

BrokerCheck Report

CECIL ERNEST NIVENS

CRD# 2110613

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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.

CECIL E. NIVENS

CRD# 2110613

This broker is not currently registered.

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 not currently registered.

This broker has passed:

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

Registration History

This broker was previously registered with the following securities firm(s):

NYLIFE SECURITIES LLC
 CRD# 5167
 GASTONIA, NC
 05/1991 - 02/2014

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
Regulatory Event	1
Customer Dispute	11
Termination	2

Broker Comments

This broker has provided comments regarding information that is displayed in this report.

Has the broker provided comments? **Yes**

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

<https://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 broker is not currently registered.



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, 2 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
Investment Company Products/Variable Contracts Representative Examination	Series 6	05/28/1991
Direct Participation Programs Representative Examination	Series 22	07/13/1992

State Securities Law Exams

Exam	Category	Date
Uniform Securities Agent State Law Examination	Series 63	06/19/1991
Uniform Investment Adviser Law Examination	Series 65	03/09/2000

Broker Comment

IN TRANSITION: NOT CURRENTLY REGISTERED WITH FINRA

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
05/1991 - 02/2014	NYLIFE SECURITIES LLC	5167	GASTONIA, NC

Broker Comment

NO ADDITIONAL REGISTRATIONS

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
09/2011 - Present	NIVENS WEALTH STRATEGIES	GASTONIA, NC
11/1990 - Present	NYLIFE SECURITIES INC.	CHARLOTTE, NC
03/1990 - Present	NEW YORK LIFE INS. CO.	CHARLOTTE, NC
02/2011 - 09/2011	THE NIVENS FINANCIAL GROUP	GASTONIA, NC
08/2009 - 09/2011	THE ERNIE NIVENS FINANCIAL GROUP	GASTONIA, NC

Broker Comment

AFTER 25 YEARS OF DEDICATED SERVICE TO NEW YORK LIFE INSURANCE COMPANY AND NYLIFE SECURITIES I RESIGNED EFFECTIVE JANUARY 31, 2014. I WAS NOT TERMINATED! I TERMINATED THEM!! I PRESENTLY HAVE A MULTI-MILLION DOLLAR LAWSUIT AGAINST THEM FOR THEFT OF INTELLECTUAL PROPERTY.

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.

BROKER NON-REGISTERED NON-NYL PRODUCTS EVANGEL PUBLISHING

KUDZU UNIVERSITY

Registration and Employment History



Other Business Activities, continued

DBA NIVENS WEALTH STRATEGIES

EAGLE STRATEGIES LLC



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.
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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
Regulatory Event	1	0	0



Customer Dispute	0	11	N/A
Termination	N/A	2	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.

Regulatory - Pending

This type of disclosure event involves a pending formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory agency such as the Securities and Exchange Commission, foreign financial regulatory body) for alleged violations of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought:

Date Initiated: 03/01/2017

Docket/Case Number: [2014040873501](#)

Employing firm when activity occurred which led to the regulatory action: NYLife Securities, LLC

Product Type: Annuity-Variable

Allegations: Nivens was named a respondent in a FINRA complaint alleging that he circumvented his member firm's written supervisory procedures (WSPs) by failing to process as replacement trades 15 variable universal life (VUL) purchase transactions, totaling approximately \$439,805 in first year premiums, even though Nivens recommended that each purchase be funded by withdrawals from an existing variable annuity. The complaint alleges that from 2010 to Nivens' departure from the firm he was subject to heightened supervision by the firm which included a review of the number of replacement transactions processed by Nivens and the suitability of those transactions on a quarterly basis. Nivens was aware of the heightened supervision plan and avoidance of this additional supervision provided motivation for Nivens to conceal that the transactions for his customers



