



## IAPD Report

### RICHARD DWAYNE BLAIR

CRD# 2256412

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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

### RICHARD DWAYNE BLAIR (CRD# 2256412)

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 **03/24/2025**.

### CURRENT EMPLOYERS

|    | Firm                   | CRD#       | Registered Since |
|----|------------------------|------------|------------------|
| IA | WEALTH SOLUTIONS, INC. | CRD# 35331 | 04/15/1994       |

### 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 | WEALTH SOLUTIONS, INC.             | 35331 | HOUSTON, TX | 05/05/1994 - 12/17/2012 |
| B | IMS SECURITIES, INC.               | 35567 | HOUSTON, TX | 11/21/2011 - 02/09/2012 |
| B | MURCHISON INVESTMENT BANKERS, LTD. | 20027 | HOUSTON, TX | 08/30/1993 - 11/02/1993 |

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 | 8     |
| Customer Dispute | 1     |
| Termination      | 1     |



## 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: **WEALTH SOLUTIONS, INC.**  
Main Address: 21 WATERWAY AVENUE  
                  SUITE 300  
                  THE WOODLANDS, TX 77380  
Firm ID#: 35331

| Regulator    | Registration                      | Status   | Date       |
|--------------|-----------------------------------|----------|------------|
| IA Arkansas  | Investment Adviser Representative | Approved | 04/06/2017 |
| IA Louisiana | Investment Adviser Representative | Approved | 08/07/2023 |
| IA Texas     | Investment Adviser Representative | Approved | 04/15/1994 |

#### Branch Office Locations

**WEALTH SOLUTIONS, INC.**  
21 WATERWAY AVENUE  
SUITE 300  
THE WOODLANDS, TX 77380



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

#### Principal/Supervisory Exams

| Exam  | Category  | Date       |
|---|-----------|------------|
|  Municipal Securities Principal Examination (S53)                            | Series 53 | 05/10/2002 |
|  General Securities Principal Examination (S24)                              | Series 24 | 05/26/1999 |
|  Investment Company Products/Variable Contracts Principal Examination (S26) | Series 26 | 12/09/1993 |

#### General Industry/Product Exams

| Exam   | Category | Date       |
|--|----------|------------|
|  General Securities Representative Examination (S7)                             | Series 7 | 09/29/1998 |
|  Investment Company Products/Variable Contracts Representative Examination (S6) | Series 6 | 07/31/1992 |

#### State Securities Law Exams

| Exam  | Category  | Date       |
|---|-----------|------------|
|   Uniform Combined State Law Examination (S66) | Series 66 | 08/11/2000 |
|  Uniform Securities Agent State Law Examination (S63)  | Series 63 | 07/31/1992 |

### 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 |
|---|-------------------------|---|------------|-----------------|
|  | 05/05/1994 - 12/17/2012 | WEALTH SOLUTIONS, INC.                                    | CRD# 35331 | HOUSTON, TX     |
|  | 11/21/2011 - 02/09/2012 | IMS SECURITIES, INC.                                      | CRD# 35567 | HOUSTON, TX     |
|  | 08/30/1993 - 11/02/1993 | MURCHISON INVESTMENT BANKERS, LTD.                        | CRD# 20027 |                 |
|  | 08/03/1992 - 08/19/1992 | EQUICO SECURITIES, INC.                                   | CRD# 6627  | NEW YORK, NY    |
|  | 08/03/1992 - 08/19/1992 | THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES | CRD# 4039  | 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               |
|-------------------|------------------------|---|--------------------|---------------------------------|
| 06/2012 - Present | CROWNBRIDGE WEALTH LLC | PRESIDENT   | Y                  | HOUSTON, TX, United States      |
| 04/1994 - Present | WEALTH SOLUTIONS, INC. | INVESTMENT ADVISER<br>REPRESENTATIVE/CHIEF INVESTMENT OFFICER | Y                  | PFLUGERVILLE, TX, 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.

- 1) CROWNBRIDGE WEALTH LLC; PRESIDENT; HOUSTON, TX; START DATE: 06/2012; NON-INVESTMENT RELATED; FIXED INSURANCE PRODUCTS; LESS THAN 10 HOURS PER MONTH.
- 2) CROWNBRIDGE SECURITIES LLC; MANAGING PARTNER; HOUSTON, TX; START DATE: 05/2016; NON-INVESTMENT RELATED; REAL ESTATE HOLDING COMPANY; 10 HOURS PER MONTH.
- 3) DOLCE VITA HOLDINGS LLC; MANAGING PARTNER; HOUSTON, TX; START DATE: 12/2015; NON-INVESTMENT RELATED; AUTOMOTIVE RESELL; 10 HOURS PER MONTH.



## 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 | 8     |
| Customer Dispute | 1     |
| Termination      | 1     |

### 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 8

|  |   |
|--|---|
| <b>Reporting Source:</b>   | Regulator   |
| <b>Regulatory Action Initiated By:</b>   | Arkansas  |
| <b>Sanction(s) Sought:</b>   | Cease and Desist  |
| <b>Date Initiated:</b>   | 04/12/2016  |
| <b>Docket/Case Number:</b>   | S-16-0095-17-OR2  |
| <b>URL for Regulatory Action:</b>  | <a href="http://www.securities.arkansas.gov/Userfiles/Wealth%20Solutions%20Cease%20and%20Desist%20Order%20S-16-0095-17-OR02.pdf">http://www.securities.arkansas.gov/Userfiles/Wealth%20Solutions%20Cease%20and%20Desist%20Order%20S-16-0095-17-OR02.pdf</a> |
| <b>Employing firm when activity occurred which led to the regulatory action:</b> | Wealth Solutions, Inc. CRD #35331   |
| <b>Product Type:</b>   | No Product  |
| <b>Allegations:</b>  | Richard Blair was not registered with the Arkansas Securities Department as required by the Arkansas Securities Act and Rules of the Arkansas Securities Commissioner and transacted business with Arkansas residents exceeding the de minimis exemption.   |
| <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:** 01/09/2017

**Sanctions Ordered:** Cease and Desist  
Other: Blair must cease and desist from further violations of Arkansas Securities Act until he is properly registered with the Department.

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**Reporting Source:** Individual

**Regulatory Action Initiated By:** ARKANSAS

**Sanction(s) Sought:** Cease and Desist

**Date Initiated:** 04/12/2016

**Docket/Case Number:** S16009517OR2

**Employing firm when activity occurred which led to the regulatory action:** WEALTH SOLUTIONS INC.

**Product Type:** No Product

**Allegations:** Richard Blair was not registered with the Arkansas Securities Department as required by the Arkansas Securities Act and Rules of the Arkansas Securities Commissioner and transacted business with Arkansas residents exceeding the de minimis exemption.

**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:** 01/09/2017

**Sanctions Ordered:** Cease and Desist

## Disclosure 2 of 8

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Revocation

**Date Initiated:** 10/14/2015

**Docket/Case Number:** [2011027271901](#)



|   |  |
|---|--|
| <b>Employing firm when activity occurred which led to the regulatory action:</b>  | N/A  |
| <b>Product Type:</b>  | No Product   |
| <b>Allegations:</b>   | Respondent Blair failed to pay fines and/or costs of \$24,331.74 in FINRA Case #2011027271901. |
| <b>Current Status:</b>  | Final  |
| <b>Resolution:</b>  | Letter   |
| <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>   | 10/14/2015   |
| <b>Sanctions Ordered:</b>   | Revocation   |
| <b>If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?</b>   | No   |
| <b>(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?</b> |  |



**(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or**

**(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?**

**Regulator Statement**

Pursuant to FINRA Rule 8320, Respondent Blair's FINRA registration is revoked as of the close of business on October 14, 2015 for failure to pay fines and/or costs.

Revocation rescinded on October 13, 2020.

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**Reporting Source:** Individual

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Revocation

**Date Initiated:** 10/14/2015

**Docket/Case Number:** [2011027271901](#)

**Employing firm when activity occurred which led to the regulatory action:**

N/A

**Product Type:** No Product

**Allegations:** Respondent Blair failed to pay fines and/or costs of \$24,331.74 in FINRA Case # 2011027271901.



**Current Status:** Final  
**Resolution:** Letter  
**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No  
**Resolution Date:** 10/14/2015  
**Sanctions Ordered:** Revocation

### Disclosure 3 of 8

**Reporting Source:** Regulator  
**Regulatory Action Initiated By:** TEXAS  
**Sanction(s) Sought:** Suspension  
**Date Initiated:** 10/16/2013  
**Docket/Case Number:** SOAH DOCKET NO: 312-14-0607  
**URL for Regulatory Action:**  
**Employing firm when activity occurred which led to the regulatory action:** WEALTH SOLUTIONS (35331)  
**Product Type:** No Product  
**Allegations:**  
PURSUANT TO AN UNDERTAKING CONTAINED WITH AN ORDER ENTERED BY THE SECURITIES COMMISSIONER ON AUGUST 28, 2013, BLAIR AND WEALTH SOLUTIONS AGREES TO PAY \$83,000 TO CERTAIN CLIENTS WITHIN TEN BUSINESS DAYS FROM THE DATE THE ORDER WAS SIGNED BY THE SECURITIES COMMISSIONER AND PROVIDE EVIDENCE OF THE PAYMENTS TO THE STAFF OF THE TEXAS STATE SECURITIES BOARD ("STAFF") WITHIN FIFTEEN BUSINESS DAYS.  
RESPONDENTS DID NOT MAKE THE PAYMENTS WITHIN TEN BUSINESS DAYS, NOR DID RESPONDENTS PROVIDE EVIDENCE OF THE PAYMENTS WITHIN FIFTEEN DAYS. ACCORDINGLY, RESPONDENTS VIOLATED THE UNDERTAKING BY FAILURE TO MAKE THE PAYMENTS AND PROVIDE EVIDENCE OF THE PAYMENTS TO THE STAFF BY THE AGREED DATES. RESPONDENTS ALSO VIOLATED ORDER BY FAILING TO COMPLY WITH THE TERMS OF THE UNDERTAKING CONTAINED WITHIN THE ORDER.

