



## IAPD Report

### BENJAMIN DANIEL KENNEDY III

CRD# 1744933

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Please contact FINRA with any concerns.



## 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>



## Report Summary

### BENJAMIN DANIEL KENNEDY III (CRD# 1744933)

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 **09/12/2019**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	WILSHIRE-PENNINGTON GROUP, INC.	CRD# 127465	06/01/2004

### QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **3** 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
B	CAMBRIDGE INVESTMENT RESEARCH, INC.	39543	OKLAHOMA CITY, OK	07/12/2005 - 09/21/2012
IA	XELAN	116599	OKLAHOMA CITY, OK	01/28/1999 - 12/31/2004
B	NFP SECURITIES, INC.	42046	AUSTIN, TX	03/02/2004 - 12/15/2004

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
Regulatory Event	4
Customer Dispute	3



## 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 **3** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

#### Employment 1 of 1

Firm Name: **WILSHIRE-PENNINGTON GROUP, INC.**

Main Address: 1712 PENNINGTON WAY  
NICHOLS HILLS, OK 73116

Firm ID#: 127465

Regulator	Registration	Status	Date
IA Arkansas	Investment Adviser Representative	Approved - Pending IAR CE	01/01/2026
IA Oklahoma	Investment Adviser Representative	Approved - Pending IAR CE	01/01/2026
IA Texas	Investment Adviser Representative	Approved	06/19/2007

#### Branch Office Locations

##### **WILSHIRE-PENNINGTON GROUP, INC.**

3129 N.W. 63rd Street  
OKLAHOMA CITY, OK 73116



## 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 0 principal/supervisory exams, 1 general industry/product exam, and 2 state securities law exams.**

#### Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

#### General Industry/Product Exams

Exam	Category	Date
B General Securities Representative Examination (S7)	Series 7	01/26/1995

#### State Securities Law Exams

Exam	Category	Date
B Uniform Securities Agent State Law Examination (S63)	Series 63	02/01/1995
IA Uniform Investment Adviser Law Examination (S65)	Series 65	04/14/1994

### PROFESSIONAL DESIGNATIONS

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

No information reported.



## Registration & Employment History

### PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
<b>B</b>	07/12/2005 - 09/21/2012	CAMBRIDGE INVESTMENT RESEARCH, INC.	CRD# 39543	OKLAHOMA CITY, OK
<b>IA</b>	01/28/1999 - 12/31/2004	XELAN	CRD# 116599	OKLAHOMA CITY, OK
<b>B</b>	03/02/2004 - 12/15/2004	NFP SECURITIES, INC.	CRD# 42046	AUSTIN, TX
<b>IA</b>	01/28/1999 - 12/31/2002	XELAN	CRD# 116599	OKLAHOMA CITY, OK
<b>B</b>	02/22/1996 - 04/02/1997	VONFELDT & ASSOCIATES, INC.	CRD# 37591	OKLAHOMA CITY, OK
<b>B</b>	02/14/1995 - 11/03/1995	SMITH BARNEY INC.	CRD# 7059	NEW YORK, NY

### 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
01/2004 - Present	WILSHIRE-PENNINGTON GROUP, INC.	PRESIDENT/IA REP	Y	OKLAHOMA CITY, OK, United States
09/1987 - Present	INDEPENDENT INSURANCE AGENT	AGENT	N	OKLAHOMA CITY, OK, 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.

INDEPENDENT INSURANCE AGENT FOR VARIOUS INDEPENDENT INSURANCE COMPANIES.



## 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
Regulatory Event	4
Customer Dispute	3

### Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative's authority to act as an attorney, accountant or federal contractor.

