



IAPD Report

LEE SCOTT STEORTS

CRD# 2214865

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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

LEE SCOTT STEORTS (CRD# 2214865)

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 **08/11/2025**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	NBC SECURITIES, INC.	CRD# 17870	07/23/2015
B	NBC SECURITIES, INC.	CRD# 17870	07/27/2015

QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **11** 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	JHS CAPITAL ADVISORS, LLC	112097	BOUNTIFUL, UT	04/11/2012 - 07/22/2015
IA	JHS CAPITAL ADVISORS, LLC	112097	BOUNTIFUL, UT	04/11/2012 - 07/22/2015
B	PAULSON INVESTMENT COMPANY, INC.	5670	BOUNTIFUL, UT	11/01/2007 - 04/11/2012

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	1
Customer Dispute	8



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 11 jurisdiction(s) and 1 SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **NBC SECURITIES, INC.**
Main Address: 1927 FIRST AVENUE NORTH
BIRMINGHAM, AL 35203
Firm ID#: 17870

	Regulator	Registration	Status	Date
B	FINRA	General Securities Representative	Approved	07/27/2015
B	Arizona	Agent	Approved	07/27/2015
IA	Arizona	Investment Adviser Representative	Approved	08/07/2015
IA	California	Investment Adviser Representative	Approved	07/23/2015
B	California	Agent	Approved	07/27/2015
B	Colorado	Agent	Approved	10/01/2015
IA	Colorado	Investment Adviser Representative	Approved	10/01/2015
B	Idaho	Agent	Approved	07/28/2015
IA	Idaho	Investment Adviser Representative	Approved	07/28/2015
IA	Louisiana	Investment Adviser Representative	Approved	11/09/2018
B	Louisiana	Agent	Approved	11/13/2018
B	Nevada	Agent	Approved	07/27/2015
IA	Nevada	Investment Adviser Representative	Approved	08/24/2015



Qualifications

	Regulator	Registration	Status	Date
B	Pennsylvania	Agent	Approved	07/28/2015
IA	Pennsylvania	Investment Adviser Representative	Approved	07/28/2015
B	South Carolina	Agent	Approved	08/12/2025
IA	South Carolina	Investment Adviser Representative	Approved	08/12/2025
B	Texas	Agent	Approved	01/13/2023
IA	Utah	Investment Adviser Representative	Approved	07/23/2015
B	Utah	Agent	Approved	07/27/2015
B	Wyoming	Agent	Approved	07/27/2015

Branch Office Locations

NBC SECURITIES, INC.
BOUNTIFUL, UT



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, 2 general industry/product exams, and 3 state securities law exams.

Principal/Supervisory Exams


Exam	Category	Date
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No information reported.

General Industry/Product Exams



Exam	Category	Date
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	Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
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	General Securities Representative Examination (S7)	Series 7	03/20/1992
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State Securities Law Exams

Exam	Category	Date
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		Uniform Combined State Law Examination (S66)	Series 66	04/18/2009
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	Uniform Investment Adviser Law Examination (S65)	Series 65	04/08/1992
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	Uniform Securities Agent State Law Examination (S63)	Series 63	03/27/1992
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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	04/11/2012 - 07/22/2015	JHS CAPITAL ADVISORS, LLC	CRD# 112097	BOUNTIFUL, UT
IA	04/11/2012 - 07/22/2015	JHS CAPITAL ADVISORS, LLC	CRD# 112097	BOUNTIFUL, UT
B	11/01/2007 - 04/11/2012	PAULSON INVESTMENT COMPANY, INC.	CRD# 5670	BOUNTIFUL, UT
IA	11/01/2007 - 04/11/2012	PAULSON INVESTMENT COMPANY, INC.	CRD# 5670	BOUNTIFUL, UT
B	10/07/2002 - 11/23/2007	INVESTMENT MANAGEMENT CORPORATION	CRD# 37196	BOUNTIFUL, UT
IA	09/27/2002 - 11/23/2007	INVESTMENT MANAGEMENT CORPORATION	CRD# 37196	BOUNTIFUL, UT
IA	12/09/1994 - 08/22/2002	PRUDENTIAL SECURITIES INCORPORATED	CRD# 7471	SALT LAKE CITY, UT
B	07/19/1994 - 08/22/2002	PRUDENTIAL SECURITIES INCORPORATED	CRD# 7471	NEW YORK, NY
B	03/23/1992 - 07/15/1994	PAINWEBBER INCORPORATED	CRD# 8174	WEEHAWKEN, NJ

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
07/2015 - Present	NBC SECURITIES, INC.	FINANCIAL CONSULTANT	Y	BOUNTIFUL, UT, 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.

