



IAPD Report

MICHAEL MURRAY KNITTEL

CRD# 3274235

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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

MICHAEL MURRAY KNITTEL (CRD# 3274235)

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 **05/30/2025**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	ARROWROOT FAMILY OFFICE, LLC	CRD# 168744	06/30/2022

QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **1** jurisdiction(s).

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

Note: Not all jurisdictions require IAR registration or may have an exemption from registration.

Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

REGISTRATION HISTORY

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

	FIRM	CRD#	LOCATION	REGISTRATION DATES
IA	LAGUNITAS ASSET MANAGEMENT, LLC	166781	EL DORADO HILLS, CA	06/20/2013 - 06/07/2022
B	FORTUNE FINANCIAL SERVICES, INC.	42150	El Dorado Hills, CA	01/27/2015 - 12/31/2021
B	J.W. COLE FINANCIAL, INC.	124583	FOLSOM, CA	05/10/2013 - 01/30/2015

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	2
Civil Event	1
Customer Dispute	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 **1** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **ARROWROOT FAMILY OFFICE, LLC**
Main Address: 4553 GLENCOE AVENUE
SUITE 200
MARINA DEL REY, CA 90292
Firm ID#: 168744

Regulator	Registration	Status	Date
IA California	Investment Adviser Representative	Restricted Approval	06/30/2022

Branch Office Locations

ARROWROOT FAMILY OFFICE, LLC
1264 HAWKS FLIGHT CT
SUITE 290
EL DORADO HILLS, CA 95762



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 2 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	09/10/1999
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State Securities Law Exams

Exam	Category	Date
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Uniform Combined State Law Examination (S66)	Series 66	03/12/2009
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Uniform Securities Agent State Law Examination (S63)	Series 63	09/17/1999
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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
IA	06/20/2013 - 06/07/2022	LAGUNITAS ASSET MANAGEMENT, LLC	CRD# 166781	EL DORADO HILLS, CA
B	01/27/2015 - 12/31/2021	FORTUNE FINANCIAL SERVICES, INC.	CRD# 42150	El Dorado Hills, CA
B	05/10/2013 - 01/30/2015	J.W. COLE FINANCIAL, INC.	CRD# 124583	FOLSOM, CA
IA	11/09/2010 - 06/24/2013	CONCERT WEALTH MANAGEMENT	CRD# 141253	FOLSOM, CA
B	11/10/2010 - 05/10/2013	FINANCIAL ADVISERS OF AMERICA, LLC	CRD# 142170	FOLSOM, CA
IA	06/02/2008 - 11/12/2010	RBC CAPITAL MARKETS, LLC	CRD# 31194	EL DORADO HILLS, CA
B	05/30/2008 - 11/12/2010	RBC CAPITAL MARKETS, LLC	CRD# 31194	EL DORADO HILLS, CA
B	01/01/2008 - 06/04/2008	WACHOVIA SECURITIES, LLC	CRD# 19616	EL DORADO HILLS, CA
IA	01/01/2008 - 06/04/2008	WACHOVIA SECURITIES, LLC	CRD# 19616	EL DORADO HILLS, CA
B	09/13/1999 - 01/03/2008	A. G. EDWARDS & SONS, INC.	CRD# 4	EL DORADO HILLS, CA
IA	03/29/2001 - 01/01/2008	A. G. EDWARDS & SONS, INC.	CRD# 4	EL DORADO HILLS, CA

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
04/2022 - Present	ARROWROOT FAMILY OFFICE, LLC	PORTFOLIO MANAGER - PARTNER	Y	EL DORADO HILLS, CA, United States
06/2013 - 04/2022	LAGUNITAS ASSET MANAGEMENT, LLC	MANAGING MEMBER - CCO	Y	EL DORADO HILLS, CA, United States
01/2015 - 12/2021	FORTUNE FINANCIAL SERVICES, INC.	REGISTERED REPRESENTATIVE	Y	MONACA, PA, United States



Registration & Employment History

EMPLOYMENT HISTORY

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) MICHAEL M KNITTEL IS A LICENSED INSURANCE AGENT. FROM TIME TO TIME, HE WILL OFFER CLIENTS ADVICE OR PRODUCTS FROM THOSE ACTIVITIES. CLIENTS SHOULD BE AWARE THAT THESE SERVICES PAY A COMMISSION AND INVOLVE A CONFLICT OF INTEREST, AS COMMISSIONABLE PRODUCTS CONFLICT WITH THE FIDUCIARY DUTIES OF A REGISTERED INVESTMENT ADVISER. THE ADVISOR ALWAYS ACTS IN THE BEST INTEREST OF THE CLIENT, INCLUDING WITH RESPECT TO THE SALE OF COMMISSIONABLE PRODUCTS TO ADVISORY CLIENTS. 2) MR. KNITTEL IS A MINORITY PARTNER IN WINNING STREAK VENTURES, GP, WHERE HE HOLDS A 21% NON-CONTROLLING STAKE. NO COMPENSATION IS DERIVED FROM THIS UNLESS ANY OF THE PRIVATE COMPANIES IN WINNING STREAK VENTURES FUND I EXIT. THE LPS ARE REPAYED THEIR INVESTMENT FIRST, THEN FOR ANY PROFITS ABOVE THAT, THE GP IS ENTITLED TO 20% OF THE CARRY.



