IAPD Report

Walter Phillip Schlaepfer

CRD# 1306585

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IAPD Information About Representatives

IAPD offers information on all current-and many former representatives. Investors are strongly encouraged to use IAPD to check the background of representatives before deciding to conduct, or continue to conduct, business with them.

What is included in a IAPD report?

IAPD reports for individual representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.

It is important to note that the information contained in an IAPD report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

Where did this information come from?

The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD, (see more on CRD below) and is a combination of:

- information the states require representatives and firms to submit as part of the registration and licensing process, and
- information that state regulators report regarding disciplinary actions or allegations against representatives.

How current is this information?

Generally, representatives are required to update their professional and disciplinary information in IARD within 30 days.

Need help interpreting this report?

For help understanding how to read this report, please consult NASAA's IAPD Tips page
http://www.nasaa.org/IAPD/IARReports.cfm

What if I want to check the background of an Individual Broker or Brokerage Firm?

To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.

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

It is recommended that you learn as much as possible about an individual representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association http://www.nasaa.org

User Guidance

www.adviserinfo.sec.gov

Report Summary

Walter Phillip Schlaepfer (CRD# 1306585)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **08/16/2026**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
B	J.P. MORGAN SECURITIES LLC	CRD# 79	09/29/2023
IA	J.P. MORGAN SECURITIES LLC	CRD# 79	11/29/2023

QUALIFICATIONS

This representative is currently registered in **28** SRO(s) and **41** jurisdiction(s).

Is this representative currently Inactive or Suspended with any regulator? **No**

Note: Not all jurisdictions require IAR registration or may have an exemption from registration.
Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

REGISTRATION HISTORY

This representative was previously registered with the following firm(s):

	FIRM	CRD#	LOCATION	REGISTRATION DATES
IA	J.P. MORGAN PRIVATE WEALTH ADVISORS LLC	108559	Bellevue, WA	09/09/2020 - 03/19/2025
B	FIRST REPUBLIC SECURITIES COMPANY, LLC	105108	Bellevue, WA	08/11/2020 - 09/29/2023
IA	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	7691	BELLEVUE, WA	02/08/1991 - 09/04/2020

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

DISCLOSURE INFORMATION

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

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

The following types of events are disclosed about this representative:

Type	Count
Customer Dispute	4

Qualifications

REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works.
This individual is currently registered with **41** jurisdiction(s) and 28 SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **J.P. MORGAN SECURITIES LLC**

Main Address: 270 PARK AVENUE
NEW YORK, NY 10017

Firm ID#: 79

	Regulator	Registration	Status	Date
B	24X National Exchange LLC	General Securities Representative	Approved	10/31/2025
B	BOX Exchange LLC	General Securities Representative	Approved	04/15/2024
B	BOX Exchange LLC	General Securities Sales Supervisor	Approved	04/15/2024
B	Cboe BYX Exchange, Inc.	General Securities Representative	Approved	04/15/2024
B	Cboe BZX Exchange, Inc.	General Securities Representative	Approved	04/15/2024
B	Cboe C2 Exchange, Inc.	General Securities Representative	Approved	04/15/2024
B	Cboe C2 Exchange, Inc.	General Securities Sales Supervisor	Approved	04/15/2024
B	Cboe EDGA Exchange, Inc.	General Securities Representative	Approved	04/15/2024
B	Cboe EDGA Exchange, Inc.	General Securities Sales Supervisor	Approved	04/15/2024
B	Cboe EDGX Exchange, Inc.	General Securities Representative	Approved	04/15/2024
B	Cboe EDGX Exchange, Inc.	General Securities Sales Supervisor	Approved	04/15/2024
B	Cboe Exchange, Inc.	General Securities Representative	Approved	04/15/2024
B	Cboe Exchange, Inc.	General Securities Sales Supervisor	Approved	04/15/2024

