

State of Missouri  
Office of Secretary of State

Case No. AP-07-50

IN THE MATTER OF:

INVESTMENT CENTERS OF AMERICA, INC.,

Respondent.

Serve at:

PO Box 5097,  
Appleton, Wisconsin 54912-50

**CONSENT ORDER**

**SUMMARY OF SECURITIES DIVISION'S ALLEGATIONS**

The Enforcement Section of the Missouri Securities Division ("Securities Division") has alleged that Investment Centers of America, Inc. ("ICA") failed to reasonably supervise a Missouri registered representative Mark L. Henry ("Henry") and that this constitutes grounds to discipline ICA pursuant to Section 409.4-412(d), RSMo. (Cum. Supp. 2006). ICA and the Securities Division desire to settle the allegations and the matters raised by the Securities Division relating to ICA's alleged failure to supervise.

1. ICA stipulates and agrees that, pursuant to the Missouri Securities Act of 2003, the Commissioner has jurisdiction over ICA and, solely for purposes of these proceedings, the allegations and matters raised by the Securities Division.
2. ICA stipulates and agrees that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), RSMo. (Cum. Supp. 2006), which provides:

"The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act."

**WAIVERS AND EXCEPTION**

3. ICA waives its right to a hearing with respect to this matter.
4. ICA waives any right that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. ICA specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities and their respective representatives and agents from any and all liability and claims arising out of, pertaining to or relating to this matter.
5. ICA stipulates and agrees with the Securities Division that, should information provided by ICA in response to the Securities Division's investigation regarding this matter prove to be false in any material respect, the Securities Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

**CONSENT TO COMMISSIONER'S ORDER**

6. Solely for purposes of these proceedings and any proceedings that may be brought to enforce the terms of this Consent Order, ICA consents to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
7. ICA agrees not to make or permit to be made any public statement creating the impression that this Order is without a factual basis.
8. ICA agrees that it is not the prevailing party in this proceeding since the parties have reached a good faith settlement. Solely for purposes of these proceedings and any proceedings that may be brought to enforce the terms of this Consent Order, ICA consents to the issuance of this Consent Order without admitting or denying the Commissioner's Findings of Fact or Conclusions of Law.

**COMMISSIONER'S FINDINGS OF FACT AND CONCLUSIONS OF LAW**

**A. Respondent, Related Parties and Summary**

9. ICA is a Missouri-registered broker-dealer and is a North Dakota corporation with a mailing address of PO Box 5097, Appleton, Wisconsin 54912-5097. ICA is registered in Missouri through the Central Registration Depository ("CRD") system and has a CRD number of 16443.

10. ICA maintained a branch office in Missouri, located at 201 East Third Street, Carthage, Missouri 64836.
11. Henry was a Missouri-registered agent and investment adviser representative for ICA from October 6, 1994 until his termination on September 2, 2005. Henry was registered in Missouri with ICA through the CRD and has a CRD number of 2363168. Henry has or had a residence address of 7163 Brandi Lane, Joplin, Missouri, 64804 and, at all times relevant to this order, had an office address of 201 East Third Street, Carthage, Missouri, 64836.
12. Yvonne Raczkowski (“Raczkowski”) purported to be Henry’s wife and has or had an address of 7163 Brandi Lane, Joplin, Missouri, 64804.
13. As used in this matter, the term “Respondent” refers to ICA.
14. While working for ICA, Henry opened a bank account under his name doing business as Investment Centers of America (“Henry’s ICA Bank Account”). This account was not authorized by ICA and was in violation of ICA’s policies and procedures. At various times Henry would accept funds from ICA customers and place the money into Henry’s ICA Bank Account. Henry would then use the funds for personal use, including but not limited to making payments to other investors, and paying personal expenses.
15. Henry set up investment accounts at ICA for two elderly Missouri customers’ funds. Along with these customers, Henry listed his wife, Raczkowski, on one account and Henry and Raczkowski on the other account as joint owners of these ICA accounts. Numerous checks were written bearing the signature of “Raczkowski” and/or “Henry” from these investment accounts at ICA depleting these ICA investment accounts to zero. After he was terminated from ICA in September 2005, Henry continued to collect investors’ funds and placed these funds into Henry’s ICA Bank Account.
16. Around September 2005, Henry contacted another brokerage firm, Harbour Investments, Inc. (“Harbour Investments”)[1] to obtain a recruitment packet. Harbour Investments sent the packet to Henry, but no relationship between the two ensued. At no time did Henry become registered or affiliated with Harbour Investments in Missouri. However, in June 2006, Henry opened a bank account doing business as Harbour Investments (“Henry’s Harbour Bank Account”). Henry then began accepting investors’ funds, representing to investors that he was an agent for Harbour Investments, and placing these investor funds into Henry’s Harbour Bank Account.
17. A review of Henry’s bank records revealed, among other things, that Henry had signatory authority on numerous bank accounts including, but not limited to, three accounts through the Hometown Bank in Carthage, Missouri. The accounts consisted of:
  - a. one personal account, opened in June 2003, with Henry and Raczkowski as the signatories;
  - b. an account for Henry’s ICA Bank Account with Henry as the only signatory; and
  - c. an account for Henry’s Harbour Bank Account with Henry as the only signatory.
18. A review of both Henry’s ICA Bank Account and Henry’s Harbour Bank Account reveals that Henry used investor funds in these accounts for his personal expenditures and in making “Ponzi”[2] payments to investors.

