

BrokerCheck Report

JEFFREY ALAN HILL

CRD# 2204945

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About BrokerCheck®

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

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

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

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

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

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

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

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

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

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

Thank you for using FINRA BrokerCheck.



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

brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.

**JEFFREY A. HILL**

CRD# 2204945

Currently employed by and registered with the following Firm(s):**WELLS FARGO ADVISORS, LLC**

222 W SUPERIOR ST

[GD-RBO]

DULUTH, MN 55802

CRD# 19616

Registered with this firm since: 06/12/2014

WELLS FARGO ADVISORS, LLC

17 SUMMIT AVENUE

BLACKDUCK, MN 56630

CRD# 19616

Registered with this firm since: 06/12/2014

WELLS FARGO ADVISORS, LLC

2024 PAUL BUNYAN DR NW

BEMIDJI, MN 56601

CRD# 19616

Registered with this firm since: 06/12/2014

Report Summary for this Broker

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

Broker Qualifications**This broker is registered with:**

- 5 Self-Regulatory Organizations
- 19 U.S. states and territories

This broker has passed:

- 0 Principal/Supervisory Exams
- 1 General Industry/Product Exam
- 2 State Securities Law Exams

Registration History**This broker was previously registered with the following securities firm(s):****DOUGHERTY & COMPANY LLC**

CRD# 7477

BEMIDJI, MN

12/2003 - 06/2014

WACHOVIA SECURITIES, LLC

CRD# 19616

ST. LOUIS, MO

07/2003 - 12/2003

PRUDENTIAL SECURITIES INCORPORATED

CRD# 7471

NEW YORK, NY

12/2000 - 07/2003

Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

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

The following types of disclosures have been reported:

| Type | Count |
|------------------|-------|
| Customer Dispute | 7 |

Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov>



Broker Qualifications

Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

This individual is currently registered with 5 SROs and is licensed in 19 U.S. states and territories through his or her employer.

Employment 1 of 1

Firm Name: **WELLS FARGO ADVISORS, LLC**
 Main Office Address: **ONE NORTH JEFFERSON AVENUE
 MAIL CODE: H0004-050
 ST. LOUIS, MO 63103**
 Firm CRD#: **19616**

| SRO | Category | Status | Date |
|-------------------------|-----------------------------------|----------|------------|
| FINRA | General Securities Representative | APPROVED | 06/12/2014 |
| NYSE MKT LLC | General Securities Representative | APPROVED | 06/12/2014 |
| Nasdaq PHLX LLC | General Securities Representative | APPROVED | 06/12/2014 |
| Nasdaq Stock Market | General Securities Representative | APPROVED | 06/12/2014 |
| New York Stock Exchange | General Securities Representative | APPROVED | 06/12/2014 |

| U.S. State/ Territory | Category | Status | Date | U.S. State/ Territory | Category | Status | Date |
|--------------------------|----------|----------|------------|--------------------------|----------|----------|------------|
| Arizona | Agent | APPROVED | 06/12/2014 | Kansas | Agent | APPROVED | 07/14/2014 |
| California | Agent | APPROVED | 06/13/2014 | Maryland | Agent | APPROVED | 07/11/2014 |
| Colorado | Agent | APPROVED | 06/12/2014 | Minnesota | Agent | APPROVED | 06/12/2014 |
| Connecticut | Agent | APPROVED | 10/24/2016 | Montana | Agent | APPROVED | 07/21/2014 |
| Florida | Agent | APPROVED | 06/13/2014 | North Carolina | Agent | APPROVED | 06/12/2014 |
| Georgia | Agent | APPROVED | 04/01/2016 | North Dakota | Agent | APPROVED | 06/12/2014 |
| Idaho | Agent | APPROVED | 03/23/2016 | Ohio | Agent | APPROVED | 06/12/2014 |
| Illinois | Agent | APPROVED | 06/12/2014 | South Dakota | Agent | APPROVED | 07/14/2014 |
| Iowa | Agent | APPROVED | 06/20/2014 | Texas | Agent | APPROVED | 11/13/2014 |



