

**BrokerCheck Report**

**ACCESS FINANCIAL GROUP, INC.**

CRD# 33065

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## About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck 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 broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- o information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

**Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

[brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)



## ACCESS FINANCIAL GROUP, INC.

CRD# 33065

SEC# 8-46065

### Main Office Location

118 NORTH CLINTON ST-SUITE 450  
CHICAGO, IL 60661  
Regulated by FINRA Chicago Office

### Mailing Address

118 NORTH CLINTON ST-SUITE 450  
CHICAGO, IL 60661

### Business Telephone Number

312-655-8200

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

<https://www.adviserinfo.sec.gov>

## Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

### Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 12/18/1992.

Its fiscal year ends in December.

### Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

### Firm Operations

#### This firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 46 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 12 types of businesses.

This firm is not affiliated with any financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

### Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

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

#### The following types of disclosures have been reported:

Type	Count
Regulatory Event	4
Arbitration	2



## Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 12/18/1992.

Its fiscal year ends in December.

## Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

**ACCESS FINANCIAL GROUP, INC.**

**Doing business as ACCESS FINANCIAL GROUP, INC.**

**CRD#** 33065

**SEC#** 8-46065

### Main Office Location

118 NORTH CLINTON ST-SUITE 450  
CHICAGO, IL 60661

**Regulated by FINRA Chicago Office**

### Mailing Address

118 NORTH CLINTON ST-SUITE 450  
CHICAGO, IL 60661

### Business Telephone Number

312-655-8200



## Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

### Direct Owners and Executive Officers

<b>Legal Name &amp; CRD# (if any):</b>	CHIGAS, VICTOR CHRIST 45714
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	DIRECTOR, CHAIRMAN, OWNER
<b>Position Start Date</b>	03/1995
<b>Percentage of Ownership</b>	50% but less than 75%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No
<hr/>	
<b>Legal Name &amp; CRD# (if any):</b>	KONST, RICHARD IRL 273746
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	DIRECTOR, VICE CHAIRMAN, OWNER
<b>Position Start Date</b>	09/1999
<b>Percentage of Ownership</b>	25% but less than 50%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No
<hr/>	
<b>Legal Name &amp; CRD# (if any):</b>	CHIGAS, CHRISTOPHER ROBERT 1832392
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	PRESIDENT, CHIEF COMPLIANCE OFFICER

## Firm Profile



### Direct Owners and Executive Officers (continued)

**Position Start Date** 11/2000

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** CHIGAS, VICTOR JOHN JR  
1666547

**Is this a domestic or foreign entity or an individual?** Individual

**Position** DIRECTOR, CEO, SR. OPTIONS PRINCIPAL

**Position Start Date** 09/1999

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

**Legal Name & CRD# (if any):** GORCHOFF, NANCY JO  
1236418

**Is this a domestic or foreign entity or an individual?** Individual

**Position** DIRECTOR, C.O.O, C.F.O.

**Position Start Date** 12/1995

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

## **Firm Profile**

This section provides information relating to any indirect owners of the brokerage firm.



## **Indirect Owners**

No information reported.

## Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.







## Firm Operations

### Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

**This firm is currently registered with the SEC, 1 SRO and 46 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	08/24/1994

### SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	08/24/1994



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	11/29/1994
Alaska	Approved	05/29/1997
Arizona	Approved	04/04/1995
Arkansas	Approved	08/28/1998
California	Approved	09/19/1994
Colorado	Approved	08/26/1994
Connecticut	Approved	10/06/1994
Delaware	Approved	09/14/1994
Florida	Approved	01/26/1995
Georgia	Approved	03/13/1995
Hawaii	Approved	03/30/2004
Illinois	Approved	11/02/1994
Indiana	Approved	02/24/1995
Iowa	Approved	10/07/1994
Kansas	Approved	02/17/1995
Kentucky	Approved	09/09/1994
Louisiana	Approved	04/20/1998
Maine	Approved	03/28/1995
Maryland	Approved	09/12/1994
Massachusetts	Approved	02/02/1995
Michigan	Approved	11/02/1994
Minnesota	Approved	06/20/1995
Mississippi	Approved	03/02/1995
Missouri	Approved	01/27/1995
Montana	Approved	02/24/1995
Nebraska	Approved	06/16/1997
Nevada	Approved	06/16/1995
New Hampshire	Approved	01/01/1995
New Jersey	Approved	08/28/1995
New Mexico	Approved	08/30/1996
New York	Approved	09/23/1994
North Carolina	Approved	01/30/1997
Ohio	Approved	01/03/1995

