EXHIBIT 1

INCLUDES ALL DOCUMENTS (PLEADINGS, ETC.)

FILED WITH THE HEARINGS UNIT

PRIOR TO THE HEARING

(not included here)

01/04/2011 09:22 FAX

EXHIBIT 2

NATIONAL SECURITIES CORPORATION

120 Broadway, 28th Floor New York, New York 10271
(212) 417-8257/ (866) 221-8927 / FAX (212) 587-7820

FOR IMMEDIATE DELIVERY TO ADDRESSEE

TO: ALEXI OLSON

COMPANY: WASHINGTON STATE INSURANCE

FAX NUMBER: 360 586 2019

ALEXIO@OIC.WA.GOV

FROM: **Matthew J. King**
Senior Investment Executive
Insurance Licensed Representative

DATE: 12-10-10

TIME:

NUMBER OF PAGES INCLUDING THIS SHEET: 16

IF THERE IS ANY PROBLEM DURING TRANSMISSION, PLEASE CALL ME AT (866) 221-8927 AS SOON AS POSSIBLE.

CONTACT PERSON: **Lisa M. Monteforte**
Registered Executive Assistant

COMMENTS:

Information contained herein has been compiled from recognized investment services and other sources believed reliable. There is no guarantee, however, of its accuracy or completeness. Recommendations made are intended for investors aware of, suited to, and financially able to bear the risks involved. National Securities Corporation makes a market in certain securities, and its employees and their clients may from time to time have positions in securities mentioned. Securities described may not be qualified for purchase in all jurisdictions. Certain securities referred to in this report may not be blue-skied in all states. Opinions expressed are statements of judgment when rendered and are subject to change without notice. Neither the information nor any opinion expressed shall constitute an offer to sell or a solicitation to buy any securities or commodities mentioned. Recommendations are made in the general sense and suitability for purchase or sale should be a matter of discussion and agreement between the client and the broker before each action is taken. Past performance should not be considered a guarantee of future results. National Securities Corporation solely for the private use of our customers publishes this newsletter.

Please note the application may be revised on a bi-annual basis. To ensure you are filing the current version of the application, please reference the National Insurance Producer Registry web site at www.nipr.com.

NAIC National Association of Insurance Commissioners

Uniform Application for Individual Producer License/Registration

(Please Print or Type) 000338899 01/05/11 60.00

Check appropriate box for license requested.

☐ Resident License

☑ Non-Resident License

- Identify Home State: NY LOR

Demographic Information

(1) Soc. Security Number [redacted]	(2) If assigned, National Producer Number (NPN) 249677
(3) If applicable, FINRA Individual Central Registration Depository (CRD) Number 270014	

(4) Last Name	JR./SR. etc	(5) First Name	(6) Middle Name	(7) Date of Birth (month)
KING	SR	MATTHEW	SOND	[redacted]

(8) Residence/Home Address (Physical Street)	(9) City	(10) State	(11) Zip Code	(12) Foreign Country
[redacted]	NEW ROCHELLE	N.Y.	10804	USA

(13) Home Phone Number	(14) Gender (Circle One)	(15) Are you a Citizen of the United States? (Check One)
( ) 914 633-5570	Male Female	Yes ☑ No ☐ (If No, of which country are you a citizen?) (If NO, and this is an application for a Resident License, you must supply proof of eligibility to work in the U.S.)

(16) Business Entity Name

(17) Business Address (Physical Street)	(18) P.O. Box	(19) City	(20) State	(21) Zip Code	(22) Foreign Country

(23) Business Phone Number (include extension)	(24) Business Fax Number	(25) Business E-Mail Address	(26) Business Web Site Address
( ) -	( ) -		

(27) Applicant's Mailing Address	(28) P.O. Box	(29) City	(30) State	(31) Zip Code	(32) Foreign Country

(33) a. List any other assumed, fictitious, alias, maiden or trade names which you have used in the past.

b. List any trade names under which you are currently doing business or intend to do business.

(May be subject to state approval)

Agency or Business Entity Affiliations

(34) List your Insurance Agency Affiliations: (Complete only if the applicant is to be licensed as an active member of the business entity)

FEIN _____ NPN _____ Name of Agency _____

FEIN _____ NPN _____ Name of Agency _____

FEIN _____ NPN _____ Name of Agency _____

Employment History

(35) Account for all time for the past five years. Give all employment experience starting with your current employer working back five years. Include full and part-time work, self-employment, military service, unemployment and full-time education.

	From Month	From Year	To Month	To Year	Position Held
Name NATIONAL SECURITIES; City NEW YORK State N.Y. Foreign Country USA	4	2010	11	2010	INVESTMENT EXECUTIVE
Name KBS INSURANCE; City NEW ROCHELLE State N.Y. Foreign Country USA	1	2009	4	2010	INSURANCE BROKER
Name GUNN ALLEN FINANCIAL; City NEW YORK State N.Y. Foreign Country USA	4	2006	1	2009	INVESTMENT EXECUTIVE
Name SWBACH; City NEW YORK State N.Y. Foreign Country USA	12	2005	4	2006	INVESTMENT EXECUTIVE

(State Use)

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NAIC National Association of Insurance Commissioners

Uniform Application for Individual Insurance Producer License/Registration

Jurisdiction and Type of License Requested

(36) Next to each jurisdiction, check the license type(s) and line(s) of authority for which you are applying.

License Types:	A – Agent	B – Broker	P – Producer	SLP – Surplus Lines Producer		
Lines of Authority:	V – Variable Life/Variable Annuity	L – Life	H – Accident & Health or Sickness	P – Property	C – Casualty	PL – Personal Lines
Limited Lines:	Credit – Credit	CR – Car Rental	CROP - Crop	T – Travel	S – Surety	O – Other: Specify Type

	License Type				Major Lines of Authority						Limited Lines of Authority					
Jurisdiction	A	B	P	SLP	V	L	H	P	C	PL	Credit	CR	CROP	T	S	O
AK	■	■														
AL	■	■														
AR																
AZ	■	■														
CA			■	■												
CO	■	■		■								■	■			
CT	■	■														
DC	■	■														
DE	■	■											■			
FL		■	■	■						■						
GA		■										■	■		■	
GU				■						■						
HI		■													■	
IA	■	■		■								■		■		
ID	■	■										■				
IL	■	■		■							■					
IN	■	■		■	■											
KS		■	■								■	■			■	
KY		■	■													
LA	■	■														
MA	■	■		■								■	■		■	■
MD	■	■											■		■	
ME	■												■		■	
MI																
MN	■	■										■			■	
MO	■	■										■				
MS	■	■														
MT	■	■		■												
NC			■	■												
ND	■	■										■				
NE	■	■														
NH	■	■		■									■		■	
NJ	■	■														
NM										■						
NV	■	■											■			
NY											■				■	
OH		■	■	■								■			■	
OK																
OR	■	■									■	■	■	■	■	
PA	■	■														
PR				■						■						
RI																
SC			■	■												
SD	■	■														
TN	■	■		■												
TX		■	■									■		■	■	■
UT	■	■														
VI				■						■						
VA		■		■									■	■	■	■
VT	■	■														
WA	✓				✓	✓	✓						■			
WI		■	■													
WV	■	■														
WY	■	■										■	■	■	■	

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Please note the application may be revised on a bi-annual basis. To ensure you are filing the current version of the application, please reference the National Insurance Producer Registry web site at www.nipr.com

NAIC National Association of Insurance Commissioners

Uniform Application for Individual Insurance Producer License/Registration

Background Information

(37) The Applicant must read the following very carefully and answer every question. All written statements submitted by the Applicant must include an original signature.

1. Have you ever been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime? Yes ___ No ✓

"Crime" includes a misdemeanor, felony or a military offense. You may exclude misdemeanor traffic citations or convictions involving driving under the influence (DUI) or driving while intoxicated (DWI), driving without a license, reckless driving, or driving with a suspended or revoked license and juvenile offenses. "Convicted" includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere, or having been given probation, a suspended sentence or a fine.

If you answer yes, you must attach to this application:
a) a written statement explaining the circumstances of each incident,
b) a copy of the charging document,
c) a copy of the official document, which demonstrates the resolution of the charges or any final judgment.