No information reported.



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	1
Customer Dispute	8

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 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	UTAH DIVISION OF SECURITIES
Sanction(s) Sought:	Disgorgement
Other Sanction(s) Sought:	
Date Initiated:	02/19/2009
Docket/Case Number:	SD-09-0012
Employing firm when activity occurred which led to the regulatory action:	INVESTMENT MANAGEMENT CORPORATION (CRD #37196)
Product Type:	Other
Other Product Type(s):	UNREGISTERED PROMISSORY NOTES
Allegations:	THE DIVISION ALLEGED: THE PROMISSORY NOTES STEORTS OFFERED AND SOLD TO INVESTORS ARE SECURITIES UNDER SECTION 61-1-13 OF THE UTAH UNIFORM SECURITIES ACT ("ACT"); THE SECURITIES WERE NOT REGISTERED WITH THE DIVISION IN VIOLATION OF SECTION 61-1-7 OF THE ACT AND DID NOT QUALIFY FOR AN EXEMPTION FROM REGISTRATION; AND STEORTS VIOLATED SECTION 61-1-1(2) OF THE ACT BY MAKING MISREPRESENTATIONS OF MATERIAL FACTS AND OMITTING TO STATE MATERIAL FACTS (AS REFERENCED IN THE STIPULATION AND CONSENT ORDER) IN CONNECTION WITH THE OFFER AND SALE OF A SECURITY.
Current Status:	Final
Resolution:	Stipulation and Consent



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

Resolution Date: 02/19/2009

Sanctions Ordered: Cease and Desist/Injunction
Disgorgement/Restitution

Other Sanctions Ordered: STEORTS IS ORDERED TO: (1) CEASE AND DESIST FROM ENGAGING IN ANY CONDUCT IN VIOLATION OF THE PROVISIONS OF THE ACT; (2) DISGORGE THE PRINCIPAL AMOUNT OF COMMISSION SHE EARNED IN THE SUBJECT TRANSACTIONS, WHICH TOTALS \$91,311.78; (3) PROVIDE TRUTHFUL TESTIMONY AND COOPERATION; AND (4) RE-QUALIFY FOR HIS SECURITIES LICENSES BY RETAKING THE STATE EXAMINATIONS.

Sanction Details: STEORTS IS ORDERED TO: (1) CEASE AND DESIST FROM ENGAGING IN ANY CONDUCT IN VIOLATION OF THE PROVISIONS OF THE ACT; (2) DISGORGE THE PRINCIPAL AMOUNT OF COMMISSION SHE EARNED IN THE SUBJECT TRANSACTIONS, WHICH TOTALS \$91,311.78; (3) PROVIDE TRUTHFUL TESTIMONY AND COOPERATION; AND (4) RE-QUALIFY FOR HIS SECURITIES LICENSES BY RETAKING THE STATE EXAMINATIONS.

Regulator Statement THE STIPULATION AND CONSENT ORDER CAN BE VIEWED ON THE DIVISION'S WEBSITE THROUGH THE "ONLINE DATABASE." FURTHER DETAILS CAN ALSO BE PROVIDED BY CONTACTING THE DIVISION.

Reporting Source: Individual

Regulatory Action Initiated By: UTAH DIVISION OF SECURITIES

Sanction(s) Sought: Disgorgement

Other Sanction(s) Sought:

Date Initiated: 02/19/2009

Docket/Case Number: SD-09-0012

Employing firm when activity occurred which led to the regulatory action: INVESTMENT MANAGEMENT CORPORATION

Product Type: Other

Other Product Type(s): UNREGISTERED PROMISSORY NOTES

Allegations: THE DIVISION ALLEGED: THE PROMISSORY NOTES STEORTS OFFERED AND SOLD TO INVESTORS ARE SECURITIES UNDER SECTION 61-1-13 OF THE UTAH UNIFORM SECURITIES ACT ("ACT"); THE SECURITIES WERE NOT REGISTERED WITH THE DIVISION IN VIOLATION OF SECTION 61-1-7 OF THE ACT AND DID NOT QUALIFY FOR AN EXEMPTION FROM REGISTRATION; AND STEORTS VIOLATED SECTION 61-1-1(2) OF THE ACT BY MAKING MISREPRESENTATIONS OF MATERIAL FACTS AND OMITTING TO STATE MATERIAL FACTS (AS REFERENCED IN THE STIPULATION AND CONSENT ORDER) IN CONNECTION WITH THE OFFER AND SALE OF A SECURITY.