were replacements. The complaint also alleges that Nivens actions in circumventing firm procedures and concealing replacements allowed him to continue his pattern of frequently recommending exchanges to reap the benefit of a new commission without being subject to the firm's heightened level of supervisory review associated with such transactions. Each of the VULs was reviewed by a firm supervisor who was unaware that the purchase transaction was part of a replacement. As a result of Nivens' concealment, the firm supervisor reviewing the transaction did not know to perform the heightened review required for replacements. As a result of the transactions at issue, Nivens received \$185,737.00 in commissions on the VULs. These commissions were in addition to commissions he had already received on the purchases of the variable annuities that he sold to the same customers. The complaint further alleges that to avoid detection by the firm of the source of the annual premiums for the VULs, Nivens did not process the withdrawals from the variable annuities used to fund the VULs as 1035 exchanges. If Nivens had properly characterized the exchanges, the customers could have avoided significant tax consequences. In addition, the complaint alleges that Nivens further concealed the variable annuity replacements from the firm's supervisory review by directing the customers to write a personal check to fund the annual premium and to fund the check by withdrawing funds from the variable annuity either before or after issuance of the check. Nivens' failure to characterize the transactions as replacements also made the warnings accompanying VUL applications appear irrelevant to the customers. However, because Nivens certified on page one of the documents that the transactions did not involve replacements, he made it appear that the considerations on this two page disclosure did not apply to the VUL purchases. Additionally, eight of the customers unnecessarily incurred surrender charges on the variable annuity withdrawals in the total amount of \$4,258.19. Moreover, the complaint alleges that in connection with these transactions, Nivens submitted to the firm annuity documents containing misrepresentations and false information that further disguised the fact that these transactions were replacements and prevented the firm from performing its heightened supervisory review. The documents in question were prepared by Nivens and signed by him prior to submission to the firm. Nivens failed to disclose that an annuity was a source of the funds for purchase of the VULs. Although all of the customers funded their purchases of the VULs with withdrawals from a variable annuity, Nivens chose other sources of funding. Furthermore, the complaint alleges each VUL application was also accompanied by a Replacement Form required to be submitted with each VUL application. For each form at issue, Nivens completed the form himself, and presented the completed form to the customer for the customer to sign. In each instance, Nivens signed the form certifying that it was accurate, when it was not.

Current Status:

Pending



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 10

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	NYLIFE SECURITIES LLC
Allegations:	THE CUSTOMER ALLEGES THAT THE RECOMMENDATION TO PURCHASE A VARIABLE UNIVERSAL LIFE INSURANCE POLICY IN OR AROUND APRIL 2013 WITH PROCEEDS FROM HER VARIABLE ANNUITY WAS NOT SUITABLE BASED ON HER NEEDS AND FURTHER ALLEGES THAT THE PRODUCT WAS MISREPRESENTED. THE CUSTOMER ALSO ALLEGES THAT THE FEES ASSOCIATED WITH THE VARIABLE UNIVERSAL LIFE CONTRACT WERE NOT FULLY EXPLAINED TO HER. THE CUSTOMER REQUESTS A REFUND OF THE PREMIUMS PAID.
Product Type:	Annuity-Variable Insurance
Alleged Damages:	\$25,988.00
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:	05/26/2015
Complaint Pending?	No
Status:	Settled
Status Date:	08/10/2015
Settlement Amount:	\$20,420.59
Individual Contribution Amount:	\$0.00

Disclosure 2 of 10



Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: NYLIFE SECURITIES LLC

Allegations: THE CUSTOMERS ALLEGE THAT THEY WERE NOT INFORMED OF THE SURRENDER CHARGES ASSOCIATED WITH TRANSFERRING IRA FUNDS TO PURCHASE VARIABLE LIFE INSURANCE CONTRACTS IN OR AROUND FEBRUARY AND MARCH 2012 AND REQUEST A REFUND OF THE CHARGES INCURRED. THE CUSTOMERS ALSO REQUEST A REFUND OF THE SURRENDER CHARGES INCURRED AS A RESULT OF THE RECOMMENDATION TO TRANSFER FUNDS FROM THEIR VARIABLE CONTRACTS TO ALLIANZ IN OR AROUND JULY 2014. THEY ARE REQUESTING TO RE-ESTABLISH THEIR ANNUITIES WITH NEW YORK LIFE AND TO RECEIVE A CREDIT OF ALL PREMIUMS, COST OF INSURANCE AND SURRENDER CHARGES ACCORDINGLY.