**Current Status:** Final  
**Resolution:** Order  
**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No  
**Resolution Date:** 02/19/2014

**Sanctions Ordered:**

Undertaking

**Regulator Statement**

THE SECURITIES COMMISSIONER OF THE STATE OF TEXAS ("SECURITIES COMMISSIONER") SIGNED ORDER NO. IC14-CAF-02 ON FEBRUARY 19, 2014 ("FEBRUARY 2014 ORDER"). THE FEBRUARY 2014 ORDER CONTAINS FINDINGS OF FACT AND CONCLUSIONS OF LAW THAT RICHARD BLAIR AND WEALTH SOLUTIONS ("RESPONDENTS") FAILED TO COMPLY WITH ORDER NO. IC13-CAF-06, SIGNED BY THE SECURITIES COMMISSIONER ON AUGUST 28, 2013 ("AUGUST 2013 ORDER"), AND AN UNDERTAKING CONTAINED WITHIN THE AUGUST 2013 ORDER ("AUGUST 2013 UNDERTAKING").

PURSUANT TO THE AUGUST 2013 UNDERTAKING, RESPONDENTS WERE REQUIRED TO MAKE PAYMENTS IN THE AMOUNT OF \$83,000 TO CERTAIN CLIENTS WHO INVESTED IN THE COLE CREDIT REIT WITHIN TEN (10) BUSINESS DAYS OF AUGUST 28, 2013 AND PROVIDE EVIDENCE OF THE PAYMENTS TO THE DIRECTOR OF THE INSPECTIONS & COMPLIANCE DIVISION OF THE TEXAS STATE SECURITIES BOARD ("DIRECTOR") WITHIN FIFTEEN (15) BUSINESS DAYS OF AUGUST 28, 2013. THE STAFF OF THE TEXAS STATE SECURITIES BOARD ("STAFF") DETERMINED THOSE DATES TO BE SEPTEMBER 12, 2013 AND SEPTEMBER 19, 2013, RESPECTIVELY. ON SEPTEMBER 25, 2013, THE STAFF NOTIFIED RESPONDENTS' COUNSEL THAT THE DIRECTOR HAD NOT RECEIVED EVIDENCE OF THE PAYMENTS. ON SEPTEMBER 30, 2013, WITHIN FIVE (5) DAYS OF THE STAFF'S NOTIFICATION, RESPONDENTS MADE THE PAYMENTS. EVIDENCE WAS PROVIDED TO THE DIRECTOR ON OCTOBER 1, 2013.

RESPONDENTS DID NOT MAKE THE PAYMENTS BY SEPTEMBER 12, 2013, AND RESPONDENTS DID NOT PROVIDE EVIDENCE OF THE PAYMENTS TO THE DIRECTOR BY SEPTEMBER 19, 2013. HOWEVER, RESPONDENTS TIMELY COMPLIED WITH A PROVISION OF THE UNDERTAKING REQUIRING THE RETENTION OF AN INDEPENDENT OUTSIDE CONSULTANT TO PERFORM A REVIEW OF WEALTH SOLUTIONS' BUSINESS ACTIVITIES. PURSUANT TO THE FEBRUARY 2014 ORDER, RESPONDENTS ARE NOW REQUIRED TO MAKE A SUPPLEMENTAL PAYMENT TOTALING \$27,202.52 WITHIN FORTY-FIVE (45) DAYS OF FEBRUARY 19, 2014 TO CLIENTS WHO RESPONDENTS HAVE NOT YET PAID THE FULL AMOUNT OF COMMISSIONS RESPONDENTS RECEIVED IN CONNECTION WITH EACH CLIENT'S INVESTMENT IN THE COLE CREDIT REIT. RESPONDENTS WILL SUBMIT EVIDENCE OF THE SUPPLEMENTAL PAYMENTS TO THE DIRECTOR WITHIN FIFTY (50) DAYS

**Reporting Source:**

Individual

**Regulatory Action Initiated By:**

TEXAS STATE SECURITIES BOARD

**Sanction(s) Sought:**

Restitution

**Date Initiated:**

10/16/2013

**Docket/Case Number:**

312-14-0607

**Employing firm when activity occurred which led to the regulatory action:**

WEALTH SOLUTIONS

**Product Type:**

Real Estate Security

**Allegations:**

VIOLATION OF 2013 TSSB ORDER TO REPAY CLIENTS IN A TIMELY MANNER.

**Current Status:**

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>   | 02/19/2014  |
| <b>Sanctions Ordered:</b>   | Restitution   |
| <b>Monetary Sanction 1 of 1</b>   |   |
| <b>Monetary Related Sanction:</b>   | Monetary Penalty other than Fines   |
| <b>Total Amount:</b>  | \$25,000.00   |
| <b>Portion Levied against individual:</b>   | \$25,000.00   |
| <b>Payment Plan:</b>  |   |
| <b>Is Payment Plan Current:</b>   |   |
| <b>Date Paid by individual:</b>   | 09/30/2013  |
| <b>Was any portion of penalty waived?</b>   | No  |
| <b>Amount Waived:</b>   |   |
| <b>Broker Statement</b>   | RESPONDENTS AGREED TO THE CONSENT OF THE ORDER TO RESOLVE THE MATTER OF LATE PAYMENTS TO CLIENTS OF THEIR COMMISSION REIMBURSEMENT CHECKS. RESPONDENTS HAD AGREED WITH DATES OF 15 AND 30 DAYS FOR PAYMENTS TO BE SENT TO REIT CLIENTS AND PROOF OF THOSE PAYMENTS TO THE TSSB. DURING THE PROCESS OF GETTING THE ORDER SIGNED AND RETURNED TO THE TSSB THE ABOVE DATES WERE CHANGED. RESPONDENT RELIED ON THE ORIGINAL DATES WHEN FOLLOWING THE PROVISIONS OF THE ORDER. RESPONDENT DID NOT INTENTIONALLY DELAY EITHER PAYMENTS TO CLIENTS OR PROOF TO THE TSSB. |
| <b>Disclosure 4 of 8</b>  |   |
| <b>Reporting Source:</b>  | Regulator   |
| <b>Regulatory Action Initiated By:</b>  | FINRA   |
| <b>Sanction(s) Sought:</b>  | Other: N/A  |
| <b>Date Initiated:</b>  | 06/13/2013  |
| <b>Docket/Case Number:</b>  | <a href="#">2011027271901</a>   |
| <b>Employing firm when activity occurred which led to the regulatory action:</b>  | WEALTH SOLUTIONS, INC. (F/K/A UNITED GLOBAL SECURITIES, INC.)   |
| <b>Product Type:</b>  | Annuity-Variable<br>Other: REAL ESTATE INVESTMENT TRUST SHARES  |
| <b>Allegations:</b>   | WILLFULLY VIOLATED SECTION 10(B) OF THE SECURITIES EXCHANGE ACT   |