U.S. States & Territories	Status	Date Effective
Oklahoma	Approved	01/24/1995
Oregon	Approved	03/13/1995
Pennsylvania	Approved	03/02/1995
Rhode Island	Approved	01/10/1995
South Carolina	Approved	02/17/1998
Tennessee	Approved	03/10/1995
Texas	Approved	02/21/1995
Utah	Approved	09/22/1994
Vermont	Approved	01/16/1995
Virginia	Approved	09/13/1995
Washington	Approved	01/27/1995
West Virginia	Approved	04/03/1998
Wisconsin	Approved	02/21/1995



## Firm Operations

### Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

**This firm currently conducts 12 types of businesses.**

#### Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities dealer
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Solicitor of time deposits in a financial institution
Put and call broker or dealer or option writer
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in the secondary market
Non-exchange member arranging for transactions in listed securities by exchange member

## Firm Operations



### Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

### Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

<b>Name:</b>	RAYMOND JAMES & ASSOCIATES, INC.
<b>CRD #:</b>	705
<b>Business Address:</b>	880 CARILLON PARKWAY ST. PETERSBURG, FL 33716
<b>Effective Date:</b>	05/04/2015
<b>Description:</b>	AFG IS INTRODUCING BD/ RJ IS CLEARING BD

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## Firm Operations

### Industry Arrangements



**This firm does have books or records maintained by a third party.**

**Name:** RAYMOND JAMES & ASSOCIATES, INC.  
**CRD #:** 705  
**Business Address:** 880 CARILLON PARKWAY  
 ST. PETERSBURG, FL 33716  
**Effective Date:** 05/04/2015  
**Description:** AFG IS INTRODUCING BD / RJ IS CLEARING BD

**This firm does have accounts, funds, or securities maintained by a third party.**

**Name:** RAYMOND JAMES & ASSOCIATES, INC.  
**CRD #:** 705  
**Business Address:** 880 CARILLON PARKWAY  
 ST. PETERSBURG, FL 33716  
**Effective Date:** 05/04/2015  
**Description:** AFG HAS CLEARING AGREEMENT WITH RAYMOND JAMES & ASSOCIATES, INC.

**This firm does have customer accounts, funds, or securities maintained by a third party.**

**Name:** RAYMOND JAMES & ASSOCIATES, INC.  
**CRD #:** 705  
**Business Address:** 880 CARILLON PARKWAY  
 ST. PETERSBURG, FL 33716  
**Effective Date:** 05/04/2015  
**Description:** AFG IS INTRODUCING BD / RJ IS CLEARING BD

### Control Persons/Financing

**This firm does not have individuals who control its management or policies through agreement.**

**This firm does not have individuals who wholly or partly finance the firm's business.**

## Firm Operations



### Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

**This firm is not, directly or indirectly:**

- in control of
  - controlled by
  - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

**This firm is not directly or indirectly, controlled by the following:**

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



## Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	0	4	0
Arbitration	N/A	2	N/A



## Disclosure Event Details

### What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - o A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - o Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
  - o A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - § A "pending" event involves allegations that have not been proven or formally adjudicated.
    - § An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - § A "final" event has been concluded and its resolution is not subject to change.
  - o A final 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 involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - § A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

### Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

#### Disclosure 1 of 4

**Reporting Source:** Regulator  
**Current Status:** Final





**Allegations:** SECTION 17(A) OF THE EXCHANGE ACT, RULES 17A-3 AND 17A-4 THEREUNDER, NASD RULES 2110 AND 3110: THIS MATTER INVOLVES VIOLATIONS OF NASD RULES IN CONNECTION WITH MARKET TIMING ACTIVITY EFFECTED BY TWO HEDGE FUND CUSTOMERS (THE "HEDGE FUND CLIENTS") OF ACCESS FINANCIAL GROUP, INC. ("ACCESS"). THE MARKET TIMING ACTIVITY OCCURRED AS PART OF AN ARBITRAGE TRADING STRATEGY BY THE HEDGE FUND CLIENTS THAT UTILIZED FREQUENT TRADING IN THE SUB-ACCOUNTS OF VARIABLE ANNUITIES. FROM MARCH 2002 THROUGH SEPTEMBER 2003, ACCESS ACTED AS A SELLING AGENT THROUGH ITS BROKER-DEALER DIVISION, AND ENABLED THE HEDGE FUND CLIENTS TO ENGAGE IN DECEPTIVE PRACTICES REGARDING MARKET TIMING IN THE SUB-ACCOUNTS OF VARIABLE ANNUITIES THROUGH ACCOUNTS MAINTAINED AT ACCESS. IN EARLY 2002, AN INVESTMENT ADVISOR TO THE HEDGE FUND CLIENTS MET WITH ACCESS PERSONNEL TO DISCUSS THE POSSIBILITY OF PURCHASING VARIABLE ANNUITIES THROUGH ACCESS, TO IMPLEMENT AN ARBITRAGE TRADING STRATEGY INVOLVING MARKET TIMING THAT INVOLVED HEDGING POSITIONS IN SUB-ACCOUNTS OF VARIABLE ANNUITIES AGAINST POSITIONS IN OTHER INDICES. IN EMPLOYING THE STRATEGY, THE HEDGE FUND CLIENTS INITIALLY USED A SERIES OF ENTITIES, TYPICALLY LIMITED LIABILITY CORPORATIONS, BEFORE USING INDIVIDUALS AND CORPORATE ENTITIES AS NOMINEES TO PURCHASE VARIABLE ANNUITY CONTRACTS. THE USE OF NOMINEES WAS NOT DISCLOSED TO THE INSURANCE COMPANIES. AFTER ACCESS AGREED TO ASSIST THE HEDGE FUND CLIENTS, ACCESS EXECUTED SELLING AGREEMENTS WITH INSURANCE COMPANIES THAT HAD BEEN IDENTIFIED BY THE INVESTMENT ADVISOR. THE PROSPECTUSES FOR THE VARIABLE ANNUITIES STATED THAT THE PRODUCTS WERE NOT APPROPRIATE FOR MARKET TIMING. THE USE OF NOMINEES TO CONDUCT THIS TRADING OBSCURED THE IDENTITY OF THE OWNERS OF THE VARIABLE ANNUITY CONTRACTS FROM THE INSURANCE COMPANIES AND IMPEDED THOSE COMPANIES FROM EFFECTIVELY MONITORING, DETECTING AND PREVENTING MARKET TIMING ACTIVITY BY THOSE ACCOUNTS. (ALLEGATIONS CONTINUED IN THE COMMENTS SECTION)

**Initiated By:** FINRA

**Date Initiated:** 10/09/2007

**Docket/Case Number:** [SAF2004040801](#)

**Principal Product Type:** Annuity(ies) - Variable

**Other Product Type(s):** MUTUAL FUNDS

**Principal Sanction(s)/Relief Sought:**



**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/09/2007

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$150,000.00  
Disgorgement/Restitution

**Other Sanctions Ordered:** UNDERTAKINGS

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED; FINED \$150,000, PAYABLE WITHIN 90 DAYS OF THE ISSUANCE OF THIS AWC; ORDERED TO PAY DISGORGEMENT OF \$113,000 IN ADMINISTRATIVE FEES RECEIVED FROM THE HEDGE FUND CLIENTS, PAYABLE WITHIN 90 DAYS OF THE ISSUANCE OF THIS AWC; AND WITHIN 90 DAYS OF THE ISSUANCE OF THIS AWC, THE FIRM SHALL PAY \$194,831.20 IN RESTITUTION, REPRESENTING THE PROFITS REALIZED BY THE HEDGE FUND CLIENTS FROM THE IMPROPER MARKET TIMING DESCRIBED ABOVE, TO COMPENSATE THE AFFECTED MUTUAL FUNDS. WITHIN 90 DAYS OF THE ISSUANCE OF THIS AWC, AN OFFICER OF THE FIRM SHALL CERTIFY TO FINRA THAT PAYMENTS TO THE FUND COMPANIES HAVE BEEN MADE AND SHALL PROVIDE FINRA WITH COPIES OF CANCELLED CHECKS OR OTHER DOCUMENTS EVIDENCING SUCH PAYMENT.

