

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

Department of Enforcement,

Complainant,

v.

David JC Bolton,
(CRD No. 5038018),

Respondent.

DISCIPLINARY PROCEEDING
No. 2016049775701

Hearing Officer _____

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From July 2012 through June 2015 while Respondent David JC Bolton (“Bolton”) was registered with FINRA through associations with Signator Investors, Inc. (“Signator”) and thereafter, Thurston, Springer, Miller, Herd (“Thurston”), Bolton violated FINRA Rules 2111 and 2010 by engaging in unsuitable trading in the accounts of his two largest customers, one of whom was 101 years old. Specifically, Bolton recommended short-term trading in Class A shares of mutual funds, which generally are longer-term investments to account for upfront sales charges. Bolton also recommended that one customer split his investment into 42 mutual funds across 11 fund families, which disadvantaged the customer by failing to take advantage of certain breakpoints which would have reduced the customer’s up-front sales charges. The customers incurred at least \$24,747 in unnecessary sales charges based on Bolton’s unsuitable recommendations.

2. Bolton also violated FINRA Rules 4511 and 2010 by mismarking trades and failing to return the only set of customer files to Signator. First, between July 2012 and October

2014 while Bolton was associated with Signator, he mismarked, or caused others to mismark, more than 120 solicited trades as “unsolicited” on electronic order tickets. In addition, Bolton failed to return the only set of certain Signator customer documents, including mutual fund switch letters and suitability documentation to the firm as required. Instead, Bolton destroyed these records.

RESPONDENT AND JURISDICTION

3. Bolton became registered in January 2006 as a General Securities Representative through an association with a FINRA regulated firm. From January 2006 through February 2016, Bolton was registered with six different FINRA regulated firms.

4. Relevant to the allegations in this Complaint, from January 2012 through November 2014, Bolton was registered with FINRA as a General Securities Representative through an association with Signator in Bowling Green, Kentucky. After voluntarily leaving Signator, Bolton became registered with Thurston from November 2014 to February 2016, also in Bowling Green, Kentucky. On February 5, 2016, Bolton voluntarily terminated his employment with Thurston. On February 10, 2016, Thurston filed a Uniform Termination for Securities Industry Registration (“Form U5”) stating the same.

5. Since he voluntarily terminated his employment with Thurston on February 5, 2016, Bolton has not been registered with FINRA, or associated with a FINRA member firm.

6. On April 15, 2016, Signator filed an amended Form U5 to disclose a customer complaint for the first time. The amendment states that Bolton made “unsuitable recommendations and [gave] poor advice concerning [a customer’s] accounts as well as the accounts belonging to his mother.”

7. Although Bolton is no longer registered or associated with a FINRA member firm, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years of the April 15, 2016 amendment to a notice of termination, and (2) the Complaint charges Bolton with misconduct committed while he was registered with a FINRA member.

FACTUAL BACKGROUND

8. This case concerns the Respondent's unsuitable trading of Class A mutual fund shares in two customer accounts and his failure to preserve the integrity of the books and records of his member firm by mismarking order tickets and destroying documents.

A. Unsuitable Trading

9. As set forth in more detail below, Bolton engaged in a pattern of recommending unsuitable trading to two customers, one of whom was 101 years old. The trading was unsuitable for two reasons. First, Bolton recommended that his customers invest in Class A shares of mutual funds, which generally impose upfront sales charges and are longer-term investments. Instead of holding those positions, however, Bolton recommended that his customers sell the positions within 92 to 274 days, and reinvest in similar Class A shares incurring additional upfront sales charges. In addition, Bolton recommended that one customer split his investments across 11 fund families, which increased Bolton's commissions, but disadvantaged the customer by failing to take advantage of certain breakpoints which would have reduced the customer's upfront sales charges.

10. Bolton's unsuitable trading caused J.K. and A.K. to collectively pay approximately \$24,747 in unnecessary sales charges. These unnecessary charges are comprised of approximately \$9,354 paid by A.K. for short-term trading, approximately \$5,393 paid by J.K.

for short-term trading, and approximately \$10,000 paid by J.K. for splitting his investments across 11 fund families.

1. Unsuitable Short-Term Trading – Customers J.K. and A.K.

11. While Bolton was registered with Signator and Thurston, he serviced two accounts for customer J.K. – a traditional IRA (the “IRA”) and a self-employment IRA (the “SEP IRA”). When Bolton moved firms, J.K. transferred his accounts to continue with Bolton as his broker.

12. According to J.K.’s account opening documents, he was a self-employed surgeon in his fifties with an annual income of \$197,000. He had an estimated net worth of \$2.5 million and a liquid net worth of \$1.2 million. J.K.’s investment objective was “growth” for his IRA, and “growth and income” for his SEP IRA. The forms for both accounts reflect a moderate risk tolerance and a 5-10 year time horizon.

13. As set forth in more detail below, Bolton recommended the liquidation of Class A shares and subsequent purchase of different Class A shares with similar objectives and risks multiple times costing J.K. approximately \$5,393 in unnecessary sales charges.

14. First, on August 1, 2012, on Bolton’s recommendation, J.K. invested \$10,005 in Class A shares of a John Hancock fund. The prospectus for the fund disclosed that the shares were longer-term investments. In January 2013, again on Bolton’s recommendation, J.K. invested an additional \$35,005 in the fund. Together, J.K. paid upfront sales charges of \$1,529.21 for the investments. Yet, instead of holding the position for at least a year, Bolton recommended that J.K. liquidate the entire John Hancock position. Based on Bolton’s recommendation, the Class A shares were sold on April 9, 2013 – only 92 days after the January purchase, and 251 days after the August purchase. These recommendations were unsuitable

given the short period of time J.K. held the investments and J.K.'s longer term investment horizon. *See Exhibit A.*

15. Second, on April 1, 2013, J.K. invested \$40,010 in Class A shares of certain American Funds mutual funds based on Bolton's recommendation. The prospectuses for the American Funds mutual funds disclosed that Class A shares are longer-term investments. J.K. paid \$1,904.76 in sales charges for these purchases. In July 2013, Bolton recommended that J.K. move \$10,000 from one American Funds fund to a different American Funds fund. No charges were assessed for this transaction because it occurred within the same fund family.