OF 1934, RULE 10B-5, FINRA BY-LAWS ARTICLE V, SECTION 2(C), FINRA RULES 1122, 2010, 2020, 2330, VIOLATED FINRA RULE 2010, NASD RULE 3070: CONTRARY TO BLAIR'S CLAIMS ON THE FIRM'S WEBSITE, BLAIR DID NOT PROVIDE HIS CUSTOMERS/ADVISORY CLIENTS WITH UNBIASED ADVICE, NOR DID HE PUT THEM FIRST. BLAIR MARKETED HIS MEMBER FIRM, ON ITS WEBSITE, BY PROVIDING MISLEADING CLAIMS CONCERNING THE FIRM'S EARNEST ASSESSMENT WITH ITS CUSTOMERS' INVESTMENT DECISIONS AND THE FIRM AND BLAIR'S ABILITY TO PROVIDE UNBIASED AND PERSONALIZED INVESTMENT ADVICE. BLAIR RECOMMENDED THAT HIS BROKER-DEALER CUSTOMERS, WHO WERE ALSO BLAIR'S INVESTMENT ADVISORY CLIENTS, PURCHASE SHARES OF A REAL ESTATE INVESTMENT TRUST (REIT). BLAIR RECEIVED AT LEAST \$104,927.24 IN COMMISSIONS PLUS \$25,520.18 IN ANNUAL MANAGEMENT FEES. BLAIR DOUBLE DIPPED AND IMPROPERLY COLLECTED COMMISSIONS AND FEES. BLAIR WAS THEIR INVESTMENT ADVISER, HENCE HE OWED THEM A FIDUCIARY DUTY AND WAS REQUIRED TO ACT IN THEIR BEST INTERESTS, BUT HE FAILED. THE REIT'S OFFERING MEMORANDUM, AS AMENDED AND SPECIFIED, PRICING AND COMPENSATION STRUCTURE CREATED A CONFLICT OF INTEREST FOR BLAIR. IF BLAIR OBTAINED THE BETTER PRICING FOR HIS BROKER-DEALER CUSTOMERS/ADVISORY CLIENTS, HE WOULD NOT RECEIVE THE ASSIGNED COMMISSION. AT THE TIME OF HIS RECOMMENDATIONS, BLAIR KNEW THAT THE REIT OFFERED PREFERENTIAL PRICING FOR SHARES PURCHASED THROUGH INVESTMENT ADVISORY REPRESENTATIVES. BLAIR ALSO KNEW THAT TO RECEIVE SUCH PREFERENTIAL PRICING, ALL HE NEEDED TO DO WAS CHECK A REGISTERED INVESTMENT ADVISOR (RIA) BOX. NEVERTHELESS, BLAIR SUBMITTED THE SUBSCRIPTION AGREEMENTS TO THE REIT WITHOUT CHECKING THE RIA BOX. BLAIR'S CUSTOMERS OVERPAID BY AT LEAST \$104,927.84 FOR THEIR REIT SHARES. BY CHECKING THE BOX, BLAIR WOULD HAVE NOTIFIED THE REIT THAT THE SUBSCRIPTION WAS BEING MADE THROUGH A REGISTERED INVESTMENT ADVISER ADMINISTERED ACCOUNT THAT HAD A WRAP FEE OR SOME OTHER FIXED BILLING ARRANGEMENT, THEREBY HE FAILED TO DISCLOSE THESE FACTS TO THE REIT. BLAIR ALSO FAILED TO DISCLOSE TO HIS CLIENTS THE CONFLICT OF INTEREST, PRESENTED BY THE TWO-TIERED PRICING AND COMMISSION STRUCTURE, PREFERENTIAL PRICING, AND DOUBLE DIPPING. BLAIR UTILIZED THE MEANS AND INSTRUMENTALITIES OF INTERSTATE COMMERCE AND THE-mails IN CONNECTION WITH THE CONDUCT, AS A RESULT, BLAIR WILLFULLY VIOLATED THE APPLICABLE SECURITIES ACT. BLAIR PROVIDED CUSTOMERS WITH FALSE AND MISLEADING DISCLOSURE FORMS WHEN HE RECOMMENDED THAT THEY PURCHASE VARIABLE ANNUITIES. BLAIR MATTERIALLY MISREPRESENTED THE TOTAL ANNUAL FEES FOR TRANSACTIONS HE RECOMMENDED. BLAIR KNEW, OR WAS RECKLESS IN NOT KNOWING, THE ACTUAL TOTAL ANNUAL FEES FOR THE PROPOSED TRANSACTIONS BECAUSE THE PROSPECTUSES FOR EACH PRODUCT AND ITS ASSOCIATED FUNDS LAY OUT THE APPLICABLE FEES, AND THAT THE DISCLOSURE FORMS HE PROVIDED TO THE CUSTOMERS CONTAINED MATTERIALLY FALSE AND MISLEADING INFORMATION BECAUSE THEY UNDERSTATED THE TOTAL ANNUAL FEES. BLAIR MISSTATED THE MORTALITY AND EXPENSE FEE ASSOCIATED WITH THE PROPOSED PRODUCT. IN THIS CONNECTION, BLAIR COLLECTED COMMISSIONS OF APPROXIMATELY \$70,000 ON THE VARIABLE ANNUITY TRANSACTIONS. BLAIR UTILIZED THE MEANS AND INSTRUMENTALITIES OF INTERSTATE COMMERCE AND THE-mails IN CONNECTION WITH THE CONDUCT, AS A RESULT, BLAIR WILLFULLY VIOLATED THE APPLICABLE SECURITIES ACT. BLAIR'S CUSTOMERS FILED SEPARATE WRITTEN COMPLAINTS WITH THE SECURITIES EXCHANGE COMMISSION (SEC) AND FINRA. BLAIR WAS NOTIFIED OF THESE COMPLAINTS AND TO DATE, BLAIR HAS WILLFULLY FAILED TO UPDATE HIS



FORM U4 TO DISCLOSE THESE COMPLAINTS. AFTER RECEIVING THE COMPLAINTS, BLAIR SUBMITTED SEVERAL FORMS U4 AMENDMENTS THAT FALSELY ANSWERED TO THE QUESTION RELATING TO THE CUSTOMERS' COMPLAINTS, THUS WILLFULLY FAILING TO DISCLOSE THIS MATERIAL INFORMATION AND CAUSING THESE AMENDMENTS TO BE FALSE AND MISLEADING. (CONT. IN COMMENTS)

|   |  |
|---|--|
| <b>Current Status:</b>  | Final  |
| <b>Resolution:</b>  | Decision   |
| <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>   | 05/04/2015   |
| <b>Sanctions Ordered:</b>   | Civil and Administrative Penalty(ies)/Fine(s)<br>Monetary Penalty other than Fines<br>Suspension<br>Other: BECAUSE THE VIOLATIONS WERE WILLFUL AND INVOLVED THE FAILURE TO DISCLOSE MATERIAL INFORMATION, BLAIR IS SUBJECT TO STATUTORY DISQUALIFICATION FROM BECOMING ASSOCIATED WITH ANY FINRA MEMBER. |
| <b>If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?</b>   | No   |
| <b>(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?</b> |  |



**(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or**

**(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?**

#### **Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** ALL CAPACITIES

**Duration:** FOUR MONTHS

**Start Date:** 05/04/2015

**End Date:** 09/03/2015

#### **Monetary Sanction 1 of 2**

**Monetary Related Sanction:** Monetary Penalty other than Fines

**Total Amount:** \$6,831.74

**Portion Levied against individual:** \$6,831.74

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:** 10/15/2020

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

**Amount Waived:****Monetary Sanction 2 of 2****Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)**Total Amount:** \$17,500.00**Portion Levied against individual:** \$17,500.00**Payment Plan:****Is Payment Plan Current:****Date Paid by individual:** 10/15/2020**Was any portion of penalty waived?** No**Amount Waived:**

**Regulator Statement** BLAIR, ADDITIONALLY, FAILED TO FILE ACCURATE FINRA NOTICES OF CUSTOMER COMPLAINTS, REGARDING THE COMPLAINTS, BECAUSE HE FALSELY REPRESENTED THAT THE COMPLAINTS WERE NOT RELATED TO THE FIRM OR A REGISTERED REPRESENTATIVE AND THAT THE AMOUNT IN DISPUTE WAS ZERO.

HEARING PANEL DECISION RENDERED MARCH 17, 2015. THE SANCTIONS WERE BASED ON FINDINGS THAT BLAIR WILLFULLY FAILED TO DISCLOSE SEPARATE WRITTEN CUSTOMER COMPLAINTS CONTAINING CLAIMS FOR COMPENSATORY DAMAGES EXCEEDING \$5,000 THAT HE WAS REQUIRED TO DISCLOSE ON HIS FORM U4. THE FINDINGS STATED THAT BLAIR FAILED TO ACCURATELY REPORT THE CUSTOMER'S COMPLAINTS IN NOTICES HE WAS REQUIRED TO FILE WITH FINRA. THE FINDINGS ALSO STATED THAT FINRA DID NOT PROVE BY A PREPONDERANCE OF THE EVIDENCE THAT BLAIR VIOLATED SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934, EXCHANGE ACT RULE 10B-5 THEREUNDER, BY FRAUDULENTLY FAILING TO DISCLOSE MATERIAL INFORMATION IN CONNECTION WITH THE SALE OF SECURITIES. THEREFORE, THAT CHARGE IS DISMISSED. THE DECISION BECAME FINAL MAY 4, 2015. FINES PAID IN FULL ON OCTOBER 15, 2020.

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**Reporting Source:** Individual**Regulatory Action Initiated By:** FINRA**Sanction(s) Sought:** Other: N/A**Date Initiated:** 06/13/2013**Docket/Case Number:** [2011027271901](#)**Employing firm when activity occurred which led to the regulatory action:** WEALTH SOLUTIONS, INC. (F/K/A UNITED GLOBAL SECURITIES, INC.)**Product Type:** Annuity-Variable  
Other: REAL ESTATE INVESTMENT TRUST SHARES**Allegations:** WILLFULLY VIOLATED SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 10B-5, FINRA BY-LAWS ARTICLE V, SECTION 2(C), FINRA RULES 1122, 2010, 2020, 2330, VIOLATED FINRA RULE 2010, NASD RULE