Current Status: Final



Resolution:	Stipulation and Consent
Resolution Date:	02/19/2009
Sanctions Ordered:	Cease and Desist/Injunction Disgorgement/Restitution
Other Sanctions Ordered:	STEORTS IS ORDERED TO: (1) CEASE AND DESIST FROM ENGAGING IN ANY CONDUCT IN VIOLATION OF THE PROVISIONS OF THE ACT; (2) DISGORGE THE PRINCIPAL AMOUNT OF COMMISSION SHE EARNED IN THE SUBJECT TRANSACTIONS, WHICH TOTALS \$91,311.78; (3) PROVIDE TRUTHFUL TESTIMONY AND COOPERATION; AND (4) RE-QUALIFY FOR HIS SECURITIES LICENSES BY RETAKING THE STATE EXAMINATIONS.
Sanction Details:	STEORTS IS ORDERED TO: (1) CEASE AND DESIST FROM ENGAGING IN ANY CONDUCT IN VIOLATION OF THE PROVISIONS OF THE ACT; (2) DISGORGE THE PRINCIPAL AMOUNT OF COMMISSION SHE EARNED IN THE SUBJECT TRANSACTIONS, WHICH TOTALS \$91,311.78; (3) PROVIDE TRUTHFUL TESTIMONY AND COOPERATION; AND (4) RE-QUALIFY FOR HIS SECURITIES LICENSES BY RETAKING THE STATE EXAMINATIONS.
Broker Statement	THE SUBJECT REGULATORY ACTION RELATED TO 2002-04 SALES OF APPROXIMATELY \$1.9 MILLION OF PROMISSORY NOTES IN PRIVATE PLACEMENTS RECOMMENDED AND APPROVED FOR SALE BY INVESTMENT MANAGEMENT CORPORATION (CRD # 37196), WITH WHICH STEORTS WAS THEN LICENSED. THE SECURITIES WERE ISSUED BY ENTITIES AFFILIATED WITH VESCOR CAPITAL CORP, WHICH WAS RECENTLY DETERMINED TO BE A DECADES-LONG \$140 MILLION PONZI SCHEME, UNDER THE CONTROL OF VAL SOUTHWICK, WHO HAS PLED GUILTY TO NINE FELONIES. UTAH ASSERTED THAT (A) THE OFFERINGS WERE NOT EXEMPT FROM REGISTRATION BECAUSE OF THE APPLICATION OF THE INTEGRATION DOCTRINE (COMINGLING OF FUNDS), EVEN THOUGH STEORTS CONFIRMED THAT FORM D'S HAD BEEN FILED; (B) STEORTS MISREPRESENTED THAT THE NOTES WERE SECURED AS REPRESENTED IN THE OFFERING DOCUMENTS, EVEN THOUGH STEORTS ASSERTED THAT THIS WAS DUE TO VESCOR'S FAILURE TO PROPERLY RECORD LIENS AFTER THE OFFERING WAS COMPLETED, AND (C) STEORTS MISREPRESENTED THE SAFETY OF THE SECURED INVESTMENT. NO CUSTOMERS COMPLAINED TO STEORTS OR HIS FIRM, AND HE CONTINUES TO PROVIDE SERVICES TO THEM. STEORTS AGREED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO DISGORGE OVER 5 YEARS \$91,312 IN COMMISSIONS. STEORTS'S LICENSE IN UTAH IS SUBJECT TO PASSING APPLICABLE SECURITIES EXAMINATIONS.



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 8

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: PSI

Allegations: VIA AN ATTORNEY, THE CLIENT CLAIMS "IMPROPER ASSET ALLOCATION, LACK OF DIVERSIFICATION, AND PROPENSITY TO CONCENTRATE IN GROWTH AND AGGRESSIVE GROWTH INVESTMENTS" STARTING IN 1999. ALLEGED DAMAGES OF \$51,661.00.

