUNTS THROUGH TRANSACTIONS CONSISTING OF THE PURCHASE AND SALE OF INVESTMENT COMPANY SHARES, WITHOUT THE CUSTOMER AUTHORIZATION WHEN SUCH TRANSACTIONS INVOLVED THE SAME-DAY PURCHASE AND SALE OF INVESTMENT COMPANY SHARES HAVING THE SAME OR SIMILAR INVESTMENT OBJECTIVES AND WHEN SUCH TRANSACTIONS WERE EFFECTED FOR THE PRIMARY PURPOSE OF INCREASING THE COMMISSION INCOME OF WALTER AND NOT FOR THE BENEFIT OF THE CUSTOMER; THE FIRM FAILED TO MAINTAIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES AND A SUPERVISORY SYSTEM SO AS TO PREVENT THE AFOREMENTIONED ACTIVITIES; 11/30/1995, THE DECISION AND ORDER OF ACCEPTANCE OF OFFER OF SETTLEMENT WAS ISSUED; WALTER IS CENSURED, FINED \$20,000 (\$15,000 WHICH REPRESENTS DISGORGED COMMISSIONS), SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER FOR 5 BUSINESS DAYS. THE COMPLAINT WAS DISMISSED AS TO THE FIRM REGARDING THE FIRM'S FAILURE TO SUPERVISE IN THAT THERE HAD BEEN NO CUSTOMER LOSS AND THE CUSTOMER HAS BEEN OFFERED CANCELLATION OR RECISSION OF THE TRANSACTIONS INVOLVED; WALTER WAS TERMINATED AS A RESULT OF THE FIRST SWITCH AND THE SECOND ATTEMPTED SWITCH; AND, THE FIRM HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES AS DIRECTED BY THE COMMITTEE TO INSURE THAT FUTURE ACTIVITIES OF THIS TYPE WILL BE MONITORED MORE CLOSELY.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☒ 11.D(5)
- ☐ 11.E(1)
- ☐ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☒ State
- ☐ *SRO*
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

STATE OF WISCONSIN

2. Principal Sanction:

Denial

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

02/08/1983 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

No Product

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

TRANSACTIONS WITH WISCONSIN RESIDENTS PRIOR TO REGISTRATION

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:



If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

02/08/1983 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☒ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

DENIED REGISTRATION IN WISCONSIN FOR 120 DAYS

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

DENIED REGISTRATION IN WISCONSIN FOR 120 DAYS BEGINNING 2/08/83

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

DENIED REGISTRATION IN WISCONSIN FOR 120 DAYS BEGINNING 2/08/83

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☒ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☒ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD 815598

Number:

This *advisory affiliate* is ☐ a Firm ☒ an Individual

Registered: ☒ Yes ☐ No

Name: ROSS, JAMES HARRELL



(For individuals, Last, First, Middle)

- ☐ This **DRP** should be removed from the **ADV** record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This **DRP** should be removed from the **ADV** record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the **SEC** or reporting as an *exempt reporting adviser* with the **SEC** and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a **DRP** for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the **SEC**, you may remove a **DRP** for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This **DRP** should be removed from the **ADV** record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the **IARD** system or *CRD* system, has the *advisory affiliate* submitted a **DRP** (with Form **ADV**, **BD** or **U-4**) to the **IARD** or *CRD* for the event? If the answer is "Yes," no other information on this **DRP** must be provided.
- ☒ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its **IARD** or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☒ State

☐ SRO

☐ Foreign

(Full name of regulator, foreign financial regulatory authority, federal, state, or SRO)
2. Principal Sanction:

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

☐ Exact

☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:
5. Advisory Affiliate Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
8. Current Status?

☐ Pending

☐ On Appeal

☐ Final
9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
11. Resolution Date (MM/DD/YYYY):

☐ Exact

☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☒ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☐ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

815598

Registered:

☒ Yes ☐ No

Name:

ROSS, JAMES HARRELL  
(For individuals, Last, First, Middle)

This *advisory affiliate* is

☐ a Firm ☒ an Individual

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1.

Regulatory Action initiated by:  

☐ SEC

☐ Other Federal

☒ State

☐ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
2.

Principal Sanction:  
  
Other Sanctions:
3.

Date Initiated (MM/DD/YYYY):  

☐ Exact

☐ Explanation

If not exact, provide explanation:
4.

Docket/Case Number:
5.

*Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6.

Principal Product Type:  
  
Other Product Types:
7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):
8.

Current Status?

☐ Pending

☐ On Appeal

☐ Final
9.

If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11.

Resolution Date (MM/DD/YYYY):  

☐ Exact

☐ Explanation

If not exact, provide explanation:

12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	17587	This <i>advisory affiliate</i> is	<input checked="" type="radio"/> a Firm	<input type="radio"/> an Individual
Registered:	<input checked="" type="radio"/> Yes <input type="radio"/> No			
Name:	SWS FINANCIAL SERVICES, INC. (For individuals, Last, First, Middle)			

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:
- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☒ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
- ☐ SEC

☐ Other Federal

☐ State

☐ SRO

☐ Foreign
- (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
2. Principal Sanction:
- Other Sanctions:
3. Date Initiated (MM/DD/YYYY):
- ☐ Exact

☐ Explanation
- If not exact, provide explanation:
4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

8. Current Status? ☐ Pending ☐ On Appeal ☐ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):

☐ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- |                                  |   |                                  |   |   |
|----------------------------------|---|----------------------------------|---|---|
| <input type="checkbox"/> 11.C(1) | <input checked="" type="checkbox"/> 11.C(2) | <input type="checkbox"/> 11.C(3) | <input checked="" type="checkbox"/> 11.C(4) | <input checked="" type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4)            | <input type="checkbox"/> 11.D(5)            |
| <input type="checkbox"/> 11.E(1) | <input type="checkbox"/> 11.E(2)            | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4)            |   |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |   |   |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

No Information Filed

- ☐
- This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐
- This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐
- This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☒ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
2. Principal Sanction:

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

Other Sanctions:

CEASE AND DESIST CENSURE DISGORGEMENT
3. Date Initiated (MM/DD/YYYY):

07/09/2021 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

3-20389
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Debt - Municipal

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE SEC FOUND THAT, BETWEEN JANUARY 2016 AND APRIL 2018, THE FIRM OBTAINED BONDS FOR ITS INVENTORY BY PLACING ORDERS WITH A CO-MANAGING UNDERWRITER AND THAT A REGISTERED REPRESENTATIVE OF THE CO-MANAGING UNDERWRITER PLACED THE FIRM'S STOCK ORDERS WITH THE SENIOR MANAGER AND MISCHARACTERIZED THEM AS RETAIL CUSTOMER ORDERS. THE SEC ALSO FOUND THAT DURING THIS PERIOD, ON OCCASION, THESE ORDERS WERE PLACED FOR OFFERINGS WHERE THE FIRM WAS ACTING AS A CO-MANAGING UNDERWRITER, AND THE SENIOR MANAGER WAS NOT INFORMED THAT THE ORDERS WERE FOR THE FIRM, WHICH IN SOME INSTANCES WAS CONTRARY TO SYNDICATE RULES. THE SEC FOUND THAT, AMONG OTHER THINGS, THE FIRM LACKED POLICIES AND PROCEDURES WITH RESPECT TO HOW STOCK ORDERS WERE SUBMITTED FOR NEW ISSUES BONDS TO THIRD PARTIES, INCLUDING THE BROKER-DEALER THAT MISCHARACTERIZED THE FIRM'S ORDERS. THE SEC FOUND WILLFUL VIOLATIONS OF MSRB RULES G-27 AND G-17, SECTION 15B(C)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT), AND A FAILURE TO REASONABLY SUPERVISE WITHIN THE MEANING OF SECTION 15(B)(4)(E) OF THE EXCHANGE ACT.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Order

11. Resolution Date (MM/DD/YYYY):

07/09/2021 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 85,000.00
- ☐ Revocation/Expulsion/Denial
- ☒ Censure
- ☐ Bar
- ☒ Disgorgement/Restitution
- ☒ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

DISGORGEMENT OF \$206,606 AND PREJUDGMENT INTEREST OF \$48,587.  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO A CENSURE, TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15B(C)(1) OF THE EXCHANGE ACT AND MSRB RULES G-17 AND G-27, AND TO PAY DISGORGEMENT IN THE AMOUNT OF \$206,606, PREJUDGMENT INTEREST IN THE AMOUNT OF \$48,587, AND A CIVIL MONEY PENALTY IN THE AMOUNT OF \$85,000. THE PENALTY, DISGORGEMENT AND PREJUDGMENT INTEREST WERE PAID ON OR AROUND JULY 22, 2021.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO A CENSURE, TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15B(C)(1) OF THE EXCHANGE ACT AND MSRB RULES G-17 AND G-27, AND TO PAY DISGORGEMENT IN THE AMOUNT OF \$206,606, PREJUDGMENT INTEREST IN THE AMOUNT OF \$48,587, AND A CIVIL MONEY PENALTY IN THE AMOUNT OF \$85,000. THE PENALTY, DISGORGEMENT AND PREJUDGMENT INTEREST WERE PAID ON OR AROUND JULY 22, 2021.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the



adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☒ *SRO* ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
NASD

2. Principal Sanction:  
Censure  
Other Sanctions:  
FINE OF \$10,000.00

3. Date Initiated (MM/DD/YYYY):  
12/17/2002 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:  
CMS030287

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Other  
Other Product Types:  
CORPORATE BONDS

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
RESPONDENT FAILED TO REPORT TO TRACE IN A TIMELY MANNER, RESPONDENT FAILED TO REPORT TO TRACE THE CORRECT EXECUTION TIMES, AND  
RESPONDENT DOUBLE REPORTED TO TRACE DURING THE PERIOD OF AUGUST 1,2002 THROUGH SEPTEMBER 30, 2002.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
12/18/2003 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 10,000.00
- ☐ Revocation/Expulsion/Denial
- ☒ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension



B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
A CENSURE AND FINE OF \$10000.00

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

RESPONDENT FAILED TO REPORT TO TRACE IN A TIMELY MANNER, RESPONDENT FAILED TO REPORT TO TRACE THE CORRECT EXECUTION TIMES AND RESPONDENT DOUBLE REPORTED TO TRACE DURING THE PERIOD OF AUGUST 1, 2002 THROUGH SEPTEMBER 30, 2002.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |   |                                  |                                  |                                  |
|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☒ You (the advisory firm)
  - ☐ You and one or more of your *advisory affiliates*
  - ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NASD

2. Principal Sanction:

Disgorgement

Other Sanctions:

CENSURED & FINED

3. Date Initiated (MM/DD/YYYY):

04/01/1998 ☐ Exact ☒ Explanation

If not exact, provide explanation:

SUMMARY FINE WITH REGARD TO 1998 TMMS AND 1999 TMMS AND VARIOUS MKT REGULATION INQUIRES

4. Docket/Case Number:

CMS010097

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Equity - OTC

Other Product Types:

EQUITY LISTED (COMMON & PREFERRED)

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

CUMLATIVE NASD FINDINGS W/ REGARD TO ALLEGED VIOLATIONS ARISING FROM THE FOLLOWING EXAMINATIONS & REVIEWS: 1)1998 TMMS EXAM 2)1999 TMMS EXAM 3)FIRM QUOTE REVIEW 4)LOCKED & CROSSED 5)SECOND LOCKED & CROSSED.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

07/24/2001 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 39,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

\$39000.00 PAID 7/24/2001

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

SWS SECURITIES SUBMITTED A LETTER OF AWC IN WHICH THE FIRM WAS CENSURED AND FINED \$39000. W/O ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS THAT, IN TRANSACTIONS FOR OR WITH A CUSTOMER, THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MKT AND FAILED TO BUY OR SELL IN SUCH MKT SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NYSE

2. Principal Sanction:

Censure

Other Sanctions:

\$150,000.00 FINE

3. Date Initiated (MM/DD/YYYY):

09/08/2003 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4.

Docket/Case Number:  
DECISION 03-169
5.

*Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6.

Principal Product Type:  
No Product  
Other Product Types:
7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):  
VIOLATED EXCHANGE RULE 342 BY FAILING TO MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION WITH RESPECT TO MAKING AND PRESERVING ACCURATE RECORDS DURING A SYSTEM CONVERSION, FLOOR BROKERAGE ACTIVITIES, AND COMPLIANCE WITH CONTINUING EDUCATION REQUIREMENTS; VIOLATED SEC RULES 17A-3 & 17A-4 AND EXCHANGE RULE 440 BY FAILING TO PRESERVE ACCURATE BOOKS AND RECORDS CONCERNING CUSTOMER ACCOUNTS AND CLEARANCE ACCOUNT RECONCILIATIONS DURING A SYSTEM CONVERSION; VIOLATED SEC RULE 15C3-1 BY FAILING TO PROPERLY COMPUTE NET CAPITAL; VIOLATED EXCHANGE RULES 123 AND 410 BY FAILING TO PRESERVE RECORDS OF FLOOR BROKERAGE ORDERS; VIOLATED EXCHANGE RULE 345A CONCERNING CONTINUING EDUCATION REQUIREMENTS.
8.

Current Status? ☐ Pending ☐ On Appeal ☒ Final
9.

If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:  
Settled
11.

Resolution Date (MM/DD/YYYY):  
09/08/2003 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 150,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
CENSURE & \$150,000 FINE.

13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
VIOLATED EXCHANGE RULE 342 BY FAILING TO MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION WITH RESPECT TO MAKING AND PRESERVING ACCURATE RECORDS DURING A SYSTEM CONVERSION, FLOOR BROKERAGE ACTIVITIES, AND COMPLIANCE WITH CONTINUING EDUCATION REQUIREMENTS; VIOLATED SEC RULES 17A-3 AND 17A-4 AND EXCHANGE RULE 440 BY FAILING TO PRESERVE ACCURATE BOOKS AND RECORDS CONCERNING CUSTOMER ACCOUNTS AND CLEARANCE ACCOUNT RECONCILIATIONS DURING A SYSTEM CONVERSION; VIOLATED SEC RULE 15C3-1 BY FAILING TO PROPERLY COMPUTE NET CAPITAL; VIOLATED EXCHANGE RULES 123 & 410 BY FAILING TO PRESERVE RECORDS OF FLOOR BROKERAGE ORDERS; VIOLATED EXCHANGE RULE 345A CONCERNING CONTINUING EDUCATION REQUIREMENTS - CONSENT TO CENSURE & \$150,000 FINE.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

01/29/2001 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

CMS020155

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Equity - OTC

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

NASD RULE 4613(E)(1)(C) - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT CONSENTED TO THE ENTRY OF FINDINGS THAT IT,

A MARKET MARKER IN SECURITIES, LOCKED/CROSSED MARKET DURING THE PRE-OPENING MARKET PERIOD AND FAILED TO IMMEDIATELY THEREAFTER SEND A TRADE-OR-MOVE MESSAGE THROUGH SELECTNET TO THE MARKET PARTICIPANT WHOSE QUOTE IT LOCKED OR CROSSED THAT WAS PRICED AT THE RECEIVING MARKET PARTICIPANT'S QUOTED PRICE; AND/OR FAILED TO SEND A TRADE-OR-MOVE MESSAGE(S) THROUGH SELECTNET WITH AN AGGREGATE SIZE OF AT LEAST 5,000 SHARES TO ALL MARKET PARTICIPANTS WHOSE QUOTES IT LOCKED/CROSSED. ACTIVITY PERIOD 11/2000 - 12/2000.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

09/04/2002 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 10,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

A CENSURE AND A FINE OF \$10,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NASD
2. Principal Sanction:

Disgorgement

Other Sanctions:

CENSURE
3. Date Initiated (MM/DD/YYYY):

04/06/2000 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

C05000019
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Debt - Government

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

AS PART OF A GLOBAL SETTLEMENT BY SEVENTEEN BROKER-DEALERS, THE NASD INSTITUTED AND SETTLED DISCIPLINARY PROCEEDINGS AGAINST SEVEN BROKER-DEALERS, INCLUDING SWS SECURITIES, INC., ALLEGING UNLAWFUL, UNDISCLOSED OVERCHARGES IN CONNECTION WITH THE PRICING OF ESCROW SECURITIES SOLD TO CERTAIN MUNICIPAL BOND ISSUERS FOR USE IN ADVANCE REFUNDING TRANSACTIONS.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):

04/05/2000 ☐ Exact ☒ Explanation



If not exact, provide explanation:

UPON REVIEW, THE AWC WAS EXECUTED BY THE NASDR THE DAY BEFORE THE PROCEEDINGS IN NY, BUT THE SETTLEMENT WAS NOT EFFECTIVE UNTIL 04/06/2000 WHEN ACCEPTED BY THE OTHER GOVERNMENT AGENCIES.

12. Resolution Detail:
- A. Were any of the following Sanctions *Ordered* (check all appropriate items)?
- ☒ Monetary/Fine Amount: \$ 35,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

SWS SECURITIES, INC. AGREED TO PAY DISGORGEMENT TO AN ISSUER IN THE AMOUNT OF \$61,298.94, AND TO THE U.S. TREASURY IN THE AMOUNT OF \$473,992.30. THE ISSUER WAS PAID ON APRIL 19, 2000, AND THE U.S. TREASURY WAS PAID ON APRIL 13, 2000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).
- SWS SECURITIES SIMULTANEOUSLY SETTLED AN ACTION THAT HAD BEEN BROUGHT UNDER THE FALSE CLAIMS ACT. THIS ACTION IS ALSO RELATED TO THE MARK-UPS CHARGED ON ESCROW SECURITIES SOLD TO CERTAIN MUNICIPAL BOND ISSUERS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:
- B.

If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

☐ Yes

☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1.

Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ *SRO*

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
2.

Principal Sanction:

Other Sanctions:
3.