3070: CONTRARY TO BLAIR'S CLAIMS ON THE FIRM'S WEBSITE, BLAIR DID NOT PROVIDE HIS CUSTOMERS/ADVISORY CLIENTS WITH UNBIASED ADVICE, NOR DID HE PUT THEM FIRST. BLAIR MARKETED HIS MEMBER FIRM, ON ITS WEBSITE, BY PROVIDING MISLEADING CLAIMS CONCERNING THE FIRM'S EARNEST ASSESSMENT WITH ITS CUSTOMERS' INVESTMENT DECISIONS AND THE FIRM AND BLAIR'S ABILITY TO PROVIDE UNBIASED AND PERSONALIZED INVESTMENT ADVICE. BLAIR RECOMMENDED THAT HIS BROKER-DEALER CUSTOMERS, WHO WERE ALSO BLAIR'S INVESTMENT ADVISORY CLIENTS, PURCHASE SHARES OF A REAL ESTATE INVESTMENT TRUST (REIT). BLAIR RECEIVED AT LEAST \$104,927.24 IN COMMISSIONS PLUS \$25,520.18 IN ANNUAL MANAGEMENT FEES. BLAIR DOUBLE DIPPED AND IMPROPERLY COLLECTED COMMISSIONS AND FEES. BLAIR WAS THEIR INVESTMENT ADVISER, HENCE HE OWED THEM A FIDUCIARY DUTY AND WAS REQUIRED TO ACT IN THEIR BEST INTERESTS, BUT HE FAILED. THE REIT'S OFFERING MEMORANDUM, AS AMENDED AND SPECIFIED, PRICING AND COMPENSATION STRUCTURE CREATED A CONFLICT OF INTEREST FOR BLAIR. IF BLAIR OBTAINED THE BETTER PRICING FOR HIS BROKER-DEALER CUSTOMERS/ADVISORY CLIENTS, HE WOULD NOT RECEIVE THE ASSIGNED COMMISSION. AT THE TIME OF HIS RECOMMENDATIONS, BLAIR KNEW THAT THE REIT OFFERED PREFERENTIAL PRICING FOR SHARES PURCHASED THROUGH INVESTMENT ADVISORY REPRESENTATIVES. BLAIR ALSO KNEW THAT TO RECEIVE SUCH PREFERENTIAL PRICING, ALL HE NEEDED TO DO WAS CHECK A REGISTERED INVESTMENT ADVISOR (RIA) BOX. NEVERTHELESS, BLAIR SUBMITTED THE SUBSCRIPTION AGREEMENTS TO THE REIT WITHOUT CHECKING THE RIA BOX. BLAIR'S CUSTOMERS OVERPAID BY AT LEAST \$104,927.84 FOR THEIR REIT SHARES. BY CHECKING THE BOX, BLAIR WOULD HAVE NOTIFIED THE REIT THAT THE SUBSCRIPTION WAS BEING MADE THROUGH A REGISTERED INVESTMENT ADVISER ADMINISTERED ACCOUNT THAT HAD A WRAP FEE OR SOME OTHER FIXED BILLING ARRANGEMENT, THEREBY HE FAILED TO DISCLOSE THESE FACTS TO THE REIT. BLAIR ALSO FAILED TO DISCLOSE TO HIS CLIENTS THE CONFLICT OF INTEREST, PRESENTED BY THE TWO-TIERED PRICING AND COMMISSION STRUCTURE, PREFERENTIAL PRICING, AND DOUBLE DIPPING. BLAIR UTILIZED THE MEANS AND INSTRUMENTALITIES OF INTERSTATE COMMERCE AND THE MAILS IN CONNECTION WITH THE CONDUCT, AS A RESULT, BLAIR WILLFULLY VIOLATED THE APPLICABLE SECURITIES ACT. BLAIR PROVIDED CUSTOMERS WITH FALSE AND MISLEADING DISCLOSURE FORMS WHEN HE RECOMMENDED THAT THEY PURCHASE VARIABLE ANNUITIES. BLAIR MATERIALLY MISREPRESENTED THE TOTAL ANNUAL FEES FOR TRANSACTIONS HE RECOMMENDED. BLAIR KNEW, OR WAS RECKLESS IN NOT KNOWING, THE ACTUAL TOTAL ANNUAL FEES FOR THE PROPOSED TRANSACTIONS BECAUSE THE PROSPECTUSES FOR EACH PRODUCT AND ITS ASSOCIATED FUNDS LAY OUT THE APPLICABLE FEES, AND THAT THE DISCLOSURE FORMS HE PROVIDED TO THE CUSTOMERS CONTAINED MATERIALLY FALSE AND MISLEADING INFORMATION BECAUSE THEY UNDERSTATED THE TOTAL ANNUAL FEES. BLAIR MISSTATED THE MORTALITY AND EXPENSE FEE ASSOCIATED WITH THE PROPOSED PRODUCT. IN THIS CONNECTION, BLAIR COLLECTED COMMISSIONS OF APPROXIMATELY \$70,000 ON THE VARIABLE ANNUITY TRANSACTIONS. BLAIR UTILIZED THE MEANS AND INSTRUMENTALITIES OF INTERSTATE COMMERCE AND THE MAILS IN CONNECTION WITH THE CONDUCT, AS A RESULT, BLAIR WILLFULLY VIOLATED THE APPLICABLE SECURITIES ACT. BLAIR'S CUSTOMERS FILED SEPARATE WRITTEN COMPLAINTS WITH THE SECURITIES EXCHANGE COMMISSION (SEC) AND FINRA. BLAIR WAS NOTIFIED OF THESE COMPLAINTS AND TO DATE, BLAIR HAS WILLFULLY FAILED TO UPDATE HIS FORM U4 TO DISCLOSE THESE COMPLAINTS. AFTER RECEIVING THE COMPLAINTS, BLAIR SUBMITTED SEVERAL FORMS U4 AMENDMENTS THAT



FALSELY ANSWERED TO THE QUESTION RELATING TO THE CUSTOMERS' COMPLAINTS, THUS WILLFULLY FAILING TO DISCLOSE THIS MATERIAL INFORMATION AND CAUSING THESE AMENDMENTS TO BE FALSE AND MISLEADING. (CONT. IN COMMENTS)

|   |   |
|---|---|
| <b>Current Status:</b>  | Final   |
| <b>Resolution:</b>  | Decision & Order of Offer of Settlement                     |
| <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>   | 03/17/2015  |
| <b>Sanctions Ordered:</b>   | Civil and Administrative Penalty(ies)/Fine(s)<br>Suspension |
| <b>Sanction 1 of 1</b>  |   |
| <b>Sanction Type:</b>   | Suspension  |
| <b>Capacities Affected:</b>   | ALL CAPACITIES  |
| <b>Duration:</b>  | FOUR MONTHS   |
| <b>Start Date:</b>  | 05/04/2015  |
| <b>End Date:</b>  | 09/03/2015  |
| <b>Monetary Sanction 1 of 1</b>   |   |
| <b>Monetary Related Sanction:</b>   | Monetary Penalty other than Fines                           |
| <b>Total Amount:</b>  | \$17,500.00   |
| <b>Portion Levied against individual:</b>   | \$17,500.00   |
| <b>Payment Plan:</b>  |   |
| <b>Is Payment Plan Current:</b>   |   |
| <b>Date Paid by individual:</b>   |   |
| <b>Was any portion of penalty waived?</b>   | No  |
| <b>Amount Waived:</b>   |   |
| <b>Disclosure 5 of 8</b>  |   |
| <b>Reporting Source:</b>  | Regulator   |
| <b>Regulatory Action Initiated By:</b>  | TEXAS   |
| <b>Sanction(s) Sought:</b>  | Civil and Administrative Penalty(ies)/Fine(s)<br>Revocation |
| <b>Date Initiated:</b>  | 03/14/2013  |
| <b>Docket/Case Number:</b>  | SOAH 312-13-3151, SSB IC13-04                               |
| <b>URL for Regulatory Action:</b>   |   |



**Employing firm when activity occurred which led to the regulatory action:**

WEALTH SOLUTIONS INC. (CRD# 35331)

**Product Type:**

Real Estate Security

**Allegations:**

1. IN 2009 AND 2010, THROUGH RESPONDENT BLAIR, RESPONDENTS SOLD INTERESTS IN A REAL ESTATE INVESTMENT TRUST (THE "REIT") ISSUED BY COLE CREDIT PROPERTY TRUST III, INC. ("COLE CREDIT") TO CLIENTS OF RESPONDENT WEALTH SOLUTIONS. THESE SALES TOTLED OVER \$1,800,000.

2. SHARES OF THE COLE CREDIT REIT SOLD BY DEALERS WERE PRICED AT \$10.00 PER SHARE, AND A SALES COMMISSION OF 7% WAS PAID TO THE PARTICIPATING DEALER. HOWEVER, SHARES OF THE COLE CREDIT REIT SOLD BY INVESTMENT ADVISER REPRESENTATIVES ASSOCIATED WITH A DEALER WERE PRICED AT ONLY \$9.30 PER SHARE, REFLECTING THE FACT THAT THE 7% SELLING COMMISSION WAS NOT PAID IN CONNECTION WITH SUCH SALES.

3. AT LEAST FIFTY-SIX (56) CLIENTS OF RESPONDENT WEALTH SOLUTIONS PURCHASED SHARES OF THE COLE CREDIT REIT AND QUALIFIED FOR THE REDUCED SHARE PRICE OF \$9.30 BECAUSE RESPONDENT BLAIR WAS REGISTERED WITH THE SECURITIES COMMISSIONER AS AN INVESTMENT ADVISER REPRESENTATIVE OF RESPONDENT WEALTH SOLUTIONS.

4. NONETHELESS, RESPONDENTS SOLD THE COLE CREDIT REIT SHARES TO CLIENTS, MANY OF WHOM WERE TEACHERS AND RETIRED TEACHERS, FOR \$10.00 PER SHARE INSTEAD OF FOR \$9.30 PER SHARE.

5. AS A RESULT, RESPONDENTS RECEIVED THE 7% SALES COMMISSION IN ADDITION TO LATER CHARGING CLIENTS A 1% ANNUAL MANAGEMENT FEE ON INVESTMENT ASSETS, INCLUDING THE COLE CREDIT REIT SHARES.

6. HAD RESPONDENTS DESIGNATED ON THE SUBSCRIPTION AGREEMENT THAT THE COLE CREDIT REIT SHARES WERE SOLD BY AN INVESTMENT ADVISER REPRESENTATIVE OF RESPONDENT WEALTH SOLUTIONS, CERTAIN CLIENTS WOULD HAVE OWNED MORE SHARES FOR THE SAME INITIAL INVESTMENT.

7. ACCORDINGLY, THE COMPENSATION STRUCTURE OF THE COLE CREDIT REIT RAISED A CONFLICT OF INTEREST BETWEEN RESPONDENTS AND THE CLIENTS.