Product Type: Other

Other Product Type(s): MUTUAL FUNDS

Alleged Damages: \$51,661.00

Customer Complaint Information

Date Complaint Received: 08/15/2006

Complaint Pending? No

Status: Settled

Status Date: 12/13/2006

Settlement Amount: \$38,500.00

Individual Contribution Amount: \$0.00

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: PSI

Allegations: VIA AN ATTORNEY, THE CLIENT CLAIMS "IMPROPER ASSET ALLOCATION, LACK OF DIVERSIFICATION, AND PROPENSITY TO CONCENTRATE IN GROWTH AND AGGRESSIVE GROWTH INVESTMENTS" STARTING IN 1999.

Product Type: Other

Other Product Type(s): EQUITIES, MANAGED MONEY

Alleged Damages: \$51,661.00

Customer Complaint Information

Date Complaint Received: 08/15/2006

Complaint Pending? No

Status: Settled



Status Date: 12/13/2006

Settlement Amount: \$38,500.00

Individual Contribution Amount: \$0.00

Broker Statement
ADVISOR MET WITH OR WAS IN CONTACT WITH CLIENT ON MANY OCCASIONS PRIOR TO ANY INVESTMENTS BEING MADE. CLIENT COMPLETED ALL RISK AND INVESTMENT OBJECTIVE QUESTIONNAIRES AS PROVIDED AND PRESCRIBED BY PRUDENTIAL. MODERN PORTFOLIO THEORY WAS APPLIED PER PRUDENTIAL'S PROPRIETARY SOFTWARE MODELS. CLIENT APPROVED THE ASSET ALLOCATION MODEL CREATED. CLIENT WAS IN MANAGED MONEY ACCOUNTS AND PRE-APPROVED ALL MONEY MANAGEMENT COMPANIES SELECTED. RISKS OF MARKET INVESTMENTS WERE CLEARLY EXPLAINED TO CLIENT AT ALL STAGES OF HER DECISION MAKING PROCESS. ADVISOR DENIES ALL ALLEGATIONS AS THE CLIENT'S ACCOUNTS DECREASED IN VALUE DUE TO MARKET CONDITIONS. FURTHER, THE ADVISOR SEVERED EMPLOYMENT WITH PRUDENTIAL IN 2002 AND HAD NO CONTACT WITH THE CLIENT SINCE THAT DATE.

Disclosure 2 of 8

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: PRUDENTIAL SECURITIES INC

Allegations: CLIENT ALLEGES NEGLIGENCE WITH THE WAY HIS ACCOUNTS WERE HANDLED.

Product Type: Other

Other Product Type(s): EQUITIES

Alleged Damages: \$103,000.00

Customer Complaint Information

Date Complaint Received: 09/12/2005

Complaint Pending? No

Status: Closed/No Action

Status Date: 05/30/2007

Settlement Amount:

Individual Contribution Amount:

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: PRUDENTIAL SECURITIES, INC

Allegations: CLIENT ALLEGES NEGLIGENCE WITH THE WAY HIS ACCOUNTS WERE HANDLED.

Product Type: Equity Listed (Common & Preferred Stock)



Alleged Damages: \$103,000.00

Customer Complaint Information

Date Complaint Received: 09/12/2005

Complaint Pending? No

Status: Closed/No Action

Status Date: 05/30/2007

Settlement Amount:

Individual Contribution Amount:

Broker Statement

THIS COMPLAINT WAS CLOSED WITH NO ACTION TAKEN. PLEASE ARCHIVE. CLIENT ELECTED TO HAVE AN OUTSIDE, THIRD PARTY (REGISTERED INVESTMENT ADVISORY FIRM), HANDLE HIS INVESTMENT. CLIENT GAVE RIA FIRM POWER OF ATTORNEY TO BUY AND SELL FOR HIS ACCOUNT(S). REGISTERED REPRESENTATIVE STEORTS DID NOT PERFORM ANY TRANSACTIONS IN THE ACCOUNT BUT MERELY ASSISTED THE CLIENT IN CHOOSING AN OUTSIDE MANAGER TO HANDLE THE CLIENT'S MONEY. MR. STEORTS LEFT THE EMPLOYMENT OF PRUDENTIAL SECURITIES FOR PRIVATE PRACTICE ON 8/1/2002 AND HAS HAD NO CONTACT WITH THE CLIENT IN THE THREE YEARS SINCE LEAVING PRUDENTIAL SECURITIES.

