

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Fred R. Schwartz,
CRD No. 1405861,

Respondent.

Disciplinary Proceeding
No. 2006004795101

Hearing Officer - Andrew H. Perkins

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: October 18, 2011

INTRODUCTION

Disciplinary Proceeding No. 2006004795101 was filed on October 24, 2008, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Fred R. Schwartz submitted an Offer of Settlement (Offer) to Complainant dated October 12, 2011. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of

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the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

In September 1985, Respondent first became registered with FINRA as a General Securities Representative of a member firm. From March 1998 to April 2004, Respondent was registered in that capacity through member firm UBS Financial Services, Inc. (UBS). Since May 2004, Respondent has been registered in that capacity through member firm Wells Fargo Advisors, LLC (formerly and at the time of the Complaint called Wachovia Securities, LLC (Wachovia)).

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

SUMMARY

1. From in or about June 2004 to in or about August 2005, Respondent engaged in excessive, unsuitable trading in four accounts of three customers, two of whom were a husband and wife. Respondent controlled the trading in the customers' accounts and recommended and executed purchases totaling approximately \$7.8 million. The customers had conservative investments objectives and the securities in their accounts were long-term investments, such as Unit Investment Trusts (UITs), bonds and other fixed-income securities. Despite this, Respondent recommended and engaged in a pattern of trading that resulted in annualized turnover rates of between 2.9 and 7.7 and annualized commission-to-equity ratios between 6.5% and 21% in the customers' accounts. Moreover, the customers lost a significant amount of money from Respondent's trading, which generated gross

commissions of approximately \$207,509. This conduct violated NASD Conduct Rules 2310(a) and 2110 and IM-2310-2.

**Excessive and Unsuitable Trading
Customer LC
(NASD Conduct Rules 2310 and 2110 and IM-2310-2)**

2. In about May 2004, LC opened an IRA account [REDACTED] with Respondent at Wachovia. The value of this account was approximately \$635,000. The account was transferred from UBS where Respondent had served as the registered representative for this account while he was associated with that firm.
3. The new account form indicated that LC was 48 years old and listed her annual income between \$75,000 and \$99,999, her liquid net worth between \$750,000 and \$999,999, and her net worth between \$1,000,000 and \$2,499,999. A substantial portion of LC's liquid net worth was invested in this account.
4. The new account form described LC's investment objective as "Income" and her risk tolerance as "Moderate." When LC opened her IRA account at Wachovia she was working as a self-employed hair stylist and was receiving the majority of her income from alimony payments. She had limited investment experience.
5. While Respondent served as LC's registered representative at Wachovia, she relied upon and routinely followed his investment recommendations.
6. From in or about June 2004 to in or about July 2005, Respondent exercised effective control over LC's IRA account and recommended or implicitly recommended numerous securities transactions to LC for this account. The types of securities transactions that Respondent recommended are considered long-term investments, including UITs with maturities of five years and fixed-income

securities such as Treasury Inflation Protected Securities (TIPS), and are detailed in Schedule A attached hereto and incorporated by reference.

7. The transactions referenced in Schedule A were excessive and unsuitable. During the relevant period, there were 45 transactions, including purchases totaling approximately \$2.5 million. The annualized turnover rate for the account was approximately 2.9.
8. LC paid commissions of approximately \$57,309 for the transactions detailed in Schedule A. The annualized commission-to-equity ratio (converted to a percentage) was approximately 6.5%, meaning that LC would have had to earn 6.5% in her IRA account just to break even.
9. Although LC held long-term securities in her account, they were held an average of only 84 days.
10. During the relevant period, the excessive and unsuitable trading in LC's account primarily benefited Respondent and not LC. While LC paid gross commissions of approximately \$57,309 in her IRA, she still lost approximately \$37,252.
11. By recommending and engaging in excessive and unsuitable trading, Respondent violated NASD Conduct Rules 2310 and 2110 and IM-2310-2.

**Excessive and Unsuitable Transactions
Customers WB and PB
(NASD Conduct Rules 2310 and 2110 and IM-2310-2)**

12. In August 2004, WB and PB, a husband and wife, opened three accounts with Respondent at Wachovia: a SEP IRA account for WB (#15142576), a SEP IRA account for PB [REDACTED], and a joint Trust account [REDACTED]. The aggregate value of these accounts was approximately \$1 million.