### **B. Securities Division Investigation**

19. On July 17, 2006, the Securities Division received information from a Missouri resident regarding Henry’s activities after Henry was terminated from ICA.
20. On August 7, 2006, the Securities Division sent a letter of inquiry to Henry asking for additional information regarding any Missouri residents Henry solicited to purchase securities after his termination from ICA. In addition, the letter asked Henry to identify the firm with whom he was affiliated. To date, Henry has not responded to this letter.
21. On August 8, 2006, the Securities Division sent letters of inquiry to ICA and Harbour Investments.
22. On August 21, 2006, the Securities Division received a response from Harbour Investments stating, among other things, that: “Mark Henry has never had any affiliation with Harbour Investments, Inc. He inquired about our services in September 2005, was sent a recruiting kit and no affiliation ever materialized.”
23. On August 28, 2006, the Securities Division received a response from ICA that stated among other things, that Henry was terminated from employment with the firm on September 2, 2005, due to Henry’s lack of production.
24. Also provided in the ICA response was a copy of the last internal audit conducted on Henry’s office by ICA. The audit was completed on September 23, 2004 and asked, in part, the following:
  - a. “Do you or any of your Representatives maintain a checking account which includes the firm’s name or a derivation of the firm’s name in its title?”
  - b. “To your knowledge, have you or any Representatives engaged in any conduct that is in violation of any firm or industry

rule?”

25. Henry responded to both questions described in the above paragraph by checking the box “No.”
26. Attached to this ICA response was a section from ICA’s 1999 and 2004 compliance manuals which stated, in part, the following:

“No employee, associated person or registered representative may open any banking or brokerage account in the name of the Firm or a name similar to the name of the Firm without written authorization from Financial Accounting.

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No employee, associated person or registered representative may open any banking or brokerage account in the name of the Firm or a name similar to the name of the Firm without written authorization from General Counsel and the Chief Compliance Officer.

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No employee, associated person or registered representative may use customer funds or securities for their own benefit or for any purpose other than the intended investment through ICA.

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No employee, associate or representative may accept a client check made payable to themselves or any entity under their control, or accept cash or other prohibited forms of payment for any transaction or obligation.”

### **C. Missouri Resident 1**

27. In October 2006, an investigator with the Securities Division contacted an eighty (80) year-old Missouri resident (“MR1”). MR1 stated, among other things, that:

- a. MR1 had utilized the services of Henry as a registered representative at ICA since at least March 2001;
- b. while at ICA, Henry assisted MR1 in placing MR1’s deceased wife’s IRA into an account under MR1’s name with ICA;
- c. Henry provided MR1 with a receipt reflecting this IRA rollover;
- d. MR1 did not know Raczkowski;
- e. MR1 did not authorize Henry to list Raczkowski as a joint owner on MR1’s account nor was MR1 aware that Raczkowski was on MR1’s account at ICA; and
- f. MR1 did not authorize Henry or Raczkowski to remove funds from MR1’s account at ICA.