16. In August 2013, Bolton recommended that J.K. increase his investment in one of the American Funds mutual funds. Based on Bolton's recommendation, on August 12, 2013 J.K. invested an additional \$21,805 for more Class A shares in that fund. For this investment, J.K. paid \$938.76 in sales charges. *See Exhibit B.*

17. In December 2013, Bolton recommended that J.K. liquidate all of his positions in American Funds and use the proceeds to invest in Class A shares of J.P. Morgan funds with similar fund objectives and risks. Based on Bolton's recommendation, on December 31, 2013 (141 days after the August purchase, 162 days after the July purchase and 274 days after the April purchases), J.K. invested approximately \$65,400 in Class A shares of J.P. Morgan funds with similar fund objectives and risks. J.K. incurred unnecessary sales charges of approximately \$2,758 for these short-term trades. *See Exhibit B.*

18. Third, in October 2014, Bolton recommended that J.K. invest in Class A shares of an ALPS fund. Based on Bolton's recommendation, on October 6, 2014, J.K. invested approximately \$9,905 in ALPS/Red Rocks Listed Private Equity Fund. J.K. paid approximately \$521 in sales charges for this purchase.

19. Approximately eight months later, Bolton recommended that J.K. sell his ALPS shares (in addition to other Class A liquidations) to invest in Class A shares of a Deutsche Global fund and a Pacific FDS fund. Based on Bolton's recommendation, on June 25, 2015, J.K. invested \$71,880 in these funds, and collectively paid approximately \$2,635 in sales charges for the investment. *See Exhibit C.*

20. In addition to the above unsuitable short-term trades for J.K., Bolton engaged in unsuitable short-term trading in the account of A.K., J.K.'s 101 year old mother.

21. A.K. became Bolton's customer at Signator in May 2014. According to Signator account opening documents, A.K. was a 101-year-old retiree with a \$48,000 annual income, \$36,000 in annual expenses, and a two-year time horizon. A.K. had a moderate risk tolerance, and her objective was "growth with income." J.K. had power-of-attorney over A.K.'s financial affairs.

22. From May 2014 through April 2015, Bolton recommended 30 unsuitable short-term transactions in A.K.'s accounts costing her \$9,354.33 in unnecessary sales charges – nearly 20 percent of A.K.'s annual income.

23. In May 2014, A.K. transferred approximately \$190,000 in cash to her Signator brokerage account. Bolton recommended that A.K. invest in Class A shares across various mutual funds and executed the trades between May 19, 2014 and June 9, 2014. A.K. paid approximately \$8,674 in sales charges for these purchases.

24. In October 2014, Bolton recommended that A.K. sell 1,550 shares of American Express stock to invest in more Class A shares. A.K. liquidated the American Express stock and invested \$132,934.72 in Class A shares of five different mutual funds on October 6, 2014. A.K. paid approximately \$5,715 in sales charges for these transactions.

25. On November 10, 2014, Bolton resigned from Signator and became associated with Thurston. That same day, J.K. signed new account documents to open a Thurston brokerage account for A.K. stating that her holdings at Signator should be transferred in-kind to Thurston, as opposed to being liquidated and transferred as cash. The account was not transferred in 2014.

26. On February 10, 2015, J.K. signed two sets of account transfer documents on behalf of A.K. One set instructed that A.K.'s Signator account be liquidated to cash and the cash be transferred to Thurston. The second set instructed that the holdings in A.K.'s account be transferred in kind from Signator to Thurston. According to internal Thurston documentation, Thurston rejected the first form requesting that A.K.'s Signator account be liquidated, and instructed Bolton to re-submit A.K.'s account documents with an in-kind transfer request.

27. Despite Thurston's instruction to Bolton to transfer A.K.'s account in-kind, on February 11, 2015, Bolton sent the liquidation form to Signator, and A.K.'s account was liquidated on February 13, 2015. The liquidation generated approximately \$322,282 in proceeds, which were then transferred to Thurston. A.K. sustained \$762 in losses associated with the mutual fund sales. She only held the Class A shares described above for 119 to 270 days.

28. On April 29, 2015, on Bolton's recommendation, A.K. invested approximately \$50,000 in Class A shares of five John Hancock mutual funds, and \$250,000 in Class A shares of Pacific FDS Portfolio. These funds had similar fund objectives and risks as the funds that were liquidated after the above noted short-term hold. A.K. paid \$9,354.33 in unnecessary sales charges for these purchases. *See Exhibit D.*

2. Unsuitable Trading in Multiple Fund Families – Customer J.K.

29. As described above, an investment in Class A mutual fund shares involves an upfront sales fee based on the total amount invested. These fees, however, may be discounted to a lower percentage if: (1) a large amount is invested, (2) the investor owns other mutual funds offered by the same fund family, or (3) the investor commits to the regular purchase of the mutual fund shares.

30. For the various funds Bolton recommended to J.K., discounts on fees were triggered at certain thresholds, or “breakpoints” such as \$50,000, \$100,000 and \$250,000. Based on the amount invested, the upfront sales charge ranged from as low as 2.5% to nearly 6%. For example, had Bolton recommended an investment of \$250,000 in certain fund families, J.K.’s sales charge would have been 2.5%.

31. As of February 2012, J.K. owned \$778,151 in Class A shares in 42 mutual funds across four different mutual fund families. Beginning on February 10, 2012, at Bolton’s recommendation, J.K. liquidated those positions. The sale netted proceeds to J.K. of approximately \$787,800, which sat in cash for several months.