**Regulator Statement** (ALLEGATIONS CONTINUED)ACCESS ENABLED THE HEDGE FUND CLIENTS TO ENGAGE IN THIS ACTIVITY BY PURCHASING THESE CONTRACTS, WHICH THEY USED TO CARRY OUT FREQUENT TRANSFERS AMONG THE SUB-ACCOUNTS OF CERTAIN VARIABLE ANNUITIES WITHOUT BEING DETECTED BY THOSE INSURANCE COMPANIES OR BY THEIR RESPECTIVE SUB-ACCOUNT FUND MANAGERS. MOREOVER, EVEN AFTER FIVE INSURANCE COMPANIES SENT MULTIPLE NOTICES TO ACCESS THAT THE TRADING BY THE HEDGE FUND CLIENTS WAS DISRUPTIVE AND CONTRARY TO THE LANGUAGE OF THE APPLICABLE PROSPECTUS AND TO THE INTERESTS OF LONG-TERM INVESTORS AND SHOULD NOT BE CONTINUED, ACCESS CONTINUED TO PURCHASE VARIABLE ANNUITY CONTRACTS FOR THE HEDGE FUND CLIENTS. ACCESS ALSO KNEW OR



SHOULD HAVE KNOWN THAT THE PROSPECTUSES FOR THESE VARIABLE ANNUITIES STATED THAT THE PRODUCTS WERE NOT APPROPRIATE FOR MARKET TIMING. AS A RESULT OF ACCESS'S ACTIVITIES, THE HEDGE FUND CLIENTS TRANSFERRED ASSETS BETWEEN THE SUB-ACCOUNTS OF VARIABLE ANNUITIES FROM THOSE FIVE COMPANIES, AFTER RECEIVING RESTRICTION LETTERS FROM THE COMPANIES THAT YIELDED PROFITS TO THE HEDGE FUND CLIENTS OF \$194,831.20. THESE PROFITS CAME AT THE EXPENSE OF LONG-TERM INVESTORS IN THE MUTUAL FUNDS. ACCESS RECEIVED \$113,000 IN FEES FROM THE HEDGE FUND CLIENTS FOR ADMINISTRATIVE SERVICES RENDERED IN CONNECTION WITH THE VARIABLE ANNUITY CONTRACTS THEY PURCHASED THROUGH ACCESS. IN ADDITION, PRIOR TO OCTOBER 2003, ACCESS FAILED TO PRESERVE FOR THREE YEARS, AND/OR TO PRESERVE IN AN ACCESSIBLE PLACE FOR TWO YEARS, ELECTRONIC MAIL COMMUNICATIONS THAT RELATED TO ITS BUSINESS AS A BROKER OR DEALER.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA CONDUCTED AN INVESTIGATION OF MARKET TIMING ACTIVITY THAT OCCURRED IN 2002 AND 2003 IN VARIABLE ANNUITY PRODUCTS. WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO ENTRY OF VIOLATIONS OF NASD RULES 2110 AND 3010 IN CONNECTION WITH TRADING ACTIVITY IN VARIABLE ANNUITY SUB-ACCOUNTS EFFECTED BY TWO FORMER HEDGE FUND CUSTOMERS. WITHOUT ADMITTING OR DENYING, THE FIRM ALSO CONSENTED TO ENTRY OF A FINDING THAT PRIOR TO OCTOBER 2003, THE FIRM FAILED TO ADEQUATELY PRESERVE ELECTRONIC MAIL COMMUNICATIONS THAT RELATED TO ITS BUSINESS AS A BROKER OR DEALER.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	10/09/2007
<b>Docket/Case Number:</b>	<a href="#">SAF2004040801</a>
<b>Principal Product Type:</b>	Annuity(ies) - Variable
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	DISGORGEMENT AND RESTITUTION
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)