28. On March 1, 2004, an account application was completed for Raczkowski and MR1 at ICA. The ICA account was to be held by Raczkowski and MR1 as joint tenants with right of survivorship<sup>[3]</sup> (“JTWRROS”). The application and supplemental documents to the application reflected, among other things, the following:

- a. Raczkowski’s address was listed as Henry’s office address;
- b. MR1’s address was listed as Henry’s office address. MR1’s telephone number was listed as a fax number used by Henry; and
- c. Henry was listed as the registered representative on the account for Raczkowski and MR1.

29. A review of the MR1’s ICA account statements revealed, among other things, that:

- a. the account was a money market account which allowed withdrawal of funds by check;
- b. the opening deposit of the account was eighty-six thousand thirty-eight dollars and fifty-two cents (\$86,038.52), deposited on July 2, 2004; and
- c. between July 2, 2004 and November 5, 2004, numerous checks were written from this account depleting the account to a zero balance. These checks from MR1’s money market account reflected a signature of “Raczkowski” and were used for Henry’s personal expenses or deposited into one of the bank accounts used and controlled by Henry.

### **D. Missouri Resident 2**

30. In October 2006, an investigator with the Securities Division contacted a seventy-four (74) year-old Missouri resident ("MR2"). MR2 stated, among other things, that:
- a. Henry had been MR2's investment adviser at ICA since at least 1998;
  - b. MR2 was not familiar with Raczkowski;
  - c. MR2 was receiving monthly interest distributions from his ICA accounts;
  - d. MR2 received a letter dated March 7, 2002, indicating that the address for one of his accounts had changed to Henry's office mailing address; MR2 did not notice the change until reviewing this paperwork with the Securities Division investigator;
  - e. MR2 did not receive statements for this account after March 2002; and
  - f. MR2 stated that he believes that without his knowledge or permission over two hundred thousand dollars (\$200,000.00) had been removed from MR2's accounts at ICA.
31. A review of the ICA account statements for this account revealed, among other things, that:
- a. the account was held by MR2, Henry and Raczkowski as JTWROS;
  - b. the mailing address of the account owner was listed as Henry's office address;
  - c. the account was set up as a money market account with the ability to withdraw funds by writing checks;
  - d. in 2002 and 2003, almost three hundred thousand dollars (\$300,000.00) was deposited into this joint account from MR2's funds held at another broker-dealer;
  - e. between March 19, 2002 and May 31, 2004, numerous checks were written from the account, depleting the balance to zero. Checks written from MR2's money market account reflected a signature of "Henry" and were used for personal expenses of Henry or placed into one of the bank accounts used or controlled by Henry; and
  - f. in November of 2004, MR2 requested and was paid sixty thousand dollars (\$60,000.00) from his investments with Henry. Henry paid MR2 this money from Henry's ICA Bank Account. Subsequently MR2 requested and received ten thousand dollars (\$10,000.00) from his investments with Henry. [4]

### **E. Missouri Resident 3**

32. In or around 1996, a fifty-nine (59) year-old Missouri resident ("MR3"), and his wife became friends with Henry and Raczkowski. The two couples vacationed together and had similar interests and hobbies.
33. Sometime in January 2002, Henry became MR3's registered representative at ICA.
34. Around June 10, 2004, Henry solicited a personal loan from MR3. MR3 loaned Henry fifteen thousand dollars (\$15,000.00). Henry made payments to MR3 by personal checks dated August 10, 2004, for ten thousand dollars (\$10,000.00) and a check dated November 20, 2004, for three thousand six hundred forty dollars (\$3,640.00). Henry paid the remaining amount due to MR3 by giving various items of personal property to MR3.
35. On November 5, 2004, MR3 gave a check to Henry in the amount of one hundred thousand dollars (\$100,000.00) for the purpose of investing these funds into a certificate of deposit. A receipt for the payment, prepared by Henry, reflected the check was made payable to "Investment Centers" and purportedly went into MR3's account at ICA with account number 4pw-00111. In fact, these funds were deposited into Henry's ICA Bank Account.
36. On April 8, 2005, MR3 gave a check to Henry in the amount of one hundred four thousand dollars (\$104,000.00) for the purpose of investing MR3's funds into a municipal bond. A receipt for the payment, prepared by Henry, reflected that the check was made payable to ICA, but no account number was listed. These funds were deposited in Henry's ICA Bank Account.
37. From May 2005 to August 2005, MR3 received statements for these investments that purported to be from ICA. These statements listed the investment representative as "Henry" and the account number was listed as "4pw-00111."
38. The August 2005 and September 2005 statements had no letterhead but continued to reflect the account number as "4pw-00111". The value of the account at the end of September 2005 was listed as two hundred five thousand four hundred ninety-seven dollars (\$205,497.00).
39. Sometime in early 2006, MR3 received an annual statement that purported to be from Harbour Investments. This statement listed the account number as "6AV-497697" and listed "Henry" as the investment representative on this account.