13. The new accounts forms for WB and PB's account indicate that they were 56 years old and their annual income was between \$150,000 and \$249,999, their liquid net worth was between \$750,000 and \$999,999, and their net worth was between \$1,000,000 and \$2,499,999. A substantial amount of WB's and PB's liquid net worth was invested in the accounts.
14. WB and PB's primary investment objective for their joint Trust account was stated as "Growth," their secondary investment objective was "Income," and their risk tolerance was classified as "Moderate." WB's and PB's primary investment objective for their individual IRA accounts was stated as "Growth," their secondary investment objective was classified as "Speculation," and their risk tolerance was "Moderately Aggressive." WB was a self-employed business owner and PB worked for a bank and they had limited investment experience.
15. While Respondent served as WB's and PB's registered representative at Wachovia, they relied upon and routinely followed his investment recommendations.

(WB's and PB's Joint Trust Account)

16. From August 2004 to August 2005, Respondent exercised effective control over WB's and PB's joint Trust account and recommended or implicitly recommended numerous securities transactions to WB and PB for this account. The types of securities transactions that Respondent recommended were considered long-term investments, including UITs and fixed-income securities, and are detailed in Schedule B attached hereto and incorporated by reference.
17. The transactions referenced in Schedule B were excessive and unsuitable. During

the relevant period, there were 102 transactions, including purchases of approximately \$3.9 million. The annualized turnover rate for the account was approximately 3.7.

18. WB and PB paid commissions of approximately \$109,562 for the transactions listed in Schedule B. The annualized commission-to-equity ratio (converted to a percentage) was approximately 10.3%, meaning that WB and PB would have had to earn 10.3% in their joint account just to break even.
19. Despite WB and PB holding long-term securities in their joint Trust account, these positions were held an average of only 65 days.

(WB's SEP IRA Account)

20. From August 2004 to August 2005, Respondent exercised effective control over the SEP IRA account for WB and recommended or implicitly recommended numerous securities transactions to WB for this account, consisting of long-term investments such as UITs and bonds, detailed in Schedule C attached hereto and incorporated by reference.
21. The transactions referenced in Schedule C were excessive and unsuitable. During the relevant period, there were 52 transactions, with purchases of approximately \$1 million. The annualized turnover rate for the account was approximately 7.7.
22. WB was charged commissions of approximately \$27,228 for the transactions listed in Schedule C. The annualized commission-to-equity ratio was approximately 20.5%, meaning that WB would have had to earn 20.5% in his IRA account just to break even.
23. Despite WB holding long-term securities in his SEP IRA account, the positions

were held an average of only 61 days.

(PB's SEP IRA Account)

24. From August 2004 to August 2005, Respondent exercised effective control over the SEP IRA account for PB and recommended or implicitly recommended numerous securities transactions to PB for this account, containing long-term investments such as UITs and bonds, detailed in Schedule D attached hereto and incorporated by reference.
25. The transactions referenced in Schedule D were excessive and unsuitable. During the relevant period, there were 41 transactions, with purchases of approximately \$353,847. The annualized turnover rate for the account was approximately 5.5.
26. PB was charged commissions of approximately \$13,410 for the transactions listed in Schedule D. The annualized commission-to-equity ratio was approximately 21%, meaning that PB would have had to earn 21% in her SEP IRA account just to break even.
27. Despite PB holding long-term securities in her SEP IRA account, the positions were held an average of only 61 days.
28. During the relevant period, the excessive and unsuitable trading in WB's and PB's accounts primarily benefited Respondent and not WB and PB. WB and PB paid commissions of approximately \$109,562 in their joint Trust account, yet suffered substantial losses of approximately \$38,623. Similarly, WB paid commissions of approximately \$27,228 in his SEP IRA account and yet lost approximately \$2,321; PB paid commissions of approximately \$13,410 in her SEP IRA account and lost approximately \$1,615.

29. By recommending and engaging in excessive and unsuitable trading in WB's and PB's accounts, Respondent violated NASD Conduct Rules 2310 and 2110 and IM-2310-2.

Based on the foregoing, Respondent violated NASD Conduct Rules 2310 and 2110 and IM-2310-2.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be suspended for three months from association with any FINRA member in any capacity, fined \$5,000, and ordered to pay restitution to the customers listed on Attachment A hereto in the total amount of \$42,559.

Respondent agrees to pay the monetary sanctions upon notice that the Offer has been accepted and that such payments are due and payable. Respondent has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

Respondent shall submit satisfactory proof of payment of restitution or of reasonable and documented efforts undertaken to effect restitution. Such proof shall be submitted to David F. Newman, Senior Regional Counsel, FINRA, 1835 Market Street, Philadelphia, PA 19103, either by letter that identifies the Respondent and Case #2006004795101 and includes a copy of the check, money order or other method of payment or by e-mail, with pdf copies of the payment documentation, to EnforcementNotice@FINRA.org. This proof shall be provided to the FINRA staff member listed above no later than 120 days after acceptance of the Offer.