<b>Resolution Date:</b>	10/09/2007
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$150,000.00 Disgorgement/Restitution
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO A FINE OF \$150,000, DISGORGEMENT OF \$113,000 IN ADMINISTRATIVE FEES, AND RESTITUTION OF \$194,831.20, REPRESENTING PROFITS REALIZED BY THE TWO FORMER HEDGE FUND CUSTOMERS.
<b>Firm Statement</b>	BEFORE THE FIRM AGREED TO OPEN VARIABLE ANNUITY CONTRACTS FOR THE TWO FORMER HEDGE FUND CUSTOMERS, THE FIRM WAS INFORMED THAT THE FORMER HEDGE FUND CUSTOMERS HAD RETAINED A REPUTABLE OUTSIDE LAW FIRM TO REVIEW ALL ASPECTS OF THEIR TRADING STRATEGY, INCLUDING THE LEGALITY OF MARKET TIMING GENERALLY AND THE USE OF NOMINEE AGREEMENTS. IN ADDITION, THE FIRM'S THEN-GENERAL COUNSEL CONDUCTED INDEPENDENT RESEARCH AND REVIEWED A NOMINEE AGREEMENT THAT HAD BEEN DRAFTED BY THE OUTSIDE LAW FIRM, BEFORE ADVISING THE FIRM THAT THE USE OF NOMINEES TO PURCHASE VARIABLE ANNUITY CONTRACTS ON BEHALF OF THE FORMER HEDGE FUND CUSTOMERS WAS LEGALLY PERMISSIBLE. THE FIRM RELIED IN GOOD FAITH ON THIS LEGAL OPINION AND BELIEVED THAT THE FORMER HEDGE FUND CUSTOMERS' TRADING STRATEGY DID NOT VIOLATE ANY OF THE SECURITIES LAWS OR NASD RULES.

#### Disclosure 2 of 4

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC RULE 17A-3, NASD RULES 2110, 3010, 6230, MSRB RULES G-8, G-14 - RESPONDENT MEMBER FAILED TO TIMELY REPORT CUSTOMER TRANSACTIONS IN MUNICIPAL SECURITIES TO THE MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB). THE FINDINGS STATED THAT THE FIRM FAILED TO INCLUDE THE DATE AND TIME OF RECEIPT IN MUNICIPAL SECURITIES TRANSACTIONS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE ADEQUATE WRITTEN SUPERVISORY PROCEDURES DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS IN THAT THE FIRM FAILED TO ESTABLISH ADEQUATE PROCEDURES FOR THE TIMELY REPORTING OF MUNICIPAL SECURITIES TRANSACTIONS TO THE MSRB. THE FINDINGS ALSO INCLUDED THAT THE FIRM EXECUTED CORPORATE BOND TRANSACTIONS THAT WERE ELIGIBLE FOR REPORTING TO THE TRADE REPORTING AND COMPLIANCE



ENGINE (TRACE) THAT WERE REPORTED LATE; TRANSACTIONS WITH A CUSTOMER DID NOT HAVE A TIME OF RECEIPT; SOME TRANSACTIONS WERE REPORTED WITH THE INCORRECT EXECUTION TIME AND ONE TRADE WAS REPORTED WITH THE INCORRECT CAPACITY; ORDER TICKETS FOR AGENCY TRANSACTIONS DID NOT INCLUDE A TIME OF RECEIPT OR TIME OF ENTRY; AND NINE ORDER TICKETS FOR PRINCIPAL TRANSACTIONS DID NOT INCLUDE A TIME OF RECEIPT. FINRA FOUND THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE ADEQUATE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE TRANSACTION REPORTING REQUIREMENTS UNDER NASD RULES RELATED TO TRACE REPORTING.

**Initiated By:** FINRA

**Date Initiated:** 10/01/2007

**Docket/Case Number:** [2006003858001](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/01/2007

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$45,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, ACCESS FINANCIAL GROUP, INC., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$45,000.

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**Reporting Source:** Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	MEMBER'S OHIO BRANCH OFFICE FAILED TO TIMELY AND COMPLETELY REPORT MUNICIPAL AND CORPORATE BOND TRANSCATIONS ACCORDING TO MSRB AND TRACE REPORTING RULES. FINRA ALLEGES THAT MEMBER FAILED TO ESTABLISH ADEQUATE WRITTEN SUPERVISORY PROCEDURES REGARDING MSRB AND TRACE TRANSACTION REPORTING.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	10/01/2007
<b>Docket/Case Number:</b>	<a href="#">2006003858001</a>
<b>Principal Product Type:</b>	Debt - Municipal
<b>Other Product Type(s):</b>	DEBT- CORPORATE
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	10/01/2007
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$45,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	CENSURED AND FINED \$45,000.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO ENTRY OF THE SANCTIONS AND FINDINGS AS DESCRIBED HEREIN.