40. In February 2006, March 2006, April 2006, and June 2006, MR3 received similar statements that were purportedly sent by Harbour Investments. The final statement received in June 2006 valued MR3's account at two hundred fourteen thousand nine hundred sixty-six dollars and two cents (\$214,966.02).

#### **F. Missouri Resident 4**

41. On October 2, 2006, an investigator from the Securities Division contacted a fifty-three (53) year-old Missouri resident ("MR4"), who stated that he had been a client of Henry and ICA for approximately ten years, holding various stocks and his IRA with them
42. On January 2, 1997, MR4 purchased a variable annuity product from Henry and ICA. The investment advisor representative used by MR4 was Henry and the broker-dealer was ICA.
43. On March 17, 2006, Henry approached MR4 to "switch his IRA into a new IRA." At that time the account value was over eighty-eight thousand dollars (\$88,000.00). Henry explained to MR4 that there would be no penalties or fees for the switch.
44. On March 17, 2006, MR4's variable annuity policy was fully surrendered.
45. On March 22, 2006, MR4 wrote a check payable to ICA for over eighty-eight thousand dollars (\$88,000.00) to effect this switch. The check was given to Henry who deposited the funds into Henry's ICA Bank Account.

#### **G. Additional Investigation by the Securities Division**

46. At no time was Henry an officer or owner of ICA. Henry did not have any corporation registration or fictitious name registration for ICA with the Business Services Division of the Missouri Secretary of State.
47. A copy of the Joplin, Missouri area yellow pages for October 2006 lists Henry's office address and phone number under the name of ICA.
48. In addition, to the above listed Missouri residents, the Securities Division has received information from three other investors with Henry and ICA. These investors have claimed losses in their accounts.
49. On June 27, 2006, Henry filed for a fictitious name registration for "Harbour Investments," representing that he was the owner of "Harbour Investments."
50. At no time was Henry affiliated or registered with Harbour Investments or any other Missouri-registered broker-dealer by the name of Harbour.
51. ICA's new customer account form notifies customers of cashiering procedures including procedures advising clients not to make checks payable to their representatives, but to make payment to the vendors or ICA.
52. Following Henry's departure from the firm, but prior to August 2006, ICA initiated an automated common address surveillance report that compares clients' addresses with known addresses of representatives. ICA continues to work with its information technology department ("IT Department") to improve this report.
53. Since August 2006, ICA has been exploring with its IT Department a second surveillance report called a *Same Address Report* that will permit identification of multiple client accounts with the same address (filtering out accounts with the same last name). This surveillance report will assist ICA in identifying possible fraud where a representative has directed several clients to one address.
54. Since August 2006, ICA's *Investment Review Unit* of its Compliance Department has modified its internal procedures to specifically require the principal to review accounts for information that the representative is acting in a joint capacity on an account.
55. Since August 2006, ICA has issued the following compliance bulletins: (i) a bulletin to all representatives reminding them of the firm's prohibition relating to inappropriate relations with client accounts, and (ii) a bulletin to all principals relative to their obligation to be aware of all firm prohibitions while reviewing client accounts specifically in regard to representatives acting in a joint capacity on accounts.
56. ICA's parent company, National Planning Holdings, Inc., through its autonomous compliance unit, is currently developing and will implement a *Misappropriation of Funds Module* to identify and prevent the misappropriation of funds by personnel of its four broker-dealer subsidiaries, including ICA. Account opening and account maintenance is one of the specific areas being addressed in this compliance oversight initiative.
57. ICA failed to reasonably supervise its registered representatives in violation of Section 409.4-412(d)(9), RSMo. (Cum. Supp. 2006), by, among other things, approving a joint account between a customer and Henry, and failing to detect the use of Henry's office address as the address of record on certain customer accounts.