If for any reason Respondent cannot locate any customer identified in Attachment A after reasonable and documented efforts within 120 days from the date the Offer is accepted, or such additional period agreed to by a FINRA staff member in writing, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property or abandoned property fund for the state in which the customer is last known to have resided. Respondent shall provide satisfactory proof of such action to the FINRA staff member identified above and in the manner described above, within 14 days of forwarding the undistributed restitution and interest to the appropriate state authority.

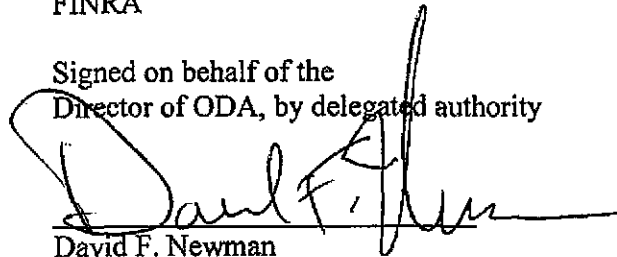
The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies.

The sanctions herein shall be effective on a date set by FINRA staff.

SO ORDERED.

FINRA

Signed on behalf of the
Director of ODA, by delegated authority

A handwritten signature in black ink, appearing to read "David F. Newman", is written over a horizontal line.

David F. Newman
Senior Regional Counsel
FINRA Department of Enforcement
1835 Market Street
Philadelphia, PA 19103
(215) 963-2608; Fax (215) 496-0434

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Schedule A
LC IRA Account [REDACTED]

T/D	B/S	Qty	Principal	Description
6/3/2004	BUY	111000	\$108,898.18	FNMA MP 4% 7/15/10
9/20/2004	SEL	-111000	\$108,774.00	FNMA MP 4% 7/15/10
8/9/2004	BUY	61000	\$ 59,938.85	FHLMC Term 3% 11/15/10
9/20/2004	SEL	-61000	\$ 59,774.00	FHLMC Term 3% 11/15/10
8/18/2004	BUY	2170	\$ 54,255.25	Royal Scotland PLC ADR
10/19/2004	SEL	-2170	\$ 55,479.50	Royal Scotland PLC ADR
9/20/2004	BUY	3447	\$169,254.00	FannieMae 5.375% Pfd
11/23/2004	SEL	-3447	\$158,208.00	FannieMae 5.375% Pfd
10/19/2004	BUY	55000	\$ 53,682.00	FHLB 5.25% 7/7/23 Pfd
1/27/2005	SEL	-55000	\$ 52,250.00	FHLB 5.25% 7/7/23 Pfd
10/28/2004	BUY	6033	\$ 66,965.00	First Trust Aerospace Def Ser 4
11/9/2004	BUY	2807	\$ 33,241.00	First Trust Aerospace Def Ser 4
12/31/2004	SEL	-8840	\$107,173.00	First Trust Aerospace Def Ser 4
10/13/2004	BUY	79000	\$ 79,006.00	FHLMC Retail REMIC 5.5% 10/15/34
1/26/2005	SEL	-55000	\$ 52,250.00	FHLMC Retail REMIC 5.5% 10/15/34
7/15/2005	SEL	-24000	\$ 23,516.00	FHLMC Retail REMIC 5.5% 10/15/34
11/23/2004	BUY	275000	\$267,840.00	FHLB 5% due 6/30/23
12/10/2004	SEL	-110000	\$101,139.00	FHLB 5% due 6/30/23
12/27/2004	SEL	-165000	\$151,297.00	FHLB 5% due 6/30/23
1/26/2005	BUY	6781	\$105,000.00	PIMCO Pac Comdty Rtn Strg A
7/9/2004	BUY	804	\$ 6,946.00	First Trust Energy Port 820 Ser 14
10/13/2004	SEL	ALL	\$ 8,129.00	First Trust Energy Port 820 Ser 14
7/6/2004	BUY	65000	\$ 64,235.00	FHLB 3.85% 10/23/09 DTD 4/23/04
10/28/2004	SEL	-65000	\$ 63,896.00	FHLB 3.85% 10/23/09 DTD 4/23/04
7/6/2004	BUY	35000	\$ 33,644.00	FHLB 4% 12/30/11 DTD 6/30/03
11/9/2004	SEL	-35000	\$ 32,751.00	FHLB 4% 12/30/11 DTD 6/30/03
12/10/2004	BUY	4000	\$100,000.00	GMAC 7.375% Sr Nt 12/16/44
1/18/2005	SEL	-4000	\$ 99,890.00	GMAC 7.375% Sr Nt 12/16/44
12/23/2004	BUY	5885	\$155,311.00	FORD MOTOR CO 7.5% 6/10/43
1/12/2005	SEL	-5885	\$151,856.00	FORD MOTOR CO 7.5% 6/10/43
12/28/2004	BUY	95000	\$105,534.00	US TIPS 2.375 1/15/25
1/18/2005	BUY	95000	\$103,550.00	US TIPS 2.375 1/15/25
2/9/2005	SEL	-190000	\$211,505.00	US TIPS 2.375 1/15/25
2/9/2005	BUY	48000	\$ 46,006.00	GNMA REMIC MULTI 5% 10/30/34
7/15/2005	SEL	-46000	\$ 44,128.00	GNMA REMIC MULTI 5% 10/30/34
2/9/2005	BUY	169000	\$170,690.00	GNMA REMIC MULTI CMO 5% 5/20/34
5/18/2005	SEL	-169000	\$165,441.00	GNMA REMIC MULTI CMO 5% 5/20/34