Broker Qualifications

Employment 1 of 1, continued

| U.S. State/ Territory | Category | Status | Date |
|--------------------------|----------|----------|------------|
| Wisconsin | Agent | APPROVED | 06/12/2014 |

Branch Office Locations

WELLS FARGO ADVISORS, LLC

2024 PAUL BUNYAN DR NW
BEMIDJI, MN 56601

WELLS FARGO ADVISORS, LLC

17 SUMMIT AVENUE
BLACKDUCK, MN 56630



Broker Qualifications

Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

This individual has passed 0 principal/supervisory exams, 1 general industry/product exam, and 2 state securities law exams.

Principal/Supervisory Exams

| Exam | Category | Date |
|--------------------------|----------|------|
| No information reported. | | |

General Industry/Product Exams

| Exam | Category | Date |
|---|----------|------------|
| General Securities Representative Examination | Series 7 | 09/07/1993 |

State Securities Law Exams

| Exam | Category | Date |
|--|-----------|------------|
| Uniform Securities Agent State Law Examination | Series 63 | 09/23/1993 |
| Uniform Investment Adviser Law Examination | Series 65 | 07/28/2014 |

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

| Registration Dates | Firm Name | CRD# | Branch Location |
|--------------------|------------------------------------|-------|-----------------|
| 12/2003 - 06/2014 | DOUGHERTY & COMPANY LLC | 7477 | BEMIDJI, MN |
| 07/2003 - 12/2003 | WACHOVIA SECURITIES, LLC | 19616 | ST. LOUIS, MO |
| 12/2000 - 07/2003 | PRUDENTIAL SECURITIES INCORPORATED | 7471 | NEW YORK, NY |
| 08/1993 - 12/2000 | MILLER & SCHROEDER FINANCIAL, INC. | 7119 | MINNEAPOLIS, MN |

Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

| Employment Dates | Employer Name | Employer Location |
|-------------------|---------------------------|-------------------|
| 06/2014 - Present | WELLS FARGO ADVISORS, LLC | DULUTH, MN |
| 12/2003 - 06/2014 | DOUGHERTY & COMPANY LLC | MINNEAPOLIS, MN |

Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

No information reported.



Disclosure Events

What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
 - A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
 -
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
 -
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

| | Pending | Final | On Appeal |
|------------------|---------|-------|-----------|
| Customer Dispute | 0 | 7 | N/A |





Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Customer Dispute - Award/Judgment

This type of disclosure event involves a final, consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the broker that resulted in an arbitration award or civil judgment for the customer.

Disclosure 1 of 1

| | |
|--|---|
| Reporting Source: | Regulator |
| Employing firm when activities occurred which led to the complaint: | SECURITIES RESOLUTION CORPORATION |
| Allegations: | UNAUTHORIZED AND DECEPTIVE TRADING, NEGLIGENT MISREPRESENTATION, AND NEGLIGENCE. |
| Product Type: | Other |
| Other Product Type(s): | BONDS |
| Alleged Damages: | \$25,328.75 |
| Arbitration Information | |
| Arbitration/Reparation Claim filed with and Docket/Case No.: | NASD - CASE #01-06341 |
| Date Notice/Process Served: | 11/23/2001 |
| Arbitration Pending? | No |
| Disposition: | Award |
| Disposition Date: | 10/17/2002 |
| Disposition Detail: | RESPONDENT IS LIABLE FOR AND SHALL PAY TO CLAIMANT THE SUM OF \$4,968.00 AS COMPENSATORY DAMAGES. |



Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: CLIENT COMPLAINED TO THE NASD REGARDING 23,000 PAGING NETWORK BONDS. DURING THE COURSE OF HIS COMPLAINT HE ALLEGED THAT THE BROKER MADE UNAUTHORIZED TRADES WHICH HE RATIFIED.

Product Type: Debt - Corporate

Alleged Damages: \$23,000.00

Customer Complaint Information

Date Complaint Received: 02/16/2001

Complaint Pending? No

Status: Closed/No Action

Status Date: 03/06/2001

Settlement Amount: \$0.00

Individual Contribution Amount: \$0.00

Firm Statement RESPONDED TO THE NASD DISTRICT OFFICE IN KANSAS CITY. AWAITING THEIR RESPONSE(NASDR-E04010197).