Product Type: Annuity-Variable Insurance

Alleged Damages: \$28,893.77

Alleged Damages Amount Explanation (if amount not exact): PLUS APPLICABLE CREDITS

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: 05/08/2015

Complaint Pending? No

Status: Settled

Status Date: 07/15/2015

Settlement Amount: \$36,690.33

Individual Contribution Amount: \$0.00



Disclosure 3 of 10

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	NYLIFE SECURITIES LLC
Allegations:	THE CUSTOMER ALLEGED THAT THE RECOMMENDATION TO PURCHASE A VARIABLE UNIVERSAL LIFE INSURANCE POLICY IN OR AROUND JULY 2013 WAS UNSUITABLE BASED ON HIS NEEDS AND THE PRODUCT WAS MISREPRESENTED. THE CUSTOMER REQUESTED A REFUND OF THE PREMIUMS PAID.
Product Type:	Insurance
Alleged Damages:	\$22,207.79
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:	12/17/2014
Complaint Pending?	No
Status:	Settled
Status Date:	11/19/2015
Settlement Amount:	\$19,485.18
Individual Contribution Amount:	\$0.00

Disclosure 4 of 10

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	NYLIFE SECURITIES LLC
Allegations:	THE CUSTOMER ALLEGES THE RECOMMENDATION TO PURCHASE TWO VARIABLE UNIVERSAL LIFE INSURANCE POLICIES BETWEEN 2012 AND 2013 BY USING FUNDS FROM THE VARIABLE ANNUITIES TO PAY THE PREMIUMS RESULTED IN A TAXABLE CONSEQUENCES. THE CUSTOMER



FURTHER ALLEGES THAT FUNDS REMAINING IN THE VARIABLE ANNUITIES WILL NO LONGER BE ABLE TO SUPPORT THE PREMIUMS OF THE VARIABLE UNIVERSAL LIFE INSURANCE POLICIES OVER THE LONG TERM. THE CUSTOMER IS REQUESTING THE RESCISSION OF THE POLICIES.

Product Type: Annuity-Variable
Insurance

Alleged Damages: \$144,193.33

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: 05/12/2014

Complaint Pending? No

Status: Settled

Status Date: 09/23/2014

Settlement Amount: \$128,909.99

**Individual Contribution
Amount:** \$0.00

Broker Comment: IN 2012 I MET WITH MY CLIENTS. THEY EXPRESSED TO ME THEIR PLANS OF SOON RETIRING. THEY EXPRESSED THEIR FEAR OF HAVING ENOUGH MONEY TO LAST THROUGHOUT THEIR LIVES SINCE THEIR RELATIVES LIVED TO QUITE OLD AGES.

WE STUDIED THE 1913 TO CURRENT TAX CHART OF THE HISTORY OF THE MARGINAL TAX RATE. IT DEPICTS THAT WE THEY WERE IN THE SECOND LOWEST TAX RATE SINCE THE GREAT DEPRESSION. THEY CONCEDED THAT MORE LIKELY THAT NOT THE TAX RATES WILL GO SIGNIFICANTLY HIGHER OVER THE NEXT THREE DECADES DUE TO THE "SPENDTHRIFT" GOVERNMENT WHO IS SPENDING "OUT OF CONTROL."

THEY AGREED THAT IT IS WISE TO PAY TAXES NOW AND MOVE SOME OF THEIR FUNDS TO A BETTER TAX POSITION THAN TAKING A CHANCE THAT TAX RATES WILL BE "SIGNIFICANTLY" HIGHER WHEN THEY WILL BE IN THEIR LATE 70'S AND 80'S. SO THEY MADE WITHDRAWALS FROM THEIR MULTIPLE QUALIFIED PLANS. SHE WAS RELUCTANT TO MOVE THE ANY FUNDS FROM HER VERY LARGE INHERITED BROKERAGE MANAGED BY HER BROTHER. WE



SIMPLY MOVED HE FUNDS INTO A VARIABLE UNIVERSAL LIFE INSURANCE POLICY. THE CASH VALUE GROWS TAX-DEFERRED AND THEN CAN BE ACCESSED "TAX FREE" BY SURRENDERING THE BASIS THEN BORROWING FROM THE CASH VALUE. THEY LOVED THE IDEA THAT THE FUNDS WOULD GROW TAX-DEFERRED AND THAT THEY COULD LATER USE THEM FOR TAX FREE SUPPLEMENTAL INCOME.