#### Disclosure 1 of 4

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	Arkansas Securities Department
<b>Sanction(s) Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Date Initiated:</b>	05/15/2017
<b>Docket/Case Number:</b>	S-17-0058-19-OR01
<b>URL for Regulatory Action:</b>	<a href="http://www.securities.arkansas.gov!/userfiles/Wilshire-Pennington%20Group,%20Inc%20Consent%20Order%20S-17-0058-19-OR01.pdf">http://www.securities.arkansas.gov!/userfiles/Wilshire-Pennington%20Group,%20Inc%20Consent%20Order%20S-17-0058-19-OR01.pdf</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	Wilshire-Pennington Group, Inc.
<b>Product Type:</b>	Other: Inverse and/or Leveraged ETFs, Inverse ETNs
<b>Allegations:</b>	Unsuitable investments in inverse and/or leveraged exchange traded funds ("ETFs") and exchange traded notes ("ETNs") for a client with a stated risk tolerance of conservative to moderate. Holding inverse and/or leveraged ETFs and inverse ETNs longer than the recommended holding period found in the respective offering documents. High concentration of inverse and/or leveraged ETFs and inverse ETNs in client account. Inadequate disclosure concerning the risks of inverse and/or leveraged ETFs and inverse ETNs. Firm and Respondents failed to provide a comprehensive supervisory and compliance policy and failed to provide client records requested by the Department.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	08/09/2019
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$12,500.00
<b>Portion Levied against individual:</b>	\$12,500.00
<b>Payment Plan:</b>	\$2,500 due at the time order entered with remaining balance to be paid in regular monthly installments of at least \$2,000.
<b>Is Payment Plan Current:</b>	
<b>Date Paid by individual:</b>	08/19/2019
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	
<b>Regulator Statement</b>	Received complaint from Arkansas resident client on May 15, 2017.
<hr/>	
<b>Reporting Source:</b>	Individual
<b>Regulatory Action Initiated By:</b>	State of Arkansas
<b>Sanction(s) Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Date Initiated:</b>	06/01/2017
<b>Docket/Case Number:</b>	S-17-0058
<b>Employing firm when activity occurred which led to the regulatory action:</b>	WILSHIRE PENNINGTON GROUP, INC.
<b>Product Type:</b>	Other: LEVERAGED AND INVERSE EXCHANGE TRADED FUNDS
<b>Allegations:</b>	BREACH OF FIDUCIARY DUTY, RECOMMENDATION OF UNSUITABLE SECURITIES, FAILURE TO ADEQUATELY DISCLOSE INVESTMENT RISKS, UNAUTHORIZED TRADING, FAILURE TO CREATE AND MAINTAIN ACCURATE RECORDS OF TRANSACTIONS.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent



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

**Resolution Date:** 08/05/2019

**Sanctions Ordered:** Monetary Penalty other than Fines

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$12,500.00

**Portion Levied against individual:** \$12,500.00

**Payment Plan:** \$2,500 at the time the order was entered with the remaining balance of \$10,000 paid in monthly payments of at least \$2000

**Is Payment Plan Current:** Yes

**Date Paid by individual:**

**Was any portion of penalty waived?** No

**Amount Waived:**

**Disclosure 2 of 4**

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** Oklahoma

**Sanction(s) Sought:** Censure  
Civil and Administrative Penalty(ies)/Fine(s)

**Date Initiated:** 04/15/2019

**Docket/Case Number:** 16-016

**URL for Regulatory Action:**

**Employing firm when activity occurred which led to the regulatory action:** Wilshire Pennington (CRD 127465)

**Product Type:** No Product

**Allegations:** Respondent failed to promptly disclose the Department's previous regulatory action on its Form U4

**Current Status:** Final

**Resolution:** Settled



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

**Resolution Date:** 04/15/2019

**Sanctions Ordered:** Censure  
Civil and Administrative Penalty(ies)/Fine(s)

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$5,000.00

**Portion Levied against individual:** \$5,000.00

**Payment Plan:** within 30 days of order issued

**Is Payment Plan Current:**

**Date Paid by individual:**

**Was any portion of penalty waived?** No

**Amount Waived:**

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**Reporting Source:** Individual

**Regulatory Action Initiated By:** STATE OF OKLAHOMA DEPARTMENT OF SECURITIES

**Sanction(s) Sought:** Censure  
Civil and Administrative Penalty(ies)/Fine(s)

**Date Initiated:** 03/19/2019

**Docket/Case Number:** 16-016

**Employing firm when activity occurred which led to the regulatory action:** Wilshire-Pennington, Inc.

**Product Type:** No Product

**Allegations:** THE FIRM FAILED TO PROMPTLY AMEND ITS FORM ADV TO DISCLOSE THE COMMENCEMENT OF THE REGULATORY PROCEEDING AND THE ISSUANCE OF THE FINAL ORDER, WITHIN 30 DAYS OF LEARNING OF THESE EVENTS, IN VIOLATION OF SECTION 1-406 OF THE ACT AND RULE 660:11-7-31. IN ADDITION BENJAMIN D. KENNEDY III FAILED TO AMEND his FORM U4S TO DISCLOSE THE COMMENCEMENT OF THE REGULATORY PROCEEDING AND THE ISSUANCE OF THE FINAL ORDER, WITHIN 30 DAYS OF LEARNING OF THESE EVENTS, IN VIOLATION OF SECTION 1-406 OF THE ACT.