Disclosure 3 of 8

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: PSI

Allegations: CLAIMANT NOW ALLEGES (IN AN NASD STATEMENT OF CLAIM RECEIVED ON AUGUST 27,2003) THAT HIS ACCOUNT WAS THE SUBJECT OF UNSUITABLE INVESTMENT RECOMMENDATIONS.

Product Type: Other

Other Product Type(s): EQUITIES

Alleged Damages: \$0.00

Customer Complaint Information

Date Complaint Received: 12/24/2002

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 08/27/2003

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD NO. 03-05505



Date Notice/Process Served: 08/27/2003

Arbitration Pending? No

Disposition: Settled

Disposition Date: 06/23/2004

Monetary Compensation Amount: \$90,000.00

Individual Contribution Amount: \$3,000.00

Reporting Source: Individual

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

Allegations: CLIENT'S MONIES WERE PLACED IN INSTITUTIONAL MANAGED MONEY ACCOUNTS. CLIENT ALLEGES THAT THESE ACCOUNTS WERE "CHURNED."

Product Type: Other

Other Product Type(s): INSTITUTIONAL, FEE BASED, MANAGED MONEY ACCOUNTS

Alleged Damages: \$300,000.00

Customer Complaint Information

Date Complaint Received: 12/24/2002

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 08/27/2003

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD NO. 03-05505

Date Notice/Process Served: 08/27/2003

Arbitration Pending? No

Disposition: Settled

Disposition Date: 06/23/2004

Monetary Compensation Amount: \$90,000.00

Individual Contribution Amount: \$3,000.00

Broker Statement CLIENT'S MONIES WERE PLACED IN MANAGED ACCOUNTS. THE CLIENT DID NOT PAY COMMISSIONS BUT A QUARTERLY, ASSET BASED FEE. CLIENT GAVE THE INSTITUTIONAL MONEY MANAGERS POWER OF ATTORNEY AUTHORIZATION TO TRADE INDIVIDUAL STOCK POSITIONS AS THE MANAGER'S JUDGMENT DICTATED. CHURNING IN SUCH AN ACCOUNT



IS NOT POSSIBLE. LOSSES WERE DUE TO THE DECLINE IN STOCK PRICES AS NO TRADING COMMISSIONS WERE GENERATED. PRUDENTIAL CONTINUED A PATTERN OF SETTLING RATHER THAN DEFENDING A STRONGLY DEFENDABLE POSITION. THEY CHOSE TO SETTLE AND THE BROKER HAD NO CHOICE IN THE MATTER. HOWEVER, BROKER AGREED TO CONTRIBUTE A PORTION OF THE FUNDS THAT HAD BEEN SET ASIDE FOR PERSONAL REPRESENTATION (ATTORNEY FEES) IN THE MATTER. REPRESENTATIVE ADMITS NO WRONG DOING.

Disclosure 4 of 8

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: PRUDENTIAL SECURITIES INCORPORATED

Allegations: CLIENTS ALLEGE "THE ACTIVITY WAS NOT CONSISTENT WITH THE PROPOSAL WE RECEIVED SHOWING US THAT WE WOULD BE IN THE MODERATE RISK TOLERANT PORTFOLIO." DAMAGES ALLEGED OF \$80,000.00

Product Type: Options
Other Product Type(s): EQUITIES LISTED
Alleged Damages: \$80,000.00

Customer Complaint Information

Date Complaint Received: 09/30/2002
Complaint Pending? No
Status: Settled
Status Date: 02/04/2003
Settlement Amount: \$25,000.00
Individual Contribution Amount: \$0.00
Firm Statement MATTER IS SETTLED.

Reporting Source: Individual
Employing firm when activities occurred which led to the complaint: PRUDENTIAL SECURITIES INCORPORATED

Allegations: THE CLIENT ALLEGES "THE ACTIVITY WAS NOT CONSISTENT WITH THE PROPOSAL WE RECEIVED SHOWING US THAT WE WOULD BE IN THE MODERATE RISK TOLERANT PORTFOLIO."