8. RESPONDENTS' FAILURES TO DISCLOSE TO CLIENTS THE ABILITY



TO PURCHASE THE COLE CREDIT REIT SHARES FOR \$9.30 PER SHARE CONSTITUTE INEQUITABLE PRACTICES IN THE RENDERING OF SERVICES AS AN INVESTMENT ADVISER. FURTHERMORE, RESPONDENTS' INTENTIONAL FAILURES TO DISCLOSE TO CLIENTS THE ABILITY TO PURCHASE THE COLE CREDIT REIT SHARES FOR \$9.30 PER SHARE WERE INTENTIONAL FAILURES TO DISCLOSE A MATERIAL FACT, AND THUS CONSTITUTE FRAUDULENT BUSINESS PRACTICES AND FRAUDULENT PRACTICES IN CONNECTION WITH THE RENDERING OF SERVICES AS AN INVESTMENT ADVISER AND INVESTMENT ADVISER REPRESENTATIVE.

9. RESPONDENTS' FAILURES TO DISCLOSE THE CONFLICT OF INTEREST PRESENTED BY THE COLE CREDIT REIT'S COMPENSATION STRUCTURE CONSTITUTE INEQUITABLE PRACTICES IN THE RENDERING OF SERVICES AS AN INVESTMENT ADVISER. FURTHERMORE, RESPONDENTS' INTENTIONAL FAILURES TO DISCLOSE TO CLIENTS THE CONFLICT OF INTEREST PRESENTED BY THE COLE CREDIT REIT'S COMPENSATION STRUCTURE WERE INTENTIONAL FAILURES TO DISCLOSE A MATERIAL FACT, AND THUS CONSTITUTE FRAUDULENT BUSINESS PRACTICES AND FRAUDULENT PRACTICES IN CONNECTION WITH THE RENDERING OF SERVICES AS AN INVESTMENT ADVISER AND INVESTMENT ADVISER REPRESENTATIVE.

10. RESPONDENTS, AS INVESTMENT ADVISER AND INVESTMENT ADVISER REPRESENTATIVE, OWED FIDUCIARY DUTIES TO THE CLIENTS TO ACT IN THE CLIENTS' BEST INTERESTS.

11. BY CHOOSING TO SELL THE SHARES OF THE COLE CREDIT REIT TO CLIENTS FOR \$10.00 PER SHARE INSTEAD OF FOR \$9.30 PER SHARE, RESPONDENTS PLACED THEIR INTERESTS AHEAD OF THE CLIENTS' INTERESTS.

12. THEREFORE, RESPONDENTS BREACHED THE FIDUCIARY DUTIES OWED TO THE CLIENTS.

13. RESPONDENTS' BREACHES OF THE FIDUCIARY DUTIES OWED TO THE CLIENTS CONSTITUTE FRAUDULENT BUSINESS PRACTICES AND FRAUDULENT PRACTICES IN CONNECTION WITH THE RENDERING OF SERVICES AS AN INVESTMENT ADVISER AND INVESTMENT ADVISER REPRESENTATIVE.

14. ALTERNATIVELY, RESPONDENTS' BREACHES OF THE FIDUCIARY DUTIES OWED TO THE CLIENTS CONSTITUTE INEQUITABLE PRACTICES IN RENDERING SERVICES AS AN INVESTMENT ADVISER.

**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?**

No

**Resolution Date:**

08/28/2013

**Sanctions Ordered:**

Letter of Reprimand  
Undertaking

**Regulator Statement**

RICHARD BLAIR ("BLAIR") AND WEALTH SOLUTIONS, INC. ("WEALTH SOLUTIONS") CONSENTED TO A DISCIPLINARY ORDER WITH THE TEXAS STATE SECURITIES BOARD THAT WAS SIGNED BY THE SECURITIES COMMISSIONER ON AUGUST 28, 2013. BLAIR AND WEALTH SOLUTIONS CONSENTED TO THE ENTRY OF FINDINGS THAT IN 2009 AND 2010, BLAIR SOLD INTERESTS IN COLE CREDIT PROPERTY TRUST III, INC. ("COLE REIT") TO CLIENTS OF WEALTH SOLUTIONS FOR \$10.00 PER SHARE AND, IN CONNECTION WITH BLAIR'S SALES, WEALTH SOLUTIONS RECEIVED A 7% SALES COMMISSION.

BLAIR SOLD THE SHARES AT THE \$10.00 PRICE DESPITE THE FACT THAT CERTAIN CLIENTS OF WEALTH SOLUTIONS QUALIFIED FOR A REDUCED SHARE PRICE OF \$9.30 BECAUSE BLAIR WAS AN INVESTMENT ADVISER REPRESENTATIVE OF WEALTH SOLUTIONS AND WEALTH SOLUTIONS PLANNED TO CHARGE AN ANNUAL ADVISORY FEE OF 1% ON CLIENT ASSETS, INCLUDING THE COLE REIT SHARES. THE 7% SALES COMMISSION WOULD NOT BE PAID IN CONNECTION WITH SHARES SOLD AT THE \$9.30 PRICE.

BLAIR'S SALES OF THE COLE REIT FOR \$10.00 PER SHARE, IN SPITE OF THE AVAILABILITY OF THE \$9.30 PER SHARE PRICE FOR CLIENTS, WERE INEQUITABLE PRACTICES IN RENDERING SERVICES AS AN INVESTMENT ADVISER REPRESENTATIVE. WEALTH SOLUTIONS' RECEIPT OF A 7% BROKER DEALER COMMISSION IN CONNECTION WITH BLAIR'S SALES OF THE COLE REIT, AS WELL AS ASSESSING AN ANNUAL MANAGEMENT FEE FOR THE COLE REITS, WERE INEQUITABLE PRACTICES IN RENDERING SERVICES AS AN INVESTMENT ADVISER.

PURSUANT TO THE ORDER AND UNDERTAKING, BLAIR AND WEALTH SOLUTIONS AGREED TO PAY \$83,000 TO CLIENTS WHO PURCHASED THE COLE REIT AT \$10.00 PER SHARE AND SUBSEQUENTLY PAID AN ADVISORY FEE TO WEALTH SOLUTIONS. BLAIR AND WEALTH SOLUTIONS FURTHER AGREED THAT WEALTH SOLUTIONS WOULD RETAIN AN INDEPENDENT OUTSIDE CONSULTANT TO REVIEW WEALTH SOLUTIONS' EXISTING AND POTENTIAL CONFLICTS OF INTERESTS, SUPERVISORY PROCEDURES, AND COMPLIANCE WITH ITS SUPERVISORY PROCEDURES. HOWEVER, THIS REQUIREMENT WOULD BE WAIVED IF WEALTH SOLUTIONS CEASED TO BE REGISTERED WITHIN 90 DAYS FROM THE DATE THE ORDER WAS SIGNED.

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**Reporting Source:** Individual

**Regulatory Action Initiated By:** TEXAS STATE SECURITIES BOARD

**Sanction(s) Sought:** Reprimand  
Restitution  
Undertaking

**Date Initiated:** 03/14/2013

**Docket/Case Number:** 312-13-3151



|   |   |
|---|---|
| <b>Employing firm when activity occurred which led to the regulatory action:</b>  | WEALTH SOLUTIONS  |
| <b>Product Type:</b>  | Real Estate Security  |
| <b>Allegations:</b>   | FAILING TO OFFER DISCOUNTED SHARES TO POTENTIAL REIT CLIENTS THAT WERE BOTH INVESTMENT ADVISOR/BROKER-DEALER CLIENTS.   |
| <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>   | 08/28/2013  |
| <b>Sanctions Ordered:</b>   | Restitution<br>Undertaking  |
| <b>Monetary Sanction 1 of 1</b>   |   |
| <b>Monetary Related Sanction:</b>   | Monetary Penalty other than Fines   |
| <b>Total Amount:</b>  | \$87,000.00   |
| <b>Portion Levied against individual:</b>   | \$87,000.00   |
| <b>Payment Plan:</b>  |   |
| <b>Is Payment Plan Current:</b>   |   |
| <b>Date Paid by individual:</b>   | 09/30/2013  |
| <b>Was any portion of penalty waived?</b>   | No  |
| <b>Amount Waived:</b>   |   |
| <b>Broker Statement</b>   | RESPONDENT CONSENTED TO THE ORDER DURING MEDIATION TO RESOLVE MATTER WITHOUT ADDITIONAL COST OF A HEARING. THE MEDIATION THAT WAS AGREED TO BY BOTH PARTIES WAS FOR A LETTER OF REPRIMAND, RESTITUTION TO AFFECTED REIT CLIENTS, AND RETAIN SERVICES OF AN INDEPENDENT OUTSIDE COMPLIANCE CONSULTANT TO REVIEW THE FIRMS POLICIES AND PROCEDURES. |
| <b>Disclosure 6 of 8</b>  |   |
| <b>Reporting Source:</b>  | Regulator   |
| <b>Regulatory Action Initiated By:</b>  | FINRA   |
| <b>Sanction(s) Sought:</b>  | Other: N/A  |
| <b>Date Initiated:</b>  | 12/12/2011  |
| <b>Docket/Case Number:</b>  | 2009016278201   |



**Employing firm when activity occurred which led to the regulatory action:** WEALTH SOLUTIONS, INC. (F/K/A UNITED GLOBAL SECURITIES, INC.)