Date Initiated (MM/DD/YYYY):

09/18/2002

☐ Exact

☒ Explanation

If not exact, provide explanation:  
EXACT DATE AWC INITIATED UNKNOWN
4.

Docket/Case Number:

C05020047
5.

*Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):  
SWS SECURITIES, INC.
6.

Principal Product Type:

No Product

Other Product Types:
7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):  
NASD RULES 2110 AND 3010(B) - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO ENFORCE WRITTEN SUPERVISORY PROCEDURES ADDRESSING THE HANDLING, APPROVAL AND PROCESSING OF CUSTOMER LETTERS OF AUTHORIZATION RECEIVED FROM ITS CORRESPONDENT FIRMS PARTICIPATING IN DAY TRADING ACTIVITIES; RESPONDENT FAILED TO REFLECT IN ITS WRITTEN SUPERVISORY PROCEDURES, ITS PROCEDURES TO ADDRESS THE SETTING OF TRADING PARAMETERS FOR CORRESPONDENT FIRMS AND THE MONITORING OF CORRESPONDENT TRANSACTIONS AWAY FROM RESPONDENT.
8.

Current Status?

☐ Pending

☐ On Appeal

☒ Final
9.

If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10.

How was matter resolved:

Acceptance, Waiver & Consent(AWC)
11.

Resolution Date (MM/DD/YYYY):

09/18/2002

☒ Exact

☐ Explanation

If not exact, provide explanation:
12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 25,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions *Ordered*:  
UNDERTAKING: WITHIN 60 DAYS OF THE DATE OF THIS AWC, RESPONDENT MEMBER WILL MEET WITH THE ASSOCIATION TO REVIEW AND MAKE

RECOMMENDATIONS CONCERNING THE FIRM'S WRITTEN SUPERVISORY PROCEDURES AS THEY RELATE TO THE REVIEW OF APPROVAL OF LETTERS OF AUTHORIZATION AND THE FIRM'S CREDIT RESTRICTIONS AND TRADING PARAMETERS.  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
CENSURE AND \$25,000 FINE.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:  

<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.  

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
NASD

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

02/12/2004 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

CAFO40016

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Mutual Fund(s)

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

NASD CONDUCT RULE 2110 - RESPONDENT MEMBER SOLD SHARES ISSUED BY MUTUAL FUNDS WITHOUT PROVIDING CERTAIN CUSTOMERS WITH THE REDUCTION IN THE FRONT-END LOADS, OR SALES CHARGES DESCRIBED IN THE PROSPECTUSES OF THE FUNDS; FAILED TO GIVE ITS CUSTOMERS BREAKPOINT DISCOUNTS IN 89.02% OF ELIGIBLE MUTUAL FUND TRANSACTIONS IN 2001 AND 2002, THAT RESULTED IN MISSED BREAKPOINTS THAT WOULD HAVE REDUCED CUSTOMERS CHARGES BY AT LEAST \$36,971 ON THEIR PURCHASES OF MUTUAL FUND SHARES WITH FRONT-END LOADS DURING THE RELEVANT PERIOD.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

02/12/2004 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 36,971.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

UNDERTAKINGS

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, SOUTHWEST SECURITIES, INC. CONSENTED TO THE FINDING OF THE ALLEGATIONS AND TO THE FOLLOWING SANCTIONS: CENSURED AND FINED \$36,971, AND REQUIRED TO PROVIDE WRITTEN NOTIFICATION TO EACH CUSTOMER WHO PURCHASED FRONT-END LOAD MUTUAL FUNDS THROUGH THE FIRM FROM JANUARY 1, 1999 THROUGH NOVEMBER 3, 2003 THAT THE FIRM EXPERIENCED A PROBLEM DELIVERING BREAKPOINT DISCOUNTS AND THAT AS A RESULT, THE CUSTOMER MAY BE ENTITLED TO A REFUND; PERFORM A TRADE-BY-TRADE ANALYSIS OF ALL FRONT-END LOAD MUTUAL FUND PURCHASES OF \$2,500 OR MORE AND ALL OVERCHARGES IDENTIFIED REFUNDED BY MARCH 31, 2004; PROVIDE REFUNDS TO ALL CUSTOMERS WHO DID NOT RECEIVE ALL APPLICABLE BREAKPOINT DISCOUNTS AS DESCRIBED IN NTM 03-47; PROVIDE NASD A REPORT ON RESPONDENT'S PROGRAM BY 4/16/04; AND NOT LATER THAN SIX MONTHS AFTER THE DATE OF THIS ORDER, RESPONDENT'S CHIEF EXECUTIVE OFFICER OR ANOTHER SENIOR EXECUTIVE OFFICER SHALL CERTIFY IN WRITING TO NASD THAT RESPONDENT HAS IMPLEMENTED PROCEDURES AND A SYSTEM FOR IDENTIFYING SUCH PROCEDURES THAT CAN REASONABLY BE EXPECTED TO PREVENT AND DETECT FAILURES TO PROVIDE BREAKPOINT DISCOUNTS FOR WHICH CUSTOMERS ARE ELIGIBLE ON PURCHASES OF FRONT-END LOAD MUTUAL FUNDS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, SOUTHWEST SECURITIES, INC. CONSENTED TO THE FINDING OF THE ALLEGATIONS AND TO THE FOLLOWING SANCTIONS: CENSURED AND FINED \$36,971, AND REQUIRED TO PROVIDE WRITTEN NOTIFICATION TO EACH CUSTOMER WHO PURCHASED FRONT-END LOAD MUTUAL FUNDS THROUGH THE FIRM FROM JANUARY 1, 1999 THROUGH NOVEMBER 3, 2003 THAT THE FIRM EXPERIENCED A PROBLEM DELIVERING BREAKPOINT DISCOUNTS AND THAT AS A RESULT, THE CUSTOMER MAY BE ENTITLED TO A REFUND; PERFORM A TRADE-BY-TRADE ANALYSIS OF ALL FRONT-END LOAD MUTUAL FUND PURCHASES OF \$2,500 OR MORE AND ALL OVERCHARGES IDENTIFIED REFUNDED BY MARCH 31, 2004; PROVIDE REFUNDS TO ALL CUSTOMERS WHO DID NOT RECEIVE ALL APPLICABLE BREAKPOINT DISCOUNTS AS DESCRIBED IN NTM 03-47; PROVIDE NASD A REPORT ON RESPONDENT'S PROGRAM BY 4/16/04; AND NOT LATER THAN SIX MONTHS AFTER THE DATE OF THIS ORDER, RESPONDENT'S CHIEF EXECUTIVE OFFICER OR ANOTHER SENIOR EXECUTIVE OFFICER SHALL CERTIFY IN WRITING TO NASD THAT RESPONDENT HAS IMPLEMENTED PROCEDURES AND A SYSTEM FOR IDENTIFYING SUCH PROCEDURES THAT CAN REASONABLY BE EXPECTED TO PREVENT AND DETECT FAILURES TO PROVIDE BREAKPOINT DISCOUNTS FOR WHICH CUSTOMERS ARE ELIGIBLE ON PURCHASES OF FRONT-END LOAD MUTUAL FUNDS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |   |                                  |                                  |                                  |
|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC   ☐ Other Federal   ☐ State   ☒ SRO   ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

04/28/2003   ☐ Exact   ☒ Explanation

If not exact, provide explanation:

EXACT DATE AWC INITIATED UNKNOWN

4. Docket/Case Number:

CMS030110

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

UNKNOWN TYPE OF SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

NASD CONDUCT RULES 2110 AND 2320 - RESPONDENT MEMBER FAILED, IN TRANSACTIONS FOR OR WITH A CUSTOMER, TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS.

8. Current Status?   ☐ Pending   ☐ On Appeal   ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

04/28/2003   ☒ Exact   ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 10,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS,RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE,THE FIRM IS CENSURED,FINED \$10,000,AND RESTITUTION IN THE TOTAL AMOUNT OF \$356.95, PLUS INTEREST. SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION SHALL BE PROVIDED TO NASD NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. IF FOR ANY REASON RESPONDENT CANNOT LOCATE ANY CUSTOMER AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, OR SUCH ADDITIONAL PERIOD AGREED TO NASD, RESPONDENT SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY, OR ABANDONED PROPERTY FUND FOR ONE OF THE STATES IN WHICH THE CUSTOMER LAST RESIDED.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).



GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL *OR* ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

01/02/2002 ☐ Exact ☒ Explanation

If not exact, provide explanation:

EXACT DATE AWC INITIATED UNKNOWN



4. Docket/Case Number:  
CMS010202
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
Other  
Other Product Types:  
FIPS SECURITIES
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
NASD RULE 2110, NASD MARKETPLACE RULE 6240(A)(2) - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT MEMBER CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT TO THE FIXED INCOME PRICING SYSTEM TRANSACTIONS IN FIPS SECURITIES WITHIN FIVE MINUTES AFTER EXECUTION.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):  
01/02/2002 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 5,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
FINED \$5,000.
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL *OR* ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action				
Check item(s) being responded to:				
<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ *SRO*
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
NASD

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

06/30/2006 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

20042000225-01

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

TRACE-ELIGIBLE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

SEC RULE 11AC1-6, NASD RULES 1021, 2110, 3010, 5262, 6955(A) - SOUTHWEST SECURITIES, INC. FAILED TO PROPERLY REGISTER THE FIRM'S DIRECTOR OF REGULATORY OVERSIGHT WITH SUPERVISORY RESPONSIBILITY AS A GENERAL SECURITIES PRINCIPAL; FAILED TO PROPERLY REGISTER THE FIRM'S HEAD TRADER WITH SUPERVISORY RESPONSIBILITY AS A GENERAL SECURITIES PRINCIPAL; THE PERSONNEL AT THE FIRM DESIGNATED AS BEING RESPONSIBLE FOR THE ESTABLISHMENT, MAINTENANCE AND ENFORCEMENT OF THE FIRM'S SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS, AND NASD RULES CONCERNING REGISTRATION FAILED TO DETECT THAT INDIVIDUALS WERE NOT PROPERLY REGISTERED AS GENERAL SECURITIES PRINCIPALS AND THUS FAILED TO COMPLY WITH APPLICABLE REQUIREMENTS FOR REGISTRATION; THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DEISGNE

ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES REGARDING SEC RULE 11AC1-1, RISKLESS PRINCIPAL TRADE REPORTING, SEC RULE 11AC1-5, AND OATS. THE FIRM SUBMITTED QUARTERLY ORDER ROUTING INFORMATION REPORTS THAT INCORRECTLY DISCLOSED AN "UNSPECIFIED ROUTE VENUE" TO WHICH THE FIRM'S ORDERS WERE ROUTED; FAILED TO SUBMIT TO OATS ANY ROUTE REPORTS RELATED TO CANCEL/REPLACE REPORTS THAT WERE REQUIRED TO BE SUBMITTED. THE FIRM, AN ITS/CAES MARKET MAKER, PURCHASED OR SOLD ITS/CASES SECURITIES WHETHER IN A PRINCIPAL CAPACITY OR AS AGENT, AT A PRICE THAT WAS LOWER THAN THE BID OR HIGHER THAN THE OFFER DISPLAYED FROM AN ITS PARTICIPANT EXCHANGE OR ITS/CAES MARKET MAKER. THE FIRM FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES EXECUTED ON A BUSINESS DAY DURING TRACE SYSTEM HOURS WITHIN 45 MINUTES OF THE TIME OF EXECUTION; AND THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING TRACE TRADE-REPORTING.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
06/30/2006 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 160,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
UNDERTAKING  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
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 \$30,000, JOINTLY AND SEVERALLY, FINED \$130,000 SOLELY, AND REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC WITH RESPECT TO REGISTRATION REQUIREMENTS, SEC RULES 11AC1-1, 11AC1-5, RISKLESS PRINCIPAL TRADE REPORTING, OATS, AND TRACE TRADE-REPORTING.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)
- ☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)
- ☒ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)
- ☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

A. The *person(s)* or entity(ies) for whom this *DRP* is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this *DRP* is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV *DRP* - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This *DRP* should be removed from the *ADV* record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This *DRP* should be removed from the *ADV* record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a *DRP* for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a *DRP* for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This *DRP* should be removed from the *ADV* record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a *DRP* (with Form *ADV*, *BD* or *U-4*) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this *DRP* must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NEW YORK STOCK EXCHANGE
2. Principal Sanction:

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

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

05/22/2006 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

HBD# 06-132
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

No Product

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

\*\*5/22/06\*\* STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY NYSE REGULATION DIVISION OF ENFORCEMENT AND PENDING CONSENTED TO FINDINGS: 1. VIOLATED NYSE RULE 342(B) BY FAILING TO CONDUCT ANNUAL BRANCH OFFICE INSPECTIONS FOR ONE OR MORE BRANCH OFFICES OF THE MEMBER ORGANIZATION; 2. VIOLATED NYSE RULE 345(A) BY PERMITTING EMPLOYEES TO ENGAGE IN SECURITIES BUSINESS PRIOR TO THE EFFECTIVE DATES OF THEIR REGISTRATION WITH THE NYSE AS REPRESENTATIVES OF THE ORGANIZATION; 3. VIOLATED NYSE RULE 410 BY FAILING TO OBTAIN WRITTEN SUPERVISORY APPROVAL FOR ACCOUNT DESIGNATION CHANGES PRIOR TO EFFECTING SUCH CHANGES; 4. VIOLATED NYSE RULE 346(E) BY FAILING TO OBTAIN NYSE APPROVAL FOR DUAL EMPLOYMENT STATUS FOR ONE OR MORE SUPERVISORY EMPLOYEES; 5. VIOLATED NYSE RULE 351(D) BY FAILING TO ACCURATELY REPORT CUSTOMER COMPLAINTS TO THE NYSE AS REQUIRED UNDER NYSE RULES; AND, 6. VIOLATED NYSE RULES 342(A) AND (B) BY FAILING TO EXERCISE REASONABLE SUPERVISION AND CONTROL, INCLUDING A SEPARATE SYSTEM OF FOLLOW UP AND REVIEW, WITH RESPECT TO ENSURING THAT: (I) ALL BRANCH OFFICES WERE ANNUALLY INSPECTED, (II) TRADE CORRECTIONS WERE APPROVED IN WRITING PRIOR TO EFFECTING SUCH CHANGES; AND (III) THE FIRM OBTAINED NYSE APPROVAL FOR DUAL EMPLOYMENT OF CERTAIN SUPERVISORY PERSONNEL. CONSENTED TO SANCTION: CENSURE AND A \$100,000 FINE.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Decision

11. Resolution Date (MM/DD/YYYY):  
07/26/2006 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 100,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
\*\*6/29/06\*\* DECISION 06-132 ISSUED BY NYSE HEARING BOARD DECISION: VIOLATED NYSE RULE 342(B) BY FAILING TO CONDUCT ANNUAL BRANCH OFFICE INSPECTIONS FOR ONE OR MORE BRANCH OFFICES; VIOLATED NYSE RULE 345(A) BY PERMITTING EMPLOYEES TO ENGAGE IN SECURITIES BUSINESS PRIOR TO THE EFFECTIVE DATES OF THEIR REGISTRATION; VIOLATED NYSE RULE 410 BY FAILING TO OBTAIN WRITTEN SUPERVISORY APPROVAL FOR ACCOUNT DESIGNATION CHANGES PRIOR TO EFFECTING SUCH CHANGES; VIOLATED NYSE RULE 346(E) BY FAILING TO OBTAIN NYSE APPROVAL FOR DUAL EMPLOYMENT STATUS FOR ONE OR MORE SUPERVISORY EMPLOYEES; VIOLATED NYSE RULE 351(D) BY FAILING TO ACCURATELY REPORT CUSTOMER COMPLAINTS TO THE NYSE; AND VIOLATED NYSE RULES 342(A) AND (B) BY FAILING TO EXERCISE REASONABLE SUPERVISION AND CONTROL, INCLUDING A SEPARATE SYSTEM OF FOLLOW UP AND REVIEW, WITH RESPECT TO ENSURING THAT: (I) ALL BRANCH OFFICES WERE ANNUALLY INSPECTED, (II) TRADE CORRECTIONS WERE APPROVED IN WRITING PRIOR TO EFFECTING SUCH CHANGES; AND (III) THE FIRM OBTAINED NYSE APPROVAL FOR DUAL EMPLOYMENT OF CERTAIN SUPERVISORY PERSONNEL. SANCTION: THE HEARING BOARD IMPOSED THE SANCTION, CONSENTED TO BY SOUTHWEST SECURITIES, INC., OF A CENSURE AND A \$100,000 FINE.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
\*\*07/26/2006 THE DECISION IS NOW FINAL AND EFFECTIVE IMMEDIATELY.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)
- ☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)
- ☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)
- ☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  
☒ You (the advisory firm)

- ☒ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NEW YORK STOCK EXCHANGE
2. Principal Sanction:

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

09/28/2005 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

HPD # 05-157
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

**\*\*9/28/05\*\***STIPULATION AND CONSENT TO PENALTY FILED BY NYSE DIVISION OF ENFORCEMENT AND PENDING CONSENTED TO FINDINGS:

1.VIOLATED EXCHANGE RULE 410A BY FAILING TO SUBMIT ACCURATE TRADING INFORMATION THROUGH THE SUBMISSION OF ELECTRONIC BLUE SHEETS IN RESPONSE TO ONE OR MORE REQUESTS FOR SUCH INFORMATION BY THE EXCHANGE;2.VIOLATED EXCHANGE RULE 401 BY FAILING TO ADHERE TO THE PRINCIPLES OF GOOD BUSINESS PRACTICE IN THE CONDUCT OF THEIR BUSINESS AFFAIRS IN THAT IT SUBMITTED INACCURATE TRADING INFORMATION ON ELECTRONIC BLUE SHEETS IN RESPONSE TO ONE OR MORE REQUESTS FOR SUCH INFORMATION BY THE EXCHANGE; AND 3.VIOLATED EXCHANGE RULES 342 BY FAILING TO ESTABLISH AND MAINTAIN APPROPRIATE SYSTEMS AND PROCEDURES FOR THE SUPERVISION AND CONTROL OF AREAS RESPONSIBLE FOR COMPLYING WITH ELECTRONIC BLUE SHEET REPORTING REQUIREMENTS, AND FAILED TO ESTABLISH A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW TO REASONABLY ENSURE COMPLIANCE WITH EXCHANGE RULES RELATING TO THE PREPARATION AND SUBMISSION OF ELECTRONIC BLUE SHEETS. STIPULATED SANCTION:THE IMPOSITION BY THE EXCHANGE OF A CENSURE, A \$300,000 FINE AND A REQUIREMENT THAT RESPONDENT WILL CONDUCT A VALIDATION OF ALL REQUIRED BLUE SHEET DATA ELEMENTS IN ACCORDANCE WITH ISG REGULATORY MEMORANDUM, ISG 2005-01.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final



9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Decision

11. Resolution Date (MM/DD/YYYY):  
02/17/2006 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 300,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
\*\*1/5/06\*\* DECISION 05-157 ISSUED BY NYSE HEARING PANEL DECISION: VIOLATED NYSE RULE 410A BY FAILING TO SUBMIT ACCURATE TRADING INFORMATION THROUGH THE SUBMISSION OF ELECTRONIC BLUE SHEETS; VIOLATED NYSE RULE 401 BY SUBMITTING INACCURATE TRADING INFORMATION ON ELECTRONIC BLUE SHEETS; VIOLATED NYSE RULE 342 BY FAILING TO ESTABLISH AND MAINTAIN APPROPRIATE SYSTEMS AND PROCEDURES FOR THE SUPERVISION AND CONTROL OF AREAS RESPONSIBLE FOR COMPLYING WITH ELECTRONIC BLUE SHEET REPORTING REQUIREMENTS AND FAILING TO ESTABLISH A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW TO REASONABLY ENSURE COMPLIANCE WITH NYSE RULES RELATING TO THE PREPARATION AND SUBMISSION OF ELECTRONIC BLUE SHEETS. -CONSENT TO CENSURE, FINE OF \$300,000, AND A REQUIREMENT TO CONDUCT VALIDATION OF ALL REQUIRED BLUE SHEET DATA ELEMENTS, AND UNDERTAKING TO INFORM NYSE IN WRITING THAT VALIDATION HAS BEEN COMPLETED.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)
- ☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)
- ☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)
- ☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.