32. Beginning on July 31, 2012, Bolton recommended that J.K. invest \$731,265 in Class A shares across 42 mutual funds from 11 different fund families. The sales charges on the investments ranged from 3.22% to 5.77%. J.K. paid approximately \$28,916 in sales charges associated with these purchases. *See Exhibit E.*

33. In making the recommendation to divide J.K.’s investment across 11 fund families, Bolton subverted J.K.’s ability to receive lower sales charges by investing in similar funds within fewer fund families. Had J.K. invested larger amounts across fewer fund families,

he could have benefitted from sales charges as low as 2.5% and reduced J.K.'s costs by approximately \$10,000.

34. Bolton's recommendation to split J.K.'s investment among 11 different mutual fund families was unsuitable because it unnecessarily multiplied the cost of the transactions.

B. Mismarking Orders

35. While Bolton worked at Signator, Bolton engaged in a practice where he falsely marked, or caused others to falsely mark, solicited trades as "unsolicited." Specifically, all the trades in J.K.'s accounts from July 2012 through October 2014, and A.K.'s account from May through October 2014, were recommended by Bolton, and yet were falsely marked as unsolicited. As a result, at least 120 trades were falsely marked as unsolicited in Signator's books and records.

C. Failure to Return and Preserve Firm Records

36. In 2014, upon his resignation from Signator, Bolton did not return the only set of his client files to Signator as required in violation of the firm's written supervisory procedures.

37. Section 3.1 of Signator's 2014 written supervisory procedures state:

Client files and records (paper and/or electronic) belong to the firm and must be returned to your Managing Partner upon your departure from the Firm. You may not retain copies of client records following your departure.

38. Signator required the following documents to be kept in client files:

Suitability documentation/Factfinder: All documentation supporting the suitability of the products you sold, and . . . all product specific documents (i.e., replacement forms, switch forms).

39. Bolton never returned to Signator the only copy of his client records, including mutual fund switch letters and suitability documentation as required. In fact, Bolton destroyed those documents while Bolton was preparing to leave Thurston in early 2016.

40. Because Bolton never returned the only copy of his customer files to Signator (and subsequently destroyed them), Signator was unable to produce suitability documentation for Bolton's customers to FINRA.

FIRST CAUSE OF ACTION
Unsuitable Trading
(Violations of FINRA Rule 2111 and FINRA Rule 2010)

41. The Department re-alleges and incorporates by reference paragraphs 1 through 40.

42. FINRA Rule 2111 provides:

A member or an associated person must have a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the member or associated person to ascertain the customer's investment profile. A customer's investment profile includes . . . the customer's age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information the customer may disclose to the member or associated person in connection with such recommendation.

43. FINRA Rule 2010 requires an associated person, in the conduct of his/her business to "observe high standards of commercial honor and just and equitable principles of trade."

44. A pattern of short-term mutual fund trading is presumptively unsuitable and therefore presumptively a violation of FINRA Rule 2111. A violation of FINRA Rule 2111 is also a violation of FINRA Rule 2010.

45. Between July 2012 and June 2015, Bolton engaged in a pattern of short-term mutual fund trading in the accounts of customers J.K. and A.K, collectively executing over 60

unsuitable short-term trades in Class A mutual funds in their accounts. The holding periods for the transactions ranged from 92 to 274 days.

46. Bolton's improper short-term trading activities in the customer accounts caused J.K. and A.K. to collectively pay at least \$14,747 in unnecessary sales charges.

47. Bolton executed these trades without having reasonable grounds for believing that these trades were suitable in light of the nature and frequency of the transactions. The trades were inconsistent with the long-term nature of Class A shares as well as the investment objectives of J.K. and A.K. of growth with moderate risk. Bolton understood that Class A shares are long-term investments, yet Bolton repeatedly engaged in short-term trading of Class A shares in J.K.'s and A.K.'s accounts.

48. Moreover, the funds that Bolton recommended all had similar investment objectives and projected returns.

49. In addition, Bolton's recommendation to invest \$731,265 in Class A shares of 42 funds in 11 different fund families was unsuitable for J.K. because the strategy generated higher sales charges than a similar investment across fewer fund families. As alleged above, by recommending investments across multiple fund families without regard for advantageous breakpoints and thus reduced sales charges, Bolton cost J.K. approximately \$10,000 in unnecessary sales charges.

50. Based on the foregoing, Bolton violated FINRA Rules 2111 and 2010.

SECOND CAUSE OF ACTION

Causing Member Firm to Maintain Inaccurate Books and Records (FINRA Rules 4511 and 2010)

51. The Department re-alleges and incorporates by reference Paragraphs 1 through 50 above.

52. FINRA Rule 4511(a) provides that “[m]embers shall make and preserve books and records as required under FINRA Rules, the Exchange Act and the applicable Exchange Act rules.” The books and records made and preserved under Rule 4511 must be accurate. Further, the maintenance of inaccurate books or records violates FINRA Rule 2010.

53. FINRA Rule 0140(a) states that “[p]ersons associated with a member shall have the same duties and obligations as a member under the Rules.”

54. SEA Rule 17a-3(a)(6)(i) promulgated under the Securities Exchange Act of 1934 requires firms to make and keep current “[a] memorandum of each brokerage order, and of any other instruction, given or received for the purchase or sale of securities, whether executed or unexecuted,” which shall include “the terms and conditions of the order or instructions.”

55. As alleged above, between July 2012 and October 2014, Bolton provided false information to Signator regarding the purchases and sales in J.K.’s traditional IRA account. Bolton falsely marked or caused others to falsely mark 104 of the transactions in J.K.’s IRA as “unsolicited.” Bolton knew the transactions were solicited.