**Product Type:** No Product

**Allegations:** FINRA RULE 2010, NASD RULES 2110, 3070(B), 3070(C), 3110(A): BLAIR AND HIS MEMBER FIRM FAILED TO RECORD CERTAIN LIABILITIES IN THE FIRM'S BOOKS AND RECORDS. THEY ALSO FAILED TO TIMELY REPORT TO FINRA SIX CUSTOMER COMPLAINTS AND THE SETTLEMENT OF A LAWSUIT UNDER WHICH THEY OBLIGATED TO PAY MORE THAN \$1 MILLION. BLAIR WAS THE ONLY REGISTERED PRINCIPAL AT THE FIRM RESPONSIBLE FOR ENSURING THE ACCURACY OF THE FIRM'S FINANCIAL BOOKS AND RECORDS, INCLUDING ITS GENERAL LEDGER. BLAIR, ON BEHALF OF THE FIRM, SIGNED AN AMENDMENT TO SALES AGREEMENT PERTAINING TO THE FIRM'S SALES OF A LIFE INSURANCE COMPANY'S ANNUITIES. FROM ON OR ABOUT AUGUST 1, 2009 THROUGH AUGUST 31, 2009, PURSUANT TO THE AGREEMENT, THE FIRM RECEIVED COMMISSION ADVANCES IN CONNECTION WITH VARIABLE ANNUITY APPLICATIONS SUBMITTED TO THE LIFE INSURANCE COMPANY ON BEHALF OF ITS CUSTOMERS. BASED ON THE AGREEMENT, EACH COMMISSION ADVANCE CONSTITUTED UNEARNED REVENUE UNTIL THE LIFE INSURANCE COMPANY RECEIVED THE ASSOCIATED PREMIUM PAYMENT. AS SUCH, BLAIR AND THE FIRM WERE REQUIRED TO OFFSET EACH ADVANCE WITH AN ASSOCIATED LIABILITY IN THE FIRM'S GENERAL LEDGER UNTIL THE LIFE INSURANCE COMPANY RECEIVED PAYMENT. AS TO EACH APPLICATION, THE LIFE INSURANCE COMPANY DID NOT RECEIVE A PREMIUM PAYMENT ON THE APPLICATION BY AUGUST 31, 2009 BUT, WHILE RECOGNIZING THE ADVANCES AS REVENUE, BLAIR AND THE FIRM DID NOT RECORD ANY ASSOCIATED LIABILITIES IN THE FIRM'S GENERAL LEDGER AS OF AUGUST 31, 2009. BLAIR WAS THE ONLY REGISTERED PRINCIPAL AT THE FIRM RESPONSIBLE FOR REPORTING CUSTOMER GRIEVANCES AND OTHER DISCLOSABLE EVENTS TO FINRA PURSUANT TO NASD RULE 3070. BLAIR AND THE FIRM WERE NAMED DEFENDANTS IN A SECURITIES RELATED CIVIL LITIGATION. BLAIR AND THE FIRM RESOLVED THE CIVIL LITIGATION WITH A SETTLEMENT WHEREIN THEY AGREED TO PAY THE PLAINTIFFS \$1,020,000. HOWEVER, BLAIR AND THE FIRM FAILED TO TIMELY REPORT, TO FINRA PURSUANT TO NASD RULE 3070, THE SECURITIES-RELATED CIVIL LITIGATION THAT WAS SETTLED FOR AN AMOUNT EXCEEDING \$25,000. BLAIR AND THE FIRM RECEIVED SIX CUSTOMER COMPLAINTS REPORTABLE TO FINRA. THE FIRM AND ITS PRINCIPAL FAILED TO TIMELY REPORT THESE COMPLAINTS TO FINRA PURSUANT TO NASD RULE 3070. BLAIR AND THE FIRM DID NOT REPORT THE SETTLEMENT OR ANY OF THE CUSTOMER COMPLAINTS TO FINRA UNTIL AFTER FINRA BROUGHT THESE MATTERS TO THEIR ATTENTION.

**Current Status:** Final

**Resolution:** Decision & Order of Offer of Settlement

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

No

**Resolution Date:** 05/18/2012

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



If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?

No

(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?

(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

**Monetary Sanction 1 of 1****Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)**Total Amount:** \$7,500.00**Portion Levied against individual:** \$7,500.00**Payment Plan:****Is Payment Plan Current:** Yes**Date Paid by individual:** 06/15/2012**Was any portion of penalty waived?** No**Amount Waived:****Regulator Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, BLAIR CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE HE IS CENSURED AND FINED \$7,500. FINE PAID IN FULL ON JUNE 15, 2012.**Reporting Source:** Individual**Regulatory Action Initiated By:** FINRA**Sanction(s) Sought:** Civil and Administrative Penalty(ies)/Fine(s)**Date Initiated:** 12/16/2011**Docket/Case Number:** 2009016278201**Employing firm when activity occurred which led to the regulatory action:** WEALTH SOLUTIONS, INC. (F/K/A UNITED GLOBAL SECURITIES, INC.)**Product Type:** No Product**Allegations:** FINRA RULE 2010, NASD RULES 2110, 3070(B), 3070(C), 3110(A): BLAIR AND HIS MEMBER FIRM FAILED TO RECORD CERTAIN LIABILITIES IN THE FIRM'S BOOKS AND RECORDS. THEY ALSO FAILED TO TIMELY REPORT TO FINRA SIX CUSTOMER COMPLAINTS AND THE SETTLEMENT OF A LAWSUIT UNDER WHICH THEY OBLIGATED TO PAY MORE THAN \$1 MILLION. BLAIR WAS THE ONLY REGISTERED PRINCIPAL AT THE FIRM RESPONSIBLE FOR ENSURING THE ACCURACY OF THE FIRM'S FINANCIAL BOOKS AND RECORDS, INCLUDING ITS GENERAL LEDGER. BLAIR, ON BEHALF OF THE FIRM, SIGNED AN AMENDMENT TO SALES AGREEMENT PERTAINING TO THE FIRM'S SALES OF A LIFE INSURANCE COMPANY'S ANNUITIES. FROM ON OR ABOUT AUGUST 1, 2009 THROUGH AUGUST 31, 2009, PURSUANT TO THE AGREEMENT, THE FIRM RECEIVED COMMISSION ADVANCES IN CONNECTION WITH VARIABLE ANNUITY APPLICATIONS SUBMITTED TO THE LIFE INSURANCE COMPANY ON BEHALF OF ITS CUSTOMERS. BASED ON THE AGREEMENT, EACH COMMISSION ADVANCE CONSTITUTED UNEARNED REVENUE UNTIL THE LIFE INSURANCE COMPANY RECEIVED THE ASSOCIATED PREMIUM PAYMENT. AS SUCH, BLAIR AND THE FIRM WERE REQUIRED TO OFFSET EACH ADVANCE WITH AN ASSOCIATED LIABILITY IN THE FIRM'S GENERAL LEDGER UNTIL THE LIFE INSURANCE COMPANY RECEIVED PAYMENT. AS TO EACH APPLICATION, THE LIFE INSURANCE COMPANY DID NOT RECEIVE A PREMIUM PAYMENT ON THE



APPLICATION BY AUGUST 31, 2009 BUT, WHILE RECOGNIZING THE ADVANCES AS REVENUE, BLAIR AND THE FIRM DID NOT RECORD ANY ASSOCIATED LIABILITIES IN THE FIRM'S GENERAL LEDGER AS OF AUGUST 31, 2009. BLAIR WAS THE ONLY REGISTERED PRINCIPAL AT THE FIRM RESPONSIBLE FOR REPORTING CUSTOMER GRIEVANCES AND OTHER DISCLOSABLE EVENTS TO FINRA PURSUANT TO NASD RULE 3070. BLAIR AND THE FIRM WERE NAMED DEFENDANTS IN A SECURITIES RELATED CIVIL LITIGATION. BLAIR AND THE FIRM RESOLVED THE CIVIL LITIGATION WITH A SETTLEMENT WHEREIN THEY AGREED TO PAY THE PLAINTIFFS \$1,020,000. HOWEVER, BLAIR AND THE FIRM FAILED TO TIMELY REPORT, TO FINRA PURSUANT TO NASD RULE 3070, THE SECURITIES-RELATED CIVIL LITIGATION THAT WAS SETTLED FOR AN AMOUNT EXCEEDING \$25,000. BLAIR AND THE FIRM RECEIVED SIX CUSTOMER COMPLAINTS REPORTABLE TO FINRA. THE FIRM AND ITS PRINCIPAL FAILED TO TIMELY REPORT THESE COMPLAINTS TO FINRA PURSUANT TO NASD RULE 3070. BLAIR AND THE FIRM DID NOT REPORT THE SETTLEMENT OR ANY OF THE CUSTOMER COMPLAINTS TO FINRA UNTIL AFTER FINRA BROUGHT THESE MATTERS TO THEIR ATTENTION.

|   |   |
|---|---|
| <b>Current Status:</b>  | Final   |
| <b>Resolution:</b>  | Decision & Order of Offer of Settlement   |
| <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>   | 07/13/2012  |
| <b>Sanctions Ordered:</b>   | Civil and Administrative Penalty(ies)/Fine(s)<br>Rescission   |
| <b>Monetary Sanction 1 of 1</b>   |   |
| <b>Monetary Related Sanction:</b>   | Civil and Administrative Penalty(ies)/Fine(s)   |
| <b>Total Amount:</b>  | \$7,500.00  |
| <b>Portion Levied against individual:</b>   | \$7,500.00  |
| <b>Payment Plan:</b>  | PAID IN FULL  |
| <b>Is Payment Plan Current:</b>   | Yes   |
| <b>Date Paid by individual:</b>   | 06/13/2012  |
| <b>Was any portion of penalty waived?</b>   | No  |
| <b>Amount Waived:</b>   |   |
| <b>Broker Statement</b>   | THE FINANCIAL EVENTS ARE RELATED TO ACTIVITIES WHICH OCCURRED FOR ONE MONTH IN 2009. I RETAINED AN INDEPENDENT FINOP FOR FINANCIAL REPORTING AND INADVERTENTLY RECOGNIZED COMMISSIONS AS REVENUE WITHOUT ENTERING A CORRESPONDING LIABILITY IN THE FIRM'S GENERAL LEDGER. WITH RESPECT TO THE REPORTING REQUIREMENTS, I RETAINED THE SERVICES OF AN INDEPENDENT COMPLIANCE CONSULTING FIRM TO ASSIST ME. THE FIRM INADVERTENTLY FAILED TO FILE WITH FINRA REGARDING A 2007 CIVIL LITIGATION INVOLVING CONTRACT ISSUES AND NOT INVOLVING ANY |



CLIENTS. IN ADDITION THERE WERE SEVERAL CUSTOMER COMPLAINTS DURING 2008 AND 2009 WHICH WERE REPORTED LATE BECAUSE THE COMPLIANCE CONSULTANT DID NOT DEEM THEM TO BE COMPLAINTS. THIS MATTER WAS SETTLED TO AVOID ADDITIONAL LEGAL EXPENSES.

