



IAPD Report

CHRISTOPHER MICHAEL HERRMANN

CRD# 4123657

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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

CHRISTOPHER MICHAEL HERRMANN (CRD# 4123657)

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 **10/23/2018**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	VERTICAL WEALTH, LLC	CRD# 158010	05/04/2016

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	KEY INVESTMENT SERVICES LLC	136300	GREENWOOD, IN	09/27/2011 - 05/19/2015
B	KEY INVESTMENT SERVICES LLC	136300	GREENWOOD, IN	09/16/2011 - 05/19/2015
B	DAVID A. NOYES & COMPANY	205	INDIANAPOLIS, IN	05/30/2008 - 08/01/2011

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

DISCLOSURE INFORMATION

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

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

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1
Customer Dispute	9
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 **1** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **VERTICAL WEALTH, LLC**
Main Address: 6402 CORPORATE DRIVE
SUITE 102
INDIANAPOLIS, IN 46278
Firm ID#: 158010

Regulator	Registration	Status	Date
IA Indiana	Investment Adviser Representative	Approved	05/04/2016

Branch Office Locations

VERTICAL WEALTH, LLC
6402 CORPORATE DRIVE
SUITE 102
INDIANAPOLIS, IN 46278



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, 3 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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B Securities Industry Essentials Examination (SIE)	SIE	05/19/2015
B General Securities Representative Examination (S7)	Series 7	05/15/2001
B Investment Company Products/Variable Contracts Representative Examination (S6)	Series 6	02/22/2000

State Securities Law Exams

Exam	Category	Date
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IA Uniform Investment Adviser Law Examination (S65)	Series 65	06/08/2001
B Uniform Securities Agent State Law Examination (S63)	Series 63	02/23/2000

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	09/27/2011 - 05/19/2015	KEY INVESTMENT SERVICES LLC	CRD# 136300	GREENWOOD, IN
B	09/16/2011 - 05/19/2015	KEY INVESTMENT SERVICES LLC	CRD# 136300	GREENWOOD, IN
B	05/30/2008 - 08/01/2011	DAVID A. NOYES & COMPANY	CRD# 205	INDIANAPOLIS, IN
IA	05/30/2008 - 08/01/2011	DAVID A. NOYES & COMPANY	CRD# 205	INDIANAPOLIS, IN
B	07/28/2004 - 05/27/2008	MORGAN KEEGAN & COMPANY, INC.	CRD# 4161	INDIANAPOLIS, IN
IA	07/28/2004 - 05/27/2008	MORGAN KEEGAN & COMPANY, INC.	CRD# 4161	INDIANAPOLIS, IN
IA	04/07/2003 - 08/05/2004	UNION PLANTERS INVESTMENT ADVISORS, INC.	CRD# 111807	INDIANAPOLIS, IN
B	04/02/2003 - 08/05/2004	PFIC SECURITIES CORPORATION	CRD# 34941	FRANKLIN, TN
IA	11/06/2001 - 03/26/2003	MERRILL LYNCH PIERCE FENNER & SMITH INC.	CRD# 7691	INDIANAPOLIS, IN
B	05/16/2001 - 03/26/2003	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	CRD# 7691	NEW YORK, NY
B	02/23/2000 - 05/17/2001	NORTHWESTERN MUTUAL INVESTMENT SERVICES, LLC	CRD# 2881	MILWAUKEE, WI
B	02/23/2000 - 05/17/2001	ROBERT W. BAIRD & CO. INCORPORATED	CRD# 8158	MILWAUKEE, WI

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
04/2016 - Present	Legacy Practice Management	Wealth Advisor	Y	Plainfield, IN, United States



Registration & 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.

No information reported.