THIS PLANNING TECHNIQUE HAS BEEN IN EXISTENCE SINCE THE LATE 1980'S. IT IS NOT A "NEW INVENTION". IT HAS BEEN EMPLOYED THOUSANDS OF TIME AND IS "TOUTED" EVERY YEAR AT THE MILLION DOLLAR ROUND TABLE.

THIS SALE WAS VERY SUITABLE TO THEIR UNIQUE SITUATION AND WAS NOT MISREPRESENTED. I MADE IT ABUNDANTLY CLEAR TO THEM. IT IS A SIMPLE PLAN TO ENHANCE THEIR TOTAL PORTFOLIO SINCE THEY HAD NO TAX FREE POSITIONS!

Disclosure 5 of 10

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	NYLIFE SECURITIES LLC
Allegations:	THE CUSTOMER MAINTAINS THAT SHE IS UNABLE TO PAY FOR THE POLICY PREMIUM. THE CUSTOMER FURTHER ALLEGES THAT SHE WAS PRESSURED TO PURCHASE THE VARIABLE UNIVERSAL LIFE INSURANCE POLICY ON MAY 2012. IT WAS HER UNDERSTANDING THAT THERE WOULD BE NO ADDITIONAL OUT OF POCKET COST TO THIS POLICY. THE CUSTOMER REQUESTED THAT THE COMPANY REDUCES HER LOSSES IN SURRENDERING THE POLICY.
Product Type:	Insurance
Alleged Damages:	\$0.00
Alleged Damages Amount Explanation (if amount not exact):	BASED ON THE COMPANY'S GOOD FAITH ESTIMATE IT WAS DETERMINED THAT THE COMPENSATORY DAMAGES COULD BE MORE THAN \$5,000.
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: 05/23/2014
Complaint Pending? No
Status: Settled
Status Date: 08/11/2014
Settlement Amount: \$28,476.00
Individual Contribution Amount: \$0.00
Broker Comment: THIS ALLEGATION IS ENGINEERED BY A REPLACING AGENT/ BROKER IN ORDER TO "TWIST" THE CASH VALUE INTO AN INVESTMENT.

Disclosure 6 of 10

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: NYLIFE SECURITIES LLC
Allegations: CUSTOMER ALLEGES THAT IN NOVEMBER 2013, MR. NIVENS DID NOT ACCURATELY DISCLOSE THE TAX CONSEQUENCES WHEN HE RECOMMENDED THE SURRENDER OF AN EXISTING QUALIFIED VARIABLE ANNUITY TO PURCHASE A NEW ANNUITY WITH ALLIANZ. THE CUSTOMER REQUESTED REINSTATEMENT OF THE ORIGINAL ANNUITY.
Product Type: Annuity-Variable
Alleged Damages: \$9,000.00
Alleged Damages Amount Explanation (if amount not exact): THE AMOUNT ABOVE IS THE ESTIMATED TAX LIABILITY THAT RESULTED FROM THE TRANSACTION IN QUESTION. BASED ON A GOOD FAITH ESTIMATE THE DAMAGES FROM THE ALLEGED CONDUCT WOULD BE \$5,000 OR GREATER.
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: 03/17/2014



Complaint Pending? No
Status: Settled
Status Date: 05/20/2014
Settlement Amount: \$15,226.37
Individual Contribution Amount: \$0.00
Broker Comment: THIS IS SIMPLY NOT TRUE. THE PROSPECTUS PLAINLY STATES THAT PAYMENTS MAY BE MADE OR THE INTEREST/ PAYMENTS MAY BE ACCRUED AS A LIEN ON THE DEATH BENEFIT. BASICALLY A "PRIVATE PENSION."