Qualifications

	Regulator	Registration	Status	Date
B	FINRA	General Securities Representative	Approved	09/29/2023
B	FINRA	General Securities Sales Supervisor	Approved	09/29/2023
B	Investors' Exchange LLC	General Securities Representative	Approved	04/15/2024
B	Long-Term Stock Exchange, Inc.	General Securities Representative	Approved	04/15/2024
B	MEMX LLC	General Securities Representative	Approved	04/15/2024
B	MEMX LLC	General Securities Sales Supervisor	Approved	04/15/2024
B	MIAX Emerald, LLC	General Securities Representative	Approved	04/15/2024
B	MIAX Emerald, LLC	General Securities Sales Supervisor	Approved	04/15/2024
B	MIAX PEARL, LLC	General Securities Representative	Approved	04/15/2024
B	MIAX PEARL, LLC	General Securities Sales Supervisor	Approved	04/15/2024
B	MIAX Sapphire	General Securities Representative	Approved	09/23/2024
B	MIAX Sapphire	General Securities Sales Supervisor	Approved	09/23/2024
B	Miami International Securities Exchange, LLC	General Securities Representative	Approved	04/15/2024
B	Miami International Securities Exchange, LLC	General Securities Sales Supervisor	Approved	04/15/2024
B	NYSE American LLC	General Securities Representative	Approved	04/15/2024
B	NYSE American LLC	General Securities Sales Supervisor	Approved	04/15/2024
B	NYSE Arca, Inc.	General Securities Representative	Approved	04/15/2024
B	NYSE Arca, Inc.	General Securities Sales Supervisor	Approved	04/15/2024

Qualifications

	Regulator	Registration	Status	Date
B	NYSE National, Inc.	General Securities Representative	Approved	04/15/2024
B	NYSE National, Inc.	General Securities Sales Supervisor	Approved	04/15/2024
B	NYSE Texas, Inc.	General Securities Representative	Approved	04/15/2024
B	NYSE Texas, Inc.	General Securities Sales Supervisor	Approved	04/15/2024
B	Nasdaq GEMX, LLC	General Securities Representative	Approved	04/15/2024
B	Nasdaq GEMX, LLC	General Securities Sales Supervisor	Approved	04/15/2024
B	Nasdaq ISE, LLC	General Securities Representative	Approved	04/15/2024
B	Nasdaq ISE, LLC	General Securities Sales Supervisor	Approved	04/15/2024
B	Nasdaq MRX, LLC	General Securities Representative	Approved	04/15/2024
B	Nasdaq MRX, LLC	General Securities Sales Supervisor	Approved	04/15/2024
B	Nasdaq PHLX LLC	General Securities Representative	Approved	04/15/2024
B	Nasdaq PHLX LLC	General Securities Sales Supervisor	Approved	04/15/2024
B	Nasdaq Stock Market	General Securities Representative	Approved	04/15/2024
B	Nasdaq Stock Market	General Securities Sales Supervisor	Approved	04/15/2024
B	Nasdaq Texas, LLC	General Securities Representative	Approved	04/15/2024
B	Nasdaq Texas, LLC	General Securities Sales Supervisor	Approved	04/15/2024
B	New York Stock Exchange	General Securities Representative	Approved	04/15/2024
B	New York Stock Exchange	General Securities Sales Supervisor	Approved	04/15/2024
B	Texas Stock Exchange LLC	General Securities Representative	Approved	07/02/2026

Qualifications

	Regulator	Registration	Status	Date
B	Alaska	Agent	Approved	09/29/2023
B	Arizona	Agent	Approved	09/29/2023
B	Arkansas	Agent	Approved	04/13/2026
IA	Arkansas	Investment Adviser Representative	Approved	04/13/2026
B	California	Agent	Approved	09/29/2023
B	Colorado	Agent	Approved	09/29/2023
B	Connecticut	Agent	Approved	09/29/2023
B	Delaware	Agent	Approved	09/29/2023
B	District of Columbia	Agent	Approved	09/29/2023
B	Florida	Agent	Approved	09/29/2023
B	Georgia	Agent	Approved	09/29/2023
B	Hawaii	Agent	Approved	09/29/2023
B	Idaho	Agent	Approved	09/29/2023
B	Illinois	Agent	Approved	09/29/2023
B	Indiana	Agent	Approved	08/21/2024
B	Iowa	Agent	Approved	09/29/2023
B	Kentucky	Agent	Approved	09/29/2023
B	Louisiana	Agent	Approved	09/29/2023
B	Maine	Agent	Approved	09/29/2023