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL INC.

Allegations: CLIENT COMPLAINED TO THE NASD REGARDING 23,000 PAGING NETWORK BONDS. DURING THE COURSE OF HIS COMPLAINT HE ALLEGED THAT THE BROKER MADE UNAUTHORIZED TRADES WHICH HE RATIFIED.

Product Type: Debt - Corporate

Other Product Type(s): BONDS

Alleged Damages: \$25,328.75

Customer Complaint Information



Date Complaint Received: 02/16/2001

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 11/23/2001

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [NASD # 01-06341](#)

Date Notice/Process Served: 11/23/2001

Arbitration Pending? No

Disposition: Award to Customer

Disposition Date: 10/17/2002

Monetary Compensation Amount: \$4,968.00

Individual Contribution Amount: \$4,968.00

Broker Statement RESPONDENT IS LIABLE FOR AND SHALL PAY TO CLAIMANT THE SUM OF \$4,968.00 AS COMPENSATORY DAMAGE.



Customer Dispute - Settled

This type of disclosure event involves a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit containing allegations of sale practice violations against the broker that resulted in a monetary settlement to the customer.

Disclosure 1 of 4

| | |
|--|---|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | Dougherty & Company LLC |
| Allegations: | Claimant alleges that between 2003 and 2014, account was subject to churning, unauthorized trading, unsuitability and breach of fiduciary duty. |
| Product Type: | Debt-Corporate |
| Alleged Damages: | \$1,600,000.00 |
| Alleged Damages Amount Explanation (if amount not exact): | Claimant alleges out of pocket damages exceeding \$1.6 million. |
| Is this an oral complaint? | No |
| Is this a written complaint? | No |
| Is this an arbitration/CFTC reparation or civil litigation? | Yes |
| Arbitration/Reparation forum or court name and location: | N/A |
| Docket/Case #: | N/A |
| Filing date of arbitration/CFTC reparation or civil litigation: | 08/12/2015 |

Customer Complaint Information

| | |
|---------------------------------|--|
| Date Complaint Received: | 08/20/2015 |
| Complaint Pending? | No |
| Status: | Evolved into Arbitration/CFTC reparation (the individual is a named party) |
| Status Date: | 08/20/2015 |
| Settlement Amount: | |



**Individual Contribution
Amount:**

Arbitration Information

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

Docket/Case #: 15-02090

Date Notice/Process Served: 08/20/2015

Arbitration Pending? No

Disposition: Settled

Disposition Date: 01/14/2016

**Monetary Compensation
Amount:** \$1,000,000.00

**Individual Contribution
Amount:** \$175,000.00

Reporting Source: Broker

**Employing firm when
activities occurred which led
to the complaint:** Dougherty & Company LLC

Allegations: Claimant alleges that between 2003 and 2014, account was subject to churning, unauthorized trading, unsuitability and breach of fiduciary duty.

Product Type: Debt-Corporate

Alleged Damages: \$1,600,000.00

**Alleged Damages Amount
Explanation (if amount not
exact):** Claimant alleges out of pocket damages exceeding \$1.6 million.

Is this an oral complaint? No

Is this a written complaint? No

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

**Arbitration/Reparation forum
or court name and location:** N/A



Docket/Case #: N/A
Filing date of arbitration/CFTC reparation or civil litigation: 08/12/2015

Customer Complaint Information

Date Complaint Received: 08/20/2015
Complaint Pending? No
Status: Evolved into Arbitration/CFTC reparation (the individual is a named party)
Status Date: 08/20/2015

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Docket/Case #: 15-02090
Date Notice/Process Served: 08/20/2015
Arbitration Pending? No
Disposition: Settled
Disposition Date: 01/14/2016
Monetary Compensation Amount: \$1,000,000.00
Individual Contribution Amount: \$175,000.00

Broker Statement This customer complaint was the subject of early resolution. A contribution was made toward reaching a settlement in order to realize the significant cost of defense, including attorney fees and experts that would have likely exceeded the settlement contribution. All liability and damages were vigorously disputed.