No Information Filed

- ☐
- This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐
- This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐
- This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B.
- If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1.
- Regulatory Action initiated by:
- ☒ SEC
- ☐ Other Federal
- ☐ State
- ☒ SRO
- ☐ Foreign
- (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
- NASD
2.
- Principal Sanction:
- Other Sanctions:
3.
- Date Initiated (MM/DD/YYYY):
- 06/03/2005
- ☒ Exact
- ☐ Explanation
- If not exact, provide explanation:
4.
- Docket/Case Number:
- CLG050074
5.
- Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6.
- Principal Product Type:
- No Product
- Other Product Types:
7.
- Describe the allegations related to this regulatory action (your response must fit within the space provided):
- NASD CONDUCT RULES 2110 AND 3010, NASD MARKETPLACE RULE 5220(E); RESPONDENT MEMBER REGISTERED AS AN INTERMARKET TRADING SYSTEM/COMPUTER ASSISTED EXECUTION SYSTEM ("ITS/CAES") MARKET MAKER FAILED TO MAINTAIN CONTINUOUS TWO-SIDED QUOTATIONS IN THE ABSENCE OF A GRANT OF EXCUSED WITHDRAWAL OR A FUNCTIONAL EXCUSED WITHDRAWAL BY NASD; ITS SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS CONCERNING THE MAINTENANCE OF CONTINUOUS TWO-SIDED QUOTATIONS IN ITS/CAES.
8.
- Current Status?
- ☐ Pending
- ☐ On Appeal
- ☒ Final
9.
- If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.
- How was matter resolved:
- Acceptance, Waiver & Consent(AWC)
11.
- Resolution Date (MM/DD/YYYY):
- 06/03/2005
- ☒ Exact
- ☐ Explanation
- If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 10,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO THE MAINTENANCE OF CONTINUOUS TWO-SIDED QUOTATIONS IN ITS/CAES.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$10,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☒ 11.C(2)

☐ 11.C(3)

☒ 11.C(4)

☒ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☒ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, foreign financial regulatory authority, federal, state, or SRO)

SEC

2. Principal Sanction:

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

Other Sanctions:

CEASE AND DESIST, CENSURE, DISGORGEMENT, UNDERTAKING

3. Date Initiated (MM/DD/YYYY):

11/07/2003 ☐ Exact ☒ Explanation

If not exact, provide explanation:

DATE RECEIVED INFORMATION REQUEST

4. Docket/Case Number:

ADMIN. PROC. FILE NO. 3-11793

5. Advisory Affiliate Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Mutual Fund(s)

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

IN ORDER TO COMPLY WITH CERTAIN REQUIREMENTS STATED BY STAFF OF THE SEC, SOLICITOR HEREBY MAKES THE FOLLOWIN DISCLOSURE: EFFECTIVE ON 1/06/2005, SOLICITOR ENTERED INTO AN OFFER OF SETTLEMENT WITH THE SEC PURSUANT TO WHICH SOLICITOR SETTLED ADMINISTRATIVE PROCEEDINGS BROUGHT BY THE SEC. IN THAT SETTLEMENT,AND WITHOUT ADMITTING OR DENYING THE FINDINGS CONTAINED IN THE SEC'S ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS, SOLICITOR CONSENTED TO SEC FINDINGS THAT SOLICITOR FAILED REASONABLY TO SUPERVISE THREE FORMER BROKERS ENGAGED IN LATE TRADING AND MARKET TIMING OF MUTUAL FUNDS, THAT SOLICITOR ALLOWED MUTUAL FUND TRADES RECEIVED AFTER 4:00 P.M. TO BE PROCESSED AT THAT DAY'S PRICE AND THAT THE SOLICITOR FAILED TO MAINTAIN AND PRESERVE CERTAIN BOOKS AND RECORDS. SOLICITOR AGREED TO A CENSURE, DISGORGEMENT OF \$2,000,000. AND A CIVIL MONEY PENALYT OF \$8,000,000.

8. Current Status?

☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Decision & Order of Offer of Settlement

11. Resolution Date (MM/DD/YYYY):

01/06/2005 ☐ Exact ☒ Explanation

If not exact, provide explanation:

DATE OF COMMISSION ACTION

12. Resolution Detail:

A. Were any of the following Sanctions Ordered (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 8,000,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☒ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions Ordered:

Sanction detail: if suspended, enjoined or barred, provide duration including start date and capacities affected (General Securities Principal,

Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
CEASE AND DESIST, CENSURE, DISGORGEMENT & MONETARY FINE.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

IN ORDER TO COMPLY WITH CERTAIN REQUIREMENTS STATED BY STAFF OF THE SEC, SOLICITOR HEREBY MAKES THE FOLLOWING DISCLOSURE: EFFECTIVE ON 1/06/2005, SOLICITOR ENTERED INTO AN OFFER OF SETTLEMENT WITH THE SEC PURSUANT TO WHICH SOLICITOR SETTLED ADMINISTRATIVE PROCEEDINGS BROUGHT BY THE SEC. IN THAT SETTLEMENT, AND WITHOUT ADMITTING OR DENYING THE FINDINGS CONTAINED IN THE SEC'S ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS, SOLICITOR CONSENTED TO SEC FINDINGS THAT SOLICITOR FAILED REASONABLY TO SUPERVISE THREE FORMER BROKERS ENGAGED IN LATE TRADING AND MARKET TIMING OF MUTUAL FUNDS, THAT SOLICITOR ALLOWED MUTUAL FUND TRADES RECEIVED AFTER 4:00 P.M. TO BE PROCESSED AT THAT DAY'S PRICE AND THAT THE SOLICITOR FAILED TO MAINTAIN AND PRESERVE CERTAIN BOOKS AND RECORDS. SOLICITOR AGREED TO A CENSURE, DISGORGEMENT OF \$2,000,000. AND A CIVIL MONEY PENALTY OF \$8,000,000.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |   |                                  |                                  |                                  |
|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, foreign financial regulatory authority, federal, state, or SRO)

NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

09/24/2004 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

HPD#: 04-154

5. Advisory Affiliate

Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Mutual Fund(s)

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

9/24/04-STIPULATION & CONSENT TO PENALTY FILED BY NYSE DIVISION OF ENFORCEMENT CONSENTED TO FINDINGS:WITHOUT ADMITTING OR DENYING GUILT, SOUTHWEST SECURITIES CONSENTS TO FINDINGS BY THE HEARING PANEL THAT THE FIRM: 1. VIOLATED EXCHANGE RULE 342 BY FAILING TO REASONABLY SUPERVISE ITS BUSINESS ACTIVITIES & TO ESTABLISH & MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION & CONTROL WITH RESPECT TO ITS BUSINESS ACTIVITIES INVOLVING THE TRADING OF MUTUAL FUNDS. 2. VIOLATED SECTION 17A OF THE EXCHANGE ACT SEC RULES 17A-3 AND 17A-4 & EXCHANGE RULE 440 IN THAT IT FAILED TO MAKE & PRESERVE ACCURATE BOOKS & RECORDS REFLECTING ORDERS FOR MUTUAL FUND TRANSACTIONS BY ITS HEDGE FUND CUSTOMERS.3. VIOLATED SECTION 17(A) OF THE EXCHANGE ACT & SEC RULE 17A-4 & EXCHANGE RULE 440 BY FAILING TO PRESERVE FOR A PERIOD OF THREE YEARS &/OR PRESERVE IN AN EASILY ACCESSIBLE PLACE FOR TWO YEARS, RECORDS OF ELECTRONIC COMMUNICATIONS RELATING TO THE BUSINESS OF THE FIRM. 4. ENGAGED IN CONDUCT INCONSISTENT WITH JUST & EQUITABLE PRINCIPLES OF TRADE IN THAT THE FIRM THROUGH CERTAIN OF ITS BROKERS WITH RESPECT TO CERTAIN MUTUAL FUND TRANSACTIONS:A. PURCHASED, SOLD, OR REDEEMED SHARES OF MUTUAL FUNDS AT A PRICE WHICH WAS NOT BASED ON THE CURRENT NET ASSET VALUE OF SUCH SECURITY NEXT COMPUTED AFTER RECEIPT OF A TENDER OF SUCH SECURITY FOR REDEMPTION OR OF AN ORDER TO PURCHASE OR SELL SUCH SECURITY IN VIOLATION OF APPLICABLE REGULATORY REQUIREMENTS OF RULE 22C1 PROMULGATED UNDER THE INVESTMENT COMPANY ACT OF 1940; AND B. IMPROPERLY PURCHASED,SOLD OR REDEEMED SHARES OF MUTUAL FUNDS AFTER THE CLOSE OF THE MARKET AT THE SHARE PRICE PRIOR TO CLOSE, RATHER THAN AT THE NEXT DAY & #8217; S SHARE PRICE,TO THE DETRIMENT OF THE MUTUAL FUND COMPANIES AND THEIR SHAREHOLDERS.STIPULATED SANCTION:THE IMPOSITION BY THE EXCHANGE OF A PENALTY OF A CENSURE,A TOTAL PAYMENT IN THE AMOUNT OF \$10,000,000 CONSISTING OF \$8,000,000 AS A PENALTY AND \$2,000,000 AS DISGORGEMENT AND PREJUDGMENT INTEREST AND AN APPROPRIATE UNDERTAKING.

8. Current Status?

☐ Pending

☐ On Appeal

☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Decision

11. Resolution Date (MM/DD/YYYY):

01/10/2005 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 10,000,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☒ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions Ordered:

Sanction detail: if suspended, enjoined or barred, provide duration including start date and capacities affected (General Securities Principal,

Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

**\*\*9/2004\*\***EXCHANGE HEARING PANEL DECISION 04-154 DECISION: VIOLATED EXCHANGE RULE 342 BY FAILING TO REASONABLY SUPERVISE ITS BUSINESS ACTIVITIES, AND TO ESTABLISH AND MAINTAIN APPROPRIATE PROCEDURES FOR SUPERVISION AND CONTROL WITH RESPECT TO ITS BUSINESS ACTIVITIES INVOLVING THE TRADING OF MUTUAL FUNDS; VIOLATED SECTION 17(A) OF THE EXCHANGE ACT, SEC RULES 17A-3 & 17A-4 AND EXCHANGE RULE 440 IN THAT IT FAILED TO MAKE AND PRESERVE ACCURATE BOOKS AND RECORDS REFLECTING ORDERS FOR MUTUAL FUND TRANSACTIONS BY ITS HEDGE FUND CUSTOMERS; VIOLATED SECTION 17(A)OF THE EXCHANGE ACT AND SEC RULE 17A-4 AND EXCHANGE RULE 440 BY FAILING TO PRESERVE FOR A PERIOD OF THREE YEARS AND/OR PRESERVE IN AN EASILY ACCESSIBLE PLACE FOR TWO YEARS, RECORDS OF ELECTRONIC COMMUNICATIONS RELATING TO THE BUSINESS OF THE FIRM; ENGAGED IN CONDUCT INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE IN THAT THE FIRM, THROUGH CERTAIN OF ITS BROKERS WITH RESPECT TO CERTAIN MUTUAL FUND TRANSACTIONS: (A) PURCHASED, SOLD OR REDEEMED SHARES OF MUTUAL FUNDS AT A PRICE WHICH WAS NOT BASED ON THE CURRENT NET ASSET VALUE OF SUCH SECURITY NEXT COMPUTED AFTER RECEIPT OF A TENDER OF SUCH SECURITY FOR REDEMPTION OR OF AN ORDER TO PURCHASE OR SELL SUCH SECURITY, IN VIOLATION OF APPLICABLE REGULATOR REQUIREMENTS OF RULE 22(C)1 PROMULGATED UNDER THE INVESTMENT COMPANY ACT OF 1940; AND (B) IMPROPERLY PURCHASED, SOLD OR REDEEMED SHARES OF MUTUAL FUNDS AFTER THE CLOSE OF THE MARKET, AT THE SHARE PRICE PRIOR TO CLOSE, RATHER THAN AT THE NEXT DAYS SHARE PRICE, TO THE DETRIMENT OF THE MUTUAL FUND COMPANIES AND THEIR SHAREHOLDERS. CONSENT TO CENSURE, A TOTAL PAYMENT OF \$10,000,000 AND AN UNDERTAKING. THIS DECISION IS FINAL.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).
- 1/14/05 - THE DECISION IS NOW FINAL AND EFFECTIVE IMMEDIATELY.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:17587

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☒ Yes ☐ No

Name: SWS FINANCIAL SERVICES  
(For individuals, Last, First, Middle)

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item



☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or CRD records.

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign  
 (Full name of regulator, *foreign financial regulatory authority*, federal, state, or SRO)  
 NASD

Other Sanctions:

Docket/Case Number:  
CAF040017

### Other Product Types:

8. Current Status? ☐ Pending ☐ On Appeal ☐ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Resolution Detail:

- A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☐ Monetary/Fine Amount: \$
  - ☐ Revocation/Expulsion/Denial
  - ☐ Censure
  - ☐ Bar
  - ☐ Disgorgement/Restitution
  - ☐ Cease and Desist/Injunction
  - ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:



13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

09/12/2007 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:  
E062005004101
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):  
SOUTHWEST SECURITES, INC.
6. Principal Product Type:  
No Product  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
ALLEGED MSRB RULE G-36 - MEMBER FIRM FAILED TO TIMELY SUBMIT FORMS G36(OS) TO THE MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB").
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):  
09/12/2007 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 5,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, SOUTHWEST SECURITIES, INC. CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS FINED \$5,000.00.
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL *OR* ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)☐ 11.C(2)☐ 11.C(3)☐ 11.C(4)☐ 11.C(5)
- ☐ 11.D(1)☒ 11.D(2)☐ 11.D(3)☐ 11.D(4)☐ 11.D(5)
- ☐ 11.E(1)☐ 11.E(2)☐ 11.E(3)☐ 11.E(4)
- ☐ 11.F.☐ 11.G.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☒ State
- ☐ *SRO*
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

STATE OF ILLINOIS

2. Principal Sanction:

Censure

Other Sanctions:

\$2,500.00 FINE

3. Date Initiated (MM/DD/YYYY):

12/08/1988 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

88-221

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

No Product

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

NOT FILING FORM BD AMENDMENTS DIRECTLY WITH THE STATE

8. Current Status?

- ☐ Pending
- ☐ On Appeal
- ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent

11. Resolution Date (MM/DD/YYYY):

06/28/1989 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 2,500.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
PAID \$2,500.00

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is

registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐

This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B.

If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐

 Yes

☒

 No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1.

Regulatory Action initiated by:

☐

 SEC

☐

 Other Federal

☐

 State

☒

*SRO*

☐

 Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

DISTRICT SIX BUSINESS CONDUCT COMMITTEE

2.

Principal Sanction:

Censure

Other Sanctions:

\$250 FINE

3.

Date Initiated (MM/DD/YYYY):

09/18/1996

☒

 Exact

☐

 Explanation

If not exact, provide explanation:

4.

Docket/Case Number:

CO6960016

5.

*Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6.

Principal Product Type:

No Product

Other Product Types:

7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):

VIOLATION OF MSRB RULE G-37/G-38 FOR FAILURE TO SUBMIT COMPLETE INFORMATION ON MUNICIPAL FINANCINGS.