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Schedule A
LC IRA Account [REDACTED]

Date	Buy/Sell	Qty	Principal	Description
5/19/2005	BUY	6615	\$165,375.00	JPMORGAN CAP 6.35% 6/1/35 XVI
7/21/2005	SEL	-1972	\$ 50,061.00	JPMORGAN CAP 6.35% 6/1/35 XVI
7/5/2006	BUY	45000	\$ 45,456.00	GNMA REMIC MULTI 5% 2/20/33
7/12/2006	SEL	-45000	\$ 43,542.00	GNMA REMIC MULTI 5% 2/20/33
11/19/2004	BUY	120	\$ 1,278.00	STREETTRACKS GOLD TR
12/1/2004	BUY	57	\$ 2,588.00	STREETTRACKS GOLD TR
1/12/2005	BUY	3510	\$151,270.00	STREETTRACKS GOLD TR
3/29/2005	BUY	30	\$ 1,278.00	STREETTRACKS GOLD TR

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Schedule B
WB and PB
Joint Trust Account [REDACTED]

T/D	B/S	Qty.	Principal	Description
12/17/2004	BUY	1,365	\$ 36,377	BANK OF AMERICA CORP
1/19/2005	SEL	(1,365)	\$ 35,531	BANK OF AMERICA CORP
11/18/2004	BUY	2,705	\$ 55,780	FRANKLIN GOLD PRECIOUS METAL FUND
4/6/2005	SEL	(2,706)	\$ 48,008	FRANKLIN GOLD PRECIOUS METAL FUND
12/9/2004	BUY	4,000	\$ 100,000	GMAC 7.375% SR NOTES
1/11/2005	SEL	(4,000)	\$ 100,000	GMAC 7.375% SR NOTES
11/30/2004	BUY	6,595	\$ 107,500	PIMCO FDS PAC INVT
12/21/2004	SEL	(6,595)	\$ 102,480	PIMCO FDS PAC INVT
12/8/2004	BUY	1,000	\$ 43,810	STREETTRACKS GOLD TRUST
12/17/2004	BUY	1,000	\$ 44,110	STREETTRACKS GOLD TRUST
12/17/2004	BUY	1,445	\$ 63,725	STREETTRACKS GOLD TRUST
6/15/2005	SEL	(1,700)	\$ 72,879	STREETTRACKS GOLD TRUST
7/1/2005	SEL	(1,745)	\$ 74,816	STREETTRACKS GOLD TRUST
12/17/2004	BUY	1,400	\$ 36,358	BALTIMORE GAS& ELEC 6.2%
1/19/2005	SEL	(1,400)	\$ 35,434	BALTIMORE GAS& ELEC 6.2%
7/30/2004	BUY	3,663	\$ 28,814	UTS FT PMP2SARE R
8/9/2004	BUY	3,217	\$ 24,993	UTS FT PMP2SARE R
8/19/2004	BUY	3,470	\$ 29,988	UTS FT PMP2SARE R
8/20/2004	BUY	1,708	\$ 14,991	UTS FT PMP2SARE R
8/30/2004	BUY	2,796	\$ 23,654	UTS FT PMP2SARE R
9/23/2004	BUY	2,034	\$ 18,163	FIRST TRUST PREC METAL
10/1/2004	SEL	(15,888)	\$ 155,429	FIRST TRUST PREC METAL
10/26/2004	BUY	2,436	\$ 26,734	FIRST TRUST AEROSPACE
11/3/2004	BUY	10,750	\$ 122,824	FIRST TRUST AEROSPACE
12/17/2004	BUY	8,768	\$ 109,131	FIRST TRUST AEROSPACE
12/27/2004	SEL	(21,954)	\$ 263,990	FIRST TRUST AEROSPACE
7/30/2004	BUY	2,892	\$ 28,815	UTS FEPS15SAR R
8/9/2004	BUY	2,620	\$ 24,998	UTS FEPS15SAR R
8/19/2004	BUY	3,172	\$ 29,993	UTS FEPS15SAR R
8/20/2004	BUY	1,568	\$ 14,986	UTS FEPS15SAR R
8/30/2004	BUY	2,484	\$ 23,658	UTS FEPS15SAR R
9/23/2004	BUY	1,726	\$ 18,168	FIRST TRUST ENERGY PORT SERIES 15
10/1/2004	SEL	(14,462)	\$ 151,320	FIRST TRUST ENERGY PORT SERIES 15
12/27/2004	BUY	27,109	\$ 254,993	FIRST TRUST CALIFORNIA MUNI INC
1/11/2005	BUY	10,364	\$ 99,990	FIRST TRUST CALIFORNIA MUNI INC
1/14/2005	BUY	10,173	\$ 98,401	FIRST TRUST CALIFORNIA MUNI INC
1/19/2005	BUY	11,304	\$ 109,883	FIRST TRUST CALIFORNIA MUNI INC
1/31/2005	BUY	81	\$ 759	FIRST TRUST CALIFORNIA MUNI INC
2/8/2005	BUY	19,138	\$ 190,104	FIRST TRUST CALIFORNIA MUNI INC
2/28/2005	REINV	158	\$ 1,476	FIRST TRUST CALIFORNIA MUNI INC
8/12/2005	SEL	(5,250)	\$ 50,222	FIRST TRUST CALIFORNIA MUNI INC
8/18/2004	BUY	6000	150005.25	ROYAL BK SCOTAND
10/18/2004	SEL	(6,000)	\$ 162,930	ROYAL BK SCOTAND
3/3/2005	BUY	301	\$ 3,076	FIRST TRUST GREATER CHINA PORTFOLIO
1/9/2006	SEL	(301)	\$ 3,079	FIRST TRUST GREATER CHINA PORTFOLIO
11/26/2004	BUY	9,836	\$ 97,940	FIRST TRUST GREATER CHINA PORTFOLIO

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Schedule B
WB and PB
Joint Trust Account