Disclosure Summary

Disclosure Information

What you should know about reported disclosure events:

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

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

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

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

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

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

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



DISCLOSURE EVENT DETAILS

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

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

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1
Customer Dispute	9
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 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	
Date Initiated:	10/19/2018
Docket/Case Number:	2016051817601
Employing firm when activity occurred which led to the regulatory action:	Key Investment Services LLC
Product Type:	Annuity-Fixed Annuity-Variable
Allegations:	Without admitting or denying the findings, Herrmann consented to the sanctions and to the entry of findings that he recommended annuity transactions to retired and elderly customers, while failing to facilitate the transactions as a tax-free 1035 exchange, which resulted in significant tax liabilities to the customers. The findings stated that Herrmann's recommendations were not suitable for his customers, because the recommendations did not take into account his customers' tax status and the tax consequences of the transactions he recommended to the customers. The findings also stated that Herrmann circumvented his member firm's compliance procedures and thereby its supervision of the annuity switch transactions, by failing to facilitate the transactions as tax-free 1035 exchanges and providing false information on annuity-related documents. When Herrmann recommended and affected the annuity transactions, he circumvented his firm's procedures and supervision by failing to submit Switch Disclosure forms for those



transactions, notwithstanding his recommendations and that the purchases of new annuities were funded with the proceeds of the liquidation of prior annuities just weeks before. Hermann further concealed these switch transactions from his firm's supervisory review by providing inaccurate information on the documents he submitted to the annuity companies, which his firm also received, in order to effectuate the purchase and sale transactions.

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:

10/19/2018

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:	nine months
Start Date:	11/05/2018
End Date:	08/04/2019

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:



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 9

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Key Investment Services, LLC
Allegations:	Client's Son-in-law, [Third Party] alleges, instead of recommending a 1035 exchange, RR's recommendation in October 2014 to surrender an existing annuity (\$160,027.60) and purchase a Great American Assurance Select 7 fixed annuity [Account Number] (\$100,000) resulting in a tax liability, constituted poor advise.
Product Type:	Annuity-Fixed
Alleged Damages:	\$12,700.00
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:	10/13/2016
Complaint Pending?	No
Status:	Settled
Status Date:	02/22/2017
Settlement Amount:	\$22,339.24
Individual Contribution Amount:	\$0.00

Disclosure 2 of 9

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	KEY INVESTMENT SERVICES, LLC
Allegations:	Client alleges misrepresentation in the switching of \$50,000 from Victory Diversified Stock Fund Class A to Putnam Capital Spectrum Fund Class A on 3/25/14.
Product Type:	Mutual Fund
Alleged Damages:	\$6,112.00
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: 03/28/2016

Complaint Pending? No

Status: Settled

Status Date: 04/21/2016

Settlement Amount: \$3,105.00

Individual Contribution
Amount: \$0.00

Disclosure 3 of 9

Reporting Source: Firm

Employing firm when
activities occurred which led
to the complaint: KEY INVESTMENT SERVICES LLC

Allegations: THE CLIENT ALLEGES THE RR'S RECOMMENDATION TO SURRENDER AMERICAN FIDELITY INSURANCE POLICY OF \$74,827 TO PURCHASE MUTUAL FUNDS CONSTITUTED A POOR RECOMMENDATION.

Product Type: Insurance

Alleged Damages: \$11,200.00

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: 05/20/2015

Complaint Pending? No

Status: Closed/No Action

Status Date: 02/23/2016

Settlement Amount:

Individual Contribution
Amount:

Disclosure 4 of 9

Reporting Source: Firm

Employing firm when
activities occurred which led
to the complaint: KEY INVESTMENT SERVICES LLC

Allegations: THE CLIENT ALLEGES THAT THE RR RECOMMENDED THE SALE OF TWO FIXED ANNUITY CONTRACTS INSTEAD OF A 1035 EXCHANGE IN FACILITATING THE PURCHASE OF A \$450,000 VARIABLE ANNUITY



CONTRACT IN SEPTEMBER OF 2013. THE CLIENT ALSO ALLEGES THAT THE RR OMITTED MATERIAL FACTS ON THE VARIABLE ANNUITY APPLICATION AND FAILED TO PROVIDE COMPARISON INFORMATION WITH RESPECT TO THE TERMINATED CONTRACTS AND THE NEW POLICY.