Disclosure 2 of 4

Reporting Source: Firm



Employing firm when activities occurred which led to the complaint:

MILLER & SCHROEDER FINANCIAL, INC.

Allegations:

CLIENTS WANT MILLER & SCHROEDER TO REPURCHASE UNSPECIFIED MUNICIPAL BONDS SOLD TO THEM FOR \$160,000. THEY ALLEGE UNSUITABILITY IN THEIR PURCHASES OF HIGHER RISK, UNRATED BONDS. CLIENTS PURCHASED \$5,000 OF TARRANT COUNTY HEALTH FACILITIES DEVELOPMENT BONDS ON MAY 28, 1997; \$25,000 CHICAGO IL HEALTH FACILTIEIS REVENUE BONDS ON JULY 31, 1998; \$10,000 DANFORTH HEALTH FACILITIY CORPORATE REVENUE BONDS ON AUGUST 31, 1998; \$25,000 TARRANT COUNTY TX HEALTH FACILITIES DEVELOPMENT BONDS ON DECEMBER 3, 1998; AND \$40,000 TARRANT COUNTY HEALTH FACILITY DEVELOPMENT BONDS ON MAY 28, 1997. CLIENTS ALSO PURCHASED UNITED HOMES, INC. BONDS, WHICH IS NOT NAMED IN THEIR ALLEGATION, BUT BASED ON THE DOLLAR FIGURE GIVEN, IS ALSO INCLUDED IN THEIR COMPLAINT AS AN UNSUITABLE.

Product Type:

Debt - Municipal

Other Product Type(s):

CORPORATE DEBT.

Alleged Damages:

\$160,000.00

Customer Complaint Information

Date Complaint Received:

06/26/2001

Complaint Pending?

No

Status:

Arbitration/Reparation

Status Date:

10/22/2001

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.:

NASD-DR ARBITRATION NUMBER 01-05467

Date Notice/Process Served:

10/22/2001

Arbitration Pending?

Yes



Reporting Source: Broker
Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: CLIENTS WANT MILLER & SCHROEDER TO REPURCHASE UNSPECIFIED MUNICIPAL BONDS SOLD TO THEM FOR \$160,000. THEY ALLEGE UNSUITABILITY IN THEIR PURCHASES OF HIGHER RISK, UNRATED BONDS. CLIENTS PURCHASED \$5,000 OF TARRANT COUNTY HEALTH FACILITIES DEVELOPMENT BONDS ON MAY 28, 1997; \$25,000 CHICAGO IL HEALTH FACILTIEIS REVENUE BONDS ON JULY 31, 1998; \$10,000 DANFORTH HEALTH FACILITIY CORPORATE REVENUE BONDS ON AUGUST 31, 1998; \$25,000 TARRANT COUNTY TX HEALTH FACILITIES DEVELOPMENT BONDS ON DECEMBER 3, 1998; AND \$40,000 TARRANT COUNTY HEALTH FACILITY DEVELOPMENT BONDS ON MAY 28, 1997. CLIENTS ALSO PURCHASED UNITED HOMES, INC. BONDS, WHICH IS NOT NAMED IN THEIR ALLEGATION, BUT BASED ON THE DOLLAR FIGURE GIVEN, IS ALSO INCLUDED IN THEIR COMPLAINT AS AN UNSUITABLE.