**Current Status:** Final

**Resolution:** Consent



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

**Resolution Date:** 04/17/2019

**Sanctions Ordered:** Censure  
Civil and Administrative Penalty(ies)/Fine(s)

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$5,000.00

**Portion Levied against individual:** \$5,000.00

**Payment Plan:** Amount must be paid with 30 days of the date of the order.

**Is Payment Plan Current:** Yes

**Date Paid by individual:**

**Was any portion of penalty waived?** No

**Amount Waived:**

**Disclosure 3 of 4**

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** Oklahoma Department of Securities

**Sanction(s) Sought:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**Date Initiated:** 10/15/2018

**Docket/Case Number:** 16-016

**URL for Regulatory Action:**

**Employing firm when activity occurred which led to the regulatory action:** Wilshire-Pennington Group, Inc. CRD 127465

**Product Type:** Other: Exchange Traded Funds

**Allegations:** Respondent engaged in unethical practices in the securities business including breaching their fiduciary duty to clients.

**Current Status:** Final

**Resolution:** Consent



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

**Resolution Date:** 12/07/2018

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** investment adviser representatives

**Duration:** 30 days

**Start Date:** 01/16/2019

**End Date:** 02/14/2019

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$25,000.00

**Portion Levied against individual:** \$25,000.00

**Payment Plan:** yes

**Is Payment Plan Current:**

**Date Paid by individual:**

**Was any portion of penalty waived?** No

**Amount Waived:**

.....

**Reporting Source:** Individual

**Regulatory Action Initiated By:** State of Oklahoma Department of Securities

**Sanction(s) Sought:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**Date Initiated:** 10/15/2018

**Docket/Case Number:** ODS 16-016

**Employing firm when activity occurred which led to the regulatory action:** Wilshire-Pennington Group, Inc.

**Product Type:** Other: Leveraged and Inverse Exchange Traded Funds

**Allegations:** BREACH OF FIDUCIARY DUTY, RECOMMENDATION OF UNSUITABLE SECURITIES, FAILURE TO ADEQUATELY DISCLOSE INVESTMENT RISKS, UNAUTHORIZED TRADING, FAILURE TO CREATE AND MAINTAIN ACCURATE RECORDS OF TRANSACTIONS AND RECORDS OF CLIENTS INVESTMENT



## OBJECTIVES AND RISK TOLERANCE

<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	12/07/2018
<b>Sanctions Ordered:</b>	Monetary Penalty other than Fines Suspension
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	All Capacities
<b>Duration:</b>	30 days
<b>Start Date:</b>	01/16/2019
<b>End Date:</b>	02/14/2019
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$25,000.00
<b>Portion Levied against individual:</b>	\$25,000.00
<b>Payment Plan:</b>	Yes - paid over a period of 10 months
<b>Is Payment Plan Current:</b>	Yes
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	
<b>Disclosure 4 of 4</b>	
<b>Reporting Source:</b>	Individual
<b>Regulatory Action Initiated By:</b>	STATE INSURANCE DEPARTMENT
<b>Sanction(s) Sought:</b>	
<b>Other Sanction(s) Sought:</b>	
<b>Date Initiated:</b>	06/30/1992
<b>Docket/Case Number:</b>	92-532-040
<b>Employing firm when activity occurred which led to the regulatory action:</b>	BEN KENNEDY & ASSOCIATES



<b>Product Type:</b>	Insurance
<b>Other Product Type(s):</b>	
<b>Allegations:</b>	NON-COMPLIANCE FOR VIOLATION TO NOTIFY OKLAHOMA INSURANCE COMMISSION OF CHANGES AMONG MEMBERS, DIRECTORS, AND OFFICERS - 10 WORKING DAYS - 0305142B7
<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	09/27/1994
<b>Sanctions Ordered:</b>	Suspension
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	60 DAY SUSPENSION
<b>Broker Statement</b>	AN EMPLOYEE OF BEN KENNEDY & ASSOCIATES INC. WAS FOUND TO HAVE ISSUED UNENFORCEABLE POLICIES. THE EMPLOYEE WAS FOUND TO HAVE COMMITTED FRAUD. THE OFFICERS OF BEN KENNEDY & ASSOCIATES WERE FOUND BY THE INSURANCE DEPT. FAILURE TO NOTIFY 10 WORKING DAYS OF THIS ACTIVITY. INSURANCE WAS NOTIFIED BY OUR COMPANY WITHIN 30 DAYS. 60 DAYS SUSPENSION OF ALL OFFICERS INCLUDING MYSELF.



## 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 3

<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	XELAN
<b>Allegations:</b>	RR NAMED IN A CIVIL SUIT ALLEGING FRAUD REGARDING THE SALE OF A 419 PLAN/PRODUCT. CLIENT ALLEGES THAT RR PERSUADED HIM TO PARTICIPATE IN A 419 PLAN THAT DOES NOT MEET THE IRS TAX CODE REQUIREMENTS FOR 419 PLANS.
<b>Product Type:</b>	Insurance
<b>Alleged Damages:</b>	\$1,000,000.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	TOTAL REQUESTED COMPENSATORY AMOUNT UNSPECIFIED.