T/D	B/S	Qty	Principal	Description
12/22/2004	BUY	10,339	\$ 100,944	FIRST TRUST GREATER CHINA PORTFOLIO
1/6/2005	SEL	(20,175)	\$ 184,030	FIRST TRUST GREATER CHINA PORTFOLIO
6/15/2005	BUY	6,678	\$ 71,996	FIRST TRUST HEALTHCARE SERIES 7
4/8/2005	BUY	5,377	\$ 51,794	FIRST TRUST CALIFORNIA MUNI
6/7/2005	BUY	789	\$ 8,087	FIRST TRUST CALIFORNIA MUNI INC CLOSED END
6/30/2005	BUY	387	\$ 3,901	FIRST TRUST CALIFORNIA MUNICIPAL INCOME
7/1/2005	BUY	7,330	\$ 73,726	FIRST TRUST CALIFORNIA MUNICIPAL INCOME
7/21/2005	BUY	4,021	\$ 39,997	FIRST TRUST WATER UTILITY
8/2/2005	BUY	405	\$ 4,131	FIRST TRUST WATER UTILITY
9/1/2005	BUY	471	\$ 4,750	FIRST TRUST WATER UTILITY
8/12/2005	BUY	5,200	\$ 49,991	FIRST TRUST HOMELAND SECURITY
9/30/2005	BUY	392	\$ 3,840	FIRST TRUST HOMELAND SECURITY
11/30/2005	BUY	425	\$ 4,340	FIRST TRUST GLOBAL NATURAL
8/6/2004	BUY	50,000	\$ 50,000	FED HOME LN MTG C CP MS
12/14/2004	SEL	(50,000)	\$ 48,696	FEDL HOME LOAN MTG CORP
10/22/2004	BUY	160,000	\$ 158,000	FEDL HOME LOAN MTG CORP
12/8/2004	SEL	(50,000)	\$ 47,500	FEDL HOME LOAN MTG CORP
12/9/2004	SEL	(30,000)	\$ 28,222	FEDL HOME LOAN MTG CORP
12/17/2004	SEL	(80,000)	\$ 76,100	FEDL HOME LOAN MTG CORP
8/23/2004	BUY	11,000	\$ 11,000	FED FARM CR BK CP MS
12/9/2004	SEL	(11,000)	\$ 10,591	FEDL FARM CREDIT BANK
10/1/2004	BUY	55,000	\$ 55,000	FEDERAL HOME LOAN BANK
11/16/2004	SEL	(55,000)	\$ 53,350	FEDERAL HOME LOAN BANK
10/1/2004	BUY	210,000	\$ 210,000	FEDERAL HOME LOAN BANK
11/24/2004	SEL	(100,000)	\$ 98,375	FEDERAL HOME LOAN BANK
11/30/2004	SEL	(110,000)	\$ 105,765	FEDERAL HOME LOAN BANK
10/1/2004	BUY	25,000	\$ 25,000	FEDERAL HOME LOAN BANK
12/9/2004	SEL	(25,000)	\$ 23,979	FEDERAL HOME LOAN BANK
