

STATE OF SOUTH CAROLINA  
IN THE SUPREME COURT

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JUN 20 2018

S.C. SUPREME COURT

APPEAL FROM YORK COUNTY

The Honorable J. Mark Hayes, II, Circuit Court Judge

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Court of Appeals Appellate Case No. 2015-001914

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THE STATE,..... PETITIONER,

v.

RICHARD P. KROCHMAL, ..... RESPONDENT.

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APPENDIX

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Volume 2 of 2

ALAN WILSON  
Attorney General

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ATTORNEYS FOR PETITIONER

ATTORNEY FOR RESPONDENT

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 INVESTMENT ACCOUNT



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ACCOUNT NUMBER 7183 Statement Period: 03/01/10 to 03/31/10

PORTFOLIO HOLDINGS - MUTUAL FUNDS

Total Shares	Description	Symbol	Price	Current Value	Est. Annual Income	Trade Date	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
	DIVIDEND VALUE FUND SERVICE CLASS									
Total Mutual Funds				21,347.94	131.12				21,375.76	(27.82)
Percentage of Total Invested Assets				37.14%						

PORTFOLIO HOLDINGS - LIMITED PARTNERSHIPS

Total Shares	Description	Symbol	Price	Current Value	Est. Annual Income	Trade Date	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
275	PENN VA RESOURCE PARTNRS LP UNIT REPTG LID PRINSP INT	PVR	23.45	6,448.75	517.00		275	21.439	5,895.99	552.76
Total Limited Partnerships				6,448.75	517.00				5,895.99	552.76
Percentage of Total Invested Assets				11.22%						



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ACCOUNT NUMBER ██████████ 7183 Statement Period: 03/01/10 to 03/31/10

SECURITY TRANSACTION ACTIVITY

Date	Transaction	Quantity	Description	Price	Amount
03/15/10	REINVEST DIV	1.011	ROYCE FUND DIVIDEND VALUE FUND SERVICE CLASS REINVEST AT 5.700	Unavailable	(5.76)
Total Securities Purchased					(5.76)
03/02/10	SALE	(300)	RAIT FINANCIAL TRUST SERIES B CUMULATIVE REDEEM PFD PERPETUAL	13.896	4,148.98
03/30/10	SALE	(150)	ISTAR FINANCIAL INC PFD SER G 7.65% PERPETUAL CUMULATIVE REDEEMABLE SH	14.171	2,125.61
Total Securities Sold					6,274.59



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ACCOUNT NUMBER 7183 Statement Period: 03/01/10 to 03/31/10

DIVIDENDS

Date	Transaction	Quantity	Description	Amount
03/15/10	DIVIDEND		ISTAR FINANCIAL INC PFD SER G 7.65% PERPETUAL CUMULATIVE REDEEMABLE SH 031510 150	71.72
03/15/10	DIVIDEND		PENN WEST ENERGY TRUST UNIT 031510 200	30.00
03/15/10	DIVIDEND		PROVIDENT ENERGY TRUST TR UNIT 031510 400	24.00
03/15/10	DIVIDEND		ROYCE FUND DIVIDEND VALUE FUND SERVICE CLASS 031110 385.08300	5.76
03/16/10	DIVIDEND		PENN WEST ENERGY TRUST UNIT 031510 200	29.39
03/16/10	DIVIDEND		PROVIDENT ENERGY TRUST TR UNIT 031510 400	23.48
03/30/10	DIVIDEND		RAIT FINANCIAL TRUST SERIES B CUMULATIVE REDEEM PFD PERPETUAL 033110 300	157.03
03/31/10	DIVIDEND		FORUM FUNDS MERK HARD CURRENCY FUND INVESTMENT SHARES 033010 214.59200	15.20
<b>Total Dividend Credits</b>				<b>356.58</b>

03/16/10 ADJ DIVIDEND PENN WEST ENERGY TRUST (30.00)

DIVIDENDS

Date	Transaction	Quantity	Description	Amount
			UNIT 031510 200	
03/16/10	ADJ DIVIDEND		PROVIDENT ENERGY TRUST TR UNIT 031510 400	(24.00)
<b>Total Dividend Debits</b>				<b>(54.00)</b>
<b>Net Dividend Activity</b>				<b>302.58</b>

INTEREST

Date	Transaction	Description	Amount
03/15/10	INTEREST	STERNE AGEE INSURED MONEY MARKET FUND 031510 4,457	0.15
<b>Total Interest Credits</b>			<b>0.15</b>



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ACCOUNT NUMBER 7183

Statement Period: 03/01/10 to 03/31/10

**MONEY MARKET ACTIVITY**

**OTHER BOOKKEEPING**

Date	Transaction	Quantity	Description	Amount
03/02/10	SALE		STERNE AGEE INSURED MONEY MARKET FUND	900.12
03/17/10	SALE		STERNE AGEE INSURED MONEY MARKET FUND	0.96
<b>Total Money Market Credits</b>				<b>901.08</b>
03/05/10	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(4,111.98)
03/15/10	INTEREST REINVEST		STERNE AGEE INSURED MONEY MARKET FUND	(0.15)
03/16/10	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(117.62)
03/31/10	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(157.03)
<b>Total Money Market Debits</b>				<b>(4,386.78)</b>
<b>Net Money Market</b>				<b>(3,485.70)</b>

Date	Transaction	Quantity	Description	Amount
03/01/10	FEE		02/26-02/27 \$57,438.33	(370.00)
03/04/10	FEE		03/02-03/03 \$57,809.66	(37.00)
03/16/10	WITHHOLDING		FRGN-W/H @ SOURCE PENN WEST ENERGY TR UNID	(4.41)
03/16/10	WITHHOLDING		FRGN-W/H @ SOURCE PROVIDENT ENERGY TR UNID	(3.52)
03/31/10	FEE		03/30-03/31 \$57,339.68	(37.00)
<b>Total Other Bookkeeping Debits</b>				<b>(451.93)</b>

End of Statement

**Introducing/clearing arrangements**

The transactions being reported on this statement are being cleared by Sterne, Agee & Leach, Inc. ("Sterne") for your introducing broker dealer ("IBD"), whose name appears on the front of this statement, pursuant to an Agreement for Securities Clearance Services. That Agreement allocates various functions between Sterne and your IBD. Included among the responsibilities and functions allocated to your IBD are the opening of your account, acceptance of all orders from you, the providing of investment advice for your account, monitoring and supervision of all activity in your account, and establishing commission rates and fees charged to you. Your Registered Representative is not an employee of Sterne or any of its affiliates, but is employed by your IBD, which is solely responsible for supervising your Registered Representative's activities. You should have received a letter that specifies the allocation of duties as indicated above. If you have not received this letter, please contact your IBD or Sterne's Customer Service Department directly at 561-368-4355 and a copy of the allocation of responsibilities will be provided to you.

**Your Instructions**—As clearing agent for your IBD, which has introduced your account to Sterne, and until you give Sterne written notice to the contrary (by registered mail, return receipt requested, Attention: Customer Service Department), Sterne may accept from your IBD, without inquiry or investigation, any instruction relating to transactions in your account, including instructions for the withdrawal or transfer of property to or from your account.

**Valuation**—The market prices have been obtained from quotation services we believe to be reliable; however, we cannot guarantee their accuracy. Most security values are based on "last sale" prices. The actual market value may be greater or less than that which is shown. If the account statement does not provide an estimated value for Direct Participation Programs (DPP) or Real Estate Investment Trusts (REIT) securities, then you should understand that (1) DPP or REIT securities are generally illiquid, (2) the value of these securities may be different than their purchase price, and; (3) if applicable, that accurate valuation information is not available.

Contact your IBD if you require an actual bid.

Mutual fund distributions are credited to your account on the day that transmission is received from the mutual fund paying agent. Should the transmission date be subsequent to the dividend payable date and after the closing date of this statement, the market value shown for your mutual fund(s) may be understated.

The prices assigned to Certificates of Deposit have been provided by a national pricing service and derived from a "Market Driven Pricing Model." This price may not be the actual price you receive upon sale.

Securities for which a price is not available are marked "Unavailable" and are omitted from the account total value. Bonds may be subject to extraordinary call features. You should review the offering documents pertaining to those bonds or contact your IBD for additional information.

Securities classified as penny stocks—The market prices have been obtained from quotation services we believe to be reliable; however, we cannot guarantee their accuracy. If this statement contains an estimated value, you should be aware

that this value may be based on a limited number of trades or quotes. Therefore, you may not be able to sell these securities at a price equal to or near the value shown. Also, the amount you receive from a sale generally will be reduced by the amount of any commissions or similar charges. If an estimated value is not shown for a security, a value could not be determined because of a lack of information. Securities for which a price is not available are marked "Unavailable" and are omitted from the total.

Cost basis reporting is informational only and may not accurately reflect your original cost. Changes can be made by contacting your IBD.

**Margin/Credit balances**—If this is a margin account, this is a combined statement of your general account and of a special miscellaneous account maintained for you under section 220.5 of Regulation T issued by the Board of Governors of the Federal Reserve System. The permanent record of the separate account as required by Regulation T is available for your inspection upon request. Any customer free credit balance may be used in the business of this firm subject to the limitations of 17 CFR 240.15c3-2 under the Securities Exchange Act of 1934. Money balances invested in money market mutual funds represent shares in that mutual fund. While money market mutual funds seek to maintain a net asset value of \$1 per share, there is no guarantee that they will do so.

Retain this statement. This statement contains information needed to verify interest charges on subsequent statements.

Further information with respect to commissions and other charges related to the execution of listed option transactions has been included in confirmations of such transactions previously furnished to you. Such information will be made available from your IBD.

**Changes in investment objectives or needs**—You should advise your IBD of any material change in your investment objectives or financial situation. Sterne has no supervisory or agency relationship with your IBD. Therefore, the accuracy, genuineness and suitability of all transactions processed on your behalf are the sole responsibility of your IBD.

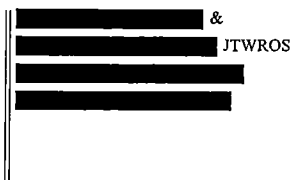
**Custody**—Note that customer funds and/or securities are held by Sterne as your clearing firm and not by your IBD which acts as your introducing brokerage firm. Sterne is responsible for custody of assets received by it and as evidenced by entries on this statement. In order to protect your rights under the Securities Investor Protection Act (SIPA), any discrepancies in balances or positions should be reported to your IBD and Sterne immediately, and in writing, at the address in the column on the right. This statement will otherwise be deemed conclusive.

It is agreed between Sterne and the Customer: (1) That all transactions are subject to the constitution, rules, regulations, customs, usages, rulings and interpretations of the exchange or market, and its clearing house, if any, where the transactions are executed. Customer agrees to abide by the terms of the Customer Agreement and the fully disclosed clearing agreement between clearing firm and IBD. (2) That Sterne, unless and until obligations of the customer to Sterne are discharged, may from time to time and without notice to the customer pledge or re-pledge, hypothecate, or re-hypothecate any or all securities now or hereafter held, purchased or carried by Sterne or may lend the same, or deliver the same on contracts for other

customers without Sterne having in its possession and control for delivery a like amount of similar securities. (3) That Sterne will replace at no charge any certificate mailed to you by Sterne and not received if you report to Sterne non receipt within 90 days of mailing date. (4) The customer has the right to receive, in the course of normal business operations, the delivery of the following: a) any free credit balances to which the customer is entitled; and/or b) any fully paid securities purchased on margin upon full payment by the customer of any indebtedness to this firm. (5) That bonds and preferred stocks which are callable in part and which we hold for customers (except for those held in custodian accounts), are held in bulk segregation, and in the event of a call, the securities to be called will be selected by an automated random selection in which the probability of a customer's holding being selected is proportional to the holdings of all customers of such securities held in bulk by us. (6) That Sterne shall not be responsible for the destruction or loss of any securities, placed in the custody of a foreign bank, broker or other custodian, resulting from war, civil commotion, enemy action, governmental acts or other causes beyond the control of the depository or Sterne. (7) That, in the absence of specific instructions to the contrary, orders for securities and options which are multi-listed and directed by Sterne IBD for execution will be directed to the marketplace which Sterne considers will provide the "best execution" including price improvement. In accordance with SEC Rule 11AC 1-3 and amendments to Rule 10b-10 under the Securities Exchange Act of 1934, all securities firms are required to periodically notify their customers of the existence of certain fee income. Visit the Sterne website at [www.salclient.com](http://www.salclient.com) for details of possible order flow and other data required under SEC Rule 11AC 1-6. Details available upon written request. Your IBD may route orders and will have details available to you upon request. (8) That for the protection of the customer as well as that of Sterne, Sterne may at its discretion and without prior notice to the customer, monitor and/or record any and all telephone conversations which the customer may have with employees of Sterne and its affiliate companies.

Sterne, Agee & Leach, Inc., 813 Shades Creek Parkway, Suite 100B, Birmingham, Alabama 35209. Customer Service Desk, 800-778-6257. FINRA Public Disclosure Program information is available at [www.finra.org](http://www.finra.org). Pursuant to the terms of NYSE Rule 409 and NASD 2340, statements will be mailed to you monthly if there are transactions during the month affecting money balances and/or security positions. Accounts lacking activity will be sent statements at least quarterly provided the account contains a monetary or security balance.

You are a customer of Sterne for purposes of the SEC Financial Responsibility Rules and the Security Investor Protection Act only. SIPC provides \$500,000 of individual account protection of which up to \$100,000 is for cash (visit [www.sipc.org](http://www.sipc.org) or call 202-371-8300). Accounts covered by SIPC are provided with an additional \$24.5 million (\$100 million aggregate) of protection through a private insurance policy carried by Sterne. A statement of financial condition of Sterne is available for your personal inspection at this office or a copy of it will be mailed to you upon written request.



FINANCIAL ADVISOR:  
 RICHARD P KROCHMAL  
 MUTUAL MODELING ASSOCIATES INC • P O BOX 1390  
 PINEVILLE NC 28134  
 (803) 547-5665  
 Branch Code: HB21



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JTWR0S			ACCOUNT NUMBER	
INVESTMENT ACCOUNT SUMMARY			7183	
			Statement Period: 06/01/10 to 06/30/10	
<b>ASSET SUMMARY</b>			<b>CASH ACTIVITY</b>	
	This Month	Prior Month		This Period
Cash or Cash Equivalents	\$3,955.51	\$2,174.49	Opening Balance	\$0.00
Equities	26,114.00	25,750.00	Securities Sold	29,561.14
Mutual Funds	15,613.06	20,238.66	Securities Purchased	(28,073.64)
Total Invested Assets	45,682.57	48,163.15	Net Dividend	705.95
<b>Total Account Value</b>	<b>\$45,682.57</b>	<b>\$48,163.15</b>	Total Interest	0.17
Total Combined Value	\$45,682.57	\$48,163.15	Net Money Market Activity	(1,781.02)
			Net Other Bookkeeping	(412.60)
			Ending Balance	\$0.00
<b>EARNINGS SUMMARY</b>				
	This Period	Year-to-Date		
Money Fund Earnings	\$0.17	\$2.23		
Dividends	615.35	2,360.64		
Other Income	\$0.00	\$733.54		
<b>Total Income</b>	<b>\$615.52</b>	<b>\$3,096.41</b>		

Introduced through Sterne Agee Clearing, Inc. Account carried by Sterne, Agee & Leach Inc.



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JTWR0S	ACCOUNT NUMBER	7183
INVESTMENT ACCOUNT	Statement Period: 06/01/10 to 06/30/10	

Did you know.....

There is a convenient method for you to borrow funds against your existing brokerage account. You may apply the borrowings to pursue additional investment opportunities within your account or to meet other personal financial needs.

Based on the value of the securities in your account, you may be able to borrow up to \$20,863.51. Please contact your Broker Dealer for more information. This borrowing capacity is subject to market fluctuations and account activity.

Borrowing on margin for investment or cash withdrawals increases the risk to your account. You can lose more than you invest. Sterne Agee can force the sale of securities or other assets in your account without your authorization to meet a margin call. You are not entitled to choose which securities are sold to meet a margin call. Sterne Agee can raise the in-house margin minimum without prior notice. You are not entitled to an extension of time to meet a margin call.

#### IMPORTANT INFORMATION ABOUT YOU

Under Securities and Exchange Rule 17a-3 Books and Records Requirements, the following information \* must be presented for your review. Your Broker Dealer makes investment recommendations or suitability determinations based in part on the financial information shown below originally obtained from you upon the occasion of opening your account or through adjustments as directed by you. Please review this data and if you find inaccuracies or incomplete information please call the branch office serving your account indicated on the first page of this statement.

#### Primary Account Holder Information



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INVESTMENT ACCOUNT



: JTWROS		ACCOUNT NUMBER	7183
INVESTMENT ACCOUNT		Statement Period: 06/01/10 to 06/30/10	
Annual Income: \$100,000 - \$199,999	Liquid Net Worth: \$500,000 - \$999,999 (net worth less value of primary residence)		
Associated Person of a Member Firm: No	Investment Objectives: Capital Appreciation/Growth + Moderate (visit <a href="http://www.salclient.com">www.salclient.com</a> for Investment Objective definitions)		
Occupation: Health Care/Medical/Dental			
Telephone Number: ██████████			
* To prevent possible improper use of certain information (identity theft) we have omitted your social security/tax identification number as well as date of birth as shown on our records.			
MESSAGES			
<u>EXTENDED HOURS TRADING RISK DISCLOSURE</u>			
You should consider the following points before engaging in extended hours trading. "Extended hours trading" means trading outside of "regular trading hours." "Regular trading hours" generally means the time between 9:30 a.m. and 4:00 p.m. Eastern Standard Time.			
<ul style="list-style-type: none"> <li>· Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular trading hours. As a result, your order may only be partially executed, or not at all.</li> <li>· Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular trading hours. As a result, your order may only be</li> </ul>			



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 INVESTMENT ACCOUNT

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JTWROS ACCOUNT NUMBER 7183  
 INVESTMENT ACCOUNT Statement Period: 06/01/10 to 06/30/10

MESSAGES

partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.

- **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon the opening the next morning. As a result, you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- **Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system
- **Risk of News Announcements .** Normally, issuers make news announcements that may affect the price of their securities after regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- **Risk of Wider Spreads .** The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.



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JTWROS	ACCOUNT NUMBER	7183
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#### MESSAGES

##### Order Availability and SEC Rules 605, 606 and 607 Disclosures:

Pursuant to SEC Rule 605, Sterne Agee is required to provide information on a monthly basis regarding orders executed as market maker in the over-the-counter market during the preceding month. You can obtain this information by accessing:

<<http://www.sterneagee.com/sali/ecm/EquitySalesTrading/Pages/order-routing-information.aspx>>

In accordance with Sterne Agee's obligation under SEC Rule 606, upon customer request, Sterne Agee will disclose to its customer the identity of the venue to which the customer's orders were routed for execution in the six months prior to the request; whether the orders were directed orders or non-directed orders; and the time of the transactions, if any, that resulted from such orders.

In addition, Sterne Agee has prepared reports pursuant to the U.S. Securities and Exchange Commission's Rule 606 which requires all brokerage firms to make publicly available quarterly reports on their order routing practices. The reports provide information on the routing of "non-directed orders" – any order that the client has not specifically instructed to be routed to a particular venue for execution. For these non-directed orders, Sterne Agee has selected the execution venue on behalf of its clients. Each report identifies the venues most often selected by Sterne Agee, sets forth the percentage of various types of orders routed to the venues, and discusses the material aspects of Sterne Agee's relationships with the venues.

In accordance with to our obligation under SEC Rule 607, please see the following disclosures:

For securities listed on the New York Stock Exchange, the NASDAQ Stock Market, the American Stock Exchange, or regional exchanges.

Sterne Agee & Leach, Inc. (SALI) may receive payment for order flow in the form of a rebate that will vary based on order and execution types. A rebate usually occurs when SALI provides liquidity to the market; however, if SALI removes liquidity from the market the firm is generally charged a fee. SALI only takes payment for order flow into consideration for orders that at the time of entry are not executable. Any executable orders are sent to market centers meeting acceptable best executions standards and are reviewed for such on a quarterly basis by SALI's best execution committee.

BATS Exchange



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JTWROS		ACCOUNT NUMBER
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		Statement Period: 06/01/10 to 06/30/10
<b>MESSAGES</b>		
<p>Sterne, Agee &amp; Leach, Inc. (SALI) received payment from BATS Exchange for orders in the form of a rebate. The firm received approximately \$0.0024 per share when providing liquidity during the previous quarter. Conversely, SALI was charged a fee of approximately \$0.0025 per share when removing liquidity from the same market.</p>		
<p><u>Archipelago, LLC</u></p> <p>Sterne, Agee &amp; Leach, Inc. (SALI) received payment from Archipelago, LLC for orders in the form of a rebate. The firm received approximately \$0.0023 per share when providing liquidity during the previous quarter. Conversely, SALI was charged a fee of approximately \$0.003 per share when removing liquidity from the same market.</p>		
<p><u>NASDAQ Exchange</u></p> <p>Sterne, Agee &amp; Leach, Inc. (SALI) received payment from NASDAQ Exchange for orders in the form of a rebate. The firm received approximately \$0.002 per share when providing liquidity during the previous quarter. Conversely, SALI was charged a fee of approximately \$0.003 per share when removing liquidity from the same market.</p>		
<p>If you have any questions regarding the availability of order information or routing, please contact Aimee Casey at 205.271.6212 or <a href="mailto:acasey@sterneagee.com">acasey@sterneagee.com</a>.</p>		
<p><b>Special Notice:</b></p> <p>A copy of the full balance sheet of Sterne, Agee &amp; Leach, Inc., is available at no cost by accessing the Web site <a href="http://www.sterneagee.com">www.sterneagee.com</a></p>		



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<p>&lt;<a href="http://www.sterneagee.com">http://www.sterneagee.com</a>&gt; or calling the following toll free number:</p> <p>1-888-678-3763 (option 1).</p> <p>Net Capital at April 30, 2010: \$48,649,865 Required Net Capital at April 30, 2010: \$4,122,411</p> <p>Any questions concerning your monthly statement, please contact us at 352-332-1938. Thank you for your business.</p>			



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PORTFOLIO HOLDINGS - CASH AND CASH EQUIVALENTS

Insured Bank Deposit funds are held by respective banks and therefore the amount related to the FDIC money sweep is an FDIC insured product and is not covered under SIPC insurance. Balances are insured up to the FDIC limit per bank, subject to the combined total of all your deposits at a specific bank including those outside this account.

Amount	Description	Yield	Banks of Deposit	Amount
3,955.51	STERNE AGEE INSURED / MONEY MARKET FUND	0.05%	State Bank & Trust	3,955.51

Total Cash and Cash Equivalents 3,955.51

Percentage of Total Invested Assets 8.66%

PORTFOLIO HOLDINGS - EQUITIES

Common Stocks

Total Shares	Description	Symbol	Price	Current Value	Est. Annual Income	Trade Date	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
500	ALPINE TOTAL DYNAMIC DIVIDEND FUND	AOD	4.95	2,475.00	330.00		500	6.908	3,454.00	(979.00)
700	AMERICAN CAPITAL AGENCY CORP	AGNC	26.42	18,494.00	3,920.00		700	27.620	19,334.14	(840.14)
300	ANNALY CAPITAL MANAGEMENT INC	NLY	17.15	5,145.00	816.00		300	17.478	5,243.55	(98.55)
Total Common Stocks				26,114.00	5,066.00				28,031.69	(1,917.69)
Percentage of Total Equities				100.00%						
Percentage of Total Invested Assets				57.16%						



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ACCOUNT NUMBER 7183 Statement Period: 06/01/10 to 06/30/10

PORTFOLIO HOLDINGS - MUTUAL FUNDS

Total Shares	Description	Symbol	Price	Current Value	Est. Annual Income	Trade Date	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
979.538	FEDERATED EQUITY FUNDS PRUDENT BEAR FUND CLASS A SHARES	BEARX	5.59	5,475.61			979.538	5.476	5,364.03	111.58
123.977	ICON ENERGY FUND	ICENX	14.74	1,827.42	25.66		123.977	16.938	2,100.00	(272.58)
60.57	ING MUT FDS RUSSIA FD CL A	LETRX	30.29	1,834.66			60.57	33.019	2,000.00	(165.34)
162.05	MATTHEWS INTL FDS ASIAN GROWTH & INCOME FD	MACSX	15.82	2,563.63	71.13		162.05	15.614	2,530.40	33.23
75.842	ROWET PRICE HLTH SCIENCE FD	PRHSX	24.99	1,895.29			75.842	26.634	2,020.00	(124.71)
55.966	VAN ECK FUNDS GLOBAL HARD ASSETS FD CL A	CHAAK	36.03	2,016.45			55.966	44.669	2,500.00	(483.55)
Total Mutual Funds				15,613.06	96.79				16,514.43	(901.37)
Percentage of Total Invested Assets				34.18%						

SECURITY TRANSACTION ACTIVITY

Date	Transaction	Quantity	Description	Price	Amount
06/11/10	PURCHASE	500	ALPINE TOTAL DYNAMIC DIVIDEND FUND	6.908	(3,454.00)
06/11/10	PURCHASE	700	AMERICAN CAPITAL AGENCY CORP	27.620	(19,334.14)
06/11/10	PURCHASE	300	ANNALY CAPITAL MANAGEMENT INC	17.478	(5,243.55)
06/14/10	REINVEST DIV	2.092	ROYCE FUND DIVIDEND VALUE FUND SERVICE CLASS REINVEST AT 5.520	Unavailable	(11.55)
06/25/10	REINVEST DIV	1.896	MATTHEWS INTL FDS ASIAN GROWTH & INCOME FD	Unavailable	(30.40)



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 INVESTMENT ACCOUNT



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ACCOUNT NUMBER 7183 Statement Period: 06/01/10 to 06/30/10

## SECURITY TRANSACTION ACTIVITY

Date	Transaction	Quantity	Description	Price	Amount
			REINVEST AT 16.030		
Total Securities Purchased					(28,073.64)
06/09/10	SALE	(214.592)	FORUM FUNDS MERK HARD CURRENCY FUND INVESTMENT SHARES	10.96	2,351.93
06/09/10	SALE	(3,000)	TELECOM CORP LTD ADR NEW ZEALAND SPONSORED	6.08	18,239.69
06/11/10	SALE	(100)	HATTERAS FINANCIAL CORP REIT	29.224	2,922.35
06/11/10	SALE	(200)	PENN WEST ENERGY TRUST UNIT	19.522	3,904.33
06/14/10	SALE	(387.175)	ROYCE FUND DIVIDEND VALUE FUND SERVICE CLASS LESS \$ 21.47 FEE ASSESSED BY THE FUND	5.59	2,142.84
Total Securities Sold					29,561.14



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 INVESTMENT ACCOUNT



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**ACCOUNT NUMBER** 7183 **Statement Period:** 06/01/10 to 06/30/10

**DIVIDENDS**

Date	Transaction	Quantity	Description	Amount
06/11/10	DIVIDEND		TELECOM CORP LTD ADR NEW ZEALAND SPONSORED 061110 3.000	574.94
06/14/10	DIVIDEND		ROYCE FUND DIVIDEND VALUE FUND SERVICE CLASS 061010 387.17500	11.55
06/15/10	DIVIDEND		PENN WEST ENERGY TRUST UNIT 061510 200	29.06
06/25/10	DIVIDEND		MATTHEWS INTL FDS ASIAN GROWTH & INCOME FD 062410 162.05000	30.40
06/29/10	DIVIDEND		ALPINE TOTAL DYNAMIC DIVIDEND FUND 063010 500	60.00
<b>Total Dividend Credits</b>				<b>705.95</b>

**INTEREST**

Date	Transaction	Description	Amount
06/15/10	INTEREST	STERNE AGEE INSURED MONEY MARKET FUND 061510 22.982	0.17
<b>Total Interest Credits</b>			<b>0.17</b>

**MONEY MARKET ACTIVITY**

Date	Transaction	Quantity	Description	Amount
06/15/10	SALE		STERNE AGEE INSURED MONEY MARKET FUND	185.00
06/16/10	SALE		STERNE AGEE INSURED MONEY MARKET FUND	21,230.31
<b>Total Money Market Credits</b>				<b>21,415.31</b>
06/11/10	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(2,264.93)
06/14/10	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(18,728.39)
06/15/10	INTEREST REINVEST		STERNE AGEE INSURED MONEY MARKET FUND	(0.17)
06/21/10	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(2,142.84)
06/30/10	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(60.00)
<b>Total Money Market Debits</b>				<b>(23,196.33)</b>
<b>Net Money Market</b>				<b>(1,781.02)</b>



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 INVESTMENT ACCOUNT



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ACCOUNT NUMBER 7183 Statement Period: 06/01/10 to 06/30/10

OTHER BOOKKEEPING

Date	Transaction	Quantity	Description	Amount
06/10/10	FEE		06/07-06/15 \$46,926.11	(87.00)
06/11/10	WITHHOLDING		FRGN-W/H @ SOURCE TELECOM CORP LTD ADR N1	(86.24)
06/14/10	FEE		06/11-06/17 \$47,926.36	(185.00)
06/15/10	FEE		06/14-06/18 \$47,926.36	(50.00)
06/15/10	WITHHOLDING		FRGN-W/H @ SOURCE PENN WEST ENERGY TR UNIT	(4.36)
<b>Total Other Bookkeeping Debits</b>				<b>(412.60)</b>

End of Statement

#### Introducing/clearing arrangements

The transactions being reported on this statement are being cleared by Sterne, Agee & Leach, Inc. (Sterne Agee) for your introducing broker dealer ("IBD"), whose name appears on the front of this statement, pursuant to an Agreement for Securities Clearance Services. That Agreement allocates various functions between Sterne Agee and your IBD. Included among the responsibilities and functions allocated to your IBD are the opening of your account, acceptance of all orders from you, the providing of investment advice for your account, monitoring and supervision of all activity in your account, and establishing commission rates and fees charged to you. Your Registered Representative is not an employee of Sterne Agee or any of its affiliates, but is employed by your IBD, which is solely responsible for supervising your Registered Representative's activities. You should have received a letter that specifies the allocation of duties as indicated above. If you have not received this letter, please contact your IBD or Sterne Agee's Customer Service Department directly at 561-368-4355 and a copy of the allocation of responsibilities will be provided to you.

**Your Instructions**—As clearing agent for your IBD, which has introduced your account to Sterne Agee, and until you give Sterne Agee written notice to the contrary (by registered mail, return receipt requested, Attention: Customer Service Department), Sterne Agee may accept from your IBD, without inquiry or investigation, any instruction relating to transactions in your account, including instructions for the withdrawal or transfer of property to or from your account.

**Valuation**—The market prices have been obtained from quotation services we believe to be reliable; however, we cannot guarantee their accuracy. Most security values are based on "last sale" prices. The actual market value may be greater or less than that which is shown. If the account statement does not provide an estimated value for Direct Participation Programs (DPP) or Real Estate Investment Trusts (REIT) securities, then you should understand that (1) DPP or REIT securities are generally illiquid, (2) the value of these securities may be different than their purchase price, and; (3) if applicable, that accurate valuation information is not available. Contact your IBD if you require an actual bid.

Mutual fund distributions are credited to your account on the day that transmission is received from the mutual fund paying agent. Should the transmission date be subsequent to the dividend payable date and after the closing date of this statement, the market value shown for your mutual fund(s) may be understated.

The prices assigned to Certificates of Deposit have been provided by a national pricing service and derived from a "Market Driven Pricing Model." This price may not be the actual price you receive upon sale.

Securities for which a price is not available are marked "Unavailable" and are omitted from the account total value. Bonds may be subject to extraordinary call features. You should review the offering documents pertaining to those bonds or contact your IBD for additional information.

Securities classified as penny stocks—The market prices have been obtained from quotation services we believe to be reliable; however, we cannot guarantee their accuracy. If this statement contains an estimated value, you should be aware

that this value may be based on a limited number of trades or quotes. Therefore, you may not be able to sell these securities at a price equal to or near the value shown. Also, the amount you receive from a sale generally will be reduced by the amount of any commissions or similar charges. If an estimated value is not shown for a security, a value could not be determined because of a lack of information. Securities for which a price is not available are marked "Unavailable" and are omitted from the total.

Cost basis reporting is informational only and may not accurately reflect your original cost. Changes can be made by contacting your IBD.

**Margin/Credit balances**—If this is a margin account, this is a combined statement of your general account and of a special miscellaneous account maintained for you under section 220.5 of Regulation T issued by the Board of Governors of the Federal Reserve System. The permanent record of the separate account as required by Regulation T is available for your inspection upon request. Any customer free credit balance may be used in the business of this firm subject to the limitations of 17 CFR 240 15c3-2 under the Securities Exchange Act of 1934. Money balances invested in money market mutual funds represent shares in that mutual fund. While money market mutual funds seek to maintain a net asset value of \$1 per share, there is no guarantee that they will do so.

Retain this statement. This statement contains information needed to verify interest charges on subsequent statements. Further information with respect to commissions and other charges related to the execution of listed option transactions has been included in confirmations of such transactions previously furnished to you. Such information will be made available from your IBD.

**Changes in investment objectives or needs**—You should advise your IBD of any material change in your investment objectives or financial situation. Sterne Agee has no supervisory or agency relationship with your IBD. Therefore, the accuracy, genuineness and suitability of all transactions processed on your behalf are the sole responsibility of your IBD.

**Custody**—Note that customer funds and/or securities are held by Sterne Agee as your clearing firm and not by your IBD which acts as your introducing brokerage firm. Sterne Agee is responsible for custody of assets received by it and as evidenced by entries on this statement. In order to protect your rights under the Securities Investor Protection Act (SIPA), any discrepancies in balances or positions should be reported to your IBD and Sterne Agee immediately, and in writing, at the address in the column on the right. This statement will otherwise be deemed conclusive.

It is agreed between Sterne Agee and the Customer: (1) That all transactions are subject to the constitution, rules, regulations, customs, usages, rulings and interpretations of the exchange or market, and its clearing house, if any, where the transactions are executed. Customer agrees to abide by the terms of the Customer Agreement and the fully disclosed clearing agreement between clearing firm and IBD. (2) That Sterne Agee, unless and until obligations of the customer to Sterne Agee are discharged, may from time to time and without notice to the customer pledge or re-pledge, hypothecate, or re-hypothecate any or all securities now or hereafter held, purchased or carried by Sterne Agee or may lend the same, or deliver the same on contracts for

other customers without Sterne Agee having in its possession and control for delivery a like amount of similar securities. (3) That Sterne Agee will replace at no charge any certificate mailed to you by Sterne Agee and not received if you report to Sterne Agee non receipt within 90 days of mailing date. (4) The customer has the right to receive, in the course of normal business operations, the delivery of the following: a) any free credit balances to which the customer is entitled; and/or b) any fully paid securities purchased on margin upon full payment by the customer of any indebtedness to this firm. (5) That bonds and preferred stocks which are callable in part and which we hold for customers (except for those held in custodian accounts), are held in bulk segregation, and in the event of a call, the securities to be called will be selected by an automated random selection in which the probability of a customer's holding being selected is proportional to the holdings of all customers of such securities held in bulk by us. (6) That Sterne Agee shall not be responsible for the destruction or loss of any securities, placed in the custody of a foreign bank, broker or other custodian, resulting from war, civil commotion, enemy action, governmental acts or other causes beyond the control of the depository or Sterne Agee. (7) That, in the absence of specific instructions to the contrary, orders for securities and options which are multi-listed and directed by Sterne Agee IBD for execution will be directed to the marketplace which Sterne Agee considers will provide the "best execution" including price improvement. In accordance with SEC Rule 11AC 1-3 and amendments to Rule 10b-10 under the Securities Exchange Act of 1934, all securities firms are required to periodically notify their customers of the existence of certain fee income. Visit the Sterne Agee website at [www.salclient.com](http://www.salclient.com) for details of possible order flow and other data required under SEC Rule 11AC 1-6. Details available upon written request. Your IBD may route orders and will have details available to you upon request. (8) That for the protection of the customer as well as that of Sterne Agee, Sterne Agee may at its discretion and without prior notice to the customer, monitor and/or record any and all telephone conversations which the customer may have with employees of Sterne Agee and its affiliate companies.

Sterne, Agee & Leach, Inc., 813 Shades Creek Parkway, Suite 100B, Birmingham, Alabama 35209. Customer Service Desk, 800-778-6257. FINRA Public Disclosure Program information is available at [www.finra.org](http://www.finra.org). Pursuant to the terms of NYSE Rule 409 and NASD 2340, statements will be mailed to you monthly if there are transactions during the month affecting money balances and/or security positions. Accounts lacking activity will be sent statements at least quarterly provided the account contains a monetary or security balance.

You are a customer of Sterne for purposes of the SEC Financial Responsibility Rules and the Security Investor Protection Act only. SIPC provides \$500,000 of individual account protection of which up to \$100,000 is for cash (visit [www.sipc.org](http://www.sipc.org) or call 202-371-8300). Accounts covered by SIPC are provided with an additional \$24.5 million (\$100 million aggregate) of protection through a private insurance policy carried by Sterne. A statement of financial condition of Sterne is available for your personal inspection at this office or a copy of it will be mailed to you upon written request.



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FINANCIAL ADVISOR:  
 RICHARD P KROCHMAL  
 MUTUAL MODELING ASSOCIATES INC • P O BOX 1390  
 PINEVILLE NC 28134  
 (803) 547-5665  
 Branch Code: HB21



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██████████, JTWROS			ACCOUNT NUMBER ██████████ 7183	
INVESTMENT ACCOUNT SUMMARY			Statement Period: 09/01/10 to 09/30/10	
ASSET SUMMARY	This Month	Prior Month	CASH ACTIVITY	This Period
Cash or Cash Equivalents	\$4,081.04	\$3,462.65	Opening Balance	\$0.00
Equities	25,200.08	26,601.00	Net Dividend	676.25
Mutual Funds	16,088.63	15,712.12	Total Interest	0.14
Total Invested Assets	45,369.75	45,775.77	Net Money Market Activity	(618.39)
<b>Total Account Value</b>	<b>\$45,369.75</b>	<b>\$45,775.77</b>	Net Other Bookkeeping	(58.00)
Total Combined Value	\$45,369.75	\$45,775.77	Ending Balance	\$0.00
EARNINGS SUMMARY	This Period	Year-to-Date		
Money Fund Earnings	\$0.14	\$2.72		
Dividends	676.25	4,275.89		
Other Income	\$0.00	\$733.54		
<b>Total Income</b>	<b>\$676.39</b>	<b>\$5,012.15</b>		

Introduced through Sterne Agee Clearing, Inc. Account carried by Sterne, Agee & Leach Inc.



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INVESTMENT ACCOUNT

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JTWROS	ACCOUNT NUMBER	7183
INVESTMENT ACCOUNT	Statement Period: 09/01/10 to 09/30/10	

Did you know.....

There is a convenient method for you to borrow funds against your existing brokerage account. You may apply the borrowings to pursue additional investment opportunities within your account or to meet other personal financial needs.

Based on the value of the securities in your account, you may be able to borrow up to \$20,644.32. Please contact your Broker Dealer for more information. This borrowing capacity is subject to market fluctuations and account activity.

Borrowing on margin for investment or cash withdrawals increases the risk to your account. You can lose more than you invest. Sterne Agee can force the sale of securities or other assets in your account without your authorization to meet a margin call. You are not entitled to choose which securities are sold to meet a margin call. Sterne Agee can raise the in-house margin minimum without prior notice. You are not entitled to an extension of time to meet a margin call.

#### IMPORTANT INFORMATION ABOUT YOU

Under Securities and Exchange Rule 17a-3 Books and Records Requirements, the following information \* must be presented for your review. Your Broker Dealer makes investment recommendations or suitability determinations based in part on the financial information shown below originally obtained from you upon the occasion of opening your account or through adjustments as directed by you. Please review this data and if you find inaccuracies or incomplete information please call the branch office serving your account indicated on the first page of this statement.

#### Primary Account Holder Information

Annual Income: \$100,000 - \$199,999

Liquid Net Worth: \$500,000 - \$999,999  
(net worth less value of primary residence)

Investment Objectives: Capital Appreciation/Growth + Moderate  
(visit [www.salclient.com](http://www.salclient.com) for Investment Objective definitions)



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INVESTMENT ACCOUNT



JTWROS		ACCOUNT NUMBER	7183
INVESTMENT ACCOUNT		Statement Period: 09/01/10 to 09/30/10	
Associated Person of a Member Firm: No Occupation: Health Care/Medical/Dental Telephone Number: ██████████			
* To prevent possible improper use of certain information (identity theft) we have omitted your social security/tax identification number as well as date of birth as shown on our records.			
<b>MESSAGES</b>			
Any questions concerning your monthly statement, please contact us at 352-332-1938. Thank you for your business.			



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ACCOUNT NUMBER 7183 Statement Period: 09/01/10 to 09/30/10

**PORTFOLIO HOLDINGS - CASH AND CASH EQUIVALENTS**

Insured Bank Deposit funds are held by respective banks and therefore the amount related to the FDIC money sweep is an FDIC insured product and is not covered under SIPC insurance. Balances are insured up to the FDIC limit per bank, subject to the combined total of all your deposits at a specific bank including those outside this account.

Amount	Description	Yield	Banks of Deposit	Amount
4,081.04	STERNE AGEE INSURED / MONEY MARKET FUND	0.05%	State Bank & Trust	4,081.04
Total Cash and Cash Equivalents		4,081.04		
Percentage of Total Invested Assets		9.00%		

**PORTFOLIO HOLDINGS - EQUITIES**

**Common Stocks**

Total Shares	Description	Symbol	Price	Current Value	Est. Annual Income	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
500	ALPINE TOTAL DYNAMIC DIVIDEND FUND	AOD	5.44	2,720.00	330.00	500	6.908	3,454.00	(734.00)
300	ANNALY CAPITAL MANAGEMENT INC	NLY	17.60	5,280.00	816.00	300	17.478	5,243.55	36.45
Total Common Stocks				8,000.00	1,146.00			8,697.55	(697.55)
Percentage of Total Equities				31.75%					



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ACCOUNT NUMBER 7183 Statement Period: 09/01/10 to 09/30/10

PORTFOLIO HOLDINGS - EQUITIES

Preferred Stock

Total Shares	Description	Symbol	Price	Current Value	Est. Annual Income	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
700	ISTAR FINANCIAL INC PFD SER G 7.65% PERPETUAL CUMULATIVE REDEEMABLE SH	SEI'G	9.90	6,930.00	1,338.75	700	14.78	10,346.00	(3,416.00)
600	RAIT FINANCIAL TRUST SERIES B CUMULATIVE REDEEM PFD PERPETUAL	RAS'B	17.116	10,270.08	1,256.22	600	17.859	10,715.40	(445.32)
<b>Total Preferred Stock</b>				<b>17,200.08</b>	<b>2,594.97</b>			<b>21,061.40</b>	<b>(3,861.32)</b>
Percentage of Total Equities				68.25%					
Percentage of Total Invested Assets				55.54%					

PORTFOLIO HOLDINGS - MUTUAL FUNDS

Total Shares	Description	Symbol	Price	Current Value	Est. Annual Income	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
1,172.216	FEDERATED EQUITY FUNDS PRUDENT BEAR FUND CLASS A SHARES	BEARX	5.09	5,966.57		1,172.216	5.429	6,364.03	(397.46)
61.989	ICON ENERGY FUND	ICENX	16.69	1,034.59	12.83	61.989	16.149	1,001.12	33.47
60.57	ING MUT FDS RUSSIA FD CLA	LEIRX	34.97	2,118.13		60.57	33.019	2,000.00	118.13
81.025	MATTHEWS INTL FDS ASIAN GROWTH & INCOME FD	MACSX	17.74	1,437.38	33.13	81.025	15.609	1,264.79	172.59
93.897	NORTHERN LIGHTS FUND TRUST CURRENCY FUND	FOREX	10.75	1,009.39	0.75	93.897	10.649	1,000.00	9.39
32.531	OPPENHEIMER DVLV MRKTS FD CL A	ODMAX	33.48	1,089.13	3.77	32.531	30.739	1,000.00	89.13



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ACCOUNT NUMBER 7183 Statement Period: 09/01/10 to 09/30/10

PORTFOLIO HOLDINGS - MUTUAL FUNDS

Total Shares	Description	Symbol	Price	Current Value	Est. Annual Income	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
37.921	ROWE T PRICE HLTH SCIENCE FD	PRHSX	27.70	1,050.41		37.921	26.359	999.59	50.82
55.966	VAN ECK FUNDS GLOBAL HARD ASSETS FD.CI.A	GHAAX	42.58	2,383.03		55.966	44.669	2,500.00	(116.97)
<b>Total Mutual Funds</b>				<b>16,088.63</b>	<b>50.48</b>			<b>16,129.53</b>	<b>(40.90)</b>
Percentage of Total Invested Assets				35.46%					



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ACCOUNT NUMBER 7183 Statement Period: 09/01/10 to 09/30/10

**DIVIDENDS**

Date	Transaction	Quantity	Description	Amount
09/15/10	DIVIDEND		ISTAR FINANCIAL INC PFD SER G 7.65% PERPETUAL CUMULATIVE REDEEMABLE SH 091510 700	334.69
09/29/10	DIVIDEND		ALPINE TOTAL DYNAMIC DIVIDEND FUND 093010 500	27.50
09/29/10	DIVIDEND		RAIT FINANCIAL TRUST SERIES B CUMULATIVE REDEEM PFD PERPETUAL 093010 600	314.06
<b>Total Dividend Credits</b>				<b>676.25</b>

**INTEREST**

Date	Transaction	Description	Amount
09/15/10	INTEREST	STERNE AGEE INSURED MONEY MARKET FUND 091510 3,404	0.14
<b>Total Interest Credits</b>			<b>0.14</b>

**MONEY MARKET ACTIVITY**

Date	Transaction	Quantity	Description	Amount
09/08/10	SALE		STERNE AGEE INSURED MONEY MARKET FUND	58.00
<b>Total Money Market Credits</b>				<b>58.00</b>
09/15/10	INTEREST REINVEST		STERNE AGEE INSURED MONEY MARKET FUND	(0.14)
09/16/10	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(334.69)
09/30/10	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(341.56)
<b>Total Money Market Debits</b>				<b>(676.39)</b>
<b>Net Money Market</b>				<b>(618.39)</b>

**OTHER BOOKKEEPING**

Date	Transaction	Quantity	Description	Amount
09/07/10	FEE		08/01-09/07 \$46,356.69	(58.00)
<b>Total Other Bookkeeping Debits</b>				<b>(58.00)</b>

End of Statement

**Introducing/clearing arrangements**

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Securities classified as penny stocks—The market prices have been obtained from quotation services we believe to be reliable; however, we cannot guarantee their accuracy. If this statement contains an estimated value, you should be aware

that this value may be based on a limited number of trades or quotes. Therefore, you may not be able to sell these securities at a price equal to or near the value shown. Also, the amount you receive from a sale generally will be reduced by the amount of any commissions or similar charges. If an estimated value is not shown for a security, a value could not be determined because of a lack of information. Securities for which a price is not available are marked "Unavailable" and are omitted from the total. Cost basis reporting is informational only and may not accurately reflect your original cost. Changes can be made by contacting your IBD.

**Margin/Credit balances**—If this is a margin account, this is a combined statement of your general account and of a special miscellaneous account maintained for you under section 220.5 of Regulation T issued by the Board of Governors of the Federal Reserve System. The permanent record of the separate account as required by Regulation T is available for your inspection upon request. Any customer free credit balance may be used in the business of this firm subject to the limitations of 17 CFR 240 15c3-2 under the Securities Exchange Act of 1934. Money balances invested in money market mutual funds represent shares in that mutual fund. While money market mutual funds seek to maintain a net asset value of \$1 per share, there is no guarantee that they will do so.

**Retain this statement.** This statement contains information needed to verify interest charges on subsequent statements. Further information with respect to commissions and other charges related to the execution of listed option transactions has been included in confirmations of such transactions previously furnished to you. Such information will be made available from your IBD.

**Changes in investment objectives or needs**—You should advise your IBD of any material change in your investment objectives or financial situation. Sterne Agee has no supervisory or agency relationship with your IBD. Therefore, the accuracy, genuineness and suitability of all transactions processed on your behalf are the sole responsibility of your IBD.

**Custody**—Note that customer funds and/or securities are held by Sterne Agee as your clearing firm and not by your IBD which acts as your introducing brokerage firm. Sterne Agee is responsible for custody of assets received by it and as evidenced by entries on this statement. In order to protect your rights under the Securities Investor Protection Act (SIPA), any discrepancies in balances or positions should be reported to your IBD and Sterne Agee immediately, and in writing, at the address in the column on the right. This statement will otherwise be deemed conclusive.

It is agreed between Sterne Agee and the Customer: (1) That all transactions are subject to the constitution, rules, regulations, customs, usages, rulings and interpretations of the exchange or market, and its clearing house, if any, where the transactions are executed. Customer agrees to abide by the terms of the Customer Agreement and the fully disclosed clearing agreement between clearing firm and IBD. (2) That Sterne Agee, unless and until obligations of the customer to Sterne Agee are discharged, may from time to time and without notice to the customer pledge or re-pledge, hypothecate, or re-hypothecate any or all securities now or hereafter held, purchased or carried by Sterne Agee or may lend the same, or deliver the same on contracts for

other customers without Sterne Agee having in its possession and control for delivery a like amount of similar securities. (3) That Sterne Agee will replace at no charge any certificate mailed to you by Sterne Agee and not