Product Type: Debt - Municipal
Other Product Type(s): CORPORATE DEBT.
Alleged Damages: \$160,000.00

Customer Complaint Information

Date Complaint Received: 06/26/2001
Complaint Pending? No
Status: Arbitration/Reparation
Status Date: 10/22/2001

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASD-DR # 01-05467
Date Notice/Process Served: 10/22/2001
Arbitration Pending? No
Disposition: Settled



Disposition Date: 01/31/2003

Monetary Compensation Amount: \$1.00

Individual Contribution Amount: \$1.00

Broker Statement ACCORDING TO THE CUSTOMER'S INFORMATION THE DOLLAR AMOUNT INVESTED IN EACH SEPARATE BOND ISSUE WERE SUITABLE. THESE BONDS ARE 1ST MORTGAGE COLLATERAL BONDS ISSUED FOR A NON-PROFIT GROUP AND THE COLLATERAL IS STILL IN PLACE FOR BOND HOLDERS. THE UNITED HOMES INC. BONDS WERE ALSO SUITABLE FOR THE CUSTOMERS AS PER THEIR INFORMATION AND A STRONG BUY RECOMMENDATION FROM MILLER & SCHROEDER FINANCIAL.

Disclosure 3 of 4

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL,INC.

Allegations: HIGH YEILD MUNICIPAL (HERITAGE) BONDS WERE SOLD TO CLIENT AND SHE WAS NOT SUITABLE FOR THIS INVESTMENT. CLIENT WAS ON ASSISTED LIVING BY HER HOME STATE AT TIME OF PURCHASE

Product Type: Debt - Municipal

Alleged Damages: \$5,000.00

Customer Complaint Information

Date Complaint Received: 01/12/2001

Complaint Pending? No

Status: Settled

Status Date: 04/18/2001

Settlement Amount: \$5,002.08

Individual Contribution Amount: \$0.00

Firm Statement SUPPORTING DOCUMENTATION EVIDENCED THAT CLIENT WAS ON STATE AID AT THE TIME OF PURCHASE.THE FIRM SETTLED AS A BUSINESS DECISION WITHOUT ACCEPTING OR DENYING ALLEGATION.



Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL INC.

Allegations: HIGH YIELD MUNICIPAL (HERITAGE) BONDS WERE SOLD TO CLIENT AND SHE WAS NOT SUITABLE FOR THIS INVESTMENT. CLIENT WAS ON ASSISTED LIVING BY HER HOME STATE AT TIME OF PURCHASE

Product Type: Debt - Municipal

Alleged Damages: \$5,000.00

Customer Complaint Information

Date Complaint Received: 01/12/2001

Complaint Pending? No

Status: Settled

Status Date: 04/18/2001

Settlement Amount: \$5,002.08

Individual Contribution Amount: \$0.00

Broker Statement SUPPORTING DOCUMENTATION EVIDENCED THAT CLIENT WAS ON STATE AID AT THE TIME OF PURCHASE. THE FIRM SETTLED AS A BUSINESS DECISION WITHOUT ACCEPTING OR DENYING ALLEGATION

Disclosure 4 of 4

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: CLIENT ALLEGES THAT BROKER DID NOT INFORM HIM THAT CD'S PURCHASED WOULD CAUSE HIM TO INCUR A LOSS IF SOLD IN THE MARKET. THEY ALSO ALLEGE THAT BROKER & FIRM MISREPRESENTED CROSSOVER REFUNDED BONDS AS PRE-REFUNDED MUNICIPAL BONDS. ADDITIONALLY BROKER DID NOT ADVISE THEM THAT FLMC NOTES WOULD BE SUBJECT TO MARKET RISK WHEN SOLD BEFORE MATURITY

Product Type: Debt - Municipal



Other Product Type(s): FREDDI MAC NOTES, TRADABLE CERTIFICATE OF DEPOSITS

Alleged Damages: \$200,000.00

Customer Complaint Information

Date Complaint Received: 10/10/2000

Complaint Pending? No

Status: Denied

Status Date: 02/13/2001

Settlement Amount:

Individual Contribution Amount:

Firm Statement

MILLER & SCHROEDER DECLINED TO BUY BACK CROSSOVER REFUNDED BONDS, TRADABLE CD AND FREDDIE MAC. CLIENT WAS SUITABLE FOR THE INVESTMENT BOTH FINANCIALLY AND INTELLECUTALLY. WE ALSO DECLINED TO HONOR LETTER OF GUARANTEE SIGNED BY BROKER AND IMMEDIATE SUPERVISOR.