Qualifications

	Regulator	Registration	Status	Date
B	Massachusetts	Agent	Approved	09/29/2023
B	Michigan	Agent	Approved	09/29/2023
B	Minnesota	Agent	Approved	12/19/2024
B	Montana	Agent	Approved	02/06/2025
B	Nevada	Agent	Approved	09/29/2023
B	New Hampshire	Agent	Approved	04/03/2024
B	New Jersey	Agent	Approved	09/29/2023
B	New Mexico	Agent	Approved	09/29/2023
B	New York	Agent	Approved	09/29/2023
B	North Carolina	Agent	Approved	09/29/2023
B	Ohio	Agent	Approved	08/17/2026
B	Oklahoma	Agent	Approved	09/29/2023
B	Oregon	Agent	Approved	09/29/2023
B	Pennsylvania	Agent	Approved	09/29/2023
B	Rhode Island	Agent	Approved	09/29/2023
B	South Carolina	Agent	Approved	09/29/2023
B	South Dakota	Agent	Approved	09/29/2023
B	Tennessee	Agent	Approved	09/29/2023
B	Texas	Agent	Approved	09/29/2023

Qualifications

	Regulator	Registration	Status	Date
IA	Texas	Investment Adviser Representative	Restricted Approval	11/30/2023
B	Utah	Agent	Approved	09/20/2024
B	Virginia	Agent	Approved	09/29/2023
B	Washington	Agent	Approved	09/29/2023
IA	Washington	Investment Adviser Representative	Approved	11/29/2023
B	Wyoming	Agent	Approved	09/29/2023

Branch Office Locations

J.P. MORGAN SECURITIES LLC
10885 NE 4th Street
Suite 200
Bellevue, WA 98004

Qualifications

PASSED INDUSTRY EXAMS

This section includes all industry exams that the representative has passed. Under limited circumstances, a representative may attain registration after receiving an exam waiver based on a combination of exams the representative has passed and qualifying work experience. Likewise a new exam requirement may be grandfathered based on a representative's specific qualifying work experience. Exam waivers and grandfathering are not included below.

This individual has passed 3 principal/supervisory exams, 4 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

	Exam	Category	Date
B	General Securities Sales Supervisor - Options Module Examination (S9)	Series 9	01/02/2023
B	General Securities Sales Supervisor - General Module Examination (S10)	Series 10	01/02/2023
B	General Securities Sales Supervisor Examination (Options Module & General Module) (S8)	Series 8	04/02/1990

General Industry/Product Exams

	Exam	Category	Date
B	Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
B	Futures Managed Funds Examination (S31)	Series 31	08/30/2004
B	National Commodity Futures Examination (S3)	Series 3	09/24/1990
B	General Securities Representative Examination (S7)	Series 7	10/20/1984

State Securities Law Exams

	Exam	Category	Date
IA	Uniform Investment Adviser Law Examination (S65)	Series 65	06/17/1998
B	Uniform Securities Agent State Law Examination (S63)	Series 63	11/07/1984

PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **0** professional designation(s).

No information reported.

Only professional designations listed in Question 8 of the Form U4 will appear in this section if the appropriate box is checked and verified by the issuing organization at the time of the filing. Learn more about eligible designations at IARD and NASAA.

Registration & Employment History

PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
IA	09/09/2020 - 03/19/2025	J.P. MORGAN PRIVATE WEALTH ADVISORS LLC	CRD# 108559	Bellevue, WA
B	08/11/2020 - 09/29/2023	FIRST REPUBLIC SECURITIES COMPANY, LLC	CRD# 105108	Bellevue, WA
IA	02/08/1991 - 09/04/2020	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	CRD# 7691	BELLEVUE, WA
B	10/26/1984 - 09/04/2020	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	CRD# 7691	BELLEVUE, WA

EMPLOYMENT HISTORY

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

Employment Dates	Employer Name	Position	Investment Related	Employer Location
10/2023 - Present	JP MORGAN CHASE BANK, N.A.	Workforce Member	Y	Bellevue, WA, United States
09/2023 - Present	J.P. MORGAN SECURITIES LLC	Registered Representative	Y	Bellevue, WA, United States
08/2020 - Present	First Republic Investment Management, Inc.	Wealth Manager	Y	Bellevue, WA, United States
08/2020 - 10/2023	First Republic Securities Company, LLC	Wealth Manager	Y	Bellevue, WA, United States
12/2009 - 08/2020	BANK OF AMERICA, N.A.	WEALTH MANAGEMENT ADVISOR	Y	BELLEVUE, WA, United States
08/1984 - 08/2020	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	FINANCIAL CONSULTANT	Y	BELLEVUE, WA, United States

OTHER BUSINESS ACTIVITIES

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

Entity Name: CV-6
Investment related: No
Address: 251 Little Falls Drive, Wilmington DE 19808
Nature of the other business: Biotech