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	2
Civil Event	1
Customer Dispute	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 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	Department of Financial Protection and Innovation.
Sanction(s) Sought:	Cease and Desist Civil and Administrative Penalty(ies)/Fine(s)
Date Initiated:	01/19/2023
Docket/Case Number:	CRD NO. 3274235
URL for Regulatory Action:	
Employing firm when activity occurred which led to the regulatory action:	Fortune Financial Services, Inc.
Product Type:	Promissory Note
Allegations:	Licensee offered and sold "away" unregistered nonexempt securities.
Current Status:	Final
Resolution:	Settled
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes



Resolution Date: 04/18/2023
Sanctions Ordered: Cease and Desist
Monetary Penalty other than Fines
Other: N/A

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: \$10,000.00

Portion Levied against individual: \$10,000.00

Payment Plan: Payable within 30 days from April 18, 2023.

Is Payment Plan Current: Yes

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Disclosure 2 of 2

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought:

Date Initiated: 01/28/2022

Docket/Case Number: 2020067053001

Employing firm when activity occurred which led to the regulatory action: Fortune Financial Services, Inc.

Product Type: Promissory Note

Allegations: Without admitting or denying the findings, Knittel consented to the sanctions and to the entry of findings that he participated in a private securities transaction involving a \$245,000 investment, without providing prior written notice to his member firm. The findings stated that Knittel recommended that investors invest in a promissory note issued by a limited liability company to fund the renovation of a residential property and to pay for legal fees associated with renegotiating an existing lien on



the property. Pursuant to the terms of the promissory note, the investors would receive repayment of their principal and a share of profits upon the sale of the property. Knittel introduced the investors to an owner of the company and provided the investors with information and documents about the investment, including a draft subscription agreement. After the investors invested, Knittel received \$10,000 from the company. The investors, who later named Knittel in a pending investment-related civil action, expressed concern to him about the company and their investments. Knittel then sent the investors the \$10,000 that he had previously received from the company.

Current Status:

Final

Resolution:

Acceptance, Waiver & Consent(AWC)

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:

01/28/2022

Sanctions Ordered:

Civil and Administrative Penalty(ies)/Fine(s)
Suspension

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?

Sanction 1 of 1

Sanction Type:	Suspension
Capacities Affected:	All Capacities
Duration:	Four Months
Start Date:	02/07/2022
End Date:	06/06/2022

Monetary Sanction 1 of 1

Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	\$10,000.00
Portion Levied against individual:	\$10,000.00
Payment Plan:	Deferred
Is Payment Plan Current:	
Date Paid by individual:	
Was any portion of penalty waived?	No



Amount Waived:

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Reporting Source: Individual
Regulatory Action Initiated By: FINRA
Sanction(s) Sought: Civil and Administrative Penalty(ies)/Fine(s)
Suspension
Date Initiated: 02/02/2022
Docket/Case Number: n/a

Employing firm when activity occurred which led to the regulatory action: Fortune Financial Services

Product Type: Other: Private Securities

Allegations: Without admitting or denying the findings, Knittel consented to the sanctions and to the entry of findings that he participated in a private securities transaction involving a \$245,000 investment, without providing prior written notice to his member firm. The findings stated that Knittel recommended that investors invest in a promissory note issued by a limited liability company to fund the renovation of a residential property and to pay for legal fees associated with renegotiating an existing lien on the property. Pursuant to the terms of the promissory note, the investors would receive repayment of their principal and a share of profits upon the sale of the property. Knittel introduced the investors to an owner of the company and provided the investors with information and documents about the investment, including a draft subscription agreement. After the investors invested, Knittel received \$10,000 from the company. The investors, who later named Knittel in a pending investment-related civil action, expressed concern to him about the company and their investments. Knittel then sent the investors the \$10,000 that he had previously received from the company.

Current Status: Final

Resolution: Acceptance, Waiver & Consent(AWC)

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: 02/07/2022

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

Sanction 1 of 1

Sanction Type: Suspension

Capacities Affected: All Capacities.

Duration: Four months.

Start Date: 02/07/2022

End Date:



Monetary Sanction 1 of 1

Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	\$10,000.00
Portion Levied against individual:	\$0.00
Payment Plan:	
Is Payment Plan Current:	No
Date Paid by individual:	
Was any portion of penalty waived?	Yes
Amount Waived:	\$10,000.00



Civil Event

This disclosure event involves an injunction issued by a foreign or domestic court in connection with investment-related activity, a finding by a domestic or foreign court of a violation of any investment-related statute or regulation, or an action dismissed by a domestic or foreign court pursuant to a settlement agreement.