8.

Current Status?

☐

 Pending

☐

 On Appeal

☒

 Final

9.

If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11.

Resolution Date (MM/DD/YYYY):

11/28/1996

☒

 Exact

☐

 Explanation

If not exact, provide explanation:

12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒

 Monetary/Fine Amount: \$ 250.00

☐

 Revocation/Expulsion/Denial

☒

 Censure

☐

 Bar

☐

 Disgorgement/Restitution

☐

 Cease and Desist/Injunction

☐

 Suspension

B. Other Sanctions *Ordered*:  
LETTER OF AWC  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
\$250.00 FINE PAID 09/18/96

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
  
THIS WAS A FAILURE TO INCLUDE ONE MUNICIPAL UNDERWRITING IN WHICH SWS SECURITIES ACTED AS MANAGER. WE HAVE SINCE PUT IN PLACE PROCEDURES TO PREVENT THIS FROM OCCURRING IN THE FUTURE.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |   |                                  |                                  |                                  |
|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☐ You (the advisory firm)
  - ☐ You and one or more of your *advisory affiliates*
  - ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	8327	This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual
Registered:	<input checked="" type="radio"/> Yes <input type="radio"/> No	
Name:	JAMES STEVENSON, LLC (For individuals, Last, First, Middle)	

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  

☐ SEC   ☐ Other Federal   ☐ State   ☒ *SRO*   ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NATIONAL ASSOCIATION OF SECURITIES DEALERS

2. Principal Sanction:  
Censure  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):  
01/06/2004   ☒ Exact   ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:  
NO. E02030666/C02040023

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Debt - Municipal  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
ON OR ABOUT THE PERIOD 9/19/2002 THROUGH 11/22/2002, THE COMPANY FAILED TO COMPLY WITH MSRB RULE G-14 IN THT IT INACCURATELY REPORTED AS MUNICIPAL TRANSACTION 102 CUSTOMER TRANSACTIONS INVOLVING CORPORATE SECURITIES OF THREE ISSUERS. IN CONNECTION WITH THE FOREGOING TRANSACTIONS, THE COMPANY FAILED TO COMPLY WITH G-17 IN THAT IT CAUSED ERRONEOUS MUNICIPAL FILINGS TO BE MADE, INCLUDING MUNICIPAL DISCLOSURE LETTERS TO CUSTOMERS, APPLICATIONS FOR MUNICIPAL CUSIPS, AND FILINGS PURSUANT TO G-36, G-37, AND G-38.

8. Current Status?   ☐ Pending   ☐ On Appeal   ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
08/03/2004   ☒ Exact   ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:  

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☒ Monetary/Fine Amount: \$ 5,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
A FINE IN THE AMOUNT OF \$5,000.00

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).



GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)☐ 11.C(2)☐ 11.C(3)☐ 11.C(4)☐ 11.C(5)☐ 11.D(1)☐ 11.D(2)☐ 11.D(3)☐ 11.D(4)☐ 11.D(5)☐ 11.E(1)☒ 11.E(2)☐ 11.E(3)☐ 11.E(4)☐ 11.F.☐ 11.G.

Use a separate **DRP** for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one **DRP**. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one **DRP** to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate **DRP**.

PART I

A. The *person(s)* or entity(ies) for whom this **DRP** is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this **DRP** is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV **DRP** - *ADVISORY AFFILIATE*

No Information Filed

☐ This **DRP** should be removed from the **ADV** record because the *advisory affiliate(s)* is no longer associated with the adviser.☐ This **DRP** should be removed from the **ADV** record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a **DRP** for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a **DRP** for any event listed in Item 11 that occurred more than ten years ago.

☐ This **DRP** should be removed from the **ADV** record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the *IARD* system or *CRD* system, has the *advisory affiliate* submitted a **DRP** (with Form **ADV**, **BD** or **U-4**) to the *IARD* or *CRD* for the event? If the answer is "Yes," no other information on this **DRP** must be provided.

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its *IARD* or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NYSE

2. Principal Sanction:

Censure

Other Sanctions:

FINED \$60,000.00

3. Date Initiated (MM/DD/YYYY):

11/30/1987 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:  
87-42
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
No Product  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
VIOLATIONS OF REGULATION 240.15C3-3
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Settled
11. Resolution Date (MM/DD/YYYY):  
05/31/1991 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 60,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
SWS SECURITIES WAS FINED \$60,000.00 AND DON BUCHHOLZ WAS CENSURED.
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
SWS SECURITIES WAS FINED \$60,000.00 AND DON BUCHHOLZ WAS CENSURED.

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☒ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☐ You (the advisory firm)
  - ☐ You and one or more of your *advisory affiliates*
  - ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	2632089	This <i>advisory affiliate</i> is	<input type="radio"/> a Firm	<input checked="" type="radio"/> an Individual
Registered:	<input checked="" type="radio"/> Yes <input type="radio"/> No			
Name:	THOMPSON, WILLIAM NORMAN (For individuals, Last, First, Middle)			

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
- ☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign
- (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
2. Principal Sanction:
- Other Sanctions:
3. Date Initiated (MM/DD/YYYY):
- ☐ Exact ☐ Explanation
- If not exact, provide explanation:
4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:
- Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
8. Current Status? ☐ Pending ☐ On Appeal ☐ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):

- ☐ Exact
- ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☐ Monetary/Fine Amount: \$
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	8327	This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual
Registered:	<input checked="" type="radio"/> Yes <input type="radio"/> No	
Name:	M.L. STERN & CO., LLC. (For individuals, Last, First, Middle)	

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☒ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NASD REGULATION, INC.
2. Principal Sanction:

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

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

06/30/2001 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

C02010044
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Debt - Municipal

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ON NOVEMBER 29, 2000, M.L. STERN FAILED TO COMPLY WITH MSRB RULE G-14 IN THAT IT INACCURATELY REPORTED THE TIME OF EXECUTION ON APPROXIMATELY FIFTY ONE MUNICIPAL SECURITIES TRANSACTIONS REPORTED BY IT TO THE MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB).
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):

08/13/2001 ☒ Exact ☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 1,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
M.L. STERN AGREED TO A FINE OF \$1,000.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |   |                                  |                                  |                                  |
|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☐ You (the advisory firm)
  - ☐ You and one or more of your *advisory affiliates*
  - ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	8327	This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual
Registered:	<input checked="" type="radio"/> Yes <input type="radio"/> No	
Name:	M.L. STERN & CO., LLC. (For individuals, Last, First, Middle)	

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

2. Principal Sanction:

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

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

01/06/2004

☒ Exact

☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

AWC NO. C02040008

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Debt - Municipal

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

DURING THE PERIOD FROM NOVEMBER 9, 2002 TO MARCH 10, 2003, TWO REGISTERED PERSONS WERE PERMITTED TO ACT AS REGISTERED REPRESENTATIVES WHILE THEIR REGISTRATIONS WERE INACTIVE DUE TO FAILURE TO COMPLETE CONTINUING EDUCATION IN A TIMELY MANNER. FAILURE WAS DUE TO A CLERICAL ERROR.

8. Current Status?

☐ Pending

☐ On Appeal

☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

02/06/2004

☒ Exact

☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 3,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

M.L. STERN PAID A FINE IN THAT AMOUNT OF \$3,000.00.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

M.L. STERN ACCEPTED AND CONSENTED WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS THAT DURING THE PERIOD FROM NOVEMBER 9, 2002 TO MARCH 10, 2003, TWO REGISTERED PERSONS WERE PERMITTED TO ACT AS REGISTERED REPRESENTATIVES WHILE THEIR



GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL *OR* ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

8327

Registered:

☒ Yes ☐ No

Name:

M.L. STERN & CO., LLC.  
(For individuals, Last, First, Middle)

This *advisory affiliate* is

☒ a Firm ☐ an Individual

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NASD
2. Principal Sanction:

Other Sanctions:

3.    Date Initiated (MM/DD/YYYY):  
04/06/2005 ☒ Exact   ☐ Explanation  
If not exact, provide explanation:
4.    Docket/Case Number:  
E02040051/C02050037
5.    *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6.    Principal Product Type:  
Debt - Municipal  
Other Product Types:
7.    Describe the allegations related to this regulatory action (your response must fit within the space provided):  
FOR THE PERIOD JANUARY 2003 THROUGH FEBRUARY 2004, M.L. STERN ACTED AS AN UNDERWRITER IN PRIMARY OFFERINGS OF MUNICIPAL SECURITIES AND WAS REQUIRED TO FILE OR CAUSE TO BE FILED MSRB FORM G-36 WITH THE MSRB. IN FIVE OF THOSE OFFERINGS, ML STERN FILED THE FORMS LATE. PURSUANT TO RULE G-32, AS AN UNDERWRITER, MLS WAS REQUIRED TO MAIL TO CUSTOMERS AN OFFICIAL STATEMENT. M.L. STERN FAILED TO TIMELY DELIVER OFFICIAL STATEMENTS TO CUSTOMERS IN TWO OF THOSE OFFERINGS.
8.    Current Status?    ☐ Pending    ☐ On Appeal    ☒ Final
9.    If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):  
05/06/2005 ☒ Exact   ☐ Explanation  
If not exact, provide explanation:
12. Resolution Detail:

A.    Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 5,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.    Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
FINE OF \$5,000.00
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- |                                  |   |                                  |                                  |                                  |
|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input checked="" type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input type="checkbox"/> 11.E(2)            | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☒ State
- ☐ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
STATE OF IOWA

2. Principal Sanction:

Censure

Other Sanctions:

FINED \$1,000.00

3. Date Initiated (MM/DD/YYYY):

05/01/1984 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

C84-06-129

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

No Product

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

TRANSACTIONS WITH IOWA RESIDENTS PRIOR TO REGISTRATION

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Settled
11. Resolution Date (MM/DD/YYYY):  
01/16/1985 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 1,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
PAID \$1,000.00

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)
- ☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)
- ☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)
- ☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

- ☐
- This **DRP** should be removed from the **ADV** record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐
- This **DRP** should be removed from the **ADV** record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a **DRP** for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a **DRP** for any event listed in Item 11 that occurred more than ten years ago.

- ☐
- This **DRP** should be removed from the **ADV** record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the **IARD** system or *CRD* system, has the *advisory affiliate* submitted a **DRP** (with Form **ADV**, **BD** or **U-4**) to the **IARD** or *CRD* for the event? If the answer is "Yes," no other information on this **DRP** must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its **IARD** or *CRD* records.

PART II

1.

Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA
2.

Principal Sanction:

Censure

Other Sanctions:

UNDERTAKING AND FINE 67,500.
3.

Date Initiated (MM/DD/YYYY):

03/12/2008

☒ Exact

☐ Explanation

If not exact, provide explanation:
4.

Docket/Case Number:

20050000962-01
5.

*Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6.

Principal Product Type:

Options

Other Product Types:

TRACE ELIGIBLE SECURITIES, MUNICIPAL SECURITIES
7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):

SEC RULES 17A-3, 17A-4, NASD RULES 2110, 2320, 3110, 6230(A), 6230(C)(8), MSRB RULES G-14, G-17, G-27(A) - SOUTHWEST SECURITIES, INC. FAILED TO PRESERVE BROKERAGE ORDER MEMORANDA FOR A PERIOD OF NOT LESS THAN THREE YEARS, THE FIRST TWO IN AN ACCESSIBLE PLACE; AND FAILED TO SHOW THE DATE OF EXECUTION, THE TIME OF EXECUTION, THE TIME OF ENTRY AND/OR THE TERMS AND CONDITIONS OF EACH ORDER ON BROKERAGE ORDER MEMORANDA. IN TRANSACTIONS FOR OR WITH A CUSTOMER, THE FIRM FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICES TO ITS CUSTOMERS WERE AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS. THE FIRM FAILED TO REPORT TO TRACE THE CORRECT TIME OF TRADE EXECUTION FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES AND FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES EXECUTED ON A BUSINESS DAY DURING TRACE SYSTEM HOURS WITHIN 30 MINUTES OF THE TIME OF EXECUTION. THE FIRM FAILED TO REPORT INFORMATION REGARDING PURCHASE AND SALE TRANSACTIONS IN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) IN THE MANNER PRESCRIBED BY RULE G-14 RTRS PROCEDURES AND THE RTRS USERS MANUAL BECAUSE IT FAILED TO REPORT INFORMATION ABOUT TRANSACTIONS WITHIN 15 MINUTES OF TIME OF TRADE TO AN RTRS PORTAL. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND MSRB RULES CONCERNING TIMELY REPORTING OF MUNICIPAL SECURITIES TRANSACTIONS.
8.

Current Status?

☐ Pending

☐ On Appeal

☒ Final
9.

If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
03/12/2008 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 67,500.00  
☐ Revocation/Expulsion/Denial  
☒ Censure  
☐ Bar

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

B. Other Sanctions *Ordered*:  
UNDERTAKING  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
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 \$67,500 AND REQUIRED TO REVISE ITS SUPERVISORY PROCEDURES REGARDING THE TIMELY REPORTING OF MUNICIPAL SECURITIES TRANSACTIONS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC. NO RESTITUTION WAS ORDERED BECAUSE THE FIRM HAD ALREADY PROVIDED THE REQUISITE PRICE IMPROVEMENTS TO THE CUSTOMERS ADVERSELY AFFECTED BY THE BEST EXECUTION VIOLATIONS OF NASD RULES 2110 AND 2320.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action				
Check item(s) being responded to:				
<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the

adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☒ *SRO* ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
NYSE

2. Principal Sanction:  
Other  
Other Sanctions:  
FINED \$2,500.00

3. Date Initiated (MM/DD/YYYY):  
07/09/1987 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:  
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
No Product  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
MINOR RULE VIOLATION OF RULE 132.30. FAILURE TO SUBMIT AUDIT TRAIL DATA

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Settled

11. Resolution Date (MM/DD/YYYY):  
07/06/1988 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 250.00
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:



Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
PAID \$2,500.00 FINE ON 06/28/89

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:  

<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):  

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.  

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  

☒ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2.

Principal Sanction:  
Censure  
Other Sanctions:  
ADMINISTRATIVE FINE AND RESTITUTION.
3.

Date Initiated (MM/DD/YYYY):  
02/11/2011 ☐ Exact ☒ Explanation  
If not exact, provide explanation:  
DATE THE AWC WAS EXECUTED, AND FINE WAS PAID BY THE FIRM.
4.

Docket/Case Number:  
20090174178-01
5.

*Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6.

Principal Product Type:  
Debt - Corporate  
Other Product Types:
7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):  
PRIOR TO ACQUISITION BY SOUTHWEST SECURITIES, INC., ML STERN AND CO. SOLD (BOUGHT) CORPORATE BONDS TO (FROM) CUSTOMERS AND FAILED TO SELL (BUY) SUCH BONDS AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO EACH BOND AT THE TIME OF THE TRANSACTION, THE EXPENSE INVOLVED AND THAT THE FIRM WAS ENTITLED TO A PROFIT.
8.

Current Status? ☐ Pending ☐ On Appeal ☒ Final
9.

If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:  
Acceptance, Waiver & Consent(AWC)
11.

Resolution Date (MM/DD/YYYY):  
02/11/2011 ☐ Exact ☒ Explanation  
If not exact, provide explanation:  
DATE THE AWC WAS EXECUTED, AND FINE WAS PAID BY THE FIRM.
12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 12,500.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions *Ordered*:  
FIRM WAS ORDERED TO PAY RESTITUTION IN THE AMOUNT OF \$1846.50, PLUS INTEREST TO THE INVESTORS.  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
ADMINITRATIVE FINE \$12,500.00, RESTITUTION OF \$1,846.50 PLUS INTEREST.
13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
PRIOR TO ACQUISITION BY SOUTHWEST SECURITIES, INC., ML STERN SOLD (BOUGHT) CORPORATE BONDS TO (FROM) CUSTOMERS AND FAILED TO SELL (BUY) SUCH BONDS AT A PRICE THAT WAS FAIR, TAKING INTO CONSIDERATION ALL RELEVANT CIRCUMSTANCES, INCLUDING MARKET CONDITIONS WITH RESPECT TO EACH BOND AT THE TIME OF THE TRANSACTION, THE EXPENSE INVOLVED AND THAT THE FIRM WAS ENTITLED TO A PROFIT.

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

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If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

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B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Censure

Other Sanctions:

ADMINISTRATIVE FINE AND CERTIFICATION IN WRITING WITHIN 60 DAYS THAT THE FIRM HAS REVIEWED ITS PROCEDURES REGARDING COMPLIANCE WITH ALL APPLICABLE MSRB RULES, AND THE FIRM HAS ESTABLISHED SYSTEMS AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES.