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: CLIENT ALLEGES THAT BROKER DID NOT INFORM HIM THAT CD'S PURCHASED WOULD CAUSE HIM TO INCUR A LOSS IF SOLD IN THE MARKET. THEY ALSO ALLEGE THAT BROKER & FIRM MISREPRESENTED CROSSOVER REFUNDED BONDS AS PRE-REFUNDED MUNICIPAL BONDS. ADDITIONALLY BROKER DID NOT ADVISE THEM THAT FLMC NOTES WOULD BE SUBJECT TO MARKET RISK WHEN SOLD BEFORE MATURITY.

Product Type: Debt - Municipal

Other Product Type(s): FREDDI MAC NOTES, TRADABLE CERTIFICATE OF DEPOSITS

Alleged Damages: \$200,000.00

Customer Complaint Information

Date Complaint Received: 10/10/2000

Complaint Pending? No

Status: Settled



Status Date: 02/13/2001

Settlement Amount: \$1.00

Individual Contribution Amount: \$1.00

Arbitration Information

Disposition: Settled

Disposition Date:

Broker Statement

MILLER & SCHROEDER DECLINED TO BUY BACK CROSSOVER REFUNDED BONDS, TRADEABLE CD AND FREDDIE MAC. CLIENT WAS SUITABLE FOR THE INVESTMENT BOTH FINANCIALLY AND INTELEUTUALLY. WE ALSO DECLINED TO HONOR LETTER OF GUARANTEE SIGNED BY BROKER AND IMMEDIATE SUPERVISOR.



Customer Dispute - Closed-No Action/Withdrawn/Dismissed/Denied

This type of disclosure event involves (1) a consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the individual broker that was dismissed, withdrawn, or denied; or (2) a consumer-initiated, investment-related written complaint containing allegations that the broker engaged in sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities, which was closed without action, withdrawn, or denied.

Disclosure 1 of 2

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: CLIENTS PURCHASED \$20,000 OF UNITED HOMES, INC. IN ONE ACCOUNT ON JANUARY 29, 1998, AND \$10,000 OF SAME BOND ISSUE IN ANOTHER ACCOUNT ON THE SAME DATE. LATER, THEY SOLD HALF OF EACH PURCHASE. CLIENTS ALSO PURCHASED \$10,000 MINNEAPOLIS MN HEALTH FACILITY DEVELOPMENT BONDS ON APRIL 15, 1997. CLIENTS ALLEGE THAT THE PURCHASES OF UNITED HOMES AND MINNEAPOLIS MN HEALTH WERE UNSUITABLE BECAUSE OF THE HIGHER RISK AND ALSO THAT THEY WERE TOLD BY BROKER THAT BONDS WERE UNRATED, BUT WOULD BE RATED AAA IN SEVERAL WEEKS.

Product Type: Debt - Corporate

Other Product Type(s): MUNICIPAL BONDS.

Alleged Damages: \$25,000.00

Customer Complaint Information

Date Complaint Received: 06/25/2001

Complaint Pending? Yes

Settlement Amount:

Individual Contribution Amount:

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: CLIENTS PURCHASED \$20,000 OF UNITED HOMES, INC. IN ONE ACCOUNT



ON JANUARY 29, 1998, AND \$10,000 OF SAME BOND ISSUE IN ANOTHER ACCOUNT ON THE SAME DATE. LATER, THEY SOLD HALF OF EACH PURCHASE. CLIENTS ALSO PURCHASED \$10,000 MINNEAPOLIS MN HEALTH FACILITY DEVELOPMENT BONDS ON APRIL 15, 1997. CLIENTS ALLEGE THAT THE PURCHASES OF UNITED HOMES AND MINNEAPOLIS MN HEALTH WERE UNSUITABLE BECAUSE OF THE HIGHER RISK AND ALSO THAT THEY WERE TOLD BY BROKER THAT BONDS WERE UNRATED, BUT WOULD BE RATED AAA IN SEVERAL WEEKS.

