

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

V.

Fred R. Schwartz
(CRD No. 1405861),

Respondent.

DISCIPLINARY PROCEEDING
No. 2006004795101

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From in or about June 2004 to in or about August 2005, Fred R. Schwartz engaged in excessive, unsuitable trading in the accounts of three customers. Schwartz controlled the trading in the customers' accounts and recommended and executed purchases totaling approximately \$7.8 million. The customers had conservative investment objectives and the securities held in their accounts were long-term investments, such as Unit Investment Trusts (UITs), bonds and other fixed-income securities. Despite this, Schwartz 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

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customers' accounts. The customers lost a significant amount of money from Schwartz's trading, which generated gross commissions of approximately \$207,405. This conduct violated NASD Conduct Rules 2310(a) and 2110 and IM-2310-2.

RESPONDENT AND JURISDICTION

2. In September 1985, Schwartz first became registered with FINRA (f/k/a National Association of Securities Dealers or NASD) as a General Securities Representative of a member firm. Since May 2004, Schwartz has been registered in that same capacity through member firm Wachovia Securities, LLC (Wachovia). Accordingly, Schwartz is subject to FINRA's jurisdiction.

First CAUSE OF ACTION Excessive and Unsuitable Trading Customer LC (NASD Conduct Rules 2310 and 2110 and IM-2310-2)

3. The Department realleges and incorporates by reference paragraphs 1 through 2 above.
4. In about May 2004, LC opened an IRA account (# [REDACTED]) with Schwartz at Wachovia. The value of this account was approximately \$635,000. The account was transferred from Schwartz's former employer member firm when he switched employment to Wachovia.
5. 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 therefore invested in this account.

6. 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.
7. While Schwartz served as LC's registered representative at Wachovia, she relied upon and routinely followed his investment recommendations.
8. From in or about June 2004 to in or about July 2005, Schwartz exercised effective control over LC's IRA account and recommended or implicitly recommended, and effected or caused to be effected, numerous securities transactions to LC for this account as more fully detailed in Schedule A attached to this Complaint and incorporated herein by reference. The types of securities transactions that Schwartz recommended are considered long-term investments, including UITs with maturities of five years and fixed-income securities such as Treasury Inflation Protected Securities (TIPS).
9. 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.
10. Schwartz did not have a reasonable basis for believing that the transactions reflected in Schedule A were suitable for LC based upon the frequency of the

transactions, the nature of her account, and her financial situation and needs.

11. 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.
12. Although LC held long-term securities in her account, they were held an average of only 84 days.
13. During the relevant period, the excessive and unsuitable trading in LC's account primarily benefited Schwartz and not LC. While LC paid gross commissions of approximately \$57,309 in her IRA, she still lost approximately \$37,252.
14. By recommending and engaging in excessive and unsuitable trading, Schwartz violated NASD Conduct Rules 2310 and 2110 and IM-2310-2.

SECOND CAUSE OF ACTION
Excessive and Unsuitable Transactions
Customers WB and PB
(NASD Conduct Rules 2310 and 2110 and IM-2310-2)

15. The Department realleges and incorporates by reference paragraphs 1 through 14 above.
16. In August 2004, WB and PB, a husband and wife, opened three accounts with Schwartz at Wachovia: a SEP IRA account for WB [REDACTED] a SEP IRA account for PB [REDACTED] and a joint Trust account [REDACTED]. The aggregate value of these accounts was approximately \$1 million.

17. 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.
18. 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.
19. While Schwartz 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)

20. From August 2004 to August 2005, Schwartz exercised effective control over WB's and PB's joint Trust account and recommended or implicitly recommended, and effected or caused to be effected, numerous securities transactions to WB and PB for this account as more fully detailed in Schedule B attached to this Complaint and incorporated herein by reference. The types of securities transactions that Schwartz recommended are considered long-term investments, including UITs and fixed-income securities.

21. The transactions referenced in Schedule B were excessive and unsuitable. During the relevant period, there were 101 transactions, including purchases of approximately \$3.9 million. The annualized turnover rate for the account was approximately 3.7.
22. Schwartz did not have a reasonable basis for believing that the transactions reflected in Schedule B were suitable for WB and PB based upon the frequency of the transactions, the nature of their account, and their financial situation and needs.
23. WB and PB paid commissions of approximately \$109,458 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.
24. Despite WB and PB holding long-term securities in their joint Trust account, these positions were held an average of only 70 days.