If you have a felony conviction, have you applied for a waiver as required by 18 USC 1033? N/A_____ Yes_____ No _____

If so, was that waiver granted? (Attach copy of 1033 waiver approved by home state.) N/A _____ Yes ____ No _____

2. Have you ever been named or involved as a party in an administrative proceeding regarding any professional or occupational license or registration? Yes ✓ No___

"Involved" means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation or surrendering a license to resolve an administrative action. "Involved" also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license. "Involved" also means having a license application denied or the act of withdrawing an application to avoid a denial. INCLUDE Any business so named because of your actions, in your capacity as an owner, partner, officer, director, or member o r manager of a Limited Liability Company
You may EXCLUDE terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.

If you answer yes, you must attach to this application:
a) a written statement identifying the type of license and explaining the circumstances of each incident,
b) a copy of the Notice of Hearing or other document that states the charges and allegations, and
c) a copy of the official document, which demonstrates the resolution of the charges or any final judgment.

3. Has any demand been made or judgment rendered against you or any business in which you are or were an owner, partner, officer or director, or member or manager of a limited liability company, for overdue monies by an insurer, insured or producer, or have you ever been subject to a bankruptcy proceeding? Do not include personal bankruptcies, unless they involve funds held on behalf of others Yes ___ No ✓

If you answer yes, submit a statement summarizing the details of the indebtedness and arrangements for repayment, and/or type and location of bankruptcy.

4. Have you been notified by any jurisdiction to which you are applying of any delinquent tax obligation that is not the subject of a repayment agreement? Yes ___ No ✓

If you answer yes, identify the jurisdiction(s): _____

5. Are you currently a party to, or have you ever been found liable in, any lawsuit, arbitration or mediation proceeding involving allegations of fraud, misappropriation or conversion of funds, misrepresentation or breach of fiduciary duty? Yes ___ No ✓

If you answer yes, you must attach to this application:
a) a written statement summarizing the details of each incident,
b) a copy of the Petition, Complaint or other document that commenced the lawsuit or arbitration, or mediation proceedings, and
c) a copy of the official document, which demonstrates the resolution of the charges or any final judgment.

6. Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of a limited liability company, ever had an insurance agency contract or any other business relationship with an insurance company terminated for any alleged misconduct? Yes ___ No ✓

If you answer yes, you must attach to this application:
a) a written statement summarizing the details of each incident and explaining why you feel this incident should not prevent you from receiving an insurance license, and
b) copies of all relevant documents.

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Please note the application may be revised on a bi-annual basis. To ensure you are filing the current version of the application, please reference the National Insurance Producer Registry web site at www.nipr.com.

7. Do you have a child support obligation in arrearage? Yes ___ No ✓

If you answer yes,
a) by how many months are you in arrearage? _____Months
b) are you currently subject to and in compliance with any repayment agreement? Yes ___ No___
c) are you the subject of a child support related subpoena/warrant? Yes ___ No___
(If you answered yes, provide documentation showing proof of current payments or an approved repayment plan from the appropriate state child support agency.)

Applicant's Certification and Attestation

(38) The Applicant must read the following very carefully:

1. I hereby certify that, under penalty of perjury, all of the information submitted in this application and attachments is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license revocation or denial of the license and may subject me to civil or criminal penalties.
2. Unless provided otherwise by law or regulation of the jurisdiction, I hereby designate the Commissioner, Director or Superintendent of Insurance, or other appropriate party in each jurisdiction for which this application is made to be my agent for service of process regarding all insurance matters in the respective jurisdiction and agree that service upon the Commissioner, Director or Superintendent of Insurance, or other appropriate party of that jurisdiction is of the same legal force and validity as personal service upon myself.
3. I further certify that I grant permission to the Commissioner, Director or Superintendent of Insurance, or other appropriate party in each jurisdiction for which this application is made to verify information with any federal, state or local government agency, current or former employer, or insurance company.
4. I further certify that, under penalty of perjury, a) I have no child-support obligation, b) I have a child-support obligation and I am currently in compliance with that obligation, or c) I have identified my child support obligation arrearage on this application.
5. I authorize the jurisdictions to give any information concerning me, as permitted by law, to any federal, state or municipal agency, or any other organization and I release the jurisdictions and any person acting on their behalf from any and all liability of whatever nature by reason of furnishing such information.
6. I acknowledge that I understand and will comply with the insurance laws and regulations of the jurisdictions to which I am applying for licensure.
7. For Non-Resident License Applications, I certify that I am licensed and in good standing in my home state/resident state for the lines of authority requested from the non-resident state.
8. I hereby certify that upon request, I will furnish the jurisdiction(s) to which I am applying, certified copies of any documents attached to this application or requested by the jurisdiction(s).

11-22-2010
Month/Day/Year

Original Producer Signature

MATTHEW KAHC
Full Legal Name (Printed or Typed)

Attachments

(39) The following attachments must accompany the application otherwise the application may be returned unprocessed or considered deficient.

1. For Non-Resident License Applications and unless otherwise noted in the State Matrix of Business Rules, a state will rely on an electronic verification of an Applicant's resident license through the NAIC's State Producer Licensing Database in lieu of requiring an original Letter of Certification from the resident state.
2. Any jurisdiction specific attachments listed in the State Matrix of Business Rules (www.nipr.com).

G:\DATA\Producer Licensing\NAIC Uniform Application\2009 Version\2009 indapp 9.23.09.doc

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Washington State Office Of The Insurance Commissioner November 23,2010

Insurance 5000 Building

5000 Capital Blvd.

Tutnwater Wa 98501

Att. Licensing Dept.

In response to your request for additional information please review the following:

I accept full responsibility for the administrative error that caused me the one year suspension in 2009.. Prior to being employed with S.W. Bach, I was employed with Citi Corp Investments in Mamaroneck New York. I only dealt with New York clients and New York applications.

Moving to S.W. Bach I had to rely on the expertise of the insurance companies, wholesalers and the compliance department at S.W. Bach which had limited experience and knowledge with respect to different state applications.

I was wrongly advised and realize now I should have done my own due diligence.

I acknowledge that ignorance of the facts is not a proper defense.

I am now employed at National Securities Corp, which has an extremely experience and knowledgeable insurance back office and compliance structure.

National Securities has me on a heightened supervision plan (copy attached) which has also been entered on my FINRA licensing in which the state of Washington,New York,New Jersey,California and Maryland have recently approved me for securities business.

New Jersey, Maryland, Ohio,and California have issued a nonresident life license to me.

Met Life has recently re appointed me which they would not have if I was not in good standing.

First I would like to thank you for giving me the opportunity to correspond with you on these matters I appreciate your time. I fully recognize that I am responsible for my suspension due to ignorance and a lack of due diligence to ensure that I was taking all the proper steps in the application process, and it was a very hard lesson learned. I can assure you that I am now fully aware of the proper steps of the application process, and if you add that to my heightened supervision plan and highly experienced insurance back office and compliance something like this will never happen again. I respectfully request that you consider renewing my Washington nonresident license, and hope that the detials I have provided today are to your satisfaction. Once again thatnk you for your time.

Regards,

Matthew King

NATIONAL
SECURITIES

Heightened Supervision Plan

Due to concern caused by the representative's CRD history; the Supervision Department of National Securities Corporation has mandated that, CRD # 270014, **Matthew King**, be placed under heightened supervision.

The specific steps involved include, but are not limited to, the following, except as may be appropriately modified by National Securities:

1. All new account agreements must be signed by the client and approved by the Branch Manager, or qualified principal designee, prior to submission to National Securities Corporation. Mr. King may not place trades on behalf of customers prior to the submission and acceptance of such account, evidenced by the issuance of an account number.
2. Option Agreements will be completed, signed by the client(s) and approved by a principal before option trades are placed.
3. There may never be an occasion where a trade is placed on a discretionary basis or an account is opened with discretionary authority given to Mr. King.
4. Mr. King will allow National access to the branch phone records including any taped conversations, if applicable, with clients on demand. The Regional Supervisor, the Branch Manager or his designee have a right to monitor any and all phone calls directed to or originating from the branch.
5. Mr. McQuade will conduct a quarterly review of Mr. King's securities and/or Insurance activity. Such review shall be memorialized by a memo as to the nature of the review undertaken and any problems noted. The review reports will be maintained by the Mr. McQuade at the OSJ, available upon request.
6. Declan McQuade, OSJ Principal along with Ken Drekou, the Insurance licensed Principal in the OSJ, will review all Insurance paperwork prior to forwarding to NSC's Insurance Supervisory Officer (ISO) for review. Mr. McQuade and Mr. Drekou will confirm all state specific documentation reflects Mr. King's current insurance licensing. A copy of Mr. King's current and active, state specific Insurance license must be included with each application submitted to ISO. Such review will be memorialized by way of BOTH Mr. McQuade and Mr. Drekou signature on all applicable Insurance documents.
7. Insurance Supervisory Officer will contact each client prior to submission of final documentation approved by Mr. McQuade and Mr. Drekou to the Insurance carrier. The purpose of this call is to confirm each client understands the product being purchased, including but not limited to risks, fees and surrender charges. ISO will also confirm during this call that state related documentation signed by client and reviewed and approved by Mr. McQuade and Mr. Drekou is accurate.
8. Mr. King will provide a copy of a Certificate of Status for his resident state insurance license prior to any submission of Insurance business and no later than 90 days from date of hire. This timeframe may be extended only at the discretion of the Insurance Supervisory Officer.
9. The Supervision Department of National Securities will assess a charge to the branch of one thousand dollars per month for the additional resources allocated to this heightened supervision plan.
10. At the discretion of the Regional Supervisor or Insurance Supervisory Officer, based upon experience with relevant customer activity and/or account status which is deemed problematic or high-risk in nature, National Securities may institute additional procedures which require that the Branch Manager (or his designee, subject to Branch Manager review) verify customer authorization of all orders placed by the RR and maintain a written record of such verification.

December 23, 2008
Sent Via Certified Mail/Return Receipt Requested

Matthew J. King
24 Van Etten Blvd.
New Rochelle, NY 10804

Re: FINRA Case No. 2006003892301, District 10A

Dear Mr. King:

On December 22, 2008, you were notified that the Letter of Acceptance, Waiver and Consent in the above Case was accepted, pursuant to which you are suspended from association with any FINRA member in any capacity for one year.

This is to advise you that the suspension in any capacity will be in effect from January 20, 2009 through January 19, 2010.

We would like to bring your attention to Rule 8311 of the FINRA Manual, entitled "Effect of a Suspension, Revocation, Cancellation or Bar."

Pursuant to Article V, Section 2 of the FINRA By-Laws, if you are currently employed with a member of FINRA, you are required to immediately update your Uniform Application for Securities Industry Registration or Transfer (Form U4) to reflect this action. In addition, this action will also require disclosure on any future Form U4 filing.

If you have any questions regarding the above information, please contact Bernard Canepa at: (240) 386-4748.

Very truly yours,

Mario DiTrapani
Vice President
FINRA Registration and Disclosure

cc:

Hans L. Reich, Regional Director
District 10A

David M. Jaffe, Regional Counsel
District 10A

GunnAllen Financial, Inc.
Marc Ellis, Senior VP and CCO
5002 W. Waters
Tampa, FL 33634

Invoice Number: 08-LI-1013

January 6, 2009

Certified Mail #7008 1140 0001 9152 2348
Return Receipt Requested

MATTHEW J KING, JR.
24 Van Etten Blvd
New Rochelle, NY 10804

Re: **Request for Payment of Fines and/or Costs**

Dear Mr. King:

As you are aware, the following monetary sanctions were imposed against you or your firm in connection with Complaint Number 2006003892301:

Fine:	$10,000.00
Total:	$10,000.00

Payment in full or 25% of the fines/costs (i.e. initial payment required for the installment payment plan), as elected in the signed AWC, is due within ten (10) business days from the date of this letter. Enclosed please find a list of methods for payment of fine(s) and/or costs. If applicable, satisfactory proof of restitution must be provided to the District Office or Market Regulation Department promptly. FINRA Rule 8320 requires prompt payment of all monetary sanctions, including restitution or disgorgement, and provides for the expulsion of a firm's membership in the Association and/or revocation of an individual's registration for failure to pay such monetary sanctions.

Checks should be made payable to FINRA and mailed with the attached copy of this letter to: ***FINRA, P.O. Box 7777-W8820, Philadelphia, PA 19175-8820 (Attention: Fines & Costs)*** in the enclosed envelope. **Please** write the complaint number 2006003892301 on the check to ensure proper credit to your account. In cases of extreme urgency, send your remittance by courier or overnight delivery to ***FINRA, W8820, c/o Mellon Bank Room 3490, 701 Market Street, Philadelphia, PA 19106 - Attention Fines & Costs.***

Should you have any questions regarding this letter, please contact me at (240) 386-5352.

Sincerely,

William B Wilson

William B Wilson
Supervisor – Disciplinary Fines Collections
Finance

cc: FINRA District Office

cc: DAVID A GEHN, ESQ.
Gustae, Kaplan, Bruno & Nusbaum PLLC,
120 Wall Street, FL 11
New York, NY 10005

GUNNALLEN FINANCIAL, INC.
Attn.: Marc Ellis, SVP, CCO
5002 W. Waters
Tampa, FL 33634

Finance - Fines & Costs
9509 Key West Avenue
Rockville, MD
20850-3329
t 240 386 5392
f 240 386 5655
www.finra.org

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
NOTICE TO EMPLOYER OF ACCEPTANCE OF LETTER OF ACCEPTANCE, WAIVER, AND CONSENT

TO: **VIA CERTIFIED MAIL,**
RETURN RECEIPT REQUESTED
NO. 7007 1490 0002 5469 5784
AND FIRST CLASS MAIL
Gunnallen Financial, Inc.
5002 W. Waters
Tampa, FL 33634
Attn: Marc Ellis, SVP, CCO

FROM: FINRA, District No. 10
Two Jericho Plaza, 2nd Floor
Jericho, NY 11753

RE: Matthew John King, Jr., Respondent
Notice of Acceptance of Letter of Acceptance, Waiver and Consent
No. 2006003892301

DATE: December 22, 2008

Please take notice that final disciplinary action has been taken by FINRA against Matthew J. King, Jr., who, according to our records, are associated with your firm. Attached is a copy of the final document which sets forth FINRA's findings and the sanctions imposed, and the Notice to Respondent. Please note that this disciplinary action may change and/or advance the date by which these registered persons must complete their continuing education requirement.

This information is being given to you so that you may fulfill your supervisory and other obligations under securities industry rules and regulations. If you have any questions concerning this matter, please call the undersigned at 516-949-4217.

Samuel L. Barkin
Senior Regional Counsel

cc: **VIA CERTIFIED MAIL,**
RETURN RECEIPT REQUESTED
NO. 7007 1490 0002 5469 5777
AND FIRST CLASS MAIL
David A. Gehn, Esq.
Gusrae, Kaplan, Bruno & Nusbaum, PLLC
120 Wall Street, 11th Floor
New York, NY 10005

RECEIVED
2000 DEC 22 P 4:43
REGISTRATION & DISCLOSURE

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006003892301

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Matthew King, Jr., Respondent
General Securities Representative
CRD No. 270014

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, I, Matthew King, Jr., submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Matthew King, Jr. ("King") first became registered with FINRA (f/n/a National Association of Securities Dealers or NASD) in April 1988 as a General Securities Representative ("GS") of Travelers Equities Sales, Inc., a former member of FINRA. From December 2003 through April 2006, King was registered as a GS with S.W. Bach & Company (BD # 43522) ("SWB"). King is currently registered as a GS with GuntAllen Financial, Inc. (BD # 17609), a FINRA member firm. King has no prior disciplinary history.

OVERVIEW

From August 2004 through August 2005, King falsified information on numerous variable annuity policy applications which were subsequently submitted to the issuer of the policies.

FACTS AND VIOLATIVE CONDUCT

From August 2004 through August 2005, (i) King falsified variable annuity policy applications for 24 customers by representing that the customers had signed the applications in the proposed state of issue when they had not; and (ii) with respect to 20 of those customers, King falsified the variable annuity policy applications by representing that the customers had accounts with SWB for at least 6 months when they did not. King then submitted the applications to SWB, who submitted them to the issuer of the policies.

As a result of such acts, practices, and conduct, King violated NASD Conduct Rule 2110.

B. I also consent to the imposition of the following sanctions:

- A monetary fine in the amount of $10,000;
- A one year suspension of Matthew King, Jr., from association with any FINRA member in any capacity; and

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-1.)

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

A. To have a Formal Complaint issued specifying the allegations against me;

B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;

C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and

D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of NASD Rule 9143 or the separation of functions prohibitions of NASD Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

I understand that:

A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;

B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and

C. If accepted:

1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;

2. this AWC will be made available through FINRA's public disclosure

program in response to public inquiries about my disciplinary record;

3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and

4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

9-5-08
Date

Matthew King, Jr., Respondent

Reviewed By:

David A. Gelm, Esq.
Gusrae, Kaplan, Bruno & Nusbaum, PLLC
120 Wall Street 11th Floor
New York, New York 10005
(212) 269-1400
Attorney for Matthew King, Jr.

Accepted by FINRA:

12/19/08
Date

Signed on behalf of the
Director of ODA, by delegated authority

Samuel L. Barkin/sb

Samuel L. Barkin, Senior Regional Counsel
FINRA Department of Enforcement
Two Jericho Plaza, 2nd Floor
Jericho, NY 11753
(516) 949-4217
(202) 721-6573 (direct fax)

EXHIBIT 3

Baughman, Jeff (OIC)

From: Baughman, Jeff (OIC)
Sent: Friday, January 21, 2011 10:37 AM
To: 'mking@nationalsecurities.com'
Subject: FW: Inquiry from the WA Office of the Insurance Commissioner

Importance: High

SECOND REQUEST FOR INFORMATON -- Processing of your application will not proceed until this information is received.

Thanks,

Jeff Baughman
Licensing & Education Program Manager
Office of the Insurance Commissioner
State of Washington
(360) 725-7156

From: Baughman, Jeff (OIC)
Sent: Friday, January 07, 2011 3:06 PM
To: 'mking@nationalsecurities.com'
Subject: Inquiry from the WA Office of the Insurance Commissioner
Importance: High

Mr. King;

At the beginning of this month, we had received an application for licensure. You had answered "yes" to one of the background questions and documentation was provided regarding your FINRA violation.

In addition to the above mentioned background issue, we have identified another violation for which we do not have any documentation. Please provide this department documentation on the 10/8/2010 administrative action taken by the state of California and your written explanation as to the reasons this violation was not disclosed at the time of your application.

Further processing of your application will not proceed until this is received and reviewed.

Thanks,

Jeff Baughman
Licensing & Education Program Manager
Office of the Insurance Commissioner
State of Washington
(360) 725-7156

EXHIBIT 4

Baughman, Jeff (OIC)

From:	Baughman, Jeff (OIC)
Sent:	Monday, February 07, 2011 7:36 AM
To:	'mking@nationalsecurities.com'
Cc:	Ribble, Sheila (OIC); Philhower, Andrea (OIC)
Subject:	Denial of Non-resident license

Office of the Insurance Commissioner, State of Washington
5000 Capitol Blvd.
Tumwater, Washington 98501

February 7, 2011

Matthew J King Jr.
24 Van Etten Blvd
New Rochelle, NY 10804

Mr. King;

The application which you have submitted for a Washington non-resident insurance license has been denied on the basis of background information provided. The decision to deny your request for a license is based upon RCW 48.17.530(1)(h).

You are entitled to a refund of your license application fees. A request for refund will be completed on your behalf and a refund check will be sent within 4-6 weeks.

You have the right to demand a hearing to contest this decision. During this hearing, you can present your argument that the decision should not have been entered for legal and/or factual reasons and/or to explain the circumstances surrounding the activities which are the subject of this decision. You may be represented by an attorney if you wish, although it is not required. In many hearings before this agency parties do choose to represent themselves without an attorney. Your Demand for Hearing must be made within 90 days after the date of this decision, which is the date of mailing, or your Demand will be invalid and this decision will stand.

Your Demand for Hearing should be sent to John F. Hamje, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257, and must briefly state how you are harmed by this decision and why you disagree with it. You will then be notified both by telephone and in writing of the time and place of your hearing. If you have questions concerning filing a Demand for Hearing or the hearing process, please telephone the Hearings Unit, Office of the Insurance Commissioner, at 360/725-7002.

Thanks,

Jeff Baughman
Licensing & Education Program Manager
Office of the Insurance Commissioner
State of Washington
(360) 725-7156

NATIONAL SECURITIES CORPORATION

EXHIBIT 5

120 Broadway, 28th Floor New York, New York 10271
(212) 417-8257/ (866) 221-8927 / FAX (212) 587-7820

FOR IMMEDIATE DELIVERY TO ADDRESSEE

TO: ATT- HEARING UNIT

COMPANY: WASHINGTON STATE

FAX NUMBER: 360 664 2282

FROM: **Matthew J. King**
Senior Investment Executive
Insurance Licensed Representative

DATE: 2-7-11

TIME:

NUMBER OF PAGES INCLUDING THIS SHEET: 3

IF THERE IS ANY PROBLEM DURING TRANSMISSION, PLEASE CALL ME AT (866) 221-8927 AS SOON AS POSSIBLE.

CONTACT PERSON: **Lisa M. Monteforte**
Registered Executive Assistant

COMMENTS:

Information contained herein has been compiled from recognized investment services and other sources believed reliable. There is no guarantee, however, of its accuracy or completeness. Recommendations made are intended for investors aware of, suited to, and financially able to bear the risks involved. National Securities Corporation makes a market in certain securities, and its employees and their clients may from time to time have positions in securities mentioned. Securities described may not be qualified for purchase in all jurisdictions. Certain securities referred to in this report may not be blue-sky in all states. Opinions expressed are statements of judgment when rendered and are subject to change without notice. Neither the information nor any opinion expressed shall constitute an offer to sell or a solicitation to buy any securities or commodities mentioned. Recommendations are made in the general sense and suitability for purchase or sale should be a matter of discussion and agreement between the client and the broker before each action is taken. Past performance should not be considered a guarantee of future results. National Securities Corporation solely for the private use of our customers publishes this newsletter.

Washington State Office Of The Insurance Commissioner January 7,, 2011

Insurance 5000 Building

5000 Capital Blvd.

Tumwater WA 98501

Att. Hearing Unit.

In response to your e-mail today denying my request for a non resident insurance license, I respectfully request a hearing to contest this decision.

I accept full responsibility for the administrative error that caused me the one year suspension in 2009.

Prior to being employed with S.W. Bach, I was employed with Citi Corp Investments in Mamaroneck New York.

I only dealt with New York clients and New York applications.

Moving to S.W. Bach I had to rely on the expertise of the insurance companies, wholesalers and the compliance department at S.W. Bach which had limited experience and knowledge with respect to insurance products and different state applications.

I was advised by the insurance carriers that if I placed business with Travelers, and Hartford and the client lived in another state but had a brokerage account and relationship with our firm in New York and signed a nexus form acknowledging this, we could use a New York application.

The applications were reviewed and signed by three supervisors at SW Bach, and also approved by the insurance carriers.

This procedure continued for 2.5 years with no claims or complaints.

The SEC conducted an audit and I past with no problems.

SW Bach was experiencing problems unrelated to me and I decided to leave the firm.

After I left FINRA audited SW Bach and in the process all the insurance files in disarray due to brokers trying to solicit me old clients and the focus, aside from SW Bach's other problems was on the annuities.

SW Bach went bankrupt and out off business and with no one to go after FINRA decided to look for fines and picked me.

As I have 6 children and a home I had no choice if I ever wanted to continue in the business which I want to be in and have been in for 30 years but to take their one year suspension and $10,000 fine.

I did not falsify any annuity applications and had approval for every application that I wrote.

FINRA would not change the word falsify and I was stuck with it.

I was wrongly advised and realize now I should have done my own due diligence.

I acknowledge that ignorance of the facts is not a proper defense.

I am now employed at National Securities Corp, which has an extremely experience and knowledgeable insurance

back office and compliance structure.

National Securities has me on a heightened supervision plan (copy attached) which has also been entered on my FINRA licensing in which the state of Washington, New York, New Jersey, California and Maryland have recently approved me for securities business.

New Jersey, Connecticut, Maryland, Ohio, and California have issued a nonresident life license to me.

Met Life has recently re appointed me which they would not have if I was not in good standing.

I have many prospective clients in the state of Washington and it would be an important part of my getting back in the investment business if you reconsidered.

First I would like to thank you for giving me the opportunity to correspond with you on these matters I appreciate your time. I fully recognize that I am responsible for my suspension due to ignorance and a lack of due diligence to ensure that I was taking all the proper steps in the application process, and it was a very hard lesson learned. I can assure you that I am now fully aware of the proper steps of the application process, and if you add that to my heightened supervision plan and highly experienced insurance back office and compliance something like this will never happen again. I respectfully request that you consider renewing my Washington nonresident license, and hope that the details I have provided today are to your satisfaction. Once again thank you for your time.

Regards,

Matthew King

EXHIBIT 6

FINRA

rokerCheck Report

IATTHEW JOHN KING JR

RD# 270014

eport #59531-99185, data current as of Friday, April 22, 2011.

ection Title	Page(s)
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roker Qualifications	2 - 3
egistration and Employment History	4 - 5
isclosure of Customer Disputes, isciplinary, and Regulatory Events	6 - 15
bout this BrokerCheck Report	16

ear Investor:

NRA has generated the following BrokerCheck port for **MATTHEW J. KING JR.** The information ntained within this report has been provided by a NRA member firm(s) and securities regulators as art of the securities industry's registration and ensing process and represents the most current formation reported to the Central Registration epository (CRD®) system.

INRA regulates the securities markets for the ltimate benefit and protection of the investor. FINRA elieves the general public should have access to nformation that will help them determine whether to onduct, or continue to conduct, business with a INRA member firm or any of the member's ssociated persons. To that end, FINRA has adopted public disclosure policy to make certain types of nformation available to you. Examples of information INRA provides on currently registered individuals and individuals who were registered during the past en years include: actions by regulators, investment-elated civil suits, customer disputes that contain allegations of sales practice violations against brokers, all felony charges and convictions, misdemeanor charges and convictions relating to securities violations, and financial events such as bankruptcies, compromises with creditors, judgments, and liens. FINRA also provides on a permanent basis certain information on former registered individuals, if any of the following applies, as reported to CRD on a uniform registration form: (1) the person was the subject of a final regulatory event; (2) the person was convicted of or pled guilty or nolo contendere to a crime; (3) the person was the subject of a civil injunction or civil court finding involving a violation of any investment-related statute(s) or regulation(s); or (4) the person was named as a respondent or defendant in an arbitration or civil litigation that resulted in an award, decision or judgment for a customer.

When evaluating this report, please keep in mind that it may include items that involve pending actions or allegations that may be contested and have not been resolved or proven. Such items may, in the end, be withdrawn or dismissed, or resolved in favor of the firm or broker, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

The information in this report is not the only resource you should consult. FINRA recommends that you learn as much as possible about the individual broker or brokerage firm from other sources, such as professional references, local consumer and investment groups, or friends and family members who already have established investment business relationships.

FINRA BrokerCheck is governed by federal law, Securities and Exchange Commission (SEC) regulations and FINRA rules approved by the SEC. State disclosure programs are governed by state law, and may provide additional information on brokers and firms licensed by the state. Therefore, you should also consider requesting information from your state securities regulator. Refer to www.nasaa.org for a complete list of state securities regulators.

Thank you for using FINRA BrokerCheck.

FINRA

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.

ATTHEW J. KING JR

RD# 270014

rrently employed by and registered with the lowing FINRA Firms:

ATIONAL SECURITIES CORPORATION
20 BROADWAY
3TH FLOOR
EW YORK, NY 10271
RD# 7569
egistered with this firm since: 02/26/2010

Report Summary for this Broker

The report summary provides an overview of the broker's professional background and conduct. The individual broker, a FINRA-registered firm(s), and/or securities regulator(s) have provided the information contained in this report as part of the securities industry's registration and licensing process. The information contained in this report was last updated by the broker, a previous employing brokerage firm, or a securities regulator on 03/08/2011.

Broker Qualifications

This broker is registered with:

- 1 Self-Regulatory Organization
- 6 U.S. states and territories

Is this broker currently suspended or inactive with any regulator? **No**

This broker has passed:

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

Registration and Employment History

This broker was previously registered with the following FINRA member firms:

GUNNALLEN FINANCIAL, INC
CRD# 17609
NEW YORK, NY
04/2006 - 01/2009

S.W. BACH & COMPANY
CRD# 43522
NEW YORK, NY
01/2004 - 05/2006

CITICORP INVESTMENT SERVICES
CRD# 23988
LONG ISLAND CITY, NY
05/1999 - 12/2003

For additional registration and employment history details as reported by the individual broker, refer to the Registration and Employment History section of this report.

Disclosure of Customer Disputes, Disciplinary, and Regulatory Events

This section includes details regarding disclosure events reported by or about this broker to CRD as part of the securities industry registration and licensing process. Examples of such disclosure events include formal investigations and disciplinary actions initiated by regulators, customer disputes, certain criminal charges and/or convictions, as well as financial disclosures, such as bankruptcies and unpaid judgments or liens.

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

The following types of disclosures were reported:

Regulatory Event

Customer Dispute

Judgment/Lien

Investment Adviser Representative Information

Is there information available about this individual in the Investment Adviser Public Disclosure Program? **Yes**

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›ker Qualifications

›gistrations

s section provides the self-regulatory organizations (SROs), states and U.S. territories the broker is currently ›istered and licensed with, the category of each registration, and the date on which the registration became effective. s section also provides the physical location of each branch that the individual broker is associated with for each ed employment.

is individual is currently registered with 1 SRO and is licensed in 6 U.S. states and territories through his or r employer.

nployment 1 of 1

'm Name: NATIONAL SECURITIES CORPORATION

ain Office Address: 1001 FOURTH AVENUE
SUITE 2200
SEATTLE, WA 98154-1100

'm CRD#: 7569

RO	Category	Status	Date
INRA	General Securities Representative	APPROVED	02/26/2010

S. State/ ›rritory	Category	Status	Date
alifornia	Agent	APPROVED	04/27/2010
onnecticut	Agent	APPROVED	01/06/2011
aryland	Agent	APPROVED	04/27/2010
ew Jersey	Agent	APPROVED	06/28/2010
ew York	Agent	APPROVED	04/06/2010
'ashington	Agent	APPROVED	11/18/2010

ranch Office Locations

ATIONAL SECURITIES CORPORATION
20 BROADWAY
3TH FLOOR
EW YORK, NY 10271

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'oker Qualifications

ıdustry Exams this Broker has Passed

his individual has passed 0 principal/supervisory exams, 2 general industry/product exams, and 2 state ecurities law exams.

'rincipal/Supervisory Exams

Exam	Category	Date
No information reported.		

Ɜeneral Industry/Product Exams

Exam	Category	Date
Registered Representative Examination	Series 1	02/07/1970
General Securities Representative Examination	Series 7	07/21/1984

Ɜtate Securities Law Exams

Exam	Category	Date
Uniform Securities Agent State Law Examination	Series 63	09/17/1984
Uniform Investment Adviser Law Examination	Series 65	11/03/1998

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egistration and Employment History

reviously Registered with the Following FINRA Firms

NRA records show this broker previously held FINRA registrations with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
4/2006 - 01/2009	GUNNALLEN FINANCIAL, INC	17609	NEW YORK, NY
1/2004 - 05/2006	S.W. BACH & COMPANY	43522	NEW YORK, NY
5/1999 - 12/2003	CITICORP INVESTMENT SERVICES	23988	LONG ISLAND CITY, NY
2/1997 - 05/1999	FLEET ENTERPRISES, INC.	17434	NEW YORK, NY
8/1997 - 12/1997	CHASE INVESTMENT SERVICES CORP.	25574	CHICAGO, IL
5/1996 - 05/1997	PFS INVESTMENTS INC.	10111	DULUTH, GA
7/1995 - 02/1996	AETNA INVESTMENT SERVICES, INC.	34815	WINDSOR, CT
5/1988 - 08/1994	TRAVELERS EQUITIES SALES, INC.	833	NEW YORK, NY
07/1984 - 05/1988	CHUBB SECURITIES CORPORATION	3870	
02/1970 - 07/1977	ALLSTATE ENTERPRISES MANAGEMENT COMPANY	4037	

Employment History

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

Please note that the broker is required to provide this information only while registered with a FINRA firm and the nformation 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
02/2010 - Present	NATIONAL SECURITIES CORP	NEW YORK, NY
01/2009 - 01/2010	KBS INTERNATIONAL	NEW ROCHELLE, NY
04/2006 - 01/2009	GUNNALLEN FINANCIAL	TAMPA, FL
12/2003 - 04/2006	S.W. BACH & COMPANY	NEW YORK, NY
05/1999 - 12/2003	CITIBANK	LARCHMONT, NY
05/1999 - 12/2003	CITICORP INVESTMENT SERVICES	MAMARONECK, NY

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›gistration and Employment History

filiations

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

› information available.

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isclosure of Customer Disputes, Disciplinary, and Regulatory Events

Vhat you should know and/or consider regarding any reported disclosure events:

- Before reaching a conclusion regarding any of the information contained in this BrokerCheck report, you should ask the broker to clarify the specific event(s) listed, or to provide a response to any questions you may have.
- "Pending" actions involve unproven and/or unsubstantiated allegations.

)isclosures in BrokerCheck reports come from different sources:

- **Self-disclosure**: Brokers are required to answer a series of questions on their application requesting securities industry registration (Form U4). For example, brokers are asked whether they have been involved in certain regulatory, civil, criminal and financial matters (e.g., bankruptcy), or have been the subject of a customer dispute.
- **Regulator/Employer postings**: In addition, regulators and firms that have employed a broker also may contribute relevant information about such matters. All of this information is maintained in CRD.

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 report a particular criminal event.
- Likewise, **a regulatory agency** must meet established standards before initiating a regulatory action and/or issuing sanctions. These standards typically include a reasonable basis for initiating the action after engaging in a fact-finding process.

In order for a *customer* dispute to be reported to CRD, a customer must:

- Allege that their broker engaged in activity that violates certain rules or conduct governing the industry; and
- Claim damages of $5,000 or more as a result of that activity.

(Note: customer disputes may be more subjective in nature than a criminal or regulatory action)

What you should consider when evaluating the status or disposition of a reported disclosure event:

- **Disclosure events may be *pending*, *on appeal*, or *final*.** *Pending and 'on appeal'* matters reflect allegations that (1) have not been proven or formally adjudicated, or (2) have been adjudicated but are currently being appealed. *Final* matters generally may be *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 represents a disposition wherein parties involved in a dispute reach an agreement to resolve the matter.

  (Note: brokers may choose to settle customer disputes or regulatory matters for business or other reasons)
  - Customer disputes also may be ***resolved*** without any payment to the customer or any finding of wrongdoing on the part of the individual broker.

Possible multiple reporting sources -- please note:

Disclosure details may be reported by more than one source (i.e., regulator, firm, or broker). When this occurs, all versions of the event will appear in the BrokerCheck report. The different versions of the same disclosure event are separated by a solid line with the reporting source labeled.

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	Pending	Final	On Appeal
Regulatory Event	0	1	0
Customer Dispute	1	3	N/A
Judgment/Lien	N/A	1	N/A

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Disclosure Event Details

When evaluating this information, please keep in mind that a number of items may involve pending actions or allegations that may be contested and have not been resolved or proven. The items may, in the end, be withdrawn or dismissed, or resolved in favor of the individual 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 by the individual broker, a member firm(s), and/or by securities industry regulators. Some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Regulatory - Final

This section provides information regarding a final, regulatory action that was reported to CRD by the individual broker, a member firm, and/or a securities regulator. The event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulator such as the SEC or the Commodities Futures Trading Commission (CFTC), or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This section may also include a revocation or suspension of a broker's authority to act as an attorney, accountant or federal contractor.

Disclosure 1 of 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	12/22/2008
Docket/Case Number:	2006003892301
Employing firm when activity occurred which led to the regulatory action:	S.W. BACH & COMPANY
Product Type:	No Product
Other Product Type(s):	
Allegations:	NASD RULE 2110: RESPONDENT FALSIFIED VARIABLE ANNUITY POLICY APPLICATIONS FOR CUSTOMERS BY REPRESENTING THAT THE CUSTOMERS HAD SIGNED THE APPLICATIONS IN THE PROPOSED STATE OF ISSUE WHEN THEY HAD NOT, AND BY REPRESENTING THAT THE

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	CUSTOMERS HAD ACCOUNTS WITH RESPONDENT'S FIRM FOR AT LEAST SIX MONTHS WHEN THEY DID NOT. RESPONDENT THEN SUBMITTED THE APPLICATIONS TO HIS FIRM, WHO SUBMITTED THEM TO THE ISSUER OF THE POLICIES.
rent Status:	Final
solution:	Acceptance, Waiver & Consent(AWC)
es the order constitute a al order based on lations of any laws or ulations that prohibit udulent, manipulative, or ceptive conduct?	No
solution Date:	12/22/2008
nctions Ordered:	Monetary/Fine $10,000.00 Suspension
her Sanctions Ordered:	
nction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, RESPONDENT IS FINED $10,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR ONE YEAR. THE SUSPENSION IS IN EFFECT FROM JANUARY 20, 2009, THROUGH JANUARY 19, 2010.

eporting Source:	Broker
egulatory Action Initiated y:	FINRA
anction(s) Sought:	Suspension
ate Initiated:	12/22/2008
ocket/Case Number:	2006003892301
mploying firm when activity ccurred which led to the egulatory action:	S.W. BACH & COMPANY

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duct Type:	No Product
egations:	NASD RULE 2110: RESPONDENT FALSIFIED VARIABLE ANNUITY POLICY APPLICATIONS FOR CUSTOMERS BY REPRESENTING THAT THE CUSTOMERS HAD SIGNED THE APPLICATIONS IN THE PROPOSED STATE OF ISSUE WHEN THEY HAD NOT, AND BY REPRESENTING THAT THE CUSTOMERS HAD ACCOUNTS WITH RESPONDENT'S FIRM FOR AT LEAST SIX MONTHS WHEN THEY DID NOT. RESPONDENT THEN SUBMITTED THE APPLICATIONS TO HIS FIRM, WHO SUBMITTED THEM TO THE ISSUER OF THE POLICIES.
rrent Status:	Final
solution:	Acceptance, Waiver & Consent(AWC)
es the order constitute a al order based on lations of any laws or gulations that prohibit udulent, manipulative, or ceptive conduct?	No
solution Date:	12/22/2008
nctions Ordered:	Suspension Other: MONETARY FINE OF $10000.00

nction 1 of 1

nction Type:	Suspension
apacities Affected:	GENERAL SECURITIES
uration:	ONE YEAR
tart Date:	01/19/2009
nd Date:	01/19/2010

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

his section provides information regarding a final, customer dispute that was reported to CRD by the individual broker, a ıember firm, and/or a securities regulator. The event may include a final, consumer-initiated, investment-related rbitration proceeding or civil suit that contains allegations of sales practice violations against the individual broker and id not result in an award for monetary damages in favor of the customer(s), and was dismissed, withdrawn, or denied. It ıay also include a final, consumer-initiated, investment-related written complaint, which contains either allegations of ales practice violations against the broker and compensatory damages of $5,000 or more, or includes allegations of orgery, theft, or misappropriation or conversion of funds or securities that was closed without action, withdrawn or lenied.

Disclosure 1 of 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	GUNNALLEN FINANCIAL
Allegations:	CUSTOMER ALLEGES UNAUTHORIZED FUNDS USED TO INCREASE AN AUTHORIZED ANNUITY TRANSACTION.
Product Type:	Annuity-Variable
Alleged Damages:	$21,000.00
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:	05/18/2009
Complaint Pending?	No
Status:	Closed/No Action
Status Date:	01/15/2009
Settlement Amount:	
Individual Contribution Amount:	

Reporting Source:	Broker

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ıploying firm when ;ivities occurred which led the complaint:	GUNNALLEN FINANCIAL
egations:	CUSTOMER ALLEGES UNAUTHORIZED FUNDS USED TO INCREASE AN AUTHORIZED ANNUITY TRANSACTION.
oduct Type:	Annuity-Variable
leged Damages:	$21,000.00
this an oral complaint?	No
this a written complaint?	Yes
this an arbitration/CFTC paration or civil litigation?	No

ustomer Complaint Information

ıte Complaint Received:	05/18/2009
ɔmplaint Pending?	No
tatus:	Closed/No Action
tatus Date:	01/15/2009
ettlement Amount:	
ıdividual Contribution mount:	

isclosure 2 of 3

eporting Source:	Broker
mploying firm when ctivities occurred which led ɔ the complaint:	CITICORP INVESTMENT SERVICES
llegations:	THE CLIENT'S ATTORNEY ALLEGES THAT "MRS. ORIKI WAS NOT GIVEN A CLEAR WARNING THAT SHE COULD NOT FULLY ACCESS THE FUNDS WITHOUT PENALTY."
roduct Type:	Annuity(ies) - Variable
lleged Damages:	$9,226.14

Customer Complaint Information

Date Complaint Received:	03/07/2003

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nplaint Pending?	No
tus:	Denied
ıtus Date:	06/09/2003
ttlement Amount:	
lividual Contribution ıount:	
mmary:	CLAIM DENIED AS WITHOUT MERIT.

sclosure 3 of 3

ıporting Source:	Broker
nploying firm when tivities occurred which led the complaint:	CITICORP INVESTMENT SERVICES
legations:	THE CLIENTS ALLEGE TAHT MR. KING "DID NOT FOLLOW [THEIR] INSTRUCTIONS.... TO SELL [THEIR] UNIT TRUSTS AND MOVE [THEIR] OPPENHEIMER IRA'S TO AN OPPENHEIMER TREASURY/MONEY MARKET ACCOUNT [.]" THE CLIENTS FURTHER ALLEGE THAT MR. KING TOLD THEM THAT THERE WERE "NO FEES OR COMMISSIONS" ASSOCIATED WITH THEIR IRA MUTUAL FUND INVESTMENTS, AND THAT THEY HAVE SINCE LEARNED THAT THERE IS A FEE..... FOR THE NEXT FIVE YEARS.
roduct Type:	Mutual Fund(s)
ıther Product Type(s):	UNIT INVESTMENT TRUSTS
lleged Damages:	$27,560.15

;ustomer Complaint Information

ıate Complaint Received:	12/07/2000
;omplaint Pending?	No
;tatus:	Denied
;tatus Date:	01/09/2001
;ettlement Amount:	
ndividual Contribution Amount:	
Summary:	CLAIM DENIED AS WITHOUT MERIT

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ustomer Dispute - Pending

his section provides information regarding pending customer disputes that was reported to CRD by the individual broker, member firm, and/or a securities regulator. The event may include a pending consumer-initiated, investment-related rbitration proceeding or civil suit that contains allegations of sales practice violations against the broker. It may also iclude a pending, consumer-initiated, investment-related written complaint, which contains either allegations of sales ractice violations and compensatory damages of $5,000 or more, or allegations of forgery, theft or misappropriation or onversion of funds or securities.

isclosure 1 of 1

eporting Source:	Broker
mploying firm when ctivities occurred which led o the complaint:	GUNNALLEN FINANCIAL & NATIONAL SECURITIES CORP
llegations:	MISREPRESENTATION, UNSUITABILITY
roduct Type:	Annuity-Variable
lleged Damages:	$294,707.70

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	10-01739
Date Notice/Process Served:	05/17/2010
Arbitration Pending?	Yes

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dgment/Lien

is section provides information regarding any unsatisfied and outstanding judgments or liens that was reported to CRD the individual broker. Details regarding judgments and liens are provided only when the judgment or lien remains paid. Once paid in full or otherwise resolved, details are not included in the BrokerCheck report as the individual broker no longer required to report such matters to CRD via the Form U4.

isclosure 1 of 1

eporting Source:	Broker
dgment/Lien Holder:	INTERNAL REVENUE SERVICE
dgment/Lien Amount:	$194,603.90
udgment/Lien Type:	Tax
ate Filed:	11/03/2008
ype of Court:	COUNTY COURT
lame of Court:	COUNTY CLERK COURT WESTCHESTER COUNTY
ocation of Court:	WHITE PLAINS, NY
udgment/Lien Outstanding?	Yes

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out this BrokerCheck Report

erCheck reports are part of a FINRA initiative to disclose information about FINRA-registered firms and individual brokers to help stors determine whether to conduct, or continue to conduct, business with these firms and brokers. The information contained within e reports is collected through the securities industry's registration and licensing process.

o provides the information in BrokerCheck?

rmation made available through BrokerCheck is obtained from CRD as reported through the industry registration and licensing process.

forms used by brokerage firms, to report information as part of the firms registration and licensing process, Forms BD and BDW, are ablished by the SEC and adopted by all state securities regulators and SROs. FINRA and the North American Securities Administrators sociation (NASAA) establish the Forms U4 and U5, the forms that are used for the registration and licensing process for individual kers. These forms are approved by the SEC. Regulators report disciplinary information for firms and individual brokers via Form U6.

w current is the information contained in BrokerCheck?

kerage firms and brokers are required to keep this information accurate and up-to-date (typically not later than 30 days after learning of event). BrokerCheck data is updated when a firm, broker, or regulator submits new or revised information to CRD. Generally, updated ormation is available on BrokerCheck Monday through Friday.

at information is NOT disclosed through BrokerCheck?

ormation that has not been reported to CRD and certain information that is no longer required to be reported through the registration and ensing process is not disclosed through BrokerCheck. Examples of events that are not required to be reported or are no longer portable include: judgments and liens originally reported as outstanding that have been satisfied and bankruptcy proceedings filed more an 10 years ago.

ditional information not disclosed through BrokerCheck includes Social Security Numbers, residential history information, and physical scription information. On a case-by-case basis, FINRA reserves the right to exclude information that contains confidential customer ormation, offensive and potentially defamatory language or information that raises significant identity theft or privacy concerns that are t outweighed by investor protection concerns. FINRA Rule 8312 describes in detail what information is and is not disclosed through okerCheck.

nder FINRA's current public disclosure policy, in certain limited circumstances, most often pursuant to a court order, information is xpunged from CRD. Further information about expungement from CRD is available in FINRA notices 99-09, 99-54, 01-65, and 04-16 at ww.finra.org.

or further information regarding FINRA's BrokerCheck program, please visit FINRA's Web site at www.finra.org/brokercheck or call the INRA BrokerCheck Hotline at (800) 289-9999. This hotline is open Monday through Friday from 8:00 a.m. to 8:00 p.m., Eastern Time ET).

or more information about the following, select the associated link:

- About BrokerCheck Reports: http://www.finra.org/brokercheck_reports
- Glossary: http://www.finra.org/brokercheck_glossary
- Questions Frequently Asked about BrokerCheck Reports: http://www.finra.org/brokercheck_faq
- Terms and Conditions: http://brokercheck.finra.org/terms.aspx

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EXHIBIT 7

Philhower, Andrea (OIC)

From: JPena@ins.state.ny.us
Sent: Monday, April 25, 2011 8:56 AM
To: Philhower, Andrea (OIC)
Subject: RE:

That's correct.

"Philhower, Andrea (OIC)" <AndreaP@OIC.WA.GOV>

04/25/2011 11:54 AM

To <JPena@ins.state.ny.us>
cc "Baughman, Jeff (OIC)" <JeffB@OIC.WA.GOV>
Subject RE:

So am I correct in understanding that New York received notice from an insurance company that it had terminated Mr. King for cause (I'm assuming the cause was the FINRA violations), which caused your office to investigate him. And that you have found two issues, one is the FINRA violations and the other is his failure to notify New York of the violations?
Andrea

From: JPena@ins.state.ny.us [mailto:JPena@ins.state.ny.us]
Sent: Monday, April 25, 2011 8:49 AM
To: Philhower, Andrea (OIC)
Cc: Baughman, Jeff (OIC)
Subject: RE:

It's part of the recommendation I made, but no decision has been rendered.
"Philhower, Andrea (OIC)" <AndreaP@OIC.WA.GOV>

04/25/2011 11:43 AM

To <JPena@ins.state.ny.us>
cc "Baughman, Jeff (OIC)" <JeffB@OIC.WA.GOV>
Subject RE:

Now I'm confused. So he did inform you of the FINRA action?

From: JPena@ins.state.ny.us [mailto:JPena@ins.state.ny.us]
Sent: Monday, April 25, 2011 8:41 AM
To: Philhower, Andrea (OIC)
Cc: Baughman, Jeff (OIC)
Subject: RE:

Ms. Philhower,

Our investigation started after we were notified by an insurance company that he was terminated for cause, not because he did not inform of FINRA's action. Thanks.

Juan Peña, Examiner
Consumer Services Bureau
State of New York Insurance Department
(212)480-7723 (Phone)
(212)480-6282 (Fax)
jpena@ins.state.ny.us (e-mail)
www.ins.state.ny.us (Website)

"Philhower, Andrea (OIC)" <AndreaP@OIC.WA.GOV>

04/25/2011 11:35 AM

To <JPena@ins.state.ny.us>, "Baughman, Jeff (OIC)" <JeffB@OIC.WA.GOV>
cc
Subject RE:

Mr. Peña,
For the hearing today, I need to be able to document that Mr. King did not inform New York of his FINRA violation. Can you send me a short email that simply says that?
Thank you,
Andrea Philhower

From: JPena@ins.state.ny.us [mailto:JPena@ins.state.ny.us]
Sent: Monday, April 25, 2011 5:52 AM
To: Baughman, Jeff (OIC)
Cc: Philhower, Andrea (OIC)
Subject: Re:

Hi Mr. Baughman,

I cannot discuss this matter further until the recommendation I made to my supervisor is approved. Thanks.

Juan Peña, Examiner
Consumer Services Bureau
State of New York Insurance Department
(212)480-7723 (Phone)

(212)480-6282 (Fax)
jpena@ins.state.ny.us (e-mail)
www.ins.state.ny.us (Website)

"Baughman, Jeff (OIC)" <JeffB@OIC.WA.GOV>

04/22/2011 05:39 PM

To <jpena@ins.state.ny.us>
cc "Philhower, Andrea (OIC)" <AndreaP@OIC.WA.GOV>
Subject

Mr. Pena;

Per our phone conversation today, you have identified yourself as the NY Insurance Department examiner who examined the above referenced NY resident license. You had requested, for your files, a copy of the hearing request from Mr. King. I have also included a copy of the email notice of denial of his non-resident license here in WA.

You had indicated that you recommended [redacted] an action by NY. I understand from your phone statement that your recommendation has not yet been approved by your supervisor. Would you please confirm that my understanding of this situation is correct and on what grounds you are recommending [redacted]?

Thanks,

Jeff Baughman
Licensing & Education Program Manager
Office of the Insurance Commissioner
State of Washington
(360) 725-7156

EXHIBIT 8

North Carolina
DEPARTMENT OF INSURANCE
AGENT SERVICES
1204 Mail Service Center
Raleigh, NC 27699-1204
tel: 919.807.6800 fax: 919.715.3794
www.ncdoi.com

Wayne Goodwin | Commissioner of Insurance
An Equal Opportunity/Affirmative Action Employer

April 6, 2009

MATTHEW KING
24 VAN ETTEN BLVD
NEW ROCHELLE NY 10804

Re: Termination for Cause - MetLife

Dear Mr. King:

The Agent Services Division has received allegations that you falsified applications to your firm.

In accordance with N.C.G.S. 58-2-195, information from records required to be kept pursuant to the provisions of this section must be furnished to the Commissioner on demand and the original records required to be kept pursuant to the provisions of the section shall be open to the inspection for the Commissioner or any other authorized employee described in N.C.G.S. 58-2-25 when demanded.

You are requested to provide a written notarized response along with any documentation regarding the above allegations to my attention within 10 days from the date of receipt of this letter.

Please contact me at (919)807-6800 x 76817 if you have any questions.

Sincerely,

Gerard M. Roventini, ARM
Complaint Analyst

North Carolina
DEPARTMENT OF INSURANCE
AGENT SERVICES
1204 Mail Service Center
Raleigh, NC 27699-1204
tel: 919.807.6800 fax: 919.715.3794
www.ncdoi.com

Wayne Goodwin | Commissioner of Insurance
An Equal Opportunity/Affirmative Action Employer

April 22, 2009

MATTHEW KING
24 VAN ETTEN BLVD
NEW ROCHELLE NY 10804

Re: Met Life Termination

Dear Mr. King:

Thank you for your reply of 4/21/09 to our letter.

If you so choose, please either send in your physical North Carolina license(s) or, if you cannot locate it, favor us with a letter advising you are voluntarily surrendering your license(s), the effective date thereof, and have notarized. Thank you.

Sincerely,

Gerard Roventini, ARM
Complaint Analyst

PLEASE CANCEL NON RESIDENT
LICENSE UNTIL FURTHER NOTICE
THANK YOU

JOANN ABRAHAMSEN
NOTARY PUBLIC, STATE OF NEW YORK
No. 01AB6111081
QUALIFIED IN WESTCHESTER COUNTY
MY COMMISSION EXPIRES JUNE 7, 2012

5-7-09

MATTHEW KING

North Carolina
DEPARTMENT OF INSURANCE
Wayne G. Goodwin | Commissioner of Insurance
AGENT SERVICES

May 11, 2009

Matthew King
24 Van Etten Blvd.
New Rochelle, N.Y. 10804

Re: Acceptance of your North Carolina license surrender

Dear Mr. King:

The Agent Services Division accepts the voluntary surrender of your Life, Accident & Health or Sickness, Property and Casualty, and Variable Annuity licenses. You no longer have authority to transact insurance business in North Carolina. Your authority terminated effective April 22, 2009.

We have notified all the companies with which you held appointments in North Carolina.

If you have any questions, please contact me at (919) 807-6800 x 76817.

Sincerely,

Gerard M. Roventini, ARM
Complaint Analyst
Agent Services Division

Cc: NAIC
Hartford Life & Accident Ins. Co.; Hartford Life Insurance Co.;
Hartford Life & Annuity Ins. Co.; Prudential Life Assurance Corp.
Metropolitan Life Ins. Co.

mking@nationalsecurities.com

From: "McCoy, Julianne" <Julianne.McCoy@insurance.ca.gov>
Date: Monday, September 27, 2010 6:43 PM
To: "'Hatchell, Angela'" <Angela.Hatchell@ncdoi.gov>
Cc: "Kuzmich, Keith" <Keith.Kuzmich@insurance.ca.gov>; "Cunningham, Robert" <Robert.Cunningham@ncdoi.gov>; "Matthew King" <mking@nationalsecurities.com>; "Swain, Randie" <Randie.Swain@insurance.ca.gov>
Subject: RE: Matthew J. King

Dear Ms. Hatchell

Thank you for your response below. The California Department of Insurance now has everything we need in terms of documentation from North Carolina DOI and Mr. King. We can now present Mr. King's case file to our Legal Division for a final decision on his background matter involving the FINRA action.

Sincerely,

Julianne McCoy
Chief, Licensing Background Bureau
California Department of Insurance
(916) 492-3427
mccoyj@insurance.ca.gov

From: Hatchell, Angela [mailto:Angela.Hatchell@ncdoi.gov]
Sent: Monday, September 27, 2010 2:00 PM
To: Swain, Randie
Cc: Kuzmich, Keith; Cunningham, Robert; mking@nationalsecurities.com; McCoy, Julianne
Subject: Matthew J. King

Dear Ms. Swain:

Mr. King (NPN 2323144) is attempting to obtain a non-resident license in CA. North Carolina mistakenly reported a RIRS action which has now been removed from PDB which I believe is hindering him from receiving this license.

You asked for a certified copy of the action "as per the uniform NAIC application" however, I do not see any such requirement on the NAIC application #2(c) simply asked for "a copy of the official document, which demonstrates the resolution of the charges or any final judgment." It does not state Certified Copy.

At any rate, Mr. King **did not** have a RIRS action taken by NC and therefore even if required there is nothing to certify unless you simply want a copy of a letter advising that we will accept the surrender of his license. Please check PDB and you will find that there is no RIRS action

Please let me know EXACTLY what Mr. King needs at this point.

Sincerely,
Angela Hatchell

P.S. Please refer to my email of August 19, 2010 explaining the entire situation.

mking@nationalsecurities.com

From: "Hatchell, Angela" <Angela.Hatchell@ncdoi.gov>
Date: Thursday, August 19, 2010 2:02 PM
To: "Matthew King" <mking@nationalsecurities.com>
Cc: "Roventini, Jerry" <Jerry.Roventini@ncdoi.gov>; <Randie.Swain@insurance.ca.gov>
Attach: 20100819140405456.pdf
Subject: Agent License Issue

Dear Mr. King:

This is in response to our telephone conversation today, August 19, 2010, regarding your NC agent license and RIRS action.

Our records indicate that you were terminated by MetLife in 2009 and NCDOI was notified of that action as well as disciplinary action taken by FINRA. As a result of these allegations NCDOI wrote a letter advising that you could surrender your license if you chose to do so – you surrendered your license to NCDOI. On May 11, 2009, a letter was sent accepting the surrender of your license and we reported the action to RIRS. We, NCDOI, should have sent you an informal conference notice affording you the opportunity to come to the Department to address these allegations or offering you the option of surrendering your license.

Since this was not handled per our procedures we will contact the NAIC to remove the RIRS action. However, as I stated, NCDOI will not voluntarily relicense you in NC in the future until the allegations listed above are addressed – should you reapply you will most likely have to attend a denial review to discuss the allegations. You stated that you understood this and accepted this as a solution.

I have attached a copy of the May 11, 2009 letter to this email in hopes that the letter along with this email will address any concerns that CA has regarding the NC action taken.

Should you have any questions please give me a call at 919-807-6808.

Sincerely,

Angela P. Hatchell
Complaint Section Supervisor