10/18/2004	BUY	155,000	\$ 151,183	FEDERAL HOME LOAN BANK
10/22/2004	BUY	20,000	\$ 19,820	FEDERAL HOME LOAN BANK
12/17/2004	SEL	(175,000)	\$ 165,813	FEDERAL HOME LOAN BANK
8/12/2004	BUY	25,000	\$ 25,000	FHLMC MED TERM NTSRG MP
11/3/2004	SEL	(25,000)	\$ 24,750	FREDDIE MAC
7/30/2004	BUY	200,000	\$ 198,500	FED HOM LN BKS PR CP FA
10/22/2004	SEL	(200,000)	\$ 198,450	FEDERAL HOME LOAN BANK
8/20/2004	BUY	31,000	\$ 31,000	FED NATL MTG CP AO
11/3/2004	SEL	(31,000)	\$ 30,380	FEDL NATL MTG ASSN
8/13/2004	BUY	69,000	\$ 67,448	FED NATL MTG CP JD
11/3/2004	SEL	(69,000)	\$ 66,240	FEDL NATL MTG ASSN

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Schedule B
VB and PB
Joint Trust Account [REDACTED]

T/D	B/S	Qty	Principal	Description
8/23/2004	BUY	25,000	\$ 25,000	FED NTL MTG ASSN CP JD
12/9/2004	SEL	(25,000)	\$ 23,671	FEDL NATL MTG ASSN
10/1/2004	BUY	18,000	\$ 17,658	FANNIE MAE
12/9/2004	SEL	(18,000)	\$ 16,862	FANNIE MAE
12/14/2004	BUY	100,000	\$ 101,120	FORD MOTOR CO
1/14/2005	SEL	(100,000)	\$ 97,655	FORD MOTOR CO
12/17/2004	BUY	1,463	\$ 35,370	GEORGIA POWER 5.875% CAP
1/19/2005	SEL	(1,463)	\$ 35,624	GEORGIA POWER 5.875% CAP
9/23/2004	BUY	40,000	\$ 40,400	GNMA 2004-16 AE
12/17/2004	SEL	(40,000)	\$ 39,200	GNMA 2004-16 AE
11/22/2005	BUY	173	\$ 3,460	NUVEEN EQUITY PREMIUM
1/5/2005	BUY	173,000	\$ 191,479	US TREASURY
2/6/2005	SEL	(173,000)	\$ 189,832	US TREASURY
10/13/2004	BUY	19,000	\$ 19,006	FHLMC 5.5% 04/15/34
12/14/2004	SEL	(10,000)	\$ 9,696	FHLMC 5.5% 04/15/34
12/17/2004	SEL	(9,000)	\$ 8,814	FHLMC 5.5% 04/15/34
10/22/2004	BUY	19,000	\$ 19,006	GNMA 5.5% 10/20/34
12/17/2004	SEL	(19,000)	\$ 18,519	GNMA 5.5% 10/20/34

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Schedule C
WB SEP IRA
Account [REDACTED]