(WB's SEP IRA Account)

25. From August 2004 to August 2005, Schwartz exercised effective control over the SEP IRA account for WB and recommended or implicitly recommended, and effected or caused to be effected, numerous securities transactions to WB for this account as more fully detailed in Schedule C attached to this Complaint and incorporated herein by reference. Again, Schwartz recommended long-term investments such as UITs and bonds.
26. 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.

27. Schwartz did not have a reasonable basis for believing that the transactions reflected in Schedule C were suitable for WB based upon the frequency of the transactions, the nature of his account, and his financial situation and needs.
28. 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.
29. 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)

30. From August 2004 to August 2005, Schwartz exercised effective control over the SEP IRA account for PB and recommended or implicitly recommended, and effected or caused to be effected, numerous securities transactions to PB for this account as more fully detailed in Schedule D attached to this Complaint and incorporated herein by reference. Again, Schwartz recommended long-term investments such as UITs and bonds.
31. 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.
32. Schwartz did not have a reasonable basis for believing that the transactions reflected in Schedule D were suitable for PB based upon the frequency of the

transactions, the nature of her account, and her financial situation and needs.

33. 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.
34. Despite PB holding long-term securities in her SEP IRA account, the positions were held an average of only 61 days.
35. During the relevant period, the excessive and unsuitable trading in WB's and PB's accounts primarily benefited Schwartz and not WB and PB. WB and PB paid commissions of approximately \$109,458 in their joint Trust account, yet suffered substantial losses of approximately \$38,628. 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.
36. By recommending and engaging in excessive and unsuitable trading in WB's and PB's accounts, Schwartz violated NASD Conduct Rules 2310 and 2110 and IM-2310-2.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

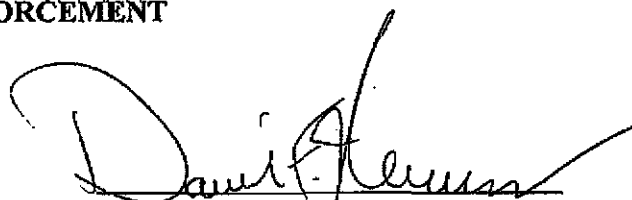
- A. order that one or more of the sanctions provided under NASD Rule 8310(a) be imposed, including that the Respondent be required to disgorge

fully any and all ill-gotten gains and/or make full and complete restitution, together with interest.

- B. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: October 24, 2008

A handwritten signature in black ink, appearing to read "David F. Newman", is written over the typed name and title of David F. Newman.

David F. Newman, Senior Regional Counsel
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Schedule A
LC IRA Account [REDACTED]

T/D	B/S	Qty	Principal	Description
6/3/2004	BUY	111000	\$106,698.18	FNMA MP 4% 7/15/10
9/20/2004	SEL	-111000	\$108,774.00	FNMA MP 4% 7/15/10
6/9/2004	BUY	61000	\$ 59,838.85	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	\$ 55,479.60	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	\$267,640.00	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	6761	\$105,000.00	PIMCO Pac Comdty Rtn Strg A
7/9/2004	BUY	604	\$ 6,945.00	First Trust Energy Port 820 Ser 14
10/13/2004	SEL	ALL	\$ 8,129.00	FirstTrust 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 NI 12/16/44
1/18/2005	SEL	-4000	\$ 99,890.00	GMAC 7.375% Sr NI 12/16/44
12/23/2004	BUY	5885	\$155,311.00	FORD MOTOR CO 7.5% 6/10/43
1/12/2005	SEL	-5885	\$151,666.00	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	46000	\$ 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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LC IRA Account [REDACTED]

TD	B/S	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
7/5/2005	BUY	45000	\$ 45,456.00	GNMA REMIC MULTI 5% 2/20/33
7/12/2005	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

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
11/16/2004	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)	\$ 74,616	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	3,863	\$ 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	\$ 18,153	FIRST TRUST PREC METAL
10/1/2004	SEL	(16,888)	\$ 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)	\$ 152,930	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
4/6/2005	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)	\$ 96,375	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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WB 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	\$ 36,370	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
2/8/2005	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
10/28/2004	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	1,006	\$ 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	\$ 20,763	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	\$ 30,336	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]

Date	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	(55,000)	\$ 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)	\$ 2,690	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	1,611	\$ 18,503	FIRST TRUST AEROSPACE
12/29/2004	SEL	(1,611)	\$ 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	\$ 18,652	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