Disclosure 1 of 1

Reporting Source:	Individual
Initiated By:	Four Ws LLC, Deryk Walcott, Julie Walcott, Dan Wallcot and Tom Wilson
Relief Sought:	Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Monetary Penalty other than Fines Restitution
Date Court Action Filed:	06/01/2020
Date Notice/Process Served:	06/01/2020
Product Type:	Direct Investment-DPP & LP Interests
Type of Court:	State Court
Name of Court:	Superior Court of California
Location of Court:	Placer County California
Docket/Case #:	None listed
Employing firm when activity occurred which led to the action:	Fortune Financial Services, Inc.
Allegations:	Fraud, Negligence, Breach of Contract, Conspiracy
Current Status:	Final
Resolution:	Settled
Resolution Date:	04/17/2025
Sanctions Ordered or Relief Granted:	



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

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: WACHOVIA SECURITIES, LLC

Allegations: ALLEGED WAS ASSURED THEIR INVESTMENT WAS 100% SAFE AND LIQUID. ALLEGED DAMAGES, UNSPECIFIED, BUT BELIEVED TO EXCEED \$5,000. (ACCOUNT OPENED MARCH, 2006)

Product Type: Other: AUCTION RATE SECURITIES

Alleged Damages: \$0.00

Is this an oral complaint? No

Is this a written complaint? Yes

Is this an arbitration/CFTC reparation or civil litigation? No

Customer Complaint Information

Date Complaint Received: 06/26/2008

Complaint Pending? No

Status: Settled

Status Date: 08/15/2008

Settlement Amount: \$25,000.00

Individual Contribution Amount: \$0.00

Firm Statement THIS MATTER INVOLVES THE SALE OF AUCTION RATE SECURITIES (ARS). THE TRANSACTION(S) AT ISSUE TOOK PLACE BEFORE MID-FEBRUARY 2008, WHEN THE ARS MARKET SUFFERED WIDESPREAD AUCTION FAILURES AND ILLIQUIDITY. THE FINANCIAL ADVISOR DID NOT CAUSE, CONTRIBUTE OR HAVE ANY CONTROL WHATSOEVER OVER THESE MARKET EVENTS. THE FIRM REACHED AGREEMENT WITH CERTAIN OF ITS REGULATORS, PURSUANT TO WHICH IT REPURCHASED ARS FOR THEIR FULL PAR VALUE FROM CERTAIN CLIENTS, INCLUDING THE INSTANT CLIENT, WHETHER THEY COMPLAINED OR NOT. THE FINANCIAL ADVISOR WAS NOT A PARTY TO THAT AGREEMENT, DID NOT MAKE ANY PAYMENTS TO THE CLIENT, AND WAS NOT ASKED TO AND DID NOT CONTRIBUTE TO THE REPURCHASE AMOUNT. THE SETTLEMENT AMOUNT IN ITEM 11 ABOVE REFLECTS THE PAR VALUE OF THE REPURCHASED ARS, AS REQUIRED BY FINRA REGULATORY NOTICE 09-12.

Reporting Source: Individual



Employing firm when activities occurred which led to the complaint: WACHOVIA SECURITIES, LLC

Allegations: ALLEGES WAS ASSURED THEIR INVESTMENT WAS 100% SAFE AND LIQUID. ALLEGE DAMAGES, UNSPECIFIED, BUT BELIEVED TO EXCEED \$5,000. (ACCOUNT OPENED MARCH, 2006)

Product Type: Other: AUCTION RATE SECURITIES

Alleged Damages: \$0.00

Is this an oral complaint? No

Is this a written complaint? Yes

Is this an arbitration/CFTC reparation or civil litigation? No

Customer Complaint Information

Date Complaint Received: 06/26/2008

Complaint Pending? No

Status: Settled

Status Date: 08/15/2008

Settlement Amount: \$25,000.00

Individual Contribution Amount: \$0.00

Broker Statement

THIS MATTER INVOLVES THE SALE OF AUCTION RATE SECURITIES (ARS). THE TRANSACTION(S) AT ISSUE TOOK PLACE BEFORE MID-FEBRUARY 2008, WHEN THE ARS MARKET SUFFERED WIDESPREAD AUCTION FAILURES AND ILLIQUIDITY. THE FINANCIAL ADVISOR DID NOT CAUSE, CONTRIBUTE OR HAVE ANY CONTROL WHATSOEVER OVER THESE MARKET EVENTS. THE FIRM REACHED AGREEMENT WITH CERTAIN OF ITS REGULATORS, PURSUANT TO WHICH IT REPURCHASED ARS FOR THEIR FULL PAR VALUE FROM CERTAIN CLIENTS, INCLUDING THE INSTANT CLIENT, WHETHER THEY COMPLAINED OR NOT. THE FINANCIAL ADVISOR WAS NOT A PARTY TO THAT AGREEMENT, DID NOT MAKE ANY PAYMENTS TO THE CLIENT, AND WAS NOT ASKED TO AND DID NOT CONTRIBUTE TO THE REPURCHASE AMOUNT. THE SETTLEMENT AMOUNT IN ITEM 11 ABOVE REFLECTS THE PAR VALUE OF THE REPURCHASED ARS, AS REQUIRED BY FINRA REGULATORY NOTICE 09-12.



End of Report

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