#### Disclosure 3 of 4

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SECTION 17(A) OF THE SECURITIES ACT OF 1933, NASD RULES 2010, 3010(B), 6230, MSRB RULE G-14 - ACCESS FINANCIAL GROUP, INC. EFFECTED RISKLESS PRINCIPAL BOND TRANSACTIONS AND CHARGED EXCESSIVE MARKUPS; FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE ADEQUATE WRITTEN SUPERVISORY PROCEDURES DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS REGARDING REVIEWING MARKUPS/MARKDOWNS ASSESSED ON GOVERNMENT SECURITIES TRANSACTIONS AND TRACE



REPORTING; FAILED TO TIMELY REPORT CUSTOMER TRANSACTIONS IN MUNICIPAL SECURITIES, ALL OF WHICH WERE NEW ISSUES OF MUNICIPAL SECURITIES; EFFECTED BOND TRANSACTIONS THAT WERE TRACE ELIGIBLE AND FAILED TO REPORT THE TRANSACTIONS IN CONTRAVENTION OF NASD RULES 2110 AND 6230.

**Initiated By:** NASD

**Date Initiated:** 02/06/2006

**Docket/Case Number:** [E8A2004000101](#)

**Principal Product Type:** Debt - Corporate

**Other Product Type(s):** MUNICIPAL SECURITIES, GOVERNMENT SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 02/06/2006

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$51,000.00  
Disgorgement/Restitution

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, ACCESS FINANCIAL GROUP CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$51,000, AND ORDERED TO PAY \$23,353.23, PLUS INTEREST, IN DISGORGEMENT OF UNJUST PROFITS IN PARTIAL RESTITUTION TO PUBLIC CUSTOMERS. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY, OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER WAS LAST KNOWN TO HAVE RESIDED.

**Reporting Source:** Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	FIRM EFFECTED 54 RISKLESS PRINCIPAL BOND TRADES, THE MAJORITY OF WHICH OCCURED IN THE MEMBERS OHIO OFFICE. MARKUPS CHARGED BETWEEN 1.52% TO 4.762% WERE EXCESSIVE AND UNFAIR, VIOLATING SECTION 17(A) OF SECURITIES ACT '33 AND NASD RULE 2110, AS WELL AS RULES 2110 AND 3010(B). MEMBER EXECUTED 60 MUNICIPAL SECURITIES TRANSACTIONS, 15% OF WHICH WERE NOT TIMLY REPORTED VIOLATING MSRB RULE G-14. FIRM FAILED TO REPORT TRACE ELIGABLE SECURITIES TRANSACTIONS IN CONTROVENTION OF CONDUCT RULE 2110 MARKETPLACE RULE 6230, NASD RULE 2110 AND 3010(B).
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	01/06/2005
<b>Docket/Case Number:</b>	<a href="#">E8A2004000101</a>
<b>Principal Product Type:</b>	Debt - Government
<b>Other Product Type(s):</b>	TRACE REPORTING, MSRB REPORTING
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	FINE, DISGORGEMENT
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	02/06/2006
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$76,985.23 Disgorgement/Restitution
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	51000.00 FINE, \$25985.94 RESTITUTION
<b>Firm Statement</b>	MEMBER ACCEPTS AND CONSENTS WITHOUT ADMITTING OR DENYING FINDINGS.

#### Disclosure 4 of 4

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FAILURE TO ADOPT, IMPLEMENT AND FOLLOW ADEQUATE SUPERVISORY AND COMPLIANCE PROCEDURES