56. Additionally, as alleged above, between May 2014 and October 2014, Bolton provided false information to Signator regarding every transaction in A.K.’s account. Bolton falsely marked or caused others to falsely mark 26 transactions in A.K.’s account as “unsolicited.” Bolton knew that these 26 transactions were solicited.

57. Based on Bolton’s conduct, Signator failed to comply with SEA Rule 17a-3(a)(6). Therefore, by reason of the foregoing, Bolton violated FINRA Rules 4511(a) and 2010 by causing Signator’s books and records to be inaccurate.

THIRD CAUSE OF ACTION
Causing Member Firm to Fail to Preserve Books and Records
(FINRA Rules 4511 and 2010)

58. The Department re-alleges and incorporates by reference Paragraphs 1 through 57 above.

59. Section 3.1 of Signator's 2014 written supervisory procedures state:

Client files and records (paper and/or electronic) belong to the firm and must be returned to your Managing Partner upon your departure from the Firm. You may not retain copies of client records following your departure."

60. Signator's written supervisory procedures also instructed what documentation was required to be kept in client files. This included, but was not limited to:

"Suitability documentation/Factfinder: All documentation supporting the suitability of the products you sold, and . . . "all product specific documents (i.e., replacement forms, switch forms)."

61. SEA Rule 17a-4(b)(4), promulgated under the Securities Exchange Act of 1934, requires that a firm preserve records relating to communications concerning the firm's business.

62. In 2014, upon resigning from Signator, Bolton did not return customer documents such as mutual fund switch letters to Signator as required. In fact, when Bolton was preparing to leave Thurston in early 2016, he destroyed all of his client files.

63. As a result of Bolton's failure to return his customers' files and his subsequent destruction of those records, Signator failed to preserve any suitability documentation or mutual fund switch forms for Bolton's customers, and thereby caused Signator to fail to preserve records relating to communications concerning Signator's business.

64. Because Bolton did not return customer files as required, Bolton caused Signator to fail to comply with SEA Rule 17a-4. Accordingly, Bolton violated FINRA Rules 4511(a) and 2010 by causing Signator to fail to preserve its books and records as required.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. Make findings of fact and conclusions of law that Respondent Bolton committed the violations charged and alleged herein;
- B. Order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed; and
- C. Order that Respondents bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: Apr 12, 2018



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Exhibit A

Exhibit A - J. K. IRA - First Short-Term Trade - John Hancock

Date	Transaction Type	Security Name	Net Amount Bought	Net Amount Sold	Total Sales Charge	Holding Period (Days)
08/01/12	Buy	JOHN HANCOCK FUNDAMENTAL ALL CAP CORE FUND; CLASS A SHARES	\$10,005.00	\$0.00	\$339.10	
01/07/13	Buy	JOHN HANCOCK FUNDAMENTAL ALL CAP CORE FUND; CLASS A SHARES	\$35,005.00	\$0.00	\$1,190.11	
04/09/13	Sell	JOHN HANCOCK FUNDAMENTAL ALL CAP CORE FUND; CLASS A SHARES	\$0.00	\$46,607.30	\$0.00	251 (92)
Totals			\$45,010.00		\$1,529.21	

Exhibit B

Exhibit B - J.K. IRA - Second Short Term Trade - American for JPMS

Date	Buy/Sell	Security Name	Net Amount Bought	Net Amount Sold	Total Sales Charge	Holding Period (Days)
04/01/13	Buy	AMERICAN CAPITAL INCOME BUILDER; CLASS A SHARES	\$30,005.00	\$0.00	\$1,428.57	
04/01/13	Buy	AMERICAN SMALLCAP WORLD FUND, INC; CLASS A SHARES	\$10,005.00	\$0.00	\$476.19	
07/22/13	Buy	AMERICAN GROWTH FUND OF AMERICA; CLASS A SHARES	\$10,000.00	\$0.00	\$0.00	
07/22/13	Sell	AMERICAN CAPITAL INCOME BUILDER; CLASS A SHARES	\$0.00	\$9,995.00	\$0.00	112
08/12/13	Buy	AMERICAN GROWTH FUND OF AMERICA; CLASS A SHARES	\$21,805.00	\$0.00	\$938.76	
12/31/13	Sell	AMERICAN GROWTH FUND OF AMERICA; CLASS A SHARES	\$0.00	\$34,692.54	\$0.00	162
12/31/13	Sell	AMERICAN CAPITAL INCOME BUILDER; CLASS A SHARES	\$0.00	\$20,489.50	\$0.00	274
12/31/13	Sell	AMERICAN SMALLCAP WORLD FUND, INC; CLASS A SHARES	\$0.00	\$11,298.64	\$0.00	274
Total 12/31/13 Sales				\$66,480.68		
12/31/13	Buy	JPMORGAN US RESEARCH ENHANCED EQUITY FUND; CLASS A SHARES	\$4,810.00	\$0.00	\$206.91	Transfer
12/31/13	Buy	JPMORGAN INTERNATIONAL EQUITY INCOME FUND; CLASS A SHARES	\$8,710.00	\$0.00	\$374.86	765
12/31/13	Buy	JPMORGAN US RESEARCH EQUITY PLUS FUND; CLASS A SHARES	\$3,305.00	\$0.00	\$141.80	666
12/31/13	Buy	JPMORGAN MID CAP CORE FUND; CLASS A SHARES	\$3,310.00	\$0.00	\$141.71	Transfer
12/31/13	Buy	JPMORGAN FLOATING RATE INCOME FUND; CLASS A SHARES	\$7,510.00	\$0.00	\$269.17	Transfer
12/31/13	Buy	JPMORGAN EQUITY INCOME FUND; CLASS A SHARES	\$8,710.00	\$0.00	\$377.25	Transfer
12/31/13	Buy	JPMORGAN LARGE CAP VALUE FUND; CLASS A SHARES	\$5,010.00	\$0.00	\$214.61	Transfer
12/31/13	Buy	JPMORGAN MARKET EXPANSION ENHANCED INDEX FUND; CLASS A SHARES	\$3,310.00	\$0.00	\$141.41	Transfer
12/31/13	Buy	JPMORGAN INTREPID EUROPEAN FUND; CLASS A SHARES	\$3,305.00	\$0.00	\$142.11	Transfer
12/31/13	Buy	JPMORGAN GROWTH & INCOME FUND; CLASS A SHARES	\$8,710.00	\$0.00	\$374.86	Transfer
12/31/13	Buy	JPMORGAN GROWTH ADVANTAGE FUND; CLASS A SHARES	\$8,710.00	\$0.00	\$374.06	Transfer
Total 12/31/13 Purchases			\$65,400.00			