3. Date Initiated (MM/DD/YYYY):

03/04/2011

☒ Exact

☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:  
2009016275601

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Debt - Municipal  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
DURING THE PERIOD FROM OCTOBER 2006 THROUGH APRIL 2009, THE FIRM PAID FIVE INDIVIDUALS, INCLUDING THREE FORMER TEXAS MUNICIPAL ISSUER OFFICIALS, TO SOLICIT MUNICIPAL SECURITIES BUSINESS ON ITS BEHALF. ALSO THE FIRM WAS FOUND TO HAVE VIOLATED MSRB RULES BY FAILING TO FILE 10 MSRB FORMS G-36(OS) AND G-36(ARD) IN A TIMELY MANNER AND FOR INACCURATELY REPORTING MORE THAN 300 MUNICIPAL SECURITIES TRANSACTIONS TO THE MSRB.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
03/04/2011 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 500,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
CERTIFICATION IN WRITING WITHIN 60 DAYS THAT THE FIRM HAS REVIEWED ITS PROCEDURES REGARDING COMPLIANCE WITH ALL APPLICABLE MSRB RULES, AND THE FIRM HAS ESTABLISHED SYSTEMS AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
FIRM WAS CENSURED AND THEN ASSESSED AN ADMINISTRATIVE FINE IN THE AMOUNT OF \$500,000.00, AND REQUIRED TO REVIEW ITS PROCEDURES REGARDING COMPLIANCE WITH ALL APPLICABLE MSRB RULES, AND CERTIFY IN WRITING WITHIN 60 DAYS THAT SYSTEMS AND PROCEDURES HAVE BEEN ESTABLISHED THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

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If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

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- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINRA

2. Principal Sanction:

Other  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

03/18/2011 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

2009019660101

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

No Product  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA RULE 2010, NASD RULES 2110, 3010(A), 3010(B): SOUTHWEST SECURITIES (SOUTHWEST) HAD SUPERVISORY AND OPERATIONAL DEFICIENCIES WITH RESPECT TO ITS CLEARING SERVICES DEPARTMENT, CORRESPONDENT REVIEW COMMITTEE (REVIEW COMMITTEE), AND RISK MANAGEMENT PRACTICES FOR ITS CLEARING CORRESPONDENTS. THE DEFICIENCIES IN THE CLEARING SERVICES DEPARTMENT INCLUDED, AMONG OTHER THINGS, FAILURE TO HAVE WRITTEN SUPERVISORY AND OPERATIONAL SYSTEMS AND PROCEDURES, FAILURE TO HAVE ADEQUATE WRITTEN JOB DESCRIPTIONS AND PERFORM ADEQUATE JOB TRAINING, FAILURE TO PERFORM ADEQUATE DUE DILIGENCE AND/OR RISK ASSESSMENT WITH RESPECT TO PROSPECTIVE CORRESPONDENTS, AND FAILURE TO HAVE PROCEDURES FOR THE ESCALATION OF SIGNIFICANT EVENTS INVOLVING CORRESPONDENTS.

AS A RESULT, CLEARING SERVICES EMPLOYEES DID NOT HAVE A CLEAR UNDERSTANDING OF CERTAIN INDIVIDUAL FUNCTIONS AND/OR RESPONSIBILITIES, AND FUNCTIONS WHICH SHOULD HAVE BEEN PERFORMED WERE NOT, BASED ON MISUNDERSTANDINGS AS TO WHICH CLEARING SERVICE EMPLOYEES WAS RESPONSIBLE TO PERFORM THAT FUNCTION. SOUTHWEST DID NOT HAVE WRITTEN PROCEDURES WITH REGARD TO DUE DILIGENCE TO BE PERFORMED REGARDING POTENTIAL CORRESPONDENT CLEARING CLIENTS; RATHER, IT REQUIRED THE POTENTIAL CLIENT TO FILL OUT A QUESTIONNAIRE AND SUPPLY CERTAIN DOCUMENTATION, AND USED A CHECKLIST OF DOCUMENTS AND INFORMATION TO BE OBTAINED FROM THE POTENTIAL CLIENT. ALTHOUGH THE FIRM'S PERSONNEL HAD DISCRETION TO OMIT INFORMATION FROM THE CHECKLIST BECAUSE OF THE LACK OF PROCEDURES, THERE WAS NO METHOD OF ENSURING THAT SUCH OMISSION OR DEVIATIONS WERE REASONABLE AND APPROPRIATE. THE DEFICIENCIES WITH RESPECT TO SOUTHWEST'S REVIEW COMMITTEE INCLUDED, AMONG OTHER THINGS, FAILURE TO HAVE WRITTEN POLICIES AND PROCEDURES FOR THE REVIEW COMMITTEE, AND FAILURE BY THE REVIEW COMMITTEE TO PERFORM ADEQUATE DUE DILIGENCE AND/OR RISK ASSESSMENT WITH RESPECT TO PROSPECTIVE CORRESPONDENTS. SOUTHWEST FAILED TO HAVE ADEQUATE SYSTEMS AND PROCEDURES TO IDENTIFY AND MANAGE CERTAIN RISKS ASSOCIATED WITH ITS CORRESPONDENT RELATIONSHIPS AND THE TRADING OF THOSE CORRESPONDENTS, AND THEREFORE FAILED TO ADEQUATELY ASSESS AND MANAGE THE RISKS ASSOCIATED WITH ITS CORRESPONDENTS, BOTH AT THE INITIATION OF SUCH A RELATIONSHIP AND ON A CONTINUING BASIS THEREAFTER. AMONG OTHER THINGS, SOUTHWEST FAILED TO BE AWARE OF THE BROKER-DEALERS WITH WHICH IT HAD A CORRESPONDENT RELATIONSHIP, AND FAILED TO NOTIFY NATIONAL SECURITIES CLEARING CORPORATION (NSCC) AND THE NASDAQ RISK MANAGEMENT SYSTEM OF THE TERMINATION OF CORRESPONDENT RELATIONSHIPS AND THEREFORE EFFECTIVELY TERMINATE ITS CLEARING LIABILITY; PREMATURELY ACCEPTED CLEARING LIABILITY FOR A CORRESPONDENT BY NOTIFYING NSCC IT WAS PREPARED TO CLEAR FOR THE CORRESPONDENT WHEN IN FACT IT WAS NOT SO PREPARED; FAILED TO RECOGNIZE ITS CORRESPONDENTS' ABILITY TO TRADE AWAY FROM IT BASED ON THE CORRESPONDENTS' EXCHANGE MEMBERSHIP, AGREEMENTS AND ARRANGEMENTS; AND FAILED TO BE AWARE OF EXTERNAL PROCEDURES AND ESTABLISH INTERNAL PROCEDURES TO TERMINATE ON AN INTRA-DAY BASIS A CORRESPONDENT RELATIONSHIP AND THEREFORE THE CORRESPONDENT'S ABILITY TO TRADE. SUCH NOTICE WOULD PREVENT THE CORRESPONDENT FROM ENTERING ANY FURTHER TRADES, PREVENTS TRADES TO WHICH THE CORRESPONDENT WAS A COUNTER-PARTY FROM BEING REPORTED TO THE TRADE REPORTING FACILITY (TRF), AND WOULD ALLOW SOUTHWEST TO TERMINATE ITS FINANCIAL RESPONSIBILITY FOR THE CORRESPONDENT'S TRADING ONCE THE TERMINATION WAS GIVEN EFFECT AT NSCC. SOUTHWEST FAILED TO HAVE PROCEDURES TO ESTABLISH AND FAILED TO ESTABLISH REASONABLE NASDAQ AUTOMATED CONFIRMATION OF TRANSACTIONS (ACT) RISK MANAGEMENT LIMITS, AND FAILED TO HAVE PROCEDURES FOR MONITORING AND RESPONDING TO NASDAQ ACT RISK MANAGEMENT ALERTS. [CONTINUED IN ITEM 13]

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
03/18/2011 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

<input checked="" type="checkbox"/> Monetary/Fine Amount: \$ 650,000.00	<input type="checkbox"/> Disgorgement/Restitution
<input type="checkbox"/> Revocation/Expulsion/Denial	<input type="checkbox"/> Cease and Desist/Injunction
<input checked="" type="checkbox"/> Censure	<input type="checkbox"/> Suspension
<input type="checkbox"/> Bar	

B. Other Sanctions *Ordered*:  
UNDERTAKING  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, SOUTHWEST CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED, FINED \$650,000 AND UNDERTAKES TO (1) DESIGNATE A RISK MANAGEMENT OFFICER WITHIN THE FIRM WHOSE PRIMARY RESPONSIBILITY SHALL BE IDENTIFICATION AND MANAGEMENT OF THE RISK ASSOCIATED WITH THE FIRM'S CORRESPONDENT CLEARING SERVICES BUSINESS; AND (2) WITHIN 30 BUSINESS DAYS OF NOTIFICATION OF ACCEPTANCE OF THIS AWC, A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT TO FINRA A SIGNED, DATED LETTER, GIVING THE FOLLOWING INFORMATION: (A) A REFERENCE TO THIS MATTER; (B) A REPRESENTATION THAT THE FIRM HAS DESIGNATED THE ABOVE-REFERENCED RISK MANAGEMENT OFFICER; (C) THE NAME OF THAT PERSON, AND THE DATE THE PERSON BEGAN THE ROLE; (D) A REPRESENTATION THAT THE FIRM HAD REVISED ITS WRITTEN SUPERVISORY AND OPERATIONAL PROCEDURES TO ADDRESS THE DEFICIENCIES DESCRIBED HEREIN; AND (E) THE DATE(S) THE REVISED PROCEDURES WERE IMPLEMENTED.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
[CONTINUED FROM ALLEGATIONS]: IN PART, AS A RESULT OF THE ABOVE MENTIONED PROCEDURAL, DUE DILIGENCE, AND OTHER DEFICIENCIES AND VIOLATIVE BEHAVIOR, IN OR ABOUT JUNE 2009, SOUTHWEST ENTERED INTO A CORRESPONDENT RELATIONSHIP WITH A FIRM WITHOUT HAVING PERFORMED ADEQUATE DUE DILIGENCE REGARDING THE OWNER OF THE FIRM AND/OR THE FIRM. DESPITE HAVING INFORMATION IN ITS POSSESSION



AND BEING ALERTED TO THE SHARE VOLUME AND DOLLAR LEVELS OF THE FIRM'S RECENT TRADING, THE CLEARING SERVICES DEPARTMENT DID NOT INQUIRE FURTHER REGARDING THE FIRM'S TRADING HISTORY; IT SHOULD HAVE CONSIDERED THE RISK MANAGEMENT IMPLICATIONS OF THE TRADING PRACTICES. SOUTHWEST PREMATURELY NOTIFIED NSCC THAT IS WAS PREPARED TO START CLEARING FOR THE FIRM WHICH ENABLED THE FIRM TO START TRADING. WITHOUT EVEN A TRADING ACCOUNT OR TRADING DEPOSIT HAVING BEEN ESTABLISHED AT SOUTHWEST, THE FIRM PURCHASED AND SOLD SHARES OF A NYSE LISTED STOCK. NASDAQ RISK MANAGEMENT ALERTS NOTIFIED SOUTHWEST OF THE FIRM'S TRADING IN EXCESS OF THE \$100,000 THRESHOLD SET BY SOUTHWEST, BUT SOUTHWEST FAILED TO TIMELY RESPOND TO SUCH ALERTS OR TERMINATE ITS CLEARING RELATIONSHIP WITH THE FIRM ON THAT TRADING DAY. AFTER THE FIRM ESTABLISHED A TRADING ACCOUNT AT SOUTHWEST AND MADE A TRADING DEPOSIT, THE FIRM ENGAGED IN FURTHER TRADING EVEN THOUGH SOUTHWEST HAD STILL NOT ESTABLISHED A METHOD TO RECEIVE THE INFORMATION NECESSARY FOR SOUTHWEST TO CLEAR ITS TRADES. THE FIRM'S SECOND DAY OF TRADING RESULTED IN AN UNSECURED LOSS IN ITS ACCOUNT AT THE FIRM IN EXCESS OF \$6.3 MILLION.

GENERAL INSTRUCTIONS

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Regulatory Action				
Check item(s) being responded to:				
<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

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One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE
No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:
- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA



2. Principal Sanction:  
Other  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  
04/25/2011 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
4. Docket/Case Number:  
2007009508501
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
Equity Listed (Common & Preferred Stock)  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
EXCHANGE ACT RULE 15C3-3, NASD RULE 2110: THE FIRM FAILED TO TAKE PROMPT AND APPROPRIATE ACTION TO RESOLVE SECURITIES DEFICITS AND FAILED TO COMPLY WITH REQUIREMENTS CONCERNING POSSESSION OR CONTROL OF SECURITIES. THE FIRM DID NOT PROMPTLY OBTAIN POSSESSION OR CONTROL OF FIVE SECURITIES IN WHICH IT HAD DEFICITS. REGARDLESS OF HOW THE DEFICITS AT ISSUE OCCURRED, EXCHANGE ACT RULE 15C3-3 REQUIRED THAT THE FIRM TAKE TIMELY STEPS TO ELIMINATE THEM. THOSE STEPS INCLUDED ISSUING NOTICES TO OTHER FIRMS TO WHOM THE FIRM HAD LOANED SECURITIES IN WHICH DEFICITS OCCURRED AND REQUESTING THAT THE BORROWING FIRMS RETURN A SUFFICIENT NUMBER OF SHARES OF THOSE SECURITIES TO COVER THE DEFICITS; MAKING ATTEMPTS TO BORROW THE SECURITIES AND DOCUMENTING THOSE ATTEMPTS; AND/OR BUYING THE SECURITIES IN THE MARKET. IN THESE INSTANCES, THE FIRM WAS REQUIRED TO TAKE ACTION TO ELIMINATE SUCH DEFICITS, INCLUDING STEPS PRESCRIBED IN EXCHANGE ACT RULE INTERPRETATION 15C3-3(D)(1)/101. INSTEAD, THE FIRM FAILED TO ISSUE STOCK LOAN RECALL NOTICES ON A TIMELY BASIS FOR A SUFFICIENT NUMBER OF SHARES TO COVER THE SIZE OF THE DEFICITS, AND TO MAKE CONTINUING STOCK BORROW ATTEMPTS DURING THE EXISTENCE OF THE DEFICITS. IN ADDITION, TO COMPLY WITH RULE 15C3-3(D), THE FIRM ALSO NEEDED TO KEEP APPROPRIATE RECORDS OF THE ACTIONS IT TOOK TO ELIMINATE SECURITIES DEFICITS, WHETHER ATTEMPTING TO BORROW SECURITIES, RECALLING LOANED SECURITIES OR MAKING PURCHASES OF SECURITIES IN THE MARKET (KNOWN AS "BUY-INS"). THE FIRM'S TWO DOCUMENTED BORROW ATTEMPTS WERE INADEQUATE TO COMPLY WITH POSSESSION OR CONTROL REQUIREMENTS. IN ANOTHER INSTANCE, THE FIRM FAILED TO DOCUMENT WHETHER IT HAD ATTEMPTED TO BORROW SECURITIES OR TAKEN OTHER APPROPRIATE ACTION TO OBTAIN POSSESSION OR CONTROL OF SECURITY SHARES WHEN THERE WAS AN EXISTING DEFICIT IN THAT SECURITY.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):  
04/25/2011 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 50,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
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 \$50,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response

must fit within the space provided).

*GENERAL INSTRUCTIONS*

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL *OR* ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action				
Check item(s) being responded to:				
<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ *SRO* ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Other Sanctions:

CENSURE, FINE AND RESTITUTION.

3. Date Initiated (MM/DD/YYYY):

01/10/2012 ☐ Exact ☒ Explanation

If not exact, provide explanation.  
THE DATE THE AWC WAS ACCEPTED BY FINRA

4. Docket/Case Number:  
20080160239-01
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
Debt - Municipal  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
FINRA STAFF ALLEGES THAT ML STERN AND CO., (NOW KNOWN AS SOUTHWEST SECURITIES, INC.) PURCHASED MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM A CUSTOMER AND/OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO A CUSTOMER AT AN AGGREGATE PRICE (INCLUDING ANY MARK-DOWN OR MARK-UP) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER, OR MUNICIPAL SECURITIES DEALER AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE TRANSACTION AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER, OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTION.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):  
01/10/2012 ☐ Exact ☒ Explanation  
If not exact, provide explanation:  
THE DATE THE AWC WAS ACCEPTED BY FINRA

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 38,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM AGREED TO A CENSURE, ADMINISTRATIVE FINE OF \$38,000.00, AND RESTITUTION OF \$19,655.36 PLUS INTEREST TO THE INVESTORS IMPACTED BY THE ALLEGED CONDUCT.  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
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 \$38,000.00 FOR VIOLATIONS OF MSRB RULES AND REQUIRED TO PAY \$19,655.36, PLUS INTEREST, IN RESTITUTION TO INVESTORS. A REGISTERED PRINCIPAL SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED.
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

Regulatory Action

Check item(s) being responded to:

<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input checked="" type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input checked="" type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC☐ Other Federal☒ State☐ SRO☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

STATE OF ILLINOIS, ILLINOIS SECURITIES DEPARTMENT
2. Principal Sanction:

Revocation

Other Sanctions:

NOTICE OF HEARING
3. Date Initiated (MM/DD/YYYY):

05/07/2012☒ Exact☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

1200157
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Debt - Municipal  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
INCOMPLETE RESPONSE TO SUBPOENA ISSUED BY THE DEPARTMENT.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Consent
11. Resolution Date (MM/DD/YYYY):  
11/20/2012 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 7,500.00

☐ Revocation/Expulsion/Denial☐ Disgorgement/Restitution

☐ Censure☐ Cease and Desist/Injunction

☐ Bar☐ Suspension

B. Other Sanctions *Ordered*:  
PAYMENT OF COSTS OF INVESTIGATION: \$7,500.00  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
CONSENT ORDER
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
NOTICE OF HEARING WAS ISSUED MAY 7, 2012. THE HEARING IS SCHEDULED FOR JULY 18, 2012. CONTACT 785-4947. CONSENT ORDER WAS ISSUED NOVEMBER 19, 2012. CONTACT 785-4947

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)☐ 11.C(2)☐ 11.C(3)☐ 11.C(4)☐ 11.C(5)

☐ 11.D(1)☐ 11.D(2)☐ 11.D(3)☐ 11.D(4)☐ 11.D(5)

☐ 11.E(1)☒ 11.E(2)☐ 11.E(3)☐ 11.E(4)

☐ 11.F.☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ *SRO* ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA
2. Principal Sanction:

Other

Other Sanctions:

N/A
3. Date Initiated (MM/DD/YYYY):

11/02/2012 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

2011025621401
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Debt - Municipal

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

MSRB RULES G-32(A)(I), G-32(B)(I), G-32(B)(II): THE FIRM FAILED TO PROVIDE THE OFFICIAL STATEMENT (OS) IN A MUNICIPAL SECURITIES OFFERING TO CUSTOMERS WHOSE TRANSACTIONS SETTLED ON A CERTAIN DAY; THERE WERE SEVERAL RELEVANT TRANSACTIONS TOTALING \$13,525,000 THAT SETTLED ON THAT DAY. THE FIRM FAILED TO TIMELY SUBMIT THE OS TO THE ELECTRONIC MUNICIPAL MARKET ACCESS (EMMA) SYSTEM IN SOME MUNICIPAL OFFERINGS, AND FILED AN INACCURATE OS IN AN OFFERING. THE FIRM FAILED TO TIMELY SUBMIT THE ADVANCE REFUNDING DOCUMENT (ARD) TO EMMA IN SOME MUNICIPAL OFFERINGS.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

11/02/2012 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 85,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

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 \$85,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item



11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐

This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B.