T/D	B/S	Qty	Principal	Description
12/17/2004	BUY	336	\$ 8,954	BANK OF AMERICA CORP
1/19/2005	SEL	(336)	\$ 8,749	BANK OF AMERICA CORP
5/12/2005	BUY	2,240	\$ 56,000	ROYAL BK SCOTLAND 6.35%
6/30/2005	SEL	(2,240)	\$ 56,605	ROYAL BK SCOTLAND 6.35%
12/17/2004	BUY	198	\$ 8,744	STREETTRACKS GOLD TRUST
1/18/2005	BUY	253	\$ 10,720	STREETTRACKS GOLD TRUST
6/7/2005	BUY	24	\$ 1,017	STREETTRACKS GOLD TRUST
7/1/2005	SEL	(475)	\$ 20,302	STREETTRACKS GOLD TRUST
8/17/2004	BUY	431	\$ 3,541	FIRST TRUST PREC METAL
8/30/2004	BUY	1,133	\$ 9,585	FIRST TRUST PREC METAL
9/2/2004	BUY	1,820	\$ 15,871	FIRST TRUST PREC METAL
10/1/2004	SEL	(3,384)	\$ 31,145	FIRST TRUST PREC METAL
10/26/2004	BUY	5,725	\$ 62,665	FIRST TRUST AEROSPACE
12/17/2004	BUY	717	\$ 8,971	FIRST TRUST AEROSPACE
12/29/2004	SEL	(6,442)	\$ 76,996	FIRST TRUST AEROSPACE
8/17/2004	BUY	383	\$ 3,543	FIRST TRUST ENERGY PORT SERIES 15
8/30/2004	BUY	1,008	\$ 9,579	FIRST TRUST ENERGY PORT SERIES 15
9/2/2004	BUY	1,601	\$ 15,871	FIRST TRUST ENERGY PORT SERIES 15
10/1/2004	SEL	(2,990)	\$ 31,285	FIRST TRUST ENERGY PORT SERIES 15
4/19/2005	BUY	4,973	\$ 51,222	FIRST TRUST HEALTHCARE SERIES 7
7/1/2005	BUY	1,940	\$ 20,783	FIRST TRUST HEALTHCARE SERIES 7
8/23/2005	SEL	(3,500)	\$ 36,661	FIRST TRUST HEALTHCARE SERIES 7
2/1/2005	BUY	5,373	\$ 55,944	FIRST TRUST ENERGY PORT SERIES 16
2/10/2005	BUY	5,339	\$ 57,884	FIRST TRUST ENERGY PORT SERIES 16
3/15/2005	SEL	(10,712)	\$ 119,372	FIRST TRUST ENERGY PORT SERIES 16
10/1/2004	BUY	33,000	\$ 32,396	FEDERAL HOME LN MTG CORP
10/26/2004	SEL	(33,000)	\$ 31,763	FEDERAL HOME LN MTG CORP
10/1/2004	BUY	30,000	\$ 29,995	FEDERAL HOME LOAN BANK
10/26/2004	SEL	(30,000)	\$ 29,325	FEDERAL HOME LOAN BANK
8/20/2004	BUY	7,000	\$ 6,790	FED NATL MTG CP JJ
12/17/2004	SEL	(7,000)	\$ 6,545	FANNIE MAE
9/1/2004	BUY	31,000	\$ 31,000	FHLMC 2841 KK
12/14/2004	SEL	(31,000)	\$ 30,383	FHLMC 2841 KK
12/14/2004	BUY	30,000	\$ 30,396	FORD MOTOR CO
1/19/2005	SEL	(30,000)	\$ 28,920	FORD MOTOR CO
3/22/2005	BUY	109,000	\$ 110,090	GNMA 02-88 PH
4/19/2005	SEL	(52,000)	\$ 50,450	GNMA 02-88 PH
5/10/2005	SEL	(57,000)	\$ 56,715	GNMA 02-88 PH
3/15/2005	BUY	400	\$ 9,000	JOHN HANCOCK PFD INCOME
3/15/2005	BUY	500	\$ 11,225	JOHN HANCOCK PFD INCOME
3/15/2005	BUY	4,400	\$ 99,088	JOHN HANCOCK PFD INCOME
3/16/2005	BUY	4,343	\$ 97,804	JOHN HANCOCK PFD INCOME

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Schedule C
WB SEP IRA
Account: [REDACTED]

T/D	B/S	Qty	Principal	Description
3/22/2005	SEL	(543)	\$ 11,588	JOHN HANCOCK PFD INCOME
3/22/2005	SEL	(1,000)	\$ 21,290	JOHN HANCOCK PFD INCOME
3/22/2005	SEL	(3,700)	\$ 78,514	JOHN HANCOCK PFD INCOME
12/29/2004	BUY	69,000	\$ 76,358	US TREASURY
1/19/2005	BUY	33,000	\$ 36,900	US TREASURY
2/1/2005	SEL	(50,000)	\$ 54,308	US TREASURY
2/10/2005	SEL	(52,000)	\$ 57,773	US TREASURY
6/30/2005	BUY	105,000	\$ 56,260	US TREAS STRIPS 08/20
7/19/2005	SEL	(65,000)	\$ 27,737	US TREAS STRIPS 08/20
8/3/2005	SEL	(50,000)	\$ 24,958	US TREAS STRIPS 08/20