Exhibit C

Exhibit C - Third Short-Term Trade - ALPS and other Liquidations for Deutsche Global and Pacific FDS

Holding Period Range		Flagged Action	Security Name	Net Amount Bought	Net Amount Sold	Total Sales Charge	Days Held
12/31/13	06/10/15	SELL	JPMORGAN US RESEARCH ENHANCED EQUITY FUND; CLASS A SHARES	\$4,810.00	\$5,484.59	\$206.91	526
12/31/13	06/10/15	SELL	JPMORGAN MID CAP CORE FUND; CLASS A SHARES	\$3,310.00	\$3,784.64	\$141.71	526
12/31/13	06/10/15	SELL	JPMORGAN FLOATING RATE INCOME FUND; CLASS A SHARES	\$7,510.00	\$7,402.99	\$269.17	526
10/06/14	06/10/15	SELL	ALPS/RED ROCKS LISTED PRIVATE EQUITY FUND; INVESTOR CLASS SHARES	\$9,905.00	\$10,543.40	\$521.45	247
12/31/13	06/10/15	SELL	JPMORGAN EQUITY INCOME FUND; CLASS A SHARES	\$8,710.00	\$9,467.62	\$377.25	526
12/31/13	06/10/15	SELL	JPMORGAN LARGE CAP VALUE FUND; CLASS A SHARES	\$5,010.00	\$5,626.33	\$214.61	526
12/31/13	06/10/15	SELL	JPMORGAN MARKET EXPANSION ENHANCED INDEX FUND; CLASS A SHARES	\$3,310.00	\$3,649.60	\$141.41	526
12/31/13	06/10/15	SELL	JPMORGAN INTREPID EUROPEAN FUND; CLASS A SHARES	\$3,305.00	\$3,175.28	\$142.11	526
12/31/13	06/10/15	SELL	JPMORGAN GROWTH & INCOME FUND; CLASS A SHARES	\$8,710.00	\$9,623.23	\$374.86	526
12/31/13	06/10/15	SELL	JPMORGAN GROWTH ADVANTAGE FUND; CLASS A SHARES	\$8,710.00	\$10,043.83	\$374.06	526
Total					*\$68,801.51		
06/25/15	12/22/15	BUY	DEUTSCHE GLOBAL INTL FD INC	\$21,870.00	\$0.00	\$1,188.61	Transfer Out
06/25/15	12/22/15	BUY	PACIFIC FDS PORTFOLIO	\$50,010.00	\$0.00	\$1,446.88	Transfer Out
Total				\$71,880.00			
			* J.K. used \$3076.45 in cash from his IRA in addition to the \$68,801.51 in net sales proceeds.				

Exhibit D

Exhibit D - A.K. Brokerage Account-Signator Liquidation - Thurston Purchases

Date	Transaction Type	Security Name	Net Amount Bought (Value at Transfer)	Net Amount Sold	Total Sales Charge	Holding Period (Days)
02/13/15	Sell	American Express Company	\$0.00	\$5,427.80		148
02/13/15	Sell	JPMorgan Dynamic Growth Fund; Class A Shares	\$0.00	\$9,787.29		130
02/13/15	Sell	MFS Global Alternative Strategy Fund; Class A Shares	\$0.00	\$9,800.67		270
02/13/15	Sell	Franklin Equity Income Fund; Class A Shares	\$0.00	\$4,805.77		270
02/13/15	Sell	Franklin Growth Fund; Class A Shares	\$0.00	\$10,919.02		270
02/13/15	Sell	Franklin Income Fund; Class A Shares	\$0.00	\$9,224.54		270
02/13/15	Sell	Franklin Rising Dividends Fund; Class A Shares	\$0.00	\$15,197.45		270
02/13/15	Sell	Franklin Rising Dividends Fund; Class A Shares	\$0.00	\$9,862.51		119
02/13/15	Sell	Good Harbor Tactical Core US Fund; Class A Shares	\$0.00	\$36,991.96		249
02/13/15	Sell	JPMorgan Intrepid Value Fund; Class A Shares	\$0.00	\$9,740.55		270
02/13/15	Sell	JPMorgan Intrepid Value Fund; Class A Shares	\$0.00	\$9,388.46		130
02/13/15	Sell	JPMorgan US Equity Fund; Class A Shares	\$0.00	\$9,456.67		130
02/13/15	Sell	ALPS/Red Rocks Listed Private Equity Fund; Investor Class Shares	\$0.00	\$32,479.72		130
02/13/15	Sell	MFS Growth Fund; Class A Shares	\$0.00	\$10,311.11		270
02/13/15	Sell	MFS Growth Fund; Class A Shares	\$0.00	\$20,113.45		130
02/13/15	Sell	MFS Low Volatility Equity Fund; Class A Shares	\$0.00	\$15,808.43		270
02/13/15	Sell	MFS Utilities Fund; Class A Shares	\$0.00	\$13,559.12		270
02/13/15	Sell	MFS Utilities Fund; Class A Shares	\$0.00	\$9,043.21		130
02/13/15	Sell	MFS Technology Fund; Class A Shares	\$0.00	\$9,993.05		130
02/13/15	Sell	JPMorgan Investor Growth Fund; Class A Shares	\$0.00	\$10,121.56		270
02/13/15	Sell	JPMorgan Investor Growth Fund; Class A Shares	\$0.00	\$19,704.09		130
02/13/15	Sell	JPMorgan Investor Growth & Income Fund; Class A Shares	\$0.00	\$19,640.37		270
02/13/15	Sell	MFS Equity Opportunities Fund; Class A Shares	\$0.00	\$10,051.59		130
02/13/15	Sell	JPMorgan Realty Income Fund; Class A Shares	\$0.00	\$10,853.92		270
Total				\$322,282.31		
04/29/15	Buy	JOHN HANCOCK FDS III	\$5,010.00		\$216.23	
04/29/15	Buy	JOHN HANCOCK INVT TR	\$15,010.00		\$641.81	
04/29/15	Buy	JOHN HANCOCK FDS II	\$10,010.00		\$427.87	
04/29/15	Buy	JOHN HANCOCK INVT TR	\$10,010.00		\$429.71	
04/29/15	Buy	JOHN HANCOCK REDWOOD FUND	\$10,010.00		\$427.87	
04/29/15	Buy	PACIFIC FDS PORTFOLIO	\$250,010.00		\$7,210.84	
Total			\$300,060.00		\$9,354.33	