If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐

Yes

☐

No

NOTE:

The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1.

Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2.

Principal Sanction:

Other Sanctions:

3.

Date Initiated (MM/DD/YYYY):

03/15/2013

☒ Exact

☐ Explanation

If not exact, provide explanation:

4.

Docket/Case Number:

2009018102701

5.

*Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6.

Principal Product Type:

Debt - Municipal

Other Product Types:

TRACE-ELIGIBLE SECURITIES

7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA RULES 2010, 6730(A), MSRB RULES G-17, G-27, G-30(A) - SOUTHWEST SECURITIES, INC. PURCHASED MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM CUSTOMERS AND/OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO CUSTOMERS AT AN AGGREGATE PRICE (INCLUDING ANY MARKDOWN OR MARKUP) THAT WAS NOT FAIR AND REASONABLE, TAKING INTO CONSIDERATION ALL RELEVANT FACTORS, INCLUDING THE BEST JUDGMENT OF THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER AS TO THE FAIR MARKET VALUE OF THE SECURITIES AT THE TIME OF THE TRANSACTION AND OF ANY SECURITIES EXCHANGED OR TRADED IN CONNECTION WITH THE TRANSACTION, THE EXPENSE INVOLVED IN EFFECTING THE TRANSACTION, THE FACT THAT THE BROKER, DEALER OR MUNICIPAL SECURITIES DEALER IS ENTITLED TO A PROFIT, AND THE TOTAL DOLLAR AMOUNT OF THE TRANSACTION. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND MSRB RULES, CONCERNING FAIR AND REASONABLE PRICING TO CUSTOMERS IN MUNICIPAL BOND TRANSACTIONS. THE FIRM FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) SOME TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF EXECUTION TIME. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6730(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010.

8.

Current Status?

☐ Pending

☐ On Appeal

☒ Final

9.

If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11.

Resolution Date (MM/DD/YYYY):

03/15/2013

☒ Exact

☐ Explanation

If not exact, provide explanation:

12.

Resolution Detail:

A.

Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 77,500.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar
- ☒ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

UNDERTAKING

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

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 \$77,500,OF WHICH \$70,000 IS FOR MSRB RULE VIOLATIONS, ORDERED TO PAY \$32,167.14, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS, AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING FAIR AND REASONABLE PRICING TO CUSTOMERS IN MUNICIPAL BOND TRANSACTIONS WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC. A REGISTERED FIRM PRINCIPAL SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION, TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA
2. Principal Sanction:

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

Other Sanctions:

CENSURE
3. Date Initiated (MM/DD/YYYY):

06/30/2014 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

2013038750501
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other

Other Product Types:

SECURITIZED PRODUCTS
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

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

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:
- If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.
10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):

06/30/2014 ☒ Exact ☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 12,500.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☐ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☒ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD

17587

This *advisory affiliate* is

☒ a Firm

☐ an Individual

Number:

Registered:

☒ Yes

☐ No

Name:

SWS FINANCIAL SERVICES,  
INC.  
(For individuals, Last, First,  
Middle)

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☐ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

2. Principal Sanction:  
  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  

☐ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
8. Current Status? ☐ Pending ☐ On Appeal ☐ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
11. Resolution Date (MM/DD/YYYY):  

☐ Exact ☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)☐ 11.C(2)☐ 11.C(3)☐ 11.C(4)☐ 11.C(5)
- ☐ 11.D(1)☐ 11.D(2)☐ 11.D(3)☐ 11.D(4)☐ 11.D(5)
- ☐ 11.E(1)☒ 11.E(2)☐ 11.E(3)☐ 11.E(4)
- ☐ 11.F.☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINRA

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

- 10/24/2014
- ☒ Exact
- ☐ Explanation
- If not exact, provide explanation:

4. Docket/Case Number:

2013035850301

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

No Product

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED, WITHIN 30 SECONDS AFTER EXECUTION, TO TRANSMIT LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) AND IT FAILED TO REPORT THE CORRECT TIME OF EXECUTION IN LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES TO THE FNTRF. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS AND FINRA RULES CONCERNING THE

TIMELY SUBMISSION OF ACCURATE TRADE REPORTS TO THE FNTRF. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR THE SUPERVISORY STEPS TO BE TAKEN TO ENSURE TIMELY SUBMISSION OF ACCURATE TRADE REPORTS TO THE FNTRF AND A STATEMENT AS TO HOW THE COMPLETION OF THE STEPS INCLUDED IN THE WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENTED.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):  
10/24/2014 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 17,500.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
UNDERTAKING: REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE FIRM WAS CENSURED, FINED \$17,500 AND UNDERTAKES TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).



If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA
2. Principal Sanction:

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

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

08/19/2013 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

2011029799101
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

SOUTHWEST SECURITIES, INC.
6. Principal Product Type:

Other

Other Product Types:

DESIGNATED SECURITIES
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA RULES 2010, 6380A = SOUTHWEST SECURITIES, INC. FAILED, WITHIN 90 SECOND AFTER EXECUTION, TO TRANSMIT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) LAST SALE REPORTS OF TRANSACTIONS IN DESIGNATED SECURITIES. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6380A AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010.
8. Current Status?

☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 5,000.00
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☒ SRO

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA
2. Principal Sanction:

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

11/27/2013 ☒ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

2010024987401
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Equity Listed (Common & Preferred Stock)

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

SEC RULE 204(A)(1) OF REGULATION SHO - SOUTHWEST SECURITIES, INC. HAD FAIL-TO-DELIVER POSITIONS AT A REGISTERED CLEARING AGENCY IN AN EQUITY SECURITY THAT RESULTED FROM A LONG SALE AND DID NOT CLOSE OUT THE FAIL-TO-DELIVER POSITIONS BY PURCHASING OR BORROWING SECURITIES OF LIKE KIND AND QUANTITY WITHIN THE TIME FRAME PRESCRIBED BY RULE 204(A)(1) OF REGULATION SHO.
8. Current Status?

☐ Pending

☐ On Appeal

☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):

11/27/2013 ☒ Exact ☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 10,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
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 \$10,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action				
Check item(s) being responded to:				
<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	316	This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual
Registered:	<input checked="" type="radio"/> Yes <input type="radio"/> No	
Name:	FIRST SOUTHWEST COMPANY (For individuals, Last, First, Middle)	

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

2. Principal Sanction:  
  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  

☐ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
8. Current Status? ☐ Pending ☐ On Appeal ☐ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
11. Resolution Date (MM/DD/YYYY):  

☐ Exact ☐ Explanation

If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL *OR* ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)☐ 11.C(2)☐ 11.C(3)☐ 11.C(4)☐ 11.C(5)

☐ 11.D(1)☐ 11.D(2)☐ 11.D(3)☐ 11.D(4)☐ 11.D(5)

☐ 11.E(1)☒ 11.E(2)☐ 11.E(3)☐ 11.E(4)

☐ 11.F.☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	316	This <i>advisory affiliate</i> is	<input checked="" type="radio"/> a Firm	<input type="radio"/> an Individual
Registered:	<input checked="" type="radio"/> Yes <input type="radio"/> No			
Name:	FIRST SOUTHWEST COMPANY (For individuals, Last, First, Middle)			

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
2. Principal Sanction:

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

☐ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

8. Current Status? ☐ Pending ☐ On Appeal ☐ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):

☐ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD  
Number:

316

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☒ Yes ☐ No



Name:

FIRST SOUTHWEST COMPANY  
(For individuals, Last, First, Middle)

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☒ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☐ *SRO*

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
2. Principal Sanction:

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

☐ Exact

☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
8. Current Status?

☐ Pending

☐ On Appeal

☐ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):

☐ Exact

☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

316

Registered:

☒ Yes ☐ No

Name:

FIRST SOUTHWEST COMPANY  
(For individuals, Last, First, Middle)

This *advisory affiliate* is

☒ a Firm ☐ an Individual

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes ☐ No

PART II

1. Regulatory Action initiated by:  

☐ SEC   ☐ Other Federal   ☐ State   ☐ *SRO*   ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
2. Principal Sanction:  
  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  

☐ Exact   ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
8. Current Status?   ☐ Pending   ☐ On Appeal   ☐ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
11. Resolution Date (MM/DD/YYYY):  

☐ Exact   ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL *OR* ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)

☐ 11.D(1)

☐ 11.E(1)

☐ 11.F.
- ☐ 11.C(2)

☐ 11.D(2)

☒ 11.E(2)

☐ 11.G.
- ☐ 11.C(3)

☐ 11.D(3)

☐ 11.E(3)
- ☐ 11.C(4)

☐ 11.D(4)

☐ 11.E(4)
- ☐ 11.C(5)

☐ 11.D(5)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

316

Registered:

☒ Yes ☐ No

Name:

FIRST SOUTHWEST COMPANY  
(For individuals, Last, First, Middle)

This *advisory affiliate* is

☒ a Firm ☐ an Individual

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
2. Principal Sanction:

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

☐ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
- Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
8. Current Status? ☐ Pending ☐ On Appeal ☐ Final
9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):

- ☐ Exact
- ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☐ Monetary/Fine Amount: \$
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

<i>CRD</i> Number:	316	This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual
Registered:	<input checked="" type="radio"/> Yes <input type="radio"/> No	
Name:	FIRST SOUTHWEST COMPANY (For individuals, Last, First, Middle)	

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☒ SEC ☐ Other Federal ☐ State ☐ *SRO* ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
2. Principal Sanction:  
  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  
☐ Exact ☐ Explanation:  
If not exact, provide explanation:
4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
8. Current Status? ☐ Pending ☐ On Appeal ☐ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
11. Resolution Date (MM/DD/YYYY):  
☐ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

316

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered:

☒ Yes ☐ No

Name:

FIRST SOUTHWEST COMPANY

(For individuals, Last, First, Middle)

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the



circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☐ *SRO* ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

2. Principal Sanction:  
  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):  
☐ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

8. Current Status? ☐ Pending ☐ On Appeal ☐ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):  
☐ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

<input type="checkbox"/> Monetary/Fine Amount: \$	<input type="checkbox"/> Disgorgement/Restitution
<input type="checkbox"/> Revocation/Expulsion/Denial	<input type="checkbox"/> Cease and Desist/Injunction
<input type="checkbox"/> Censure	<input type="checkbox"/> Suspension
<input type="checkbox"/> Bar	

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

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Regulatory Action

Check item(s) being responded to:

<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	316	This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual
Registered:	<input checked="" type="radio"/> Yes <input type="radio"/> No	
Name:	FIRST SOUTHWEST COMPANY (For individuals, Last, First, Middle)	

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):  
☐ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
8. Current Status? ☐ Pending ☐ On Appeal ☐ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
11. Resolution Date (MM/DD/YYYY):  
☐ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$  
☐ Revocation/Expulsion/Denial  
☐ Censure  
☐ Bar

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

B. Other Sanctions *Ordered*:  
  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

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Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)  
☐ 11.D(1)  
☐ 11.E(1)  
☐ 11.F.
- ☐ 11.C(2)  
☐ 11.D(2)  
☒ 11.E(2)  
☐ 11.G.
- ☐ 11.C(3)  
☐ 11.D(3)  
☐ 11.E(3)
- ☐ 11.C(4)  
☐ 11.D(4)  
☐ 11.E(4)
- ☐ 11.C(5)  
☐ 11.D(5)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	316	This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual
Registered:	<input checked="" type="radio"/> Yes <input type="radio"/> No	
Name:	FIRST SOUTHWEST COMPANY (For individuals, Last, First, Middle)	

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

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- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

- Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
- Principal Sanction:  
  
Other Sanctions:
- Date Initiated (MM/DD/YYYY):  
☐ Exact ☐ Explanation  
If not exact, provide explanation:
- Docket/Case Number:
- Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
- Principal Product Type:  
  
Other Product Types:
- Describe the allegations related to this regulatory action (your response must fit within the space provided):
- Current Status? ☐ Pending ☐ On Appeal ☐ Final
- If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):

- ☐ Exact
- ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☐ Monetary/Fine Amount: \$
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
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B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

316

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered:

☒ Yes ☐ No

Name:

FIRST SOUTHWEST COMPANY  
(For individuals, Last, First, Middle)

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the

adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes    ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☐ SEC    ☐ Other Federal    ☐ State    ☐ *SRO*    ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

2. Principal Sanction:  
  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):  
☐ Exact    ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

8. Current Status?    ☐ Pending    ☐ On Appeal    ☐ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):  
☐ Exact    ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☐ Monetary/Fine Amount: \$
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion

of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

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Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☒ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

316

Registered:

☒ Yes ☐ No

Name:

FIRST SOUTHWEST COMPANY  
(For individuals, Last, First, Middle)

This *advisory affiliate* is

☒ a Firm ☐ an Individual

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)



2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

8. Current Status? ☐ Pending ☐ On Appeal ☐ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):

☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

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Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	316	This <i>advisory affiliate</i> is	<input checked="" type="radio"/> a Firm	<input type="radio"/> an Individual
Registered:	<input checked="" type="radio"/> Yes <input type="radio"/> No			
Name:	FIRST SOUTHWEST COMPANY (For individuals, Last, First, Middle)			

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

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- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☒ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☐ SRO
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

- ☐ Exact
- ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

8. Current Status? ☒ Pending ☐ On Appeal ☐ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):

☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

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B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

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Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)

☐ 11.E(1)

☒ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)

☐ 11.F.

☐ 11.G.

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A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

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☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

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ADV DRP - ADVISORY AFFILIATE

CRD  
Number:

316

This *advisory affiliate* is ☒ a Firm ☐ an Individual

Registered: ☒ Yes ☐ No

Name:

FIRST SOUTHWEST COMPANY  
(For individuals, Last, First, Middle)

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
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- ☒ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC

☐ Other Federal

☐ State

☐ *SRO*

☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
2. Principal Sanction:

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

☐ Exact

☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
8. Current Status?

☐ Pending

☐ On Appeal

☐ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

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10. How was matter resolved:
11. Resolution Date (MM/DD/YYYY):

☐ Exact

☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:

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- ☒ One or more of your *advisory affiliates*

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ADV DRP - ADVISORY AFFILIATE

CRD Number:

316

Registered:

☒ Yes ☐ No

Name:

FIRST SOUTHWEST COMPANY  
(For individuals, Last, First, Middle)

This *advisory affiliate* is

☒ a Firm ☐ an Individual

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- ☒ Yes ☐ No

PART II

1. Regulatory Action initiated by:  

☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
2. Principal Sanction:  
  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  

☐ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
8. Current Status? ☐ Pending ☐ On Appeal ☐ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
11. Resolution Date (MM/DD/YYYY):  

☐ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:  

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

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Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)

☒ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)
- ☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)
- ☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

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- ☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

316

Registered:

☒ Yes ☐ No

Name:

FIRST SOUTHWEST COMPANY, LLC  
(For individuals, Last, First, Middle)

This *advisory affiliate* is

☒ a Firm ☐ an Individual

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☒ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
2. Principal Sanction:

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

☐ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):



6. Principal Product Type:
- Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
8. Current Status? ☐ Pending ☐ On Appeal ☐ Final
9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):

☐ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:
- A. Were any of the following Sanctions *Ordered* (check all appropriate items)?
- ☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar
- ☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)
- ☐ 11.D(1)

☒ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)
- ☐ 11.E(1)

☐ 11.E(2)

☐ 11.E(3)

☐ 11.E(4)
- ☐ 11.F.

☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☐ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	17587	This <i>advisory affiliate</i> is <input checked="" type="radio"/> a Firm <input type="radio"/> an Individual
Registered:	<input checked="" type="radio"/> Yes <input type="radio"/> No	
Name:	SWS FINANCIAL SERVICES, INC. (For individuals, Last, First, Middle)	

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
2. Principal Sanction:

Other Sanctions:
3. Date Initiated (MM/DD/YYYY):

☐ Exact ☐ Explanation

If not exact, provide explanation:
4. Docket/Case Number:

2011025622001
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:

Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
8. Current Status?

☐ Pending ☐ On Appeal ☐ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):

☐ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☐ Monetary/Fine Amount: \$
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☒ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☐ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☐ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to

the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes    ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  

☒ SEC    ☐ Other Federal    ☐ State    ☐ *SRO*    ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

2. Principal Sanction:  
  
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):  
02/02/2016 ☒ Exact    ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:  
3-17091

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:  
Debt - Municipal  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
SEC ADMIN RELEASES 33-10023; 34-77025; FEBRUARY 2, 2016: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED AGAINST HILLTOP SECURITIES INC., FORMERLY, SOUTHWEST SECURITIES, INC. ("RESPONDENT"). RESPONDENT WILLFULLY VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT. THIS MATTER INVOLVES VIOLATIONS OF AN ANTIFRAUD PROVISION OF THE FEDERAL SECURITIES LAWS IN CONNECTION WITH RESPONDENT'S UNDERWRITING OF CERTAIN MUNICIPAL SECURITIES OFFERINGS. RESPONDENT, A REGISTERED BROKER-DEALER, CONDUCTED INADEQUATE DUE DILIGENCE IN CERTAIN OFFERINGS AND AS A RESULT, FAILED TO FORM A REASONABLE BASIS FOR BELIEVING THE TRUTHFULNESS OF CERTAIN MATERIAL REPRESENTATIONS IN OFFICIAL STATEMENTS ISSUED IN CONNECTION WITH THOSE OFFERINGS. THIS RESULTED IN RESPONDENT OFFERING AND SELLING MUNICIPAL SECURITIES ON THE BASIS OF MATERIALLY MISLEADING DISCLOSURE DOCUMENTS. THE VIOLATIONS WERE SELF-REPORTED BY RESPONDENT TO THE COMMISSION PURSUANT TO THE DIVISION OF ENFORCEMENT'S (THE "DIVISION") MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION (MCDC) INITIATIVE.