Disclosure 7 of 10

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: NYLIFE SECURITIES LLC
Allegations: CUSTOMER ALLEGED THAT IN NOVEMBER 2012, MR. NIVENS RECOMMENDED THE PURCHASE OF A VARIABLE LIFE INSURANCE POLICY THAT WAS NOT APPROPRIATE FOR THEIR FINANCIAL SITUATION AND WAS NOT AFFORDABLE. THE CUSTOMER REQUESTS A REFUND OF THE PREMIUMS, WHICH WERE WITHDRAWN FROM TAX-QUALIFIED ANNUITIES AND CAUSED A TAX LIABILITY.
Product Type: Insurance
Alleged Damages: \$72,000.00
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: 03/17/2014
Complaint Pending? No
Status: Settled
Status Date: 05/08/2014
Settlement Amount: \$49,292.56



Individual Contribution Amount: \$0.00

Disclosure 8 of 10

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: EAGLE STRATEGIES LLC

Allegations: WITH REGARD TO A VARIABLE LIFE INSURANCE POLICY PURCHASED IN OCTOBER 2012, THE CUSTOMER ALLEGED THAT THEIR AGENT RECOMMENDED THEY USE FUNDS FROM QUALIFIED VARIABLE ANNUITIES TO PAY THE LARGE ANNUAL PREMIUMS AND COULD STOP PAYING AFTER 10 YEARS. THEY ALSO ALLEGED THAT THEY WERE MISINFORMED ABOUT THE TAXATION OF THE FUNDS WITHDRAWN FROM THE ANNUITIES. THEY REQUESTED THAT THE VARIABLE LIFE POLICY BE RESCINDED AND THE FUNDS RETURNED TO THE ANNUITIES.

Product Type: Annuity-Variable Insurance

Alleged Damages: \$66,600.00

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: 02/21/2014

Complaint Pending? No

Status: Settled

Status Date: 03/13/2014

Settlement Amount: \$66,600.00

Individual Contribution Amount: \$0.00

Reporting Source: Firm



Employing firm when activities occurred which led to the complaint: NYLIFE SECURITIES LLC

Allegations: WITH REGARD TO A VARIABLE LIFE INSURANCE POLICY PURCHASED IN OCTOBER 2012, THE CUSTOMER ALLEGED THAT THEIR AGENT RECOMMENDED THEY USE FUNDS FROM QUALIFIED VARIABLE ANNUITIES TO PAY THE LARGE ANNUAL PREMIUMS AND COULD STOP PAYING AFTER 10 YEARS. THEY ALSO ALLEGED THAT THEY WERE MISINFORMED ABOUT THE TAXATION OF THE FUNDS WITHDRAWN FROM THE ANNUITIES. THEY REQUESTED THAT THE VARIABLE LIFE POLICY BE RESCINDED AND THE FUNDS RETURNED TO THE ANNUITIES.

Product Type: Annuity-Variable Insurance

Alleged Damages: \$66,600.00

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: 02/21/2014

Complaint Pending? No

Status: Settled

Status Date: 03/13/2014

Settlement Amount: \$66,600.00

Individual Contribution Amount: \$0.00

Disclosure 9 of 10

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: NYLIFE SECURITIES LLC

Allegations: CUSTOMER ALLEGES THAT THE RR CONVINCED HER TO PURCHASE A VARIABLE UNIVERSAL LIFE INSURANCE POLICY IN OR AROUND JULY 2012



WHICH WAS NOT SUITABLE BASED ON HER FINANCIAL NEEDS FOR THE FUTURE. CUSTOMER ALSO ALLEGES THAT THE INSURANCE APPLICATION WAS UPDATED WITH AN ANNUAL INCOME AMOUNT HIGHER THAT WHAT SHE HAD STATED TO THE RR.

Product Type: Annuity-Variable
Insurance

Alleged Damages: \$39,000.00

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: 07/19/2013

Complaint Pending? No

Status: Settled

Status Date: 09/18/2013

Settlement Amount: \$31,598.51

**Individual Contribution
Amount:** \$0.00

Disclosure 10 of 10

Reporting Source: Broker

**Employing firm when
activities occurred which led
to the complaint:** NYLIFE SECURITIES LLC

Allegations: WITH REGARD TO THE PURCHASE OF A VARIABLE UNIVERSAL LIFE INSURANCE POLICY IN OR AROUND JULY OF 2006, THE CUSTOMER ALLEGES THAT THE AGENT DID NOT MAKE HER AWARE THAT TAKING THE CASH VALUE OUT WOULD CREATE A LOAN WITH ANNUAL INTEREST AND THAT PREMIUM PAYMENTS WOULD NEED TO BE MADE.