#### Disclosure 7 of 8

|   |   |
|---|---|
| <b>Reporting Source:</b>  | Regulator   |
| <b>Regulatory Action Initiated By:</b>  | UNITED STATES SECURITIES AND EXCHANGE COMMISSION  |
| <b>Sanction(s) Sought:</b>  | Other: N/A  |
| <b>Date Initiated:</b>  | 09/29/2009  |
| <b>Docket/Case Number:</b>  | 3-13630   |
| <b>Employing firm when activity occurred which led to the regulatory action:</b>  | UNITED GLOBAL SECURITIES, INC.  |
| <b>Product Type:</b>  | Annuity-Variable  |
| <b>Allegations:</b>   | SEC ADMINISTRATIVE RELEASES 33-9066, 34-60732, IA 40-2928, SEPTEMBER 29, 2009: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESISS PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT"), SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT"), AND SECTIONS 203(E), 203(F) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AGAINST RICHARD D. BLAIR. THE SEC ALLEGES THAT BLAIR WILLFULLY VIOLATED SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT, SECTION 206(2) OF THE ADVISERS ACT, AND WILLFULLY AIDED AND ABETTED VIOLATIONS OF SECTION 15(C)(3)(A) OF THE EXCHANGE ACT AND RULE 15C3-1 THEREUNDER, AND SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 17A-3(A) AND 17A-11 THEREUNDER. BLAIR CONVINCED CUSTOMERS TO SURRENDER VARIABLE ANNUITIES AND REPURCHASE NEW VARIABLE ANNUITIES TWICE WITHIN AN 18 MONTH PERIOD BEGINNING IN LATE 2004. IN GENERAL, BLAIR REPRESENTED THAT THE COST OF THE TRANSACTIONS WOULD BE MINIMAL. THE TWO ROUNDS OF TRANSACTIONS COST THE CUSTOMERS ABOUT 11% OF THE TOTAL PRINCIPAL UNDER INVESTMENT, HOWEVER, WHILE HIS COMPANY RECEIVED \$208,347 IN COMMISSIONS. ADDITIONALLY, BLAIR CAUSED HIS COMPANY TO MAINTAIN INACCURATE BOOKS AND RECORDS AND OPERATE WITH A NET CAPITAL DEFICIENCY IN JANUARY AND FEBRUARY 2007. |
| <b>Current Status:</b>  | Final   |
| <b>Resolution:</b>  | Order   |
| <b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b> | Yes   |
| <b>Resolution Date:</b>   | 09/29/2009  |
| <b>Sanctions Ordered:</b>   | Cease and Desist  |



If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?

(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board or to have been unable to comply with any provision of such Act, rule or regulation?

(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

## Censure Civil and Administrative Penalty(ies)/Fine(s)

Yes



**(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?**

**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:**

**Is Payment Plan Current:**

**Date Paid by individual:**

**Was any portion of penalty waived?**

**Amount Waived:**

**Regulator Statement**

BLAIR HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS & ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, & WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER HIM & THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, BLAIR CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE & CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT, SECTIONS 15(B) & 21C OF THE EXCHANGE ACT, & SECTIONS 203(E), 203(F) & 203(K) OF THE ADVISERS ACT, MAKING FINDINGS, & IMPOSING REMEDIAL SANCTIONS & A CEASE-AND-DESIST ORDER. ACCORDINGLY, PURSUANT TO SECTION 8A OF THE SECURITIES ACT, SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT, & SECTIONS 203(E), 203(F) & 203(K) OF THE ADVISERS ACT, IT IS HEREBY ORDERED THAT BLAIR CEASE & DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS & ANY FUTURE VIOLATIONS OF SECTIONS 17(A)(2) AND (3) OF THE SECURITIES ACT & SECTION 206(2) OF THE ADVISERS ACT; BLAIR CEASE AND DESIST FROM CAUSING ANY VIOLATIONS & ANY FUTURE VIOLATIONS BY HIS COMPANY OF SECTIONS 15(C)(3)(A) & 17(A)(1) OF THE EXCHANGE ACT & RULES 15C3-1, 17A-3(A), & 17A-11 THEREUNDER; BLAIR IS CENSURED; BLAIR, JOINTLY & SEVERALLY, SHALL, WITHIN 10 DAYS OF THE ENTRY OF THE ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$25,000, TO THE UNITED STATES TREASURY. IF TIMELY



PAYMENT IS NOT MADE, ADDITIONAL INTEREST SHALL ACCRUE PURSUANT TO 31 U.S.C. 3717; COMPLY WITH UNDERTAKINGS.

BLAIR HAS UNDERTAKEN, WITHIN 30 DAYS OF ENTRY DATE OF THE ORDER, TO RETAIN AN INDEPENDENT CONSULTANT TO REVIEW THE SUPERVISORY, COMPLIANCE & OTHER POLICIES & PROCEDURES OF RESPONDENT; SUBMIT NO LATER THAN 120 DAYS AFTER ENTRY DATE OF THE ORDER TO THE STAFF OF THE COMMISSION A WRITTEN REPORT THAT BLAIR WILL OBTAIN FROM THE INDEPENDENT CONSULTANT REGARDING RESPONDENT'S POLICIES & PROCEDURES; WITHIN 150 DAYS OF THE ENTRY DATE OF THE ORDER ADOPT ALL RECOMMENDATIONS MADE BY THE INDEPENDENT CONSULTANT, HOWEVER, BLAIR WILL IN WRITING ADVISE THE INDEPENDENT CONSULTANT & THE STAFF OF THE COMMISSION OF ANY RECOMMENDATIONS IT CONSIDERS UNNECESSARY OR INAPPROPRIATE. BLAIR NEED NOT ADOPT SUCH RECOMMENDATIONS AT THAT TIME, BUT INSTEAD PROPOSE IN WRITING AN ALTERNATIVE TO ACHIEVE THE SAME OBJECTIVE OR PURPOSE. AS TO ANY RECOMMENDATION ON WHICH BLAIR & THE INDEPENDENT CONSULTANT DO NOT AGREE, THEY WILL ATTEMPT IN GOOD FAITH TO REACH AN AGREEMENT. IN THE EVENT RESPONDENT & THE INDEPENDENT CONSULTANT ARE UNABLE TO AGREE, BLAIR WILL ABIDE BY THE DETERMINATIONS OF THE INDEPENDENT CONSULTANT; SUBMIT TO THE STAFF OF THE COMMISSION, NO LATER THAN ONE YEAR AFTER THE ENTRY DATE OF THE ORDER, A WRITTEN FINAL REPORT THAT RESPONDENT WILL OBTAIN FROM THE INDEPENDENT CONSULTANT THAT WILL CONTAIN CONCLUSIONS & FURTHER RECOMMENDATIONS; REQUIRE THE INDEPENDENT CONSULTANT TO ENTER INTO AN AGREEMENT THAT PROVIDES THAT FOR THE PERIOD OF ENGAGEMENT & FOR A PERIOD OF TWO YEARS FROM COMPLETION OF THE ENGAGEMENT, THE INDEPENDENT CONSULTANT SHALL NOT ENTER INTO ANY EMPLOYMENT, CONSULTANT, ATTORNEY-CLIENT, AUDITING OR OTHER PROFESSIONAL RELATIONSHIP WITH RESPONDENT, OR ANY PRESENT OR FORMER AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS ACTING IN THEIR CAPACITY. THE AGREEMENT WILL ALSO PROVIDE THAT THE INDEPENDENT CONSULTANT WILL REQUIRE THAT ANY FIRM WITH WHICH HE/SHE IS AFFILIATED OR OF WHICH HE/SHE IS A MEMBER, & ANY PERSON ENGAGED TO ASSIST THE INDEPENDENT CONSULTANT IN PERFORMANCE OF HIS/HER DUTIES UNDER THIS ORDER SHALL NOT, WITHOUT PRIOR WRITTEN CONSENT OF THE STAFF OF THE COMMISSION, ENTER INTO ANY EMPLOYMENT, CONSULTANT, ATTORNEY-CLIENT, AUDITING OR OTHER PROFESSIONAL RELATIONSHIP WITH RESPONDENT, OR ANY PRESENT OR FORMER AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS ACTING IN THEIR CAPACITY AS SUCH FOR THE PERIOD OF THE ENGAGEMENT & FOR A PERIOD OF TWO YEARS AFTER THE ENGAGEMENT.