Exhibit E

Exhibit E - J.K. - Schedule of Relevant Mutual Fund Splitting (IRA Account)

(Feb 2012 - April 2013)

Min Date	Max Date	Flagged Action	Security Symbol	Security Name	Fund Family	Front-End Load % (Range)		Total Sales Charge
01/31/12	02/10/12	SELL	FRBSX	FRANKLIN BALANCE SHEET INVESTMENT FUND; CLASS A SHARES	Franklin			
01/31/12	02/10/12	SELL	FBLAX	FRANKLIN BALANCED FUND; CLASS A SHARES	Franklin			
01/31/12	02/10/12	SELL	FBDIX	FRANKLIN BIOTECHNOLOGY DISCOVERY FUND; CLASS A SHARES	Franklin			
01/31/12	02/10/12	SELL	FKDNX	FRANKLIN DYNATECH FUND; CLASS A SHARES	Franklin			
01/31/12	02/10/12	SELL	FISEX	FRANKLIN EQUITY INCOME FUND; CLASS A SHARES	Franklin			
01/31/12	02/10/12	SELL	FCEQX	FRANKLIN FOCUSED CORE EQUITY FUND; CLASS A SHARES	Franklin			
01/31/12	02/10/12	SELL	FGRRX	FRANKLIN GLOBAL REAL ESTATE FUND; CLASS A SHARES	Franklin			
01/31/12	02/10/12	SELL	FKGRX	FRANKLIN GROWTH FUND; CLASS A SHARES	Franklin			
01/31/12	02/10/12	SELL	FKINX	FRANKLIN INCOME FUND; CLASS A SHARES	Franklin			
01/31/12	02/10/12	SELL	FRNRX	FRANKLIN NATURAL RESOURCES FUND; CLASS A SHARES	Franklin			
01/31/12	02/10/12	SELL	FREEX	FRANKLIN REAL ESTATE SECURITIES FUND; CLASS A SHARES	Franklin			
01/31/12	02/10/12	SELL	FRDPX	FRANKLIN RISING DIVIDENDS FUND; CLASS A SHARES	Franklin			
01/31/12	02/10/12	SELL	FRSTX	FRANKLIN STRATEGIC INCOME FUND; CLASS A SHARES	Franklin			
01/31/12	02/10/12	SELL	GIPAX	GOLDMAN SACHS BALANCED STRATEGY PORTFOLIO; CLASS A SHARES	Goldman Sachs			
01/31/12	02/10/12	SELL	GSCAX	GOLDMAN SACHS COMMODITY STRATEGY FUND; CLASS A SHARES	Goldman Sachs			
01/31/12	02/10/12	SELL	GSDAX	GOLDMAN SACHS EMERGING MARKETS DEBT FUND; CLASS A SHARES	Goldman Sachs			
01/31/12	02/10/12	SELL	GAPAX	GOLDMAN SACHS EQUITY GROWTH STRATEGY PORTFOLIO; CLASS A SHARES	Goldman Sachs			
01/31/12	02/10/12	SELL	GOIAX	GOLDMAN SACHS GROWTH & INCOME STRATEGY PORTFOLIO; CLASS A SHARES	Goldman Sachs			
01/31/12	02/10/12	SELL	GCIAX	GOLDMAN SACHS INTERNATIONAL EQUITY INSIGHTS FUND; CLASS A SHARES	Goldman Sachs			
01/31/12	02/10/12	SELL	GCVAX	GOLDMAN SACHS LARGE CAP VALUE INSIGHTS FUND; CLASS A SHARES	Goldman Sachs			
01/31/12	02/10/12	SELL	GAMDX	GOLDMAN SACHS LOCAL EMERGING MARKETS DEBT FUND; CLASS A SHARES	Goldman Sachs			
01/31/12	02/10/12	SELL	GXSAX	GOLDMAN SACHS SATELLITE STRATEGIES PORTFOLIO; CLASS A SHARES	Goldman Sachs			
01/31/12	02/10/12	SELL	ALFAX	LORD ABBETT ALPHA STRATEGY FUND; CLASS A SHARES	Lord Abbett			
01/31/12	02/13/12	SELL	LAMAX	LORD ABBETT CALIBRATED DIVIDEND GROWTH FUND; CLASS A SHARES	Lord Abbett			
01/31/12	02/13/12	SELL	LRLCX	LORD ABBETT CLASSIC STOCK FUND; CLASS A SHARES	Lord Abbett			
01/31/12	02/13/12	SELL	LGLAX	LORD ABBETT GROWTH LEADERS FUND; CLASS A SHARES	Lord Abbett			
01/31/12	02/13/12	SELL	LMGAX	LORD ABBETT GROWTH OPPORTUNITIES FUND; CLASS A SHARES	Lord Abbett			
01/31/12	02/13/12	SELL	LHYAX	LORD ABBETT HIGH YIELD FUND; CLASS A SHARES	Lord Abbett			
01/31/12	02/10/12	SELL	LALAX	LORD ABBETT LARGE-CAP VALUE FUND; CLASS A SHARES	Lord Abbett			
01/31/12	02/13/12	SELL	LDSAX	LORD ABBETT MULTI-ASSET FOCUSED GROWTH FUND; CLASS A SHARES	Lord Abbett			
01/31/12	02/10/12	SELL	LALCX	LORD ABBETT STOCK APPRECIATION FUND; CLASS A SHARES	Lord Abbett			
01/31/12	02/13/12	SELL	LVOAX	LORD ABBETT VALUE OPPORTUNITIES FUND; CLASS A SHARES	Lord Abbett			
01/31/12	02/13/12	SELL	MFBFX	MFS CORPORATE BOND FUND; CLASS A SHARES	MFS			
01/31/12	02/10/12	SELL	DIFAX	MFS DIVERSIFIED INCOME FUND; CLASS A SHARES	MFS			
01/31/12	02/13/12	SELL	MEDAX	MFS EMERGING MARKETS DEBT FUND; CLASS A SHARES	MFS			
01/31/12	02/13/12	SELL	SRFAX	MFS EQUITY OPPORTUNITIES FUND; CLASS A SHARES	MFS			
01/31/12	02/10/12	SELL	GLMAX	MFS GLOBAL MULTI-ASSET FUND; CLASS A SHARES	MFS			
01/31/12	02/13/12	SELL	MFWTX	MFS GLOBAL TOTAL RETURN FUND; CLASS A SHARES	MFS			
01/31/12	02/13/12	SELL	MFEGX	MFS GROWTH FUND; CLASS A SHARES	MFS			