Product Type: Insurance

Alleged Damages: \$344,501.93

**Alleged Damages Amount
Explanation (if amount not
stated):** BASED ON THE COMPANY'S GOOD FAITH ESTIMATE IT WAS DETERMINED THAT THE COMPENSATORY DAMAGES COULD BE MORE THAN \$5,000.



exact):

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: 10/30/2008

Complaint Pending? No

Status: Settled

Status Date: 10/01/2009

Settlement Amount: \$650,901.16

**Individual Contribution
Amount:** \$0.00



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 1

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: NYLIFE SECURITIES LLC

Allegations: WITH REGARDS TO THE PURCHASE OF TWO VARIABLE ANNUITY POLICIES IN JULY 2008 AND 2009, THE CUSTOMERS ALLEGE THAT THE RR RECOMMENDED THAT THEY LIQUIDATE THEIR RETIREMENT ACCOUNTS AND PUT THE FUNDS INTO THEIR CHECKING ACCOUNT TO THAN WRITE CHECKS TO PURCHASE THE VARIABLE ANNUITIES POLICIES. AS A RESULT, THE CUSTOMERS INCURRED TAX CONSEQUENCES, OF WHICH THE RR FAILED TO ADVISE THEM.

Product Type: Annuity-Variable

Alleged Damages: \$104,775.00

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: 08/23/2010

Complaint Pending? No

Status: Closed/No Action

Status Date: 11/24/2010

Settlement Amount:

Individual Contribution Amount:

Broker Comment: THIS IS CALLED A "ROLLOVER." THERE WERE NO TAX CONSEQUENCES. THEY RECEIVED A 1099, OF COURSE BUT FILED THEIR 1040 WITH ERRORS WITHIN. IT IS NOT MY RESPONSIBILITY TO "POLICE" THEIR TAX FILINGS!





Employment Separation After Allegations

This type of disclosure event involves a situation where the broker voluntarily resigned, was discharged, or was permitted to resign after being accused of (1) violating investment-related statutes, regulations, rules or industry standards of conduct; (2) fraud or the wrongful taking of property; or (3) failure to supervise in connection with investment-related statutes, regulations, rules, or industry standards of conduct.

Disclosure 1 of 2

Reporting Source: Firm

Employer Name: EAGLE STRATEGIES LLC

Termination Type: Voluntary Resignation

Termination Date: 02/01/2014

Allegations: MR. NIVENS RESIGNED AFTER BEING ASKED TO PROVIDE DOCUMENTATION OF HIS PAYMENTS TO THE INTERNAL REVENUE SERVICE RELATING TO A PERSONAL DEBT AND A WRITTEN EXPLANATION ON HIS USE OF A PERSONAL EMAIL ADDRESS TO COMMUNICATE WITH A CLIENT IN VIOLATION OF COMPANY POLICY. INSTEAD OF PROVIDING THAT INFORMATION HE RESIGNED. MR. NIVENS WAS SUBJECT TO ENHANCED SUPERVISION AT THE TIME OF RESIGNATION.

Product Type: Insurance

Broker Comment: I HAD A NEAR FATAL BICYCLE ACCIDENT IN 2007. RECOVERY WAS 2 YEARS DURING WHICH TIME I WAS LATE FILING TAX RETURNS. IRS PLACED A TAX LIEN WITH EMPLOYER, WHICH WAS SATISFIED AND THEN IRS RELEASED LIEN. EMPLOYER OBVIOUSLY LOST PAPERWORK, EXPECTING ME TO DO FILING FOR THEM.

Disclosure 2 of 2

Reporting Source: Firm

Employer Name: NYLIFE SECURITIES LLC

Termination Type: Voluntary Resignation

Termination Date: 02/01/2014

Allegations: MR. NIVENS RESIGNED AFTER BEING ASKED TO PROVIDE DOCUMENTATION OF HIS PAYMENTS TO THE INTERNAL REVENUE SERVICE RELATING TO A PERSONAL DEBT AND A WRITTEN EXPLANATION ON HIS USE OF A PERSONAL EMAIL ADDRESS TO COMMUNICATE WITH A CLIENT IN VIOLATION OF COMPANY POLICY. INSTEAD OF PROVIDING THAT INFORMATION HE RESIGNED. MR. NIVENS WAS SUBJECT TO ENHANCED SUPERVISION AT THE TIME OF RESIGNATION.



Product Type:

Insurance

End of Report



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