**Initiated By:** UTAH DIVISION OF SECURITIES  
**Date Initiated:** 06/26/2000  
**Docket/Case Number:** SD-00-0041  
**URL for Regulatory Action:**  
**Principal Product Type:** Equity - OTC  
**Other Product Type(s):** PENNY STOCKS  
**Principal Sanction(s)/Relief Sought:** Revocation  
**Other Sanction(s)/Relief Sought:** RESPONDENTS ACCESS, PAPPAS (CRD#2160492), CHIGAS (CRD#45714), AND KONST (CRD#273746) BE ORDERED TO PAY THE DIVISION A FINE JOINTLY AND SEVERALLY OF UP TO \$250,000  
**Resolution:** Stipulation and Consent  
**Resolution Date:** 12/07/2005  
**Sanctions Ordered:** Monetary/Fine \$100,000.00  
 Disgorgement/Restitution  
**Other Sanctions Ordered:**  
**Sanction Details:** FINE OF \$100,000.00 PAYABLE WITHIN 30 DAYS OF ENTRY OF THE ORDER; ACCESS WILL MAKE PAYMENT OF \$40,000.00 TO AFFECTED CLIENTS (UPON PROOF OF PAYMENT OF \$40,000.00, DIVISION AGREES TO CREDIT ACCESS \$25,000.00 AGAINST THE FINE AMOUNT).  
**Regulator Statement** FAILED TO SUPERVISE AGENT, TODD DAVIS (CRD#2095162). FOR MORE INFORMATION PLEASE SEE: [HTTP://WWW.SECURITIES.UTAH.GOV/ACTIONSDETAIL.PHP?ID=SD-00-0041](http://www.securities.utah.gov/actionsdetail.php?id=SD-00-0041) (CLICK ON DOCKET ENTRIES)

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**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** THE UTAH DIVISION OF SECURITIES ALLEGES THAT ACCESS FINANCIAL GROUP FAILED TO ADEQUATELY SUPERVISE A REGISTERED REPRESENTATIVE WHO WAS CONDUCTING BUSINESS TRANSACTIONS IN UTAH.  
**Initiated By:** DIVISION OF SECURITIES OF THE DEPARTMENT OF COMMERCE OF UTAH  
**Date Initiated:** 06/26/2000  
**Docket/Case Number:** SD-00-0041



**Principal Product Type:** Other  
**Other Product Type(s):** COMMON STOCK  
**Principal Sanction(s)/Relief Sought:** Other  
**Other Sanction(s)/Relief Sought:** LIMITATION ON ABILITY TO TRANSACT BUSINESS IN UTAH.  
 MONETARY FINE.  
**Resolution:** Stipulation and Consent  
**Resolution Date:** 12/07/2005  
**Sanctions Ordered:** Monetary/Fine \$100,000.00  
 Disgorgement/Restitution  
**Other Sanctions Ordered:**  
**Sanction Details:** FINE OF \$100,000.00 PAYABLE WITHIN 30 DAYS OF ENTRY OF THE ORDER;  
 ACCESS WILL MAKE PAYMENT OF \$40,000.00 TO AFFECTED CLIENTS,  
 (UPON PROOF OF PAYMENT OF \$40,000.00 THE DIVISION AGREES TO  
 CREDIT ACCESS \$25,000.00 AGAINST FINE AMOUNT. NET FINE TO UTAH  
 DIVISION OF SECURITIES, \$75,000.00  
**Firm Statement** ACCESS AND THE DIVISION AGREED TO COMPROMISE AND RESOLVE ALL  
 CLAIMS AND ACTIONS BETWEEN THEM BY WAY OF THE STIPULATION AND  
 CONSENT ORDER. THE INVESTIGATIVE FINDINGS HAVE NOT BEEN  
 ESTABLISHED BY AN ADJUDICATIVE HEARING.ACCESS NEITHER ADMITS  
 NOR DENIES THESE FINDINGS. ALL CLAIMS AGAINST ACCESS  
 INDIVIDUALS ARE DISMISSED.



## Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at [www.finra.org/awardsonline](http://www.finra.org/awardsonline).

### Disclosure 1 of 2

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-NEGLIGENCE; DO NOT USE-EXECUTIONS-FAILURE TO EXECUTE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	05/10/2002
<b>Case Number:</b>	<a href="#">02-02524</a>
<b>Disputed Product Type:</b>	DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES
<b>Sum of All Relief Requested:</b>	\$250,000.00
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	11/18/2004
<b>Sum of All Relief Awarded:</b>	\$230,700.00

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

### Disclosure 2 of 2

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-NEGLIGENCE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	06/23/1998
<b>Case Number:</b>	<a href="#">98-01995</a>



**Disputed Product Type:** COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE;  
OPTIONS

**Sum of All Relief Requested:** \$56,051.83

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 03/24/1999

**Sum of All Relief Awarded:** \$32,700.00

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

## End of Report



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