Registration & Employment History

OTHER BUSINESS ACTIVITIES

Position/Title/Relationship: Owner/Partner
Start Date: 09/15/2025
Approximate # of hours a week: 0-10
Approximate # of hours during securities trading hours: 0
Briefly describe your duties: Biotech, I have no responsibilities I'm just an investor, there is no connection to JPM

Name of outside business organization: Schlaepfer Family Foundation
Investment related: N
Address of business:
Bellevue, Washington 98009
Nature of business: Charitable Organization,
Position, title, association: ,
Start date of relationship: 1/1/2020
Number of hours devoted: 1 hour(s) Monthly
Number of hours devoted during trading hours: 1
Duties: 501 (c) established for the purpose of charitable giving.

ACJLP LLC
DISCLOSURE ID: 41219
INVESTMENT RELATED: N
ADDRESS OF BUSINESS:
BELLEVUE, WASHINGTON 98004
NATURE OF BUSINESS: LLC,
POSITION, TITLE, ASSOCIATION: LIMITED PARTNER,
START DATE OF RELATIONSHIP: 12/1/2010
NUMBER OF HOURS DEVOTED: 1 HOUR(S) ANNUALLY
NUMBER OF HOURS DEVOTED DURING TRADING HOURS: 0
DUTIES: THE BUSINESS IS TO HOLD PROPERTY
PM WINTER PARK, 407 DETWILLER LANE, BELLEVUE, WA 98004 - INVESTMENT RLT'D - YES, HRS DEVOTED TO ACTIVITY - 1, HRS DURING TRADING - 0, DATE ACTIVITY BEGAN 05/15/12, POSITION - OWNER, DEVELOP AND SELL REAL ESTATE LOTS IN THE WINTER PARK SKI RESORT. MY RESPONSIBILITY IS TO PROVIDE 90% OF THE FUNDING AND APPROVE STRATEGIC DECISIONS.

Belpar LLC
Investment related: N
Address of business:
Bellevue, Washington 98004
Nature of business: LLC,
Position, title, association: Limited Partner,
Start date of relationship: 12/2/2011
Number of hours devoted: 0 hour(s) Annually
Number of hours devoted during trading hours: 0
Duties: livestock (cattle) investment - Oshkosh Livestock LLC

Name: WP Development
Address: Winter Park, CO.
Investment-related: Yes
Nature of the business: Housing Development
Role: Partner
Start Date: 05/15/2012

Registration & Employment History

OTHER BUSINESS ACTIVITIES

Description of duties: Partner with brother
Number of hours each month: 2
Number of hours during trading: 0

Disclosure Summary

Disclosure Information

What you should know about reported disclosure events:

(1) Certain thresholds must be met before an event is reported to IARD, for example:

- A law enforcement agency must file formal charges before an Investment Adviser Representative is required to report a particular criminal event.;
- A customer dispute must involve allegations that an Investment Adviser Representative engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least $5,000.

(2) Disclosure events in IAPD reports come from different sources:

As mentioned in the "About IAPD" section on page 1 of this report, information contained in IAPD comes from Investment Adviser Representatives, firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the IAPD report. The different versions will be separated by a solid line with the reporting source labeled.

(3) There are different statuses and dispositions for disclosure events:

- A disclosure event may have a status of *pending, on appeal,* or *final*.
    - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
    - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure event generally has a disposition of *adjudicated, settled* or *otherwise resolved*.
    - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - A "settled" matter generally represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

(4) You may wish to contact the Investment Adviser Representatives to obtain further information regarding any of the disclosure events contained in this IAPD report.

DISCLOSURE EVENT DETAILS

When evaluating this information, please keep in mind that some items may involve pending actions or allegations that may be contested and have not been resolved or proven. The event may, in the end, be withdrawn, dismissed, resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to the Investment Adviser Registration Depository. Some of the specific data fields contained in the report may be blank if the information was not provided.

The following types of events are disclosed about this representative:

Type	Count
Customer Dispute	4

Customer Dispute

This section provides information regarding a customer dispute that was reported to the Investment Adviser Registration Depository (IARD) by the Investment Adviser Representative (IAR), an investment adviser and/or securities firm, and/or a securities regulator. The event may include a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit that contains allegations of sales practice violations against the individual.

The customer dispute may be pending or may have resulted in a civil judgment, arbitration award, monetary settlement, closure without action, withdrawal, dismissal, denial, or other outcome.