Product Type: Other
Other Product Type(s): INSTITUTIONAL MANAGED MONEY ACCOUNTS
Alleged Damages: \$80,000.00

Customer Complaint Information

Date Complaint Received: 09/30/2002
Complaint Pending? No



Status: Settled

Status Date: 02/04/2003

Settlement Amount: \$25,000.00

Individual Contribution Amount: \$0.00

Broker Statement PROPOSAL REFERENCED IN THE COMPLAINT WAS FOR AN ASSET ALLOCATION OF \$513,000. CLIENT DECIDED TO PLACE ONLY THE EQUITY PORTION OF THE ALLOCATION, OR \$170,000, WITH BROKER AND THE BONDS, FIXED INCOME AND OTHER ASSETS ELSEWHERE. THUS, IF THE CLIENT HAD PLACED ALL ASSETS ACCORDING TO THE ALLOCATION PRESENTED THEN THE CLIENT WOULD HAVE HAD A MODERATE RISK CATEGORY AT PRUDENTIAL. INSTEAD THEY CHOSE TO CREATE THEIR OWN ALLOCATIONS. PRUDENTIAL CHOSE TO SETTLE RATHER THAN PAY THE EXPENSE OF LITIGATION. ANY WRONG DOING IS DENIED BY PRUDENTIAL AND MR. STEORTS.

Disclosure 5 of 8

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: PRUDENTIAL SECURITIES INCORPORATED

Allegations: CLIENT ALLEGED, IN WRITING, THAT THE FA STRONGLY RECOMMENDED A CHANGE FROM GE LIFE AND ANNUITY TO PACIFIC LIFE, BUT THE INFORMATION THE FA PROVIDED, WHICH THE CLIENT RELIED ON, WAS INACCURATE AND INADEQUATE. WHILE CLIENT HAS NOT ALLEGED A SPECIFIC AMOUNT, DAMAGES ARE BELIEVED TO BE IN EXCESS OF \$5,000.00.

Product Type: Annuity(ies) - Variable

Alleged Damages: \$0.00

Customer Complaint Information

Date Complaint Received: 04/15/2002

Complaint Pending? No

Status: Settled

Status Date: 11/03/2006

Settlement Amount: \$7,713.99

Individual Contribution Amount: \$0.00

Firm Statement MATTER SETTLED BELOW REPORTING THRESHOLD.

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: PRUDENTIAL SECURITIES INC.

Allegations: CLIENT ALLEGED, IN WRITING, THAT THE FA STRONGLY RECOMMENDED A



CHANGE FROM GE LIFE AND ANNUITY TO PACIFIC LIFE, BUT THE INFORMATION THE FA PROVIDED, WHICH THE CLIENT RELIED ON, WAS INACCURATE AND INADEQUATE. WHILE CLIENT HAS NOT ALLEGED A SPECIFIC AMOUNT, DAMAGES ARE BELIEVED TO BE IN EXCESS OF \$5,000.00.

Product Type: Annuity(ies) - Variable

Alleged Damages: \$5,000.00

Customer Complaint Information

Date Complaint Received: 04/15/2002

Complaint Pending? No

Status: Settled

Status Date: 11/03/2006

Settlement Amount: \$7,713.99

Individual Contribution Amount: \$0.00

Broker Statement

MR. STEORTS DID NOT PARTICIPATE IN THE SETTLEMENT. HE DID NOT HAVE TO PAY ANY OF THE SETTLEMENT COSTS AND WAS NOT AT FAULT. CLIENT HAD A NET \$5,000 SURRENDER COST ON AN ANNUITY. WROTE A LETTER OF INQUIRY TO MR. STEORTS ABOUT THE COSTS FOLLOWING AN INQUIRY CALL FROM THE STATE OF UTAH'S INSURANCE DEPT. PRUDENTIAL DID NOT ALLOW MR. STEORTS TO RESPOND BUT SAID THEY WOULD HANDLE THE RESPONSE. PRUDENTIAL FAILED TO RESPOND AND 60 DAYS LATER THE CLIENT WROTE A FORMAL COMPLAINT LETTER. CLIENT WAS AWARE OF THE SURRENDER COSTS AND SIGNED ALL THE FORMS TO BE TRANSFERRED INTO A NEW ANNUITY AT PACLIFE WHICH HE FELT BETTER SUITED HIM. CLIENT HELD THE NEW ANNUITY FOR OVER A YEAR BEFORE WRITING THE INITIAL INQUIRY LETTER FOLLOWING A RANDOM CALL FROM THE STATE INSURANCE DEPARTMENT.

Disclosure 6 of 8

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: PSI

Allegations: CUSTOMERS ALLEGE UNSUITABLE INVESTMENT RECOMMENDATIONS DURING PERIOD AUGUST 2000 THROUGH NOVEMBER 2001 CAUSED LOSSES.