Product Type: Annuity-Fixed
Annuity-Variable

Alleged Damages: \$17,175.00

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: 04/20/2015

Complaint Pending? No

Status: Settled

Status Date: 12/08/2015

Settlement Amount: \$18,726.00

Individual Contribution Amount: \$0.00

Disclosure 5 of 9

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: KEY INVESTMENT SERVICES LLC

Allegations: CLIENT ALLEGES THAT SHE WAS NOT AWARE OF THE FEATURES OF AN INDEXED ANNUITY AND CLAIMS THE RECOMMENDATION WAS UNSUITABLE

Product Type: Other: FIXED-INDEXED ANNUITY

Alleged Damages: \$5,776.25

Alleged Damages Amount Explanation (if amount not exact): \$65,000.00 (PREMIUM) LESS \$59,223.75 (SURRENDER VALUE AS OF 10-29-2013)

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: 10/24/2013

Complaint Pending? No

Status: Denied

Status Date: 12/06/2013

Settlement Amount:



Individual Contribution Amount:

Disclosure 6 of 9

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MORGAN KEEGAN & COMPANY, INC.

Allegations: RMK COMPLAINT: VERBAL COMPLAINT MADE BY CUSTOMER TO [OTHER FIRM EMPLOYEE] ON 12/05/08 ALLEGES BROKER MISREPRESENTED RISK OF RIBCX. **RECEIVED BY BRANCH 12/05/08

Product Type: No Product

Alleged Damages: \$20,000.00

Customer Complaint Information

Date Complaint Received: 12/05/2008

Complaint Pending? No

Status: Settled

Status Date: 04/28/2009

Settlement Amount: \$12,018.20

Individual Contribution Amount: \$0.00

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: MORGAN KEEGAN & COMPANY, INC.

Allegations: VERBAL COMPLAINT MADE BY CUSTOMER TO (OTHER FIRM EMPLOYEE) ON 12/05/08 ALLEGES BROKER MISREPRESENTED RISK OF RIBCX

Product Type: No Product

Alleged Damages: \$20,000.00

Alleged Damages Amount Explanation (if amount not exact): 20,000 PROVIDED BY MORGAN KEEGAN NOT SURE IF THIS IS WHAT THE CLIENT CLAIMED OR WHAT MORHAN KEEGAN ESTAMATED.

Is this an oral complaint? Yes

Is this a written complaint? No

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

Customer Complaint Information

Date Complaint Received: 12/05/2008

Complaint Pending? No

Status: Settled



Status Date: 04/28/2009

Settlement Amount: \$12,018.20

Individual Contribution Amount: \$0.00

Arbitration Information

Disposition: Settled

Disposition Date: 04/28/2009

Disclosure 7 of 9

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MORGAN KEEGAN & COMPANY, INC.

Allegations: CLAIM ALLEGING MISREPRESENTATION OF CLASS B SHARE FUNDS THAT WERE HELD IN HER ACCOUNT. UPON LIQUIDATION OF ACCOUNT, SHE CLAIMS TO HAVE INCURRED APPROXIMATELY \$20,000 IN SURRENDER FEES.

Product Type: Mutual Fund(s)

Other Product Type(s): (OPEN-END; INCLUDE MONEY FUNDS)

Alleged Damages: \$20,000.00

Customer Complaint Information

Date Complaint Received: 10/02/2008

Complaint Pending? No

Status: Closed/No Action

Status Date: 10/17/2008

Settlement Amount:

Individual Contribution Amount:

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: MORGAN KEEGAN & COMPANY

Allegations: CLIENT'S ALLEGING MISREPRESENTATION OF MUTUAL FUNDS'CLASS B-SHARES THAT WERE HELD IN HER ACCOUNT. UPON LIQUIDATION OF ACCOUNT, SHE CLAIMS TO HAVE INCURRED APPROXIMATELY \$20,000 IN SURRENDER FEES.