Disclosure 1 of 4

Reporting Source:	Regulator
Employing firm when activities occurred which led to the complaint:	Merrill Lynch, Pierce, Fenner & Smith Incorporated
Allegations:	breach of fiduciary duty; violation of suitability standards; violation of the Washington State Securities Act; breach of contract; violation of the Washington Consumer Protection Act; and negligence
Product Type:	Other: unspecified securities
Alleged Damages:	$2,500,000.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.:	FINRA - CASE #11-00867
Date Notice/Process Served:	02/25/2011
Arbitration Pending?	No
Disposition:	Award
Disposition Date:	12/11/2012
Disposition Detail:	Schlaepfer is jointly and severally liable for and shall pay to Claimant compensatory damages in the amount of $1,100,000.00.

Reporting Source:	Individual

Employing firm when activities occurred which led to the complaint:	MERRILL LYNCH, PIERCE, FENNER & SMITH, INCORPORATED
Allegations:	THE CUSTOMER ALLEGES UNSUITABLE INVESTMENT RECOMMENDATION AND MISREPRESENTATION AND OMISSION OF MATERIAL FACTS FROM MARCH 2008 TO OCTOBER 2009.
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	$2,500,000.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	11-00867
Date Notice/Process Served:	04/05/2011
Arbitration Pending?	No
Disposition:	Award to Customer
Disposition Date:	12/11/2012
Monetary Compensation Amount:	$1,100,000.00
Individual Contribution Amount:	$0.00
Broker Statement	THE CLIENT WAS INVESTED IN A DIVIDEND GROWTH PORTFOLIO AND BLUE CHIP PORTFOLIO, PER HIS REQUEST. THE CLIENT SOLD OUT OF THE PORTFOLIO ON AN UNSOLICITED BASIS 6 MONTHS AFTER THE MARKET LOW AND AS THE PORTFOLIOS WERE RECOVERING STRONGLY.

Disclosure 2 of 4

Reporting Source:	Regulator
Employing firm when activities occurred which led to the complaint:	MERRILL LYNCH, PIERCE, FENNER & SMITH, INC.
Allegations:	VIOLATIONS OF MICHIGAN AND WASHINGTON SECURITIES ACTS; MISREPRESENTATION AND OMISSION; NEGLIGENCE; BREACH OF CONTRACT; AND BREACH OF FIDUCIARY DUTY. THE CAUSES OF ACTION RELATED TO CLAIMANTS' ALLEGATION THAT RESPONDENT'S EMPLOYEE, PHIL SCOTT, AKA WALTER SCHLAEPFER, PROVIDED INAPPROPRIATE INVESTMENT ADVICE, INCLUDING THE RECOMMENDATION AND PURCHASE OF VARIOUS SECURITIES.
Product Type:	Other: COMPANIES' SECURITIES
Alleged Damages:	$1,000,000.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.:	FINRA - CASE #10-03400
Date Notice/Process Served:	07/26/2010

Arbitration Pending?	No
Disposition:	Award
Disposition Date:	01/13/2012
Disposition Detail:	WALTER SCHLAEPFER (AKA PHIL SCOTT) WAS A SUBJECT OF THE CUSTOMER'S STATEMENT OF CLAIM FOR THIS ARBITRATION ALLEGING THAT HE WITH HIS MEMBER FIRM CONTRIBUTED TO THE SALES PRACTICE VIOLATION(S). ACCORDINGLY, HIS MEMBER FIRM IS LIABLE FOR AND SHALL PAY TO CLAIMANTS THE SUM OF $800,219.00, PLUS INTEREST, IN COMPENSATORY DAMAGES;

Reporting Source:	Individual
Employing firm when activities occurred which led to the complaint:	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
Allegations:	THE CUSTOMERS ALLEGE UNSUITABLE INVESTMENT RECOMMENDATIONS AND MISREPRESENTATION AND OMISSIONS FROM MARCH 2008 TO MARCH 2009.
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	$1,000,000.00
Is this an oral complaint?	No
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	10-03400
Filing date of arbitration/CFTC reparation or civil litigation:	07/26/2010