Product Type: Other

Other Product Type(s): MANAGED ACCOUNTS

Alleged Damages: \$68,000.00

Customer Complaint Information

Date Complaint Received: 11/20/2001

Complaint Pending? No

Status: Settled

Status Date: 02/10/2003



Settlement Amount: \$25,000.00
Individual Contribution Amount: \$0.00
Firm Statement MR. STEORTS DID NOT PARTICIPATE IN SETTLEMENT DISCUSSIONS AND WAS NOT ASKED TO CONTRIBUTE TO THE SETTLEMENT.

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Reporting Source: Individual
Employing firm when activities occurred which led to the complaint: PRUDENTIAL SECURITIES
Allegations: CLIENT THROUGH HER ATTORNEY, ALLEGES THAT THE INVESTMENTS RECOMMENDED BY HER FA WERE UNSUITABLE BASED ON RISK TOLERANCE AND OBJECTIVES.
Product Type: Mutual Fund(s)
Alleged Damages: \$68,000.00

Customer Complaint Information

Date Complaint Received: 11/20/2001
Complaint Pending? No
Status: Settled
Status Date: 02/10/2003
Settlement Amount: \$25,000.00
Individual Contribution Amount: \$0.00

Broker Statement THIS CLAIM WAS ORIGINALLY FILED AGAINST [OTHER FIRM EMPLOYEE], MR. STEORTS' PARTNER. [OTHER FIRM EMPLOYEE] LEFT THE BUSINESS AND THE CLIENT REFILED THE COMPLAINT AGAINST THE CURRENT REPRESENTATIVE OF RECORD, MR. STEORTS IN APRIL 2002. THE REPRESENTATIVE WAS DETERMINED BY PRUDENTIAL TO NOT BE AT FAULT AND THEY DECIDED TO SETTLE THE CLAIM AS IT WOULD COST AS MUCH OR MORE TO FIGHT IT.

Disclosure 7 of 8

Reporting Source: Individual
Employing firm when activities occurred which led to the complaint: PSI
Allegations: CLIENT ALLEGES "GROSS MISMANAGEMENT" OF HER ACCOUNT. ALLEGED DAMAGES OF \$233,690.00.
Product Type: Other
Other Product Type(s): ANNUITY; EQUITIES
Alleged Damages: \$233,690.00

Customer Complaint Information

Date Complaint Received: 02/19/2002



Complaint Pending?	No
Status:	Settled
Status Date:	06/25/2002
Settlement Amount:	\$100,000.00
Individual Contribution Amount:	\$10,000.00
Broker Statement	THIS MATTER WAS SETTLED BY PSI. PRUDENTIAL CHOSE TO SETTLE RATHER THAN ARBITRATE, THUS KEEPING THEIR BD RECORD CLEAN. BROKER WAS NOT INVOLVED IN THE DECISION MAKING OR ACCEPTANCE PROCESS. BROKER'S RECORDS WERE IGNORED AND NOT USED IN THE DECISION PROCESS. NO OTHER ISSUES BEYOND THE CASH SETTLEMENT THAT PRUDENTIAL NEGOTIATED.

Disclosure 8 of 8

Reporting Source:	Individual
Employing firm when activities occurred which led to the complaint:	PSI
Allegations:	CUSTOMER ALLEGES UNSUITABLE RECOMMENDATION TO SELL AN ANNUITY AND INVEST IN A MANAGED ACCOUNT RESULTING IN DAMAGES IN EXCESS OF \$5000.00
Product Type:	Other
Other Product Type(s):	COMMON STOCK, ANNUITY
Alleged Damages:	\$50,000.00

Customer Complaint Information

Date Complaint Received:	04/16/2001
Complaint Pending?	No
Status:	Settled
Status Date:	11/02/2001
Settlement Amount:	\$55,000.00
Individual Contribution Amount:	\$0.00
Broker Statement	PRUDENTIAL CHOSE TO MEDIATE RATHER THAN ARBITRATE, THUS KEEPING THEIR BD RECORD CLEAN. BROKER WAS NOT INVOLVED IN THE DECISION MAKING OR ACCEPTANCE PROCESS. NO OTHER ISSUES BEYOND THE CASH SETTLEMENT THAT PRUDENTIAL NEGOTIATED.



End of Report

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