Exhibit E - J.K. - Schedule of Relevant Mutual Fund Splitting (IRA Account)
(Feb 2012 - April 2013)

Min Date	Max Date	Flagged Action	Security Symbol	Security Name	Fund Family	Front-End Load % (Range)		Total Sales Charge
01/31/12	02/13/12	SELL	MFRFX	MFS RESEARCH FUND; CLASS A SHARES	MFS			
01/31/12	02/13/12	SELL	MTCAX	MFS TECHNOLOGY FUND; CLASS A SHARES	MFS			
01/31/12	02/13/12	SELL	TABRX	TEMPLETON BRIC FUND; CLASS A SHARES	Franklin			
10/02/12	04/11/13	BUY	LPEFX	ALPS/RED ROCKS LISTED PRIVATE EQUITY FUND; INVESTOR CLASS SHARES	Alps/Red Rocks	5.45%	5.45%	\$775.25
04/01/13	12/31/13	BUY	CAIBX	AMERICAN CAPITAL INCOME BUILDER; CLASS A SHARES	American Funds	5.00%	5.00%	\$1,428.57
04/01/13	12/31/13	BUY	SMCWX	AMERICAN SMALLCAP WORLD FUND, INC; CLASS A SHARES	American Funds	5.00%	5.00%	\$476.19
08/02/12	04/11/13	BUY	BLSAX	BLACKROCK ADVANTAGE EMERGING MARKETS FUND; INVESTOR A SHARES	Blackrock	3.96%	3.96%	\$304.73
08/02/12	04/11/13	BUY	BCSAX	BLACKROCK COMMODITY STRATEGIES FUND; INVESTOR A SHARES	Blackrock	4.03%	4.03%	\$309.91
08/02/12	04/11/13	BUY	BAEDX	BLACKROCK EMERGING MARKET FLEXIBLE DYNAMIC BOND PORTFOLIO; INVE	Blackrock	3.79%	3.79%	\$292.13
08/02/12	04/11/13	BUY	BAICX	BLACKROCK MULTI-ASSET INCOME PORTFOLIO; INVESTOR A SHARES	Blackrock	4.02%	4.02%	\$1,004.81
10/03/12	04/11/13	BUY	LAFAX	COLUMBIA ACORN INTERNATIONAL SELECT; CLASS A SHARES	Columbia	4.50%	4.50%	\$215.31
10/03/12	04/11/13	BUY	LCCAX	COLUMBIA CONTRARIAN CORE FUND; CLASS A SHARES	Columbia	4.50%	4.50%	\$645.93
10/03/12	04/11/13	BUY	LBSAX	COLUMBIA DIVIDEND INCOME FUND; CLASS A SHARES	Columbia	4.47%	4.47%	\$641.81
10/03/12	04/11/13	BUY	LEGAX	COLUMBIA LARGE CAP GROWTH FUND; CLASS A SHARES	Columbia	4.50%	4.50%	\$645.93
01/07/13	04/11/13	BUY	GG SAX	GOLDMAN SACHS GROWTH STRATEGY PORTFOLIO; CLASS A SHARES	Goldman Sachs	4.75%	4.75%	\$2,267.30
08/02/12	04/11/13	BUY	GS RAX	GOLDMAN SACHS RISING DIVIDEND GROWTH CL A	Goldman Sachs	3.77%	5.49%	\$2,597.16
08/02/12	04/11/13	BUY	AMHYX	INVESCO HIGH YIELD FUND; CLASS A SHARES	Invesco	4.68%	4.68%	\$1,564.77
07/31/12	04/11/13	BUY	IVDAX	IVY DIVIDEND OPPORTUNITIES FUND; CLASS A SHARES	Ivy Funds	5.77%	5.77%	\$2,727.62
08/01/12	04/11/13	BUY	SVBAX	JOHN HANCOCK BALANCED FUND; CLASS A SHARES	John Hancock	3.50%	3.50%	\$845.41
08/01/12	04/11/13	BUY	JVLAX	JOHN HANCOCK DISCIPLINED VALUE; CLASS A SHARES	John Hancock	3.47%	3.47%	\$301.83
08/01/12	04/11/13	BUY	FIDAX	JOHN HANCOCK FINANCIAL INDUSTRIES FUND; CLASS A SHARES	John Hancock	3.52%	3.54%	\$357.97
08/01/12	04/09/13	BUY	JFCAX	JOHN HANCOCK FUNDAMENTAL ALL CAP CORE FUND; CLASS A SHARES	John Hancock	3.51%	3.52%	\$1,529.21
08/01/12	04/11/13	BUY	TAGRX	JOHN HANCOCK FUNDAMENTAL LARGE CAP CORE FUND; CLASS A SHARES	John Hancock	3.50%	3.50%	\$338.16