|  |  |
|--|--|
| <b>Reporting Source:</b>               | Individual   |
| <b>Regulatory Action Initiated By:</b> | UNITED STATES SECURITIES AND EXCHANGE COMMISSION                               |
| <b>Sanction(s) Sought:</b>             | Cease and Desist<br>Censure<br>Monetary Penalty other than Fines<br>Other: N/A |
| <b>Date Initiated:</b>                 | 09/29/2009   |
| <b>Docket/Case Number:</b>             | 3-13630  |



|   |   |
|---|---|
| <b>Employing firm when activity occurred which led to the regulatory action:</b>  | UNITED GLOBAL SECURITIES, INC.  |
| <b>Product Type:</b>  | Annuity-Variable  |
| <b>Allegations:</b>   | THE SEC ALLEGES THAT BLAIR WILLFULLY VIOLATED SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT, SECTION 206(2) OF THE ADVISERS ACT, AND WILLFULLY AIDED AND ABETTED VIOLATIONS OF SECTION 15(C)(3)(A) OF THE EXCHANGE ACT AND RULE 15C3-1 THEREUNDER, AND SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 17A-3(A) AND 17A-11 THEREUNDER. BLAIR CONVINCED CUSTOMERS TO SURRENDER VARIABLE ANNUITIES AND REPURCHASE NEW VARIABLE ANNUITIES TWICE WITHIN AN 18 MONTH PERIOD BEGINNING IN LATE 2004. IN GENERAL, BLAIR REPRESENTED THAT THE COST OF THE TRANSACTIONS WOULD BE MINIMAL. THE TWO ROUNDS OF TRANSACTIONS COST THE CUSTOMERS ABOUT 11% OF THE TOTAL PRINCIPAL UNDER INVESTMENT, HOWEVER, WHILE HIS COMPANY RECEIVED \$208,347 IN COMMISSIONS. ADDITIONALLY, BLAIR CAUSED HIS COMPANY TO MAINTAIN INACCURATE BOOKS AND RECORDS AND OPERATE WITH A NET CAPITAL DEFICIENCY IN JANUARY AND FEBRUARY 2007. |
| <b>Current Status:</b>  | Final   |
| <b>Resolution:</b>  | Decision & Order of Offer of Settlement   |
| <b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b> | Yes   |
| <b>Resolution Date:</b>   | 09/29/2009  |
| <b>Sanctions Ordered:</b>   | Cease and Desist<br>Censure<br>Civil and Administrative Penalty(ies)/Fine(s)<br>Undertaking   |
| <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>  |   |
| <b>Is Payment Plan Current:</b>   |   |
| <b>Date Paid by individual:</b>   |   |
| <b>Was any portion of penalty waived?</b>   | No  |
| <b>Amount Waived:</b>   |   |
| <b>Disclosure 8 of 8</b>  |   |
| <b>Reporting Source:</b>  | Regulator   |



**Regulatory Action Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Sanction(s) Sought:**

**Other Sanction(s) Sought:**

**Date Initiated:** 10/05/1994

**Docket/Case Number:** C06940015

**Employing firm when activity occurred which led to the regulatory action:** MURCHISON INVESTMENT BANKERS

**Product Type:**

**Other Product Type(s):**

**Allegations:**

**Current Status:** Final

**Resolution:** Consent

**Resolution Date:** 10/05/1994

**Sanctions Ordered:** Censure  
Monetary/Fine \$3,887.69

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement** ON OCTOBER 5, 1994, DISTRICT NO. 6 NOTIFIED RICHARD DWAYNE BLAIR THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C06940015 WAS ACCEPTED; THEREFORE, RESPONDENT BLAIR IS CENSURED AND FINED \$3,887.69, WHICH INCLUDES RECOVERY OF COMMISSIONS EARNED - (ARTICLE III, SECTIONS 1 AND 43 OF THE RULES OF FAIR PRACTICE - RESPONDENT BLAIR FAILED TO GIVE WRITTEN NOTICE TO HIS MEMBER FIRM THAT HE WAS OFFERING AND SELLING FIXED ANNUITY CONTRACTS AND SIMILAR INSURANCE PRODUCTS TO HIS CUSTOMERS).

\*\*\*\$3,887.69 PAID ON 11/29/94 INVOICE #94-06-694\*\*\*

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**Reporting Source:** Individual

**Regulatory Action Initiated By:** NASD/DISTRICT 6

**Sanction(s) Sought:**

**Other Sanction(s) Sought:**

**Date Initiated:** 10/05/1994

**Docket/Case Number:** C06940015

**Employing firm when activity occurred which led to the regulatory action:** MURCHISON INVESTMENT BANKERS

**Product Type:**

**Other Product Type(s):**

|                                 |   |
|---------------------------------|---|
| <b>Allegations:</b>             | THE NASD DISTRICT 6 NOTIFIED ME BY LETTER OF ACCEPTANCE, WAIVER & CONSENT C06949915 OF CENSURE/FINE OF \$3,887.69 FOR VIOLATING ARTICLE III SECTIONS 1 & 43 OF THE RULES OF FAIR PRACTICE FOR FAILING TO ADVISE MY EMPLOYER (MURCHISON INVESTMENT BANKERS) OF OFFERING AND SELLING FIXED ANNUITY CONTRACT & SIMILAR INSURANCE PRODUCTS. |
| <b>Current Status:</b>          | Final   |
| <b>Resolution:</b>              | Consent   |
| <b>Resolution Date:</b>         | 10/05/1994  |
| <b>Sanctions Ordered:</b>       | Censure<br>Monetary/Fine \$3,887.69   |
| <b>Other Sanctions Ordered:</b> |   |
| <b>Sanction Details:</b>        | I PAID THE FINE OF \$3,887.69   |
| <b>Broker Statement</b>         | Not Provided  |



## 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 1

|  |   |
|--|---|
| <b>Reporting Source:</b>   | Individual  |
| <b>Employing firm when activities occurred which led to the complaint:</b> | UNITED GLOBAL SECURITIES  |
| <b>Allegations:</b>  | CLIENTS ACCUSE RESPONDENT OF UNSUITABLE VARIABLE ANNUITY EXCHANGES. |
| <b>Product Type:</b>   | Annuity-Variable  |
| <b>Alleged Damages:</b>  | \$79,374.00   |
| <b>Is this an oral complaint?</b>  | No  |
| <b>Is this a written complaint?</b>  | Yes   |
| <b>Is this an arbitration/CFTC reparation or civil litigation?</b>         | Yes   |
| <b>Arbitration/Reparation forum or court name and location:</b>            | FINRA ARBITRATION   |
| <b>Docket/Case #:</b>  | 12-04292  |
| <b>Filing date of arbitration/CFTC reparation or civil litigation:</b>     | 12/20/2012  |

## Customer Complaint Information

|  |             |
|--|-------------|
| <b>Date Complaint Received:</b>        | 01/15/2013  |
| <b>Complaint Pending?</b>              | No          |
| <b>Status:</b>                         | Settled     |
| <b>Status Date:</b>                    | 09/10/2014  |
| <b>Settlement Amount:</b>              | \$65,000.00 |
| <b>Individual Contribution Amount:</b> | \$65,000.00 |



## Termination

This disclosure event involves a situation where the Investment Adviser Representative voluntarily resigned, was discharged or was permitted to resign after allegations were made that accused the Investment Adviser Representative of violating investment-related statutes, regulations, rules or industry standards of conduct; fraud or the wrongful taking of property; or failure to supervise in connection with investment-related statutes, regulations, rules or industry standards of conduct.

### Disclosure 1 of 1

**Reporting Source:** Individual  
**Firm Name:** MURCHISON INVESTMENT BANKERS  
**Termination Type:** Permitted to Resign  
**Termination Date:** 10/07/1993  
**Allegations:**  
NA  
THE ALLEGATIONS AGAINST ME INCLUDED NOT  
RETURNING MATERIAL BELONGING TO MURCHISON INVESTMENT  
BANKERS.  
(FOR EXAMPLE, SCHOOL DISTRICT DIRECTORIES TO CONTACT  
EMPLOYEES  
FOR TSA BUSINES). THE OTHER ALLEGATIONS WAS THAT I WAS SELLING  
AWAY FROM THE FIRM.  
**Product Type:**  
**Other Product Types:**  
**Broker Statement**  
I MET WITH THE VICE PRESIDENT AND SALES MANAGER  
AND WAS TOLD IF I RETURNED THE SALES MATERIAL AND PAID MY CRD  
TRANSFER FEES THEY WOULD SEND A U-5 TERMINATION. I RETURNED  
ALL  
THE MATERIAL THAT WAS GIVEN TO ME, THEREFORE I WAS UNDER THE  
IMPRESSION THAT I HAD RESOLVED THE PROBLEM.  
AS I EXPLAINED, ABOVE I HAD SATISFIED THE REQUEST  
OF MURCHISON INVESTMENT BANKERS TO THE BEST OF MY ABILITY. THE  
SCHOOL DISTRICT DIRECTORIES REMAINED ON THEIR PREMISES,  
THERFORE I WAS NOT RESPONSIBLE IF THEY WERE MISPLACED. I HAD  
BUILT UP A BOOK OF CLIENTS FROM MY OTHER EMPLOYER AND HAD  
CONTACTED THESE EMPLOYEES PREVIOUS TO MY EMPLOYMENT WITH  
MURCHISON INVESTMENT BANKERS. THE REASONS I LEFT MURCHISON  
WAS  
TO CREATE MY OWN FIRM.



## End of Report

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