## Civil Litigation Information

<b>Type of Court:</b>	State Court
<b>Name of Court:</b>	DISTRICT COURT IN AND FOR OKLAHOMA COUNTY, STATE OF OKLAHOMA
<b>Location of Court:</b>	OKLAHOMA COUNTY
<b>Docket/Case #:</b>	CJ-2010-5400
<b>Date Notice/Process Served:</b>	07/14/2010
<b>Litigation Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	11/30/2011
<b>Monetary Compensation Amount:</b>	\$294,580.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	RR DID NOT RECOMMEND CLAIMANTS TO PURCHASE THE 419 PLAN AND WAS NOT INVOLVED IN THE SALE OF THE MILLENNIUM PLAN. THUS, RR DENIES ALL ALLEGATIONS AND HOLDS THEM TO BE WITHOUT MERIT.

### Disclosure 2 of 3

<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	WILSHIRE PENNINGTON GROUP, INC.
<b>Allegations:</b>	RR NAMED IN A CIVIL SUIT ALLEGING FRAUD REGARDING THE SALE OF A



419 PLAN/PRODUCT. CLIENT ALLEGES THAT RR PERSUADED HIM TO PARTICIPATE IN A 419 PLAN THAT DOES NOT MEET THE IRS TAX CODE REQUIREMENTS FOR 419 PLANS.

<b>Product Type:</b>	Insurance
<b>Alleged Damages:</b>	\$6,000,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	DISTRICT COURT IN AND FOR BRYAN COUNTY, STATE OF OKLAHOMA
<b>Docket/Case #:</b>	CJ-2010-32
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	02/08/2010

### Customer Complaint Information

<b>Date Complaint Received:</b>	02/09/2010
<b>Complaint Pending?</b>	No
<b>Status:</b>	Evolved into Civil litigation (the individual is a named party)
<b>Status Date:</b>	01/16/2009
<b>Settlement Amount:</b>	

**Individual Contribution Amount:**

### Civil Litigation Information

<b>Type of Court:</b>	State Court
<b>Name of Court:</b>	DISTRICT COURT IN AND FOR BRYAN COUNTY, STATE OF OKLAHOMA
<b>Location of Court:</b>	BRYAN COUNTY, OKLAHOMA
<b>Docket/Case #:</b>	CJ-2010-32
<b>Date Notice/Process Served:</b>	02/09/2010
<b>Litigation Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	11/30/2011
<b>Monetary Compensation Amount:</b>	\$593,450.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	RR DID NOT RECOMMEND CLAIMANTS TO PURCHASE THE 419 PLAN AND WAS NOT INVOLVED IN THE SALE OF THE MILLENNIUM PLAN. THUS, RR DENIES ALL ALLEGATIONS AND HOLDS THEM TO BE WITHOUT MERIT.

### Disclosure 3 of 3



**Reporting Source:** Individual  
**Employing firm when activities occurred which led to the complaint:** WILSHIRE PENNINGTON GROUP, INC.  
**Allegations:** RR NAMED IN A CIVIL SUIT ALLEGING FRAUD REGARDING THE SALE OF A 419 PLAN/PRODUCT. CLIENT ALLEGES THAT RR PERSUADED HIM TO PARTICIPATE IN A 419 PLAN THAT DOES NOT MEET THE IRS TAX CODE REQUIREMENTS FOR 419 PLANS. PREMIUMS PAID BY CLIENT AMOUNT TO ABOUT \$500,000 AND TAX CONSEQUENCES AMOUNT TO ABOUT \$300,000.  
**Product Type:** Insurance  
**Alleged Damages:** \$1,000,000.00  
**Is this an oral complaint?** No  
**Is this a written complaint?** Yes  
**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 01/16/2009  
**Complaint Pending?** No  
**Status:** Evolved into Civil litigation (the individual is a named party)  
**Status Date:** 01/16/2009  
**Settlement Amount:**

**Individual Contribution Amount:**

### Civil Litigation Information

**Type of Court:** State Court  
**Name of Court:** DISTRICT COURT OF DALLAS COUNTY, TEXAS  
**Location of Court:** DALLAS COUNTY, TEXAS  
**Docket/Case #:** 08-13325  
**Date Notice/Process Served:** 01/16/2009  
**Litigation Pending?** No  
**Disposition:** Settled  
**Disposition Date:** 11/30/2011  
**Monetary Compensation Amount:** \$541,970.00  
**Individual Contribution Amount:** \$0.00  
**Broker Statement** RR DID NOT RECOMMEND CLAIMANTS TO PURCHASE THE 419 PLAN AND WAS NOT INVOLVED IN THE SALE OF THE PLAN. THUS, RR DENIES ALL ALLEGATIONS AND HOLDS THEM TO BE WITHOUT MERIT.



## End of Report

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