8. Current Status?    ☐ Pending    ☐ On Appeal    ☒ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Order

11. Resolution Date (MM/DD/YYYY):  
02/02/2016 ☒ Exact    ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:  

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☒ Monetary/Fine Amount: \$ 360,000.00

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
UNDERTAKINGS  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to

requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2)OF THE SECURITIES ACT, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$360,000 AND COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

HILLTOP SECURITIES, ALONG WITH A NUMBER OF OTHER MUNICIPAL SECURITIES UNDERWRITERS AND ISSUERS, VOLUNTARILY PARTICIPATED IN THE SEC’S MUNICIPAL CONTINUING DISLCOUSRE COOPERATION (MCDC) INITATIVE. AS PART OF THE INITATIVE, UNDERWRITERS AND ISSUERS OF OFFERINGS IN WHICH THE FINAL OFFICIAL STATEMENT CONTAINED MATERIALLY INACCURATE STATEMENTS REGARDING AN ISSUERS PRIOR COMPLIANCE WITH CONTINUING DISCLOSURE OBLIGATIONS WERE GIVEN AN OPPORTUNITY TO SELF REPORT THESE INACCURACIES TO THE SEC. THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED AGAINST HILLTOP SECURITIES INC., FORMERLY, SOUTHWEST SECURITIES, INC. ("RESPONDENT"). RESPONDENT WILLFULLY VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT. THIS MATTER INVOLVES VIOLATIONS OF AN ANTIFRAUD PROVISION OF THE FEDERAL SECURITIES LAWS IN CONNECTION WITH RESPONDENT’S UNDERWRITING OF CERTAIN MUNICIPAL SECURITIES OFFERINGS. RESPONDENT, A REGISTERED BROKER-DEALER, CONDUCTED INADEQUATE DUE DILIGENCE IN CERTAIN OFFERINGS AND AS A RESULT, FAILED TO FORM A REASONABLE BASIS FOR BELIEVING THE TRUTHFULNESS OF CERTAIN MATERIAL REPRESENTATIONS IN OFFICIAL STATEMENTS ISSUED IN CONNECTION WITH THOSE OFFERINGS. THIS RESULTED IN RESPONDENT OFFERING AND SELLING MUNICIPAL SECURITIES ON THE BASIS OF MATERIALLY MISLEADING DISCLOSURE DOCUMENTS. THE VIOLATIONS WERE SELF-REPORTED BY RESPONDENT TO THE COMMISSION PURSUANT TO THE DIVISION OF ENFORCEMENT’S (THE "DIVISION") MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION (MCDC) INITIATIVE.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

- |                                  |   |                                  |                                  |                                  |
|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input type="checkbox"/> 11.C(2)            | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input checked="" type="checkbox"/> 11.D(2) | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input checked="" type="checkbox"/> 11.E(2) | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:	316	This <i>advisory affiliate</i> is	<input checked="" type="radio"/> a Firm	<input type="radio"/> an Individual
Registered:	<input checked="" type="radio"/> Yes <input type="radio"/> No			
Name:	FIRST SOUTHWEST COMPANY, LLC (For individuals, Last, First, Middle)			

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser’s or *advisory affiliate’s* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or CRD records.

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign  
 (Full name of regulator, *foreign financial regulatory authority*, federal, state, or SRO)  
 FINRA

3. Date Initiated (MM/DD/YYYY):  
07/16/2015 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FORM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO DELIVER EXCHANGE TRADED FUND (ETF) PROSPECTUSES TO ITS OWN CUSTOMERS AT THE TIME OF DELIVERY OF THE SECURITY IN CONTRAVENTION OF SECTION 5 OF THE SECURITIES ACT OF 1933. THE FINDINGS STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE AN ADEQUATE SUPERVISORY SYSTEM AND WSPTS TO ENSURE THAT CUSTOMERS WHO PURCHASED CERTAIN INVESTMENT PRODUCTIONS WERE RECEIVING A REQUIRED PROSPECTUS. THE FINDINGS ALSO STATED THAT THE FIRM DELAYED NOTIFICATION OF ITS PROSPECTUS DELIVER FAILURES TO THE CORRESPONDENT FIRM AFFECTED BY THE FAILURES.

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

11. Resolution Date (MM/DD/YYYY):  
07/16/2015 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☒ Monetary/Fine Amount: \$ 450,000.00
  - ☐ Revocation/Expulsion/Denial
  - ☒ Censure
  - ☐ Bar
  - ☐ Disgorgement/Restitution
  - ☐ Cease and Desist/Injunction
  - ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE FIRM WAS CENSURED AND FINED \$450,000.00

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

GENERAL INSTRUCTIONS

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Regulatory Action

Check item(s) being responded to:

- |                                  |   |                                  |                                  |                                  |
|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> 11.C(1) | <input checked="" type="checkbox"/> 11.C(2) | <input type="checkbox"/> 11.C(3) | <input type="checkbox"/> 11.C(4) | <input type="checkbox"/> 11.C(5) |
| <input type="checkbox"/> 11.D(1) | <input type="checkbox"/> 11.D(2)            | <input type="checkbox"/> 11.D(3) | <input type="checkbox"/> 11.D(4) | <input type="checkbox"/> 11.D(5) |
| <input type="checkbox"/> 11.E(1) | <input type="checkbox"/> 11.E(2)            | <input type="checkbox"/> 11.E(3) | <input type="checkbox"/> 11.E(4) |                                  |
| <input type="checkbox"/> 11.F.   | <input type="checkbox"/> 11.G.              |                                  |                                  |                                  |

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☒ You (the advisory firm)
  - ☐ You and one or more of your *advisory affiliates*
  - ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes ☒ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
- ☒ SEC ☐ Other Federal ☐ State ☐ *SRO* ☐ Foreign



2. Principal Sanction:  
Other  
Other Sanctions:  
N/A
3. Date Initiated (MM/DD/YYYY):  
09/30/2019 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
4. Docket/Case Number:  
3-19560
5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
Mutual Fund(s)  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
SEC IA RELEASE 40-5393, SEPTEMBER 30, 2019: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE INSTITUTED AGAINST HILLTOP SECURITIES INC. AND ITS AFFILIATE, HILLTOP SECURITIES INDEPENDENT NETWORK INC. ("RESPONDENTS") ON THE BASIS OF THIS ORDER AND RESPONDENTS' OFFER, THE COMMISSION FINDS THAT THESE PROCEEDINGS ARISE OUT OF BREACHES OF FIDUCIARY DUTY AND INADEQUATE DISCLOSURES BY THE RESPONDENTS IN CONNECTION WITH THIER MUTUAL FUND SHARE CLASS SELECTION PRACTICES AND THE FEES THEY RECEIVED. AT TIMES DURING THE RELEVANT PERIOD, RESPONDENTS PURCHASED, RECOMMENDED, OR HELD FOR ADVISORY CLIENTS MUTUAL FUND SHARE CLASSES THAT CHARGED 12B-1 FEES INSTEAD OF LOWER-COST SHARE CLASSES OF THE SAME FUNDS FOR WHICH THE CLIENTS WERE ELIGIBLE. RESPONDENTS RECEIVED 12B-1 FEES IN CONNECTION WITH THESE INVESTMENTS. RESPONDENTS FAILED TO DISCLOSE IN THEIR FORM ADV OR OTHERWISE THE CONFLICTS OF INTEREST RELATED TO (A) THEIR RECEIPT OF 12B-1 FEES, AND/OR (B) THEIR SELECTION OF MUTUAL FUND SHARE CLASSES THAT PAY SUCH FEES. DURING THE RELEVANT PERIOD, RESPONDENTS RECEIVED 12B-1 FEES FOR ADVISING CLIENTS TO INVEST IN OR HOLD SUCH MUTUAL FUND SHARE CLASSES. AS A RESULT OF THE CONDUCT, RESPONDENTS WILLFULLY VIOLATED SECTION 206(2) OF THE ADVISERS ACT.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Order
11. Resolution Date (MM/DD/YYYY):  
09/30/2019 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☒ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
UNDERTAKINGS AND PREJUDGMENT INTEREST  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
THE RESPONDENTS SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 206(2) OF THE ADVISERS ACT. RESPONDENT IS CENSURED, SHALL COLLECTIVELY PAY DISGORGEMENT OF \$736,497.48 AND PREJUDGMENT INTEREST OF \$74,287.92, AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

RESPONDENTS HAVE SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN THE RESPONDENTS' OFFER. ACCORDINGLY, IT IS ORDERED THAT RESPONDENTS SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 206(2) OF THE ADVISERS ACT. RESPONDENTS ARE CENSURED, SHALL COLLECTIVELY PAY DISGORGEMENT OF \$736,497.48 AND PREJUDGMENT INTEREST OF \$74,287.92, AND SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT. RESPONDENTS SELF-REPORTED TO THE COMMISSION THE VIOLATIONS DISCUSSED IN THIS ORDER PURSUANT TO THE DIVISION OF ENFORCEMENT'S SHARE CLASS SELECTION DISCLOSURE INITIATIVE ("SCSD INITIATIVE"). ACCORDINGLY, THIS ORDER AND RESPONDENTS' OFFER ARE BASED ON THE INFORMATION SELF-REPORTED BY RESPONDENT.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action				
Check item(s) being responded to:				
<input type="checkbox"/> 11.C(1)	<input type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input type="checkbox"/> 11.C(4)	<input type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input checked="" type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2.

Principal Sanction:  
Censure  
Other Sanctions:  
MONETARY FINE
3.

Date Initiated (MM/DD/YYYY):  
09/23/2019 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
4.

Docket/Case Number:  
2018060795201
5.

Advisory Affiliate Employing Firm when activity occurred which led to the regulatory action (if applicable):
6.

Principal Product Type:  
Other  
Other Product Types:  
MARGIN INTEREST DISCLOSURE
7.

Describe the allegations related to this regulatory action (your response must fit within the space provided):  
HILLTOP FAILED TO ESTABLISH PROCEDURES REASONABLY DESIGNED TO ASSURE THAT CUSTOMERS RECEIVED THE INITIAL MARGIN INTEREST RATE DISCLOSURES AND FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULE 10B-16(A)(1).
8.

Current Status? ☐ Pending ☐ On Appeal ☒ Final
9.

If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10.

How was matter resolved:  
Acceptance, Waiver & Consent(AWC)
11.

Resolution Date (MM/DD/YYYY):  
09/23/2019 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
12.

Resolution Detail:

A.

Were any of the following Sanctions Ordered (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 250,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B.

Other Sanctions Ordered:  
  
Sanction detail: if suspended, enjoined or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an advisory affiliate, date paid and if any portion of penalty was waived:  
CENSURE AND MONETARY FINE OF \$250,000
13.

Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
THE FIRM WAS CENSURED, FINED \$250,000 AND REQUIRED TO SUBMIT TO FINRA A WRITTEN CERTIFICATION THAT IT HAS COMPLETED A REVIEW OF ITS SYSTEMS AND PROCEDURES AND AS OF THE DATE OF THE CERTIFICATION, THE FIRM'S POLICIES, SYSTEMS AND PROCEDURES ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE.

Regulatory Action

Check item(s) being responded to:

- ☐ 11.C(1)
- ☐ 11.C(2)
- ☐ 11.C(3)
- ☐ 11.C(4)
- ☐ 11.C(5)
- ☐ 11.D(1)
- ☒ 11.D(2)
- ☐ 11.D(3)
- ☐ 11.D(4)
- ☐ 11.D(5)
- ☐ 11.E(1)
- ☐ 11.E(2)
- ☐ 11.E(3)
- ☐ 11.E(4)
- ☐ 11.F.
- ☐ 11.G.

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

- ☐ SEC
- ☐ Other Federal
- ☐ State
- ☒ *SRO*
- ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
FINRA

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:  
UNDERTAKING TO ENGAGE AN INDEPENDENT CONSULTANT.

3. Date Initiated (MM/DD/YYYY):

06/15/2020 ☐ Exact ☒ Explanation

If not exact, provide explanation:  
THIS IS THE DATE THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS SIGNED BY THE FIRM.

4. Docket/Case Number:

2017053708001

5.    *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6.    Principal Product Type:  
      No Product  
      Other Product Types:
7.    Describe the allegations related to this regulatory action (your response must fit within the space provided):  
  
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH AND IMPLEMENT AN AML COMPLIANCE PROGRAM REASONABLY DESIGNED TO DETECT AND REPORT SUSPICIOUS TRADING ACTIVITY IN LOW-PRICED SECURITIES. THE FINDINGS STATED THAT CUSTOMERS INTRODUCED TO THE FIRM TRADED AT LEAST 2.07 BILLION SHARES OF LOW-PRICED SECURITIES, VALUED AT APPROXIMATELY \$221 MILLION. THESE SHARES WERE NOT SUBJECT TO A REASONABLE REVIEW TO DETECT AND INVESTIGATE RED FLAGS OF SUSPICIOUS ACTIVITY FOR PURPOSES OF DETERMINING WHETHER TO FILE A SAR. THE FIRM FAILED TO FOLLOW THE DEPARTMENT OF TREASURY'S STANDARD FOR DETERMINING WHETHER TO FILE A SAR, REQUIRING PROOF OF ACTUAL FRAUD AS OPPOSED TO SUSPICION THAT A TRANSACTION INVOLVED UNLAWFUL ACTIVITY OR LACKED AN APPARENT LAWFUL PURPOSE. THE FIRM FAILED TO IMPLEMENT ITS AML PROCEDURES REQUIRING THE COLLECTION AND COMPLETION OF DEPOSIT REVIEW FORMS IN CONNECTION WITH THE DEPOSIT OF LOW-PRICED SECURITIES, RESULTING IN MISSED RED FLAGS OF POTENTIALLY SUSPICIOUS ACTIVITY. THE FIRM'S AML COMPLIANCE PROGRAM FAILED TO REASONABLY DETECT AND REPORT SUSPICIOUS TRADING ACTIVITY, IN PART, BECAUSE IT FAILED TO DEVOTE ADEQUATE RESOURCES TO ITS AML PROGRAM. THE FIRM'S AML ANALYSTS WERE TASKED WITH REVIEWING A REPORT THAT DID NOT PROVIDE FOR A REASONABLE AML REVIEW. DUE TO DEFICIENCIES IN THE REPORT, THE ANALYSTS DID NOT USE RISK-BASED FACTORS TO CHOOSE TRANSACTIONS FOR REVIEW AND, BASED ON SAMPLE REVIEWED BY THE STAFF, WERE ONLY ABLE TO REVIEW APPROXIMATELY 20% OF THE TRANSACTIONS, THESE 20% WERE NOT THE HIGHEST RISK TRANSACTIONS AT THE FIRM. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO SUBMIT FORM G-32 INFORMATION TO EMMA IN CONNECTION WITH PRIMARY OFFERINGS OF MUNICIPAL SECURITIES THAT THE FIRM SERVED AS PLACEMENT AGENT FOR. THE FIRM ALSO MADE FORM G-32 FILINGS TO EMMA THAT WERE BETWEEN 1 AND 3 DAYS LATE. SUCH CONDUCT VIOLATED MSRB RULE G-32. FURTHERMORE, THE FIRM FAILED TO PROVIDE REQUIRED MSRB RULE G-17 DISCLOSURE LETTERS TO ISSUERS IN CONNECTION WITH OFFERINGS PLUS ONE OTHER OFFERING, IN VIOLATION OF MSRB RULE G-17. THE FIRM DISCOVERED THESE FAILURES AND IT TRAINED EMPLOYEES DURING ITS ACQUISITION AND SELF-REPORTED THEM TO FINRA. FINALLY, THE FIRM FAILED TO REPORT ON FORM G-37 THAT IT HAD CONDUCTED MUNICIPAL SECURITIES BUSINESS WITH THE ISSUERS BY ACTING AS A PLACEMENT AGENT IN CONNECTION WITH THE ISSUERS' MUNICIPAL SECURITIES OFFERINGS. AS A RESULT OF THIS CONDUCT, THE FIRM VIOLATED MSRB RULE G-37.
8.    Current Status?    ☐ Pending    ☐ On Appeal    ☒ Final
9.    If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
      Acceptance, Waiver & Consent(AWC)
11. Resolution Date (MM/DD/YYYY):  
  
07/28/2020    ☐ Exact    ☒ Explanation  
If not exact, provide explanation:  
THIS IS THE DATE THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE DEPARTMENT OF ENFORCEMENT.
12. Resolution Detail:  

A.    Were any of the following Sanctions *Ordered* (check all appropriate items)?  

☒ Monetary/Fine Amount: \$ 475,000.00  
☐ Revocation/Expulsion/Denial  
☒ Censure  
☐ Bar

☐ Disgorgement/Restitution  
☐ Cease and Desist/Injunction  
☐ Suspension

B.    Other Sanctions *Ordered*:  
      UNDERTAKING  
      Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
      THE FIRM WAS CENSURED, FINED \$475,000 AND REQUIRED TO RETAIN ONE OR MORE QUALIFIED INDEPENDENT CONSULTANTS, WITHIN 120 DAYS, TO CONDUCT A COMPREHENSIVE REVIEW OF THE REASONABLENESS OF ITS POLICIES, SYSTEMS AND PROCEDURES (WRITTEN AND OTHERWISE) AND TRAINING RELATING TO COMPLIANCE WITH FINRA RULE 3310 AND THE REQUIREMENTS OF THE BANK SECRECY ACT, 31 USC §5311, ET. SEQ., AND THE REGULATIONS PROMULGATED THEREUNDER.
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

Regulatory Action				
Check item(s) being responded to:				
<input type="checkbox"/> 11.C(1)	<input checked="" type="checkbox"/> 11.C(2)	<input type="checkbox"/> 11.C(3)	<input checked="" type="checkbox"/> 11.C(4)	<input checked="" type="checkbox"/> 11.C(5)
<input type="checkbox"/> 11.D(1)	<input type="checkbox"/> 11.D(2)	<input type="checkbox"/> 11.D(3)	<input type="checkbox"/> 11.D(4)	<input type="checkbox"/> 11.D(5)
<input type="checkbox"/> 11.E(1)	<input type="checkbox"/> 11.E(2)	<input type="checkbox"/> 11.E(3)	<input type="checkbox"/> 11.E(4)	
<input type="checkbox"/> 11.F.	<input type="checkbox"/> 11.G.			