Product Type: Debt-Corporate
Alleged Damages: \$25,000.00
Is this an oral complaint? No
Is this a written complaint? Yes
**Is this an arbitration/CFTC
 reparation or civil litigation?** No

Customer Complaint Information

Date Complaint Received: 06/25/2001
Complaint Pending? No
Status: Denied
Status Date: 07/02/2001
Settlement Amount:

**Individual Contribution
 Amount:**

Broker Statement

AT THE TIME OF THE PURCHASE, THE UNITED HOMES INC. BONDS WERE SUITABLE INVESTMENTS AS MILLER & SCHROEDER DID NOT CLASSIFY THE BONDS AS SPECULATIVE. I DID RECOMMEND THE LIQUIDATION OF ALL UNITED HOMES INC. BONDS. THE [customers] ELECTED TO SELL ONLY 50% OF THE POSITION. PER MILLER & SCHROEDER FINANCIAL, THE MINNEAPOLIS HELATH FACILITY BONDS ARE EXPECTED TO BE RETIRED IN 2001. THE STATEMENT THAT I SAID THE BONDS WOULD BECOME AAA RATED IS ABSOLUTELY A UNTRUE STATEMENT BY THE [customers]

Disclosure 2 of 2

Reporting Source: Firm



Employing firm when activities occurred which led to the complaint:

MILLER & SCHROEDER FINANCIAL, INC.

Allegations:

CUSTOMER ALLEGES THAT HER BROKER TOLD HER TO SELL RTW IN ORDER TO BUY UNITED HOMES, INC., WHICH SUBSEQUENTLY WENT INTO DEFAULT. UNITED HOMES, INC. WAS PURCHASED ON NOVEMBER 20, 1997. CUSTOMER ALLEGES THAT HER BROKER TOLD HER THAT UNITED HOMES WAS A "SAFE" INVESTMENT. CUSTOMER ALSO CLAIMS THAT SHE IS DISABLED AND IN A LOWER INCOME BRACKET, AND THAT, FOR THESE REASONS, THE INVESTMENT WAS UNSUITABLE.

Product Type:

Debt - Corporate

Alleged Damages:

\$15,000.00

Customer Complaint Information

Date Complaint Received:

05/29/2001

Complaint Pending?

Yes

Settlement Amount:

Individual Contribution Amount:

Reporting Source:

Broker

Employing firm when activities occurred which led to the complaint:

MILLER & SCHROEDER FINANCIAL, INC.

Allegations:

CUSTOMER ALLEGES THAT HER BROKER TOLD HER TO SELL RTW IN ORDER TO BUY UNITED HOMES, INC., WHICH SUBSEQUENTLY WENT INTO DEFAULT. UNITED HOMES, INC. WAS PURCHASED ON NOVEMBER 20, 1997. CUSTOMER ALLEGES THAT HER BROKER TOLD HER THAT UNITED HOMES WAS A "SAFE" INVESTMENT. CUSTOMER ALSO CLAIMS THAT SHE IS DISABLED AND IN A LOWER INCOME BRACKET, AND THAT, FOR THESE REASONS, THE INVESTMENT WAS UNSUITABLE.

Product Type:

Debt-Corporate

Alleged Damages:

\$15,000.00

Is this an oral complaint?

No

Is this a written complaint?

Yes

Is this an arbitration/CFTC

No



reparation or civil litigation?

Customer Complaint Information

Date Complaint Received: 05/29/2001

Complaint Pending? No

Status: Denied

Status Date: 06/02/2001

Settlement Amount:

Individual Contribution Amount:

Broker Statement

THE RECOMMENDATION OF THE SALE OF RTW INC. BONDS FOR THE PURCHASE OF UNITED HOMES INC BONDS WAS SUITABLE AND WAS A RECOMMENDATION OF MILLER & SCHROEDER FINANCILA. BASED ON THE INFORMATION PROVIDED BY CUSTOMER, THIS TRADE WAS SUITABLE AND IN HER BEST INTEREST. MILLER & SCHROEDER WAS THE UNDERWRITER AND RESEARCH FIRM FOR BOTH SECURITIES INVOLVED.

End of Report



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