Product Type: Mutual Fund(s)

Alleged Damages: \$20,000.00

Customer Complaint Information

Date Complaint Received: 10/02/2008

Complaint Pending? No



Status: Closed/No Action

Status Date: 10/17/2008

Settlement Amount:

Individual Contribution Amount: \$0.00

Broker Statement BROKER DENIES ANY WRONGDOING AND FINDS CLIENT CLAIMS WITH NO MERIT. THE BROKER SAYS THAT IN ALL MEETING THERE WERE ALSO HIS PARTNER AND REGION'S PRIVATE BANKER PRESENCE AND THEY ALL WITNESS A FULL EXPLANATION OF ALL CLASSES AVAILABLE AT THAT TIME. THE CLIENT MADE A DECISION AND CHOSE CLASS B. LATER THE ACCOUNT WAS MOVED TO MERRILL LYNCH. IT IS AT THAT FIRM, AND AT THE CLIENT'S DECISION, OR NEW REPRESENTATIVE'S RECOMMENDATION THAT THE B SHARE FUNDS BE LIQUIDATED THUS SUBJECTING THE CLIENT TO THE SURRENDER CHARGES.

Disclosure 8 of 9

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MORGAN KEEGAN & COMPANY, INC.

Allegations: CLAIM ALLEGES MISREPRESENTATION AND UNSUITABILITY WITH REGARD TO MUTUAL FUNDS PURCHASED IN 2007.

Product Type: Money Market Fund
Mutual Fund

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): DAMAGES ARE UNSPECIFIED BUT ARE BELIEVED TO BE IN EXCESS OF \$300,000.

Is this an oral complaint? No

Is this a written complaint? Yes

Is this an arbitration/CFTC reparation or civil litigation? Yes

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 09-06273

Filing date of arbitration/CFTC reparation or civil litigation: 10/30/2009

Customer Complaint Information

Date Complaint Received: 12/11/2009

Complaint Pending? No

Status: Settled

Status Date: 05/27/2010

Settlement Amount: \$210,000.00



Individual Contribution Amount: \$0.00

Firm Statement THE [CUSTOMER] COMPLAINT WAS RECEIVED ON 8/6/08. THE DISCLOSURE SHOWS THAT THE COMPLAINT EVOLVED TO "LITIGATION" RECEIVED 3/25/09. [CUSTOMER] FILED A CLAIM ON 9/24/08,BUT THAT CASE WAS NOT REPORTABLE.(HE WAS NOT NAMED AS A PARTY AND THE CASE WAS RECEIVED UNDER THE OLD DISCLOSURE RULES.)THE RECORD SHOULD HAVE REFLECTED THAT THE CUSTOMER COMPLAINT WAS "CLOSED/NO ACTION" AS OF 9/24/08 WHEN THE LITIGATION WAS RECEIVED AND HE WAS NOT NAMED. AS OF 12/11/09 AN ARBITRATION WAS RECEIVED AND HE IS NOT NAMED AS A PARTY.**THIS CASE WAS SETTLED TO AVOID THE TIME AND EXPENSE OF TRYING THE CASE. THE BROKER WAS NOT ASKED TO CONTRIBUTE TO THE SETTLEMENT AND THERE REMAIN NO CLAIMS AGAINST HIM ARISING FROM THIS CASE.

Reporting Source: Individual
Employing firm when activities occurred which led to the complaint: MORGAN KEEGAN & COMPANY, INC.

Allegations: CLAIM BY ATTORNEY STATES THAT ADVICE GIVEN TO [CUSTOMER] (DESEASED) FROM BROKER TO INVEST IN RMK FUNDS WAS UNSUITABLE BASED ON HER AGE, LACK OF INVESTMENT EXPERIENCE, AND ALLEGES THAT THE NEW ACCOUNT FORM INACCURATELY REPRESENTS HER INVESTMENT OBJECTIVES. DAMAGES ARE UNSPECIFIED BUT ARE BELIEVED TO BE IN EXCESS OF \$5,000.00

Product Type: Money Market Fund
Mutual Fund

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): DAMAGES ARE UNSPECIFIED BUT ARE BELIEVED TO BE IN EXCESS OF \$300,000.