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Schedule D
PB SEP IRA
Account - [REDACTED]

T/D	B/S	Qty	Principal	Description
12/13/2004	BUY	428	\$ 10,700	GMAC 7.375% SR NOTES
1/14/2005	SEL	(428)	\$ 10,661	GMAC 7.375% SR NOTES
5/12/2005	BUY	424	\$ 10,600	ROYAL BK SCOTLAND 6.35%
7/15/2005	SEL	(424)	\$ 10,820	ROYAL BK SCOTLAND 6.35%
1/14/2005	BUY	250	\$ 10,568	STREETTRACKS GOLD TRUST
1/18/2005	BUY	82	\$ 3,474	STREETTRACKS GOLD TRUST
3/22/2005	BUY	555	\$ 23,976	STREETTRACKS GOLD TRUST
6/17/2005	SEL	(887)	\$ 38,780	STREETTRACKS GOLD TRUST
9/27/2004	BUY	314	\$ 2,847	FIRST TRUST PREC METAL
10/1/2004	SEL	(314)	\$ 2,890	FIRST TRUST PREC METAL
8/17/2004	BUY	357	\$ 2,933	UTS FT PMP2SARE R
8/30/2004	BUY	366	\$ 3,096	UTS FT PMP2SARE R
10/1/2004	SEL	(723)	\$ 6,654	FIRST TRUST PREC METAL
11/3/2004	BUY	1,811	\$ 18,503	FIRST TRUST AEROSPACE
12/29/2004	SEL	(1,811)	\$ 19,255	FIRST TRUST AEROSPACE
1/5/2005	SEL	(0)	\$ 5	FIRST TRUST AEROSPACE
1/5/2005	SEL	(9)	\$ 101	FIRST TRUST AEROSPACE
8/17/2004	BUY	317	\$ 2,932	UTS FEPS15SAR R
8/30/2004	BUY	325	\$ 3,095	UTS FEPS15SAR R
9/27/2004	BUY	267	\$ 2,840	FIRST TRUST ENERGY PORT SERIES 15
10/1/2004	SEL	(267)	\$ 2,794	FIRST TRUST ENERGY PORT SERIES 15
10/1/2004	SEL	(642)	\$ 6,717	FIRST TRUST ENERGY PORT SERIES 15
4/19/2005	BUY	4,274	\$ 44,022	FIRST TRUST HEALTHCARE SERIES 7
6/17/2005	BUY	2,998	\$ 32,814	FIRST TRUST HEALTHCARE SERIES 7
6/30/2005	BUY	514	\$ 5,516	FIRST TRUST HEALTHCARE SERIES 7
8/23/2005	SEL	(3,900)	\$ 40,851	FIRST TRUST HEALTHCARE SERIES 7
2/10/2005	BUY	1,739	\$ 18,903	FIRST TRUST ENERGY PORT SERIES 16
3/22/2005	SEL	(1,739)	\$ 19,517	FIRST TRUST ENERGY PORT SERIES 16
10/1/2004	BUY	19,000	\$ 18,852	FEDERAL HOME LN MTG CORP
11/3/2004	SEL	(19,000)	\$ 18,050	FEDERAL HOME LN MTG CORP
8/17/2004	BUY	5,000	\$ 5,000	FED NATL MTG CP MP
12/13/2004	SEL	(5,000)	\$ 4,850	FANNIE MAE
3/15/2005	BUY	20,000	\$ 12,298	FHLMC 2631 AH
5/10/2005	SEL	(20,000)	\$ 9,625	FHLMC 2631 AH
12/13/2004	SEL	(6,000)	\$ 5,836	FHLMC 2860 YY
9/7/2004	BUY	6,000	\$ 6,000	FHLMC 2860 YY
3/22/2005	BUY	19,000	\$ 19,190	GNMA 02-88 PH
3/22/2005	BUY	24,000	\$ 24,240	GNMA 02-88 PH
4/19/2005	SEL	(43,000)	\$ 41,719	GNMA 02-88 PH
12/29/2004	BUY	17,000	\$ 18,813	US TREASURY
2/10/2005	SEL	(17,000)	\$ 18,885	US TREASURY