08/01/12	04/11/13	BUY	JHAAX	JOHN HANCOCK GLOBAL ABSOLUTE RETURN STRATEGIES FUND; CLASS A SHA	John Hancock	3.53%	3.53%	\$204.58
08/01/12	04/11/13	BUY	JGYAX	JOHN HANCOCK GLOBAL SHAREHOLDER YIELD FUND; CLASS A SHARES	John Hancock	3.54%	3.54%	\$170.95
08/01/12	04/11/13	BUY	GOIGX	JOHN HANCOCK INT'L GROWTH; CLASS A SHARES	John Hancock	3.49%	3.49%	\$168.62
08/01/12	04/11/13	BUY	RGROX	JOHN HANCOCK SELECT GROWTH FUND; CLASS A SHARES	John Hancock	3.49%	3.51%	\$574.60
08/01/12	04/11/13	BUY	SPVAX	JOHN HANCOCK SMALL CAP EQUITY FUND; CLASS A SHARES	John Hancock	3.51%	3.51%	\$169.55
08/01/12	04/11/13	BUY	JHIAx	JOHN HANCOCK SMALL CAP INTRINSIC VALUE FUND; CLASS A SHARES	John Hancock	3.46%	3.47%	\$284.78
08/01/12	04/11/13	BUY	USGLX	JOHN HANCOCK US GLOBAL LEADERS GROWTH FUND; CLASS A SHARES	John Hancock	3.50%	3.50%	\$676.32
10/02/12	04/11/13	BUY	JEDAX	JPMORGAN EMERGING MARKETS DEBT FUND; CLASS A SHARES	JP Morgan	3.24%	3.24%	\$251.07
10/02/12	04/11/13	BUY	JFAMX	JPMORGAN EMERGING MARKETS EQUITY FUND; CLASS A SHARES	JP Morgan	3.49%	3.52%	\$507.25
10/02/12	04/11/13	BUY	OIEIX	JPMORGAN EQUITY INCOME FUND; CLASS A SHARES	JP Morgan	3.54%	3.54%	\$547.03
10/02/12	04/11/13	BUY	VHIAx	JPMORGAN GROWTH ADVANTAGE FUND; CLASS A SHARES	JP Morgan	3.51%	3.54%	\$850.54
10/02/12	04/11/13	BUY	OHYAX	JPMORGAN HIGH YIELD FUND; CLASS A SHARES	JP Morgan	3.24%	3.24%	\$251.07
10/02/12	04/30/13	BUY	JSEAX	JPMORGAN INTERNATIONAL EQUITY FUND; CLASS A SHARES	JP Morgan	3.48%	3.49%	\$336.76
10/02/12	04/11/13	BUY	OLGAX	JPMORGAN LARGE CAP GROWTH FUND; CLASS A SHARES	JP Morgan	3.51%	3.51%	\$678.20
10/02/12	04/11/13	BUY	JAMCX	JPMORGAN MID CAP VALUE FUND; CLASS A SHARES	JP Morgan	3.49%	3.50%	\$1,013.56
10/02/12	04/11/13	BUY	JSOAX	JPMORGAN STRATEGIC INCOME OPPORTUNITIES FUND; CLASS A SHARES	JP Morgan	3.22%	3.22%	\$249.56

Exhibit E - J.K. - Schedule of Relevant Mutual Fund Splitting (IRA Account)

(Feb 2012 - April 2013)

Min Date	Max Date	Flagged Action	Security Symbol	Security Name	Fund Family	Front-End Load % (Range)		Total Sales Charge
10/02/12	04/11/13	BUY	SUSIX	JPMORGAN US REAL ESTATE FUND; CLASS A SHARES	JP Morgan	3.50%	3.50%	\$169.08
10/02/12	04/11/13	BUY	UBVAX	UNDISCOVERED MANAGERS BEHAVIORAL VALUE FUND; CLASS A SHARES	JP Morgan	3.51%	3.51%	\$508.65
10/03/12	04/11/13	BUY	LBNDX	LORD ABBETT BOND-DEBENTURE FUND, INC; CLASS A SHARES	Lord Abbett	4.72%	4.72%	\$1,126.81
10/03/12	04/11/13	BUY	PFOAX	PIMCO FOREIGN BOND FUND (US DOLLAR-HEDGED); CLASS A SHARES	PIMCO	3.74%	3.74%	\$324.46
10/03/12	04/11/13	BUY	PONAX	PIMCO INCOME FUND; CLASS A SHARES	PIMCO	3.77%	3.77%	\$326.97
10/03/12	04/11/13	BUY	PUBAX	PIMCO UNCONSTRAINED BOND FUND; CLASS A SHARES	PIMCO	3.79%	3.79%	\$255.61
Total								\$28,916.01