Is this an oral complaint? No

Is this a written complaint? Yes

Is this an arbitration/CFTC reparation or civil litigation? Yes

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 09-06273

Filing date of arbitration/CFTC reparation or civil litigation: 10/30/2009

Customer Complaint Information

Date Complaint Received: 12/11/2009

Complaint Pending? No

Status: Settled

Status Date: 05/27/2010



Settlement Amount: \$210,000.00

Individual Contribution Amount: \$0.00

Broker Statement THE [CUSTOMER] COMPLAINT WAS RECEIVED ON 8/6/08. THE DISCLOSURE SHOWS THAT THE COMPLAINT EVOLVED TO "LITIGATION" RECEIVED 3/25/09. [CUSTOMER] FILED A CLAIM ON 9/24/08,BUT THAT CASE WAS NOT REPORTABLE.(HE WAS NOT NAMED AS A PARTY AND THE CASE WAS RECEIVED UNDER THE OLD DISCLOSURE RULES.)THE RECORD SHOULD HAVE REFLECTED THAT THE CUSTOMER COMPLAINT WAS "CLOSED/NO ACTION" AS OF 9/24/08 WHEN THE LITIGATION WAS RECEIVED AND HE WAS NOT NAMED. AS OF 12/11/09 AN ARBITRATION WAS RECEIVED AND HE IS NOT NAMED AS A PARTY.

Disclosure 9 of 9

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MORGAN KEEGAN & COMPANY, INC.

Allegations: CLAIM ALLEGES UNSUITABILITY, MISREPRESENTATION, AND BREACH OF FIDUCIARY DUTY REGARDING THE PURCHASE OF A MUTUAL FUND.

Product Type: Mutual Fund

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): DAMAGES ARE UNSPECIFIED BUT ARE BELIEVED TO BE IN EXCESS OF \$5,000.

Customer Complaint Information

Date Complaint Received: 11/19/2007

Complaint Pending? No

Status: Evolved into Arbitration/CFTC reparation (the individual is a named party)

Status Date: 11/26/2007

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): FINRA

Docket/Case #: 07-03144

Date Notice/Process Served: 11/26/2007

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/16/2008

Monetary Compensation Amount: \$72,000.00



Individual Contribution Amount: \$0.00

Firm Statement

ANSWER DUE 01/03/2008 I DENY ANY WRONGDOING IN THE CASE. [THIRD PARTY], THE PERSON RESPONSIBLE FOR PURCHASING THE MUTUAL FUND ON BEHALF OF THE WISH FUND, IS AN INTELLIGENT AND HIGHLY EXPERIENCED INVESTOR, AND SHE KNEW WITHOUT A DOUBT THAT THE VALUE OF THE FUND COULD GO DOWN AS WELL AS UP. AT NO TIME DID I EVER TELL [THIRD PARTY] THAT THE MUTUAL FUND WHICH SHE PURCHASED WAS WITHOUT RISK OR SOMEHOW A GUARANTEED INVESTMENT AS SHE ALLEGED IN HER COMPLAINT. IT IS MY UNDERSTANDING THAT [THIRD PARTY] HAS DONE THIS BEFORE - - LOST MONEY THROUGH AN INVESTMENT AND USED THE SYMPATHY OF HER ORGANIZATION, WHICH INVOLVES TERMINALLY ILL CHILDREN, TO RECOUP THE LOSSES FROM HER BROKERAGE FIRM. UNFORTUNATELY, MORGAN KEEGAN CHOSE TO SETTLE THIS CASE SHORT OF LITIGATION TO CUT DOWN ON LITIGATION EXPENSES. PLEASE LET ME KNOW HOW TO ACCOMPLISH THIS REQUEST.** THIS CASE WAS SETTLED TO AVOID THE TIME AND EXPENSE OF TRYING THE CASE. THE BROKER WAS NOT ASKED TO CONTRIBUTE TO THE SETTLEMENT AND THERE REMAIN NO CLAIMS AGAINST HIM ARISING FROM THIS CASE.