Customer Complaint Information

Date Complaint Received:	08/09/2010
Complaint Pending?	No
Status:	Arbitration Award/Monetary Judgment (for claimants/plaintiffs)
Status Date:	01/13/2012
Settlement Amount:	$872,772.19
Individual Contribution Amount:	$0.00
Broker Statement	I DENY ALL OF THE ALLEGATIONS IN THE STATEMENT OF CLAIM. I CAREFULLY SELECTED PORTFOLIOS FOR THE CLIENTS THAT I REASONABLY BELIEVED WOULD MEET THEIR STATED NEED FOR INCOME AND MATCHED THEIR TOLERANCE FOR RISK. BEFORE MOVING THEIR ACCOUNTS TO ME, THE CLIENTS HAD TAKEN OUT SIGNIFICANT REAL ESTATE LOANS SECURED BY THEIR INVESTABLE ASSETS. THEY ALSO WITHDREW FAR MORE FROM THEIR PORTFOLIOS THAN WE ADVISED THEY COULD SAFELY SPEND AND FAR MORE THAN THE PORTFOLIO WAS

CAPABLE OF SUPPORTING. THE CLIENTS FAILED TO FOLLOW MY ADVICE REGARDING OTHER ASSET SALES AND CHOSE TO SELL THEIR STOCK POSITIONS AT A LOW POINT IN THE MARKET AND THEREFORE DID NOT PARTICIPATE IN THE MARKET RECOVERY.

Disclosure 3 of 4

Reporting Source:	Regulator
Employing firm when activities occurred which led to the complaint:	MERRILL LYNCH, PIERCE, FENNER & SMITH, INCORPORATED
Allegations:	UNSUITABILITY, COMMON LAW FRAUD, BREACH OF FIDUCIARY DUTY, BREACH OF CONTRACT, NEGLIGENCE, GROSS NEGLIGENCE
Product Type:	Other: UNSPECIFIED SECURITIES
Alleged Damages:	$1,700,000.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.:	FINRA - CASE #09-06762
Date Notice/Process Served:	12/01/2009
Arbitration Pending?	No
Disposition:	Award
Disposition Date:	06/23/2011
Disposition Detail:	WALTER SCHLAEPFER (AKA PHIL SCOTT) WAS A SUBJECT OF THE CUSTOMERS' STATEMENT OF CLAIM FOR THIS ARBITRATION ALLEGING THAT HE, ALONG WITH HIS MEMBER FIRM, CAUSED/ATTRIBUTED TO THE SALES PRACTICE VIOLATIONS. ACCORDINGLY, SCHLAEPFER'S MEMBER FIRM IS LIABLE FOR AND SHALL PAY TO CLAIMANTS COMPENSATORY DAMAGES IN THE AMOUNT OF $880,000.

Reporting Source:	Individual
Employing firm when activities occurred which led to the complaint:	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
Allegations:	THE CUSTOMERS ALLEGE UNSUITABLE INVESTMENT RECOMMENDATIONS AND MISREPRESENTATION FROM 2004 TO MARCH 2009.
Product Type:	Equity Listed (Common & Preferred Stock)
Alleged Damages:	$1,700,000.00
Is this an oral complaint?	No
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	09-06762

Filing date of arbitration/CFTC reparation or civil litigation: 11/24/2009

Customer Complaint Information

Date Complaint Received: 12/29/2009

Complaint Pending? No

Status: Arbitration Award/Monetary Judgment (for claimants/plaintiffs)

Status Date: 06/23/2011

Settlement Amount: $880,000.00

Individual Contribution Amount: $0.00

Broker Statement MR. SCOTT DENIES ANY WRONGDOING ASSOCIATED WITH THIS MATTER. THE CLIENTS WERE INVESTED IN AN INCOME PORTFOLIO, PER THEIR REQUEST, WHICH WAS SUITABLE FOR THEIR STATED RISK TOLERANCES. THE CLIENTS SOLD THEIR PORTFOLIO AT THE LOWEST POINT IN THE MARKET AGAINST THE SPECIFIC ADVICE OF MR. SCOTT AND HIS TEAM.

Disclosure 4 of 4

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: MERRILL LYNCH

Allegations: CUSTOMER IS ALLEGING THAT FC FAILED TO FOLLOW HIS INSTRUCTIONS TO MONITOR THE ACCOUNT.

Product Type: Equity Listed (Common & Preferred Stock)

Alleged Damages: $100,000.00

Customer Complaint Information

Date Complaint Received: 01/18/2001

Complaint Pending? No

Status: Closed/No Action

Status Date: 02/14/2007

Settlement Amount:

Individual Contribution Amount:

Broker Statement THE CLIENT'S ALLEGATION IS FOUND T BE WITHOUT MERIT.

End of Report

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