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

- ☐ Yes
- ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:  
☒ SEC ☐ Other Federal ☐ State ☐ *SRO* ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

2. Principal Sanction:  
Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:  
CEAST AND DESIST CENSURE DISGORGEMENT

3. Date Initiated (MM/DD/YYYY):  
07/09/2021 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

4. Docket/Case Number:  
3-20389



5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
Debt - Municipal  
Other Product Types:
7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
  
THE SEC FOUND THAT, BETWEEN JANUARY 2016 AND APRIL 2018, THE FIRM OBTAINED BONDS FOR ITS INVENTORY BY PLACING ORDERS WITH A CO-MANAGING UNDERWRITER AND THAT A REGISTERED REPRESENTATIVE OF THE CO-MANAGING UNDERWRITER PLACED THE FIRM'S STOCK ORDERS WITH THE SENIOR MANAGER AND MISCHARACTERIZED THEM AS RETAIL CUSTOMER ORDERS. THE SEC ALSO FOUND THAT DURING THIS PERIOD, ON OCCASION, THESE ORDERS WERE PLACED FOR OFFERINGS WHERE THE FIRM WAS ACTING AS A CO-MANAGING UNDERWRITER, AND THE SENIOR MANAGER WAS NOT INFORMED THAT THE ORDERS WERE FOR THE FIRM, WHICH IN SOME INSTANCES WAS CONTRARY TO SYNDICATE RULES. THE SEC FOUND THAT, AMONG OTHER THINGS, THE FIRM LACKED POLICIES AND PROCEDURES WITH RESPECT TO HOW STOCK ORDERS WERE SUBMITTED FOR NEW ISSUES BONDS TO THIRD PARTIES, INCLUDING THE BROKER-DEALER THAT MISCHARACTERIZED THE FIRM'S ORDERS. THE SEC FOUND WILLFUL VIOLATIONS OF MSRB RULES G-27 AND G-17, SECTION 15B(C)(1) OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT), AND A FAILURE TO REASONABLY SUPERVISE WITHIN THE MEANING OF SECTION 15(B)(4)(E) OF THE EXCHANGE ACT.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:  
Order
11. Resolution Date (MM/DD/YYYY):  
  
07/09/2021 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 85,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☒ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:  
DISGORGEMENT OF \$206,606 AND PREJUDGMENT INTEREST OF \$48,587.  
Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:  
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO A CENSURE, TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15B(C)(1) OF THE EXCHANGE ACT AND MSRB RULES G-17 AND G-27, AND TO PAY DISGORGEMENT IN THE AMOUNT OF \$206,606, PREJUDGMENT INTEREST IN THE AMOUNT OF \$48,587, AND A CIVIL MONEY PENALTY IN THE AMOUNT OF \$85,000. THE PENALTY, DISGORGEMENT AND PREJUDGMENT INTEREST WERE PAID ON OR AROUND JULY 22, 2021.
13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).  
  
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO A CENSURE, TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15B(C)(1) OF THE EXCHANGE ACT AND MSRB RULES G-17 AND G-27, AND TO PAY DISGORGEMENT IN THE AMOUNT OF \$206,606, PREJUDGMENT INTEREST IN THE AMOUNT OF \$48,587, AND A CIVIL MONEY PENALTY IN THE AMOUNT OF \$85,000. THE PENALTY, DISGORGEMENT AND PREJUDGMENT INTEREST WERE PAID ON OR AROUND JULY 22, 2021.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☒ INITIAL **OR** ☐ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☐ 11.C(2)

☐ 11.C(3)

☐ 11.C(4)

☐ 11.C(5)

☐ 11.D(1)

☐ 11.D(2)

☐ 11.D(3)

☐ 11.D(4)

☐ 11.D(5)



Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☐ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☒ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

CRD Number:

17587

Registered:

☒ Yes ☐ No

Name:

MOMENTUM INDEPENDENT NETWORK INC.  
(For individuals, Last, First, Middle)

This *advisory affiliate* is

☒ a Firm ☐ an Individual

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

☐ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

8. Current Status? ☐ Pending ☐ On Appeal ☐ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):

☐ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (ADV)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Item 11.H. of Part 1A or Item 2.F. of Part 1B of Form ADV.

Civil Judicial

Check Part 1A item(s) being responded to:

☐ 11.H(1)(a)

☐ 11.H(1)(b)

☐ 11.H(1)(c)

☒ 11.H(2)

Check Part 1B item(s) being responded to:

☐ 2.F(1)

☐ 2.F(2)

☐ 2.F(3)

☐ 2.F(4)

☐ 2.F(5)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Item 11.H. of Part 1A or Item 2.F. of Part 1B. Use only one DRP to report details related to the same event. Unrelated civil judicial actions must be reported on separate DRPs.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☒ You (the advisory firm)

☐ You and one or more of your *advisory affiliates*

☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.H. (1)(a), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☒ Yes

☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Court Action initiated by: (Name of regulator, *foreign financial regulatory authority*, *SRO*, commodities exchange, agency, firm, private plaintiff, etc.)  
STATE OF LOUISIANA
2. Principal Relief Sought:  
Money Damages (Private/Civil Complaint)  
Other Relief Sought:  
OTHER RELIEF SOUGHT: ACCORDINGLY, PLAINTIFFS DEMAND RELIEF AS FOLLOWS: A. FOR THE UNLAWFUL CONDUCT ALLEGED HEREIN TO BE ADJUDGED AND DECREED TO BE AN UNLAWFUL RESTRAINT OF TRADE IN VIOLATION OF SECTION 1 OF THE SHERMAN ACT; B. FOR DEFENDANTS, THEIR SUBSIDIARIES, AFFILIATES, SUCCESSORS, TRANSFEREES, ASSIGNEES AND THE RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, AGENTS, AND EMPLOYEES AND ALL OTHER PERSONS ACTING OR CLAIMING TO ACT ON THEIR BEHALF, BE PERMANENTLY ENJOINED AND RESTRAINED FROM CONTINUING AND MAINTAINING THE CONSPIRACY ALLEGED IN THE COMPLAINT; C. FOR A JUDGMENT AWARDING PLAINTIFF DAMAGES AGAINST DEFENDANTS FOR DEFENDANTS' VIOLATIONS OF THE FEDERAL ANTITRUST LAWS, IN AN AMOUNT TO BE TREBLED IN ACCORDANCE WITH SUCH LAWS; D. FOR AN AWARD TO PLAINTIFF OF ITS COSTS OF SUIT, INCLUDING REASONABLE ATTORNEYS' AND EXPERTS' FEES AND EXPENSES; E. FOR AN ORDER ENJOINING DEFENDANTS FROM ENGAGING IN FURTHER ANTICOMPETITIVE CONDUCT IN THE GSE BOND MARKET SO THAT PUBLIC CONFIDENCE IN THIS MARKET CAN BE RESTORED; AND F. FOR SUCH OTHER AND FURTHER RELIEF AS THE COURT MAY DEEM JUST AND PROPER.
3. Filing Date of Court Action (MM/DD/YYYY):  
02/03/2020 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
4. Principal Product Type:  
Other  
Other Product Types:  
GOVERNMENT-SPONSORED ENTITY (GSE) BONDS
5. Formal Action was brought in (include name of Federal, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case Number):  
UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF LOUISIANA. CASE NO. 3:19-CV-00638
6. *Advisory Affiliate* Employing Firm when activity occurred which led to the civil judicial action (if applicable):  
HILLTOP SECURITIES INC.
7. Describe the allegations related to this civil action (your response must fit within the space provided):  
CONSPIRACY TO FIX PRICES AT WHICH INVESTORS BOUGHT AND SOLD GSE BONDS.
8. Current Status? ☒ Pending ☐ On Appeal ☐ Final
9. If on appeal, action appealed to (provide name of court) and Date Appeal Filed (MM/DD/YYYY):
10. If pending, date notice/process was served (MM/DD/YYYY):  
02/04/2020 ☒ Exact ☐ Explanation

If not exact, provide explanation:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 14 only.

11. How was matter resolved:

12. Resolution Date (MM/DD/YYYY):

☐ Exact ☐ Explanation

If not exact, provide explanation:

13. Resolution Detail:

A. Were any of the following Sanctions Ordered or Relief Granted(check appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions:

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement, or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

14. Provide a brief summary of circumstances related to the action(s), allegation(s), disposition(s) and/or finding(s) disclosed above (your response must fit within the space provided).  
STATE ALLEGES THAT THE FIRM FAILED TO MEET ITS DUTY OF CARE OBLIGATION TO AVOID RECOMMENDING INVESTMENTS WHICH IT NEW OR SHOULD HAVE KNOWN WOULD CONSTITUTE A FRAUD OR A SCAM.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Item 11.H. of Part 1A or Item 2.F. of Part 1B of Form ADV.

Civil Judicial

Check Part 1A item(s) being responded to:

☐ 11.H(1)(a)

☐ 11.H(1)(b)

☐ 11.H(1)(c)

☒ 11.H(2)

Check Part 1B item(s) being responded to:

☐ 2.F(1)

☐ 2.F(2)

☐ 2.F(3)

☐ 2.F(4)

☐ 2.F(5)

Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Item 11.H. of Part 1A or Item 2.F. of Part 1B. Use only one DRP to report details related to the same event. Unrelated civil judicial actions must be reported on separate DRPs.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ☒ You (the advisory firm)
- ☐ You and one or more of your *advisory affiliates*
- ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the

adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.H. (1)(a), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

☒ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Court Action initiated by: (Name of regulator, *foreign financial regulatory authority*, *SRO*, commodities exchange, agency, firm, private plaintiff, etc.)  
STATE OF LOUISIANA
2. Principal Relief Sought:  
Money Damages (Private/Civil Complaint)  
Other Relief Sought:  
ACCORDINGLY, PLAINTIFFS DEMAND RELIEF AS FOLLOWS: A. FOR THE UNLAWFUL CONDUCT ALLEGED HEREIN TO BE ADJUDGED AND DECREED TO BE AN UNLAWFUL RESTRAINT OF TRADE IN VIOLATION OF SECTION 1 OF THE SHERMAN ACT; B. FOR DEFENDANTS, THEIR SUBSIDIARIES, AFFILIATES, SUCCESSORS, TRANSFEREES, ASSIGNEES AND THE RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, AGENTS, AND EMPLOYEES AND ALL OTHER PERSONS ACTING OR CLAIMING TO ACT ON THEIR BEHALF, BE PERMANENTLY ENJOINED AND RESTRAINED FROM CONTINUING AND MAINTAINING THE CONSPIRACY ALLEGED IN THE COMPLAINT; C. FOR A JUDGMENT AWARDING PLAINTIFF DAMAGES AGAINST DEFENDANTS FOR DEFENDANTS' VIOLATIONS OF THE FEDERAL ANTITRUST LAWS, IN AN AMOUNT TO BE TREBLED IN ACCORDANCE WITH SUCH LAWS; D. FOR AN AWARD TO PLAINTIFF OF ITS COSTS OF SUIT, INCLUDING REASONABLE ATTORNEYS' AND EXPERTS' FEES AND EXPENSES; E. FOR AN ORDER ENJOINING DEFENDANTS FROM ENGAGING IN FURTHER ANTICOMPETITIVE CONDUCT IN THE GSE BOND MARKET SO THAT PUBLIC CONFIDENCE IN THIS MARKET CAN BE RESTORED; AND F. FOR SUCH OTHER AND FURTHER RELIEF AS THE COURT MAY DEEM JUST AND PROPER.
3. Filing Date of Court Action (MM/DD/YYYY):  
02/03/2020 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
4. Principal Product Type:  
Other  
Other Product Types:  
GOVERNMENT-SPONSORED ENTITY (GSE) BONDS.
5. Formal Action was brought in (include name of Federal, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case Number):  
UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF LOUISIANA. CASE NO. 3:19-CV-00638
6. *Advisory Affiliate* Employing Firm when activity occurred which led to the civil judicial action (if applicable):
7. Describe the allegations related to this civil action (your response must fit within the space provided):  
CONSPIRACY TO FIX PRICES AT WHICH INVESTORS BOUGHT AND SOLD GSE BONDS.
8. Current Status? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, action appealed to (provide name of court) and Date Appeal Filed (MM/DD/YYYY):
10. If pending, date notice/process was served (MM/DD/YYYY):  
02/04/2020 ☒ Exact ☐ Explanation  
If not exact, provide explanation:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 14 only.

11. How was matter resolved:  
Dismissed

12. Resolution Date (MM/DD/YYYY):  
03/31/2021 ☒ Exact ☐ Explanation

If not exact, provide explanation.

13. Resolution Detail:

A. Were any of the following Sanctions Ordered or Relief Granted(check appropriate items)?

☐ Monetary/Fine Amount: \$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions:

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement, or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

14. Provide a brief summary of circumstances related to the action(s), allegation(s), disposition(s) and/or finding(s) disclosed above (your response must fit within the space provided).

STATE ALLEGES THAT THE FIRM FAILED TO MEET ITS DUTY OF CARE OBLIGATION TO AVOID RECOMMENDING INVESTMENTS WHICH IT NEW OR SHOULD HAVE KNOWN WOULD CONSTITUTE A FRAUD OR A SCAM.

Part 2

Exemption from brochure delivery requirements for SEC-registered advisers

SEC rules exempt SEC-registered advisers from delivering a firm brochure to some kinds of clients. If these exemptions excuse you from delivering a brochure to *all* of your advisory clients, you do not have to prepare a brochure.

Yes No


Are you exempt from delivering a brochure to all of your clients under these rules?

If no, complete the ADV Part 2 filing below.

Amend, retire or file new brochures:

Brochure ID	Brochure Name	Brochure Type(s)
390119	HILLTOP FIRM BROCHURE 12/19/2023	Individuals, High net worth individuals, Foundations/charities, Government/municipal, Wrap program, Financial Planning Services, Selection of Other Advisers/Solicitors
390120	HILLTOP WRAP BROCHURE 12/19/2023	Individuals, High net worth individuals, Foundations/charities, Government/municipal, Wrap program, Financial Planning Services, Selection of Other Advisers/Solicitors
397393	HILLTOP FIRM BROCHURE 03/28/2024	Individuals, High net worth individuals, Foundations/charities, Government/municipal, Wrap program, Financial Planning Services, Selection of Other Advisers/Solicitors
397394	HILLTOP WRAP BROCHURE 03/28/2024	Individuals, High net worth individuals, Foundations/charities, Government/municipal, Wrap program, Financial Planning Services, Selection of Other Advisers/Solicitors

Part 3

CRS	Type(s)	Affiliate Info	Retire
	Dual		

Execution Pages

DOMESTIC INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint the Secretary of State or other legally designated officer, of the state in which you maintain your *principal office and place of business* and any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such *persons* may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding*, or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of the state in which you maintain your *principal office and place of business* or of any state in which you are submitting a *notice filing*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:	Date: MM/DD/YYYY
LORNE STANDIFER	03/28/2024
Printed Name:	Title:
LORNE STANDIFER	MANAGER, COMPLIANCE
Adviser <i>CRD</i> Number:	
6220	

NON-RESIDENT INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

1. Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint each of the Secretary of the SEC, and the Secretary of State or other legally designated officer, of any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such persons may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding* or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of any state in which you are submitting a *notice filing*.

2. Appointment and Consent: Effect on Partnerships

If you are organized as a partnership, this irrevocable power of attorney and consent to service of process will continue in effect if any partner withdraws from or is admitted to the partnership, provided that the admission or withdrawal does not create a new partnership. If the partnership dissolves, this irrevocable power of attorney and consent shall be in effect for any action brought against you or any of your former partners.

3. Non-Resident Investment Adviser Undertaking Regarding Books and Records

By signing this Form ADV, you also agree to provide, at your own expense, to the U.S. Securities and Exchange Commission at its principal office in Washington D.C., at any Regional or District Office of the Commission, or at any one of its offices in the United States, as specified by the Commission, correct, current, and complete copies of any or all records that you are required to maintain under Rule 204-2 under the Investment Advisers Act of 1940. This undertaking shall be binding upon you, your heirs, successors and assigns, and any *person* subject to your written irrevocable consents or powers of attorney or any of your general partners and *managing agents*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the *non-resident* investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:	Date: MM/DD/YYYY
Printed Name:	Title:
Adviser <i>CRD</i> Number:	
6220	