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: MORGAN KEEGAN & COMPANY, INC.

Allegations: CLAIM ALLEGES UNSUITABILITY, MISREPRESENTATION, AND BREACH OF FIDUCIARY DUTY REGARDING THE PURCHASE OF A MUTUAL FUND.

Product Type: No Product

Alleged Damages: \$0.00

Customer Complaint Information

Date Complaint Received: 11/19/2007

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 11/26/2007

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: FINRA; CASE NUMBER 07-03144

Date Notice/Process Served: 11/26/2007

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/16/2008

Monetary Compensation Amount: \$72,000.00



Individual Contribution Amount: \$0.00

Broker Statement ANSWER DUE 01/03/2008

I DENY ANY WRONGDOING IN THE CASE. [THIRD PARTY], THE PERSON RESPONSIBLE FOR PURCHASING THE MUTUAL FUND ON BEHALF OF THE WISH FUND, IS AN INTELLIGENT AND HIGHLY EXPERIENCED INVESTOR, AND SHE KNEW WITHOUT A DOUBT THAT THE VALUE OF THE FUND COULD GO DOWN AS WELL AS UP. AT NO TIME DID I EVER TELL [THIRD PARTY] THAT THE MUTUAL FUND WHICH SHE PURCHASED WAS WITHOUT RISK OR SOMEHOW A GUARANTEED INVESTMENT AS SHE ALLEGED IN HER COMPLAINT. IT IS MY UNDERSTANDING THAT [THIRD PARTY] HAS DONE THIS BEFORE - - LOST MONEY THROUGH AN INVESTMENT AND USED THE SYMPATHY OF HER ORGANIZATION, WHICH INVOLVES TERMINALLY ILL CHILDREN, TO RECOUP THE LOSSES FROM HER BROKERAGE FIRM. UNFORTUNATELY, MORGAN KEEGAN CHOSE TO SETTLE THIS CASE SHORT OF LITIGATION TO CUT DOWN ON LITIGATION EXPENSES. PLEASE LET ME KNOW HOW TO ACCOMPLISH THIS REQUEST.



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: Firm
Firm Name: KEY INVESTMENT SERVICES LLC
Termination Type: Discharged
Termination Date: 04/28/2015
Allegations: THE FIRM RECEIVED A CUSTOMER COMPLAINT IDENTIFYING TRANSACTIONS THAT WERE PROCESSED OUTSIDE OF THE FIRM'S SWITCH DISCLOSURE POLICY.
Product Type: Annuity-Fixed
Annuity-Variable

Reporting Source: Individual
Firm Name: key investment services
Termination Type: Discharged
Termination Date: 04/24/2015
Allegations: failure to follow switch procedure.
Product Type: Annuity-Variable

Broker Statement

I was terminated as a result of an allegation that I did not use a switch when appropriate, and therefore caused \$17,000 in taxes to be owed by client. Client had two fixed annuities that were owned by her deceased husband (among many other assets). Both client and her son indicated that they did not want the annuities and therefore, wanted to file a death claim. Upon receipt of funds at a meeting later, client stated that she thought she wanted guaranteed income with a portion of her assets with growth potential (this was not discussed in any previous profiling meeting with client). She was informed at the time that a 1035 would have been appropriate had she indicated that desire. Client was describing a VA. Branch manager of bank was present during meetings. Client was informed re VA and income benefits (costs, etc). Client indicated that a VA is what she wanted and signed all paperwork and was given all disclosures. Months later, son verbally complained (client never did). My supervisor and compliance investigated and eventually closed the matter. More months later a letter was sent to the Indiana Dept of Insurance, which the investigator said he was closing for "buyer's remorse" but Key informed me that they believed that they would now have to pay a claim and I was terminated. Settled amount was approximately \$17,000. I strongly deny any liability in this matter.



End of Report

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