58. Since the Securities Division began this investigation, ICA has paid a total of seven hundred twenty-one thousand, seven hundred and eighty-six dollars and forty-six cents (\$721,786.46) in settlement of the claims of five (5) of its customers.
59. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondents and the Securities Division, finds and concludes that the Commissioner has jurisdiction over these Respondents and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by the Missouri Securities Act of 2003.

## ORDER

**NOW, THEREFORE**, it is hereby Ordered that:

1. Within ninety (90) days of the execution of this order, ICA shall employ an independent consultant ("Independent Consultant") to determine whether the changes to the policies and procedures (the "Policies and Procedures") that ICA has adopted and implemented correct the activities described in this Order regarding: (1) the opening, approving and maintenance of joint accounts, (2) verifying information contained in the annual audit checklist of registered agents regarding checking accounts and violations of firm or industry rules; and (3) reviewing red flag behaviors such as low production and red flags at termination. The Independent Consultant will review these procedures to ensure that they are reasonably designed: (a) to detect and prevent any future violations by ICA's sales agents; (b) to determine whether and to what extent there is a need for additional or amended Policies and Procedures to detect and prevent, insofar as practical, any future violations by ICA's sales agents; and (c) to recommend that ICA adopt such additional Policies and Procedures which the Independent Consultant believes are necessary to provide reasonable assurance that ICA can detect and prevent these violations by ICA's sales agents;
2. ICA will cooperate fully with the Independent Consultant and provide the Independent Consultant with access to its files, books, records, and personnel as reasonably requested for the review;
3. At the conclusion of the Independent Consultant's review of the Policies and Procedures, which in no event will be more than ninety (90) days after the engagement of the Independent Consultant, the Independent Consultant will submit to ICA and to the Securities Division a written report regarding ICA's compliance with its Policies and Procedures and the adequacy of those Policies and Procedures. The report shall include a description of the review performed, the conclusions reached and, if necessary, recommendations for changes in or improvements to the Policies and Procedures and a procedure for implementing the recommended changes or improvements;
4. Within thirty (30) days after the date of issuance of the report of the Independent Consultant ("Report Date"), ICA will adopt for its Missouri customers all recommendations contained in the report and remedy any deficiencies in its Policies and Procedures; provided, however, that as to any recommendation that ICA believes is unnecessary or inappropriate, ICA may, within forty-five (45) days of the Report Date, advise the Independent Consultant and the staff of the Securities Division in writing of any recommendations that it considers to be unnecessary or inappropriate. With respect to any recommendation that ICA considers unnecessary or inappropriate, ICA need not adopt that recommendation at that time but shall propose in writing an alternative policy, procedure, or system designed to achieve the same objective or purpose. As to any recommendation on which ICA and the Independent Consultant do not agree, such parties shall attempt in good faith to reach an agreement acceptable to the Securities Division within ninety (90) days of the Report Date. In the event ICA and the Independent Consultant are unable to agree on an alternative proposal acceptable to the Securities Division, ICA will abide by the original recommendation of the Independent Consultant;
5. Within one hundred and twenty (120) days of the Report Date, ICA will submit an affidavit to the Securities Division stating that it has implemented any and all actions recommended by the Independent Consultant, or explaining the circumstances under which it has not implemented such actions;
6. ICA: (a) shall not have the authority to terminate the Independent Consultant without the prior written approval of the Securities Division; (b) shall compensate the Independent Consultant, and persons engaged to assist the Independent Consultant, for services rendered pursuant to the Order at their reasonable and customary rates; and (c) shall not be in and shall not have an attorney-client relationship with the Independent Consultant and shall not seek to invoke the attorney-client or any other doctrine or privilege to prevent the Independent Consultant from transmitting any information, reports, or documents to the Securities Division;
7. The Independent Consultant or any of its present or former affiliates, directors, officers, employees, or agents shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with ICA for a period of three (3) years from completion of the engagement. The Independent Consultant will require that any firm with which he/she is affiliated or of which he/she is a member, and any person engaged to assist the Independent Consultant in performance of his/her duties under this Order shall not, without prior written consent of the Commissioner, enter into any employment, consultant, attorney-client, auditing or other professional relationship with ICA, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of three (3) years after the engagement;
8. In addition to the seven hundred and twenty-one thousand, seven hundred and eighty-six dollars and forty-six cents

(\$721,786.46) in settlement payments as noted in paragraph 58 above, ICA shall pay restitution of sixty-six thousand three hundred thirty-two dollars and fifty-one cents (\$66,332.51) to the Missouri Investor 1 as identified in Exhibit 1. This restitution will be made payable to the Missouri Investor Restitution Fund and will be sent to the Securities Division within thirty (30) days of the effective date of this order and this amount will be delivered by the Securities Division to the investor in the amount as listed in Exhibit 1.

9. ICA shall notify the Securities Division within ten (10) days of the receipt of any subsequent complaint against Henry received by ICA. ICA shall offer to settle any additional customers' claims (or their heirs) who can demonstrate that Henry misappropriated the ICA customer's funds.
10. ICA will, consistent with FINRA Rules 2110, IM10100, and the FINRA Code of Arbitration Procedure, not object to the arbitration of any and all claims brought against ICA by MR4.
11. ICA will, consistent with FINRA Rules 2110, IM10100, and the FINRA Code of Arbitration Procedure, not object to the arbitration of any and all claims brought by any client of ICA through Mark Henry who asserts a claim against ICA, including any claim arising from the Missouri Investor identified in Exhibit 1;
12. In lieu of any arbitration proceeding referenced in paragraphs 10 and 11 above, ICA will not object to the mediation of any claim, brought by MR4, the Missouri Investor identified in Exhibit 1, or any other customer as identified in paragraph 9 above, pursuant to the FINRA mediation program or such other mediation forum as may be agreed upon by ICA and such investor. If the parties use a non-FINRA mediation process, the mediator selected shall not be unacceptable to the Commissioner;
13. ICA shall pay to the Missouri Secretary of State's Investor Education and Protection Fund the sum of two hundred thousand dollars (\$200,000.00). This amount shall be sent within ten (10) days of the effective date of this order to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101 and the Securities Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund;
14. ICA shall pay a civil penalty of twenty-five thousand dollars (\$25,000.00) made payable to the State of Missouri, and delivered to the Securities Division at the above address within ten (10) days of the effective date of this order, and the Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri;
15. ICA shall pay eighteen thousand five hundred dollars (\$18,500.00) as the cost of this investigation. This amount shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund. This amount shall be due and payable within ten (10) days of the effective date of this order, and shall be submitted to the Securities Division at the above address; and
16. ICA shall pay its own costs and attorneys fees with respect to this matter.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 9<sup>TH</sup> DAY OF NOVEMBER, 2007.

ROBIN CARNAHAN  
SECRETARY OF STATE

(Signed/Sealed)  
MATTHEW D. KITZI  
COMMISSIONER OF SECURITIES

Consented to by:

Mary S. Hosmer  
Assistant Commissioner of Securities  
Missouri Securities Division

Investment Centers of America, Inc.

Approved as to form

William M. Schutte

[1] Harbour Investments, Inc. is a Missouri-registered broker-dealer and is a Wisconsin corporation with a business address of One Odana Court, Madison, Wisconsin 53719. Harbour is registered in Missouri through the CRD and has a CRD number of 19258.

[2] Ponzi payments are payments that are not created by the success of the underlying business venture but instead are derived fraudulently from the capital of other later investors. Ponzi schemes were named after Charles Ponzi, who in the 1920s collected over 9 million dollars from investors by offering high rates of return on invested funds.

[3] A tenancy with two or more co-owners who take identical interests simultaneously by the same instrument and with the same right of possession. A joint tenancy differs from a tenancy in common because each joint tenant has a right of survivorship to the other's share. . .” *Black’s Law Dictionary* 1477 (7th ed. 1999).

[4] This is from a statement of MR2; no documents reflecting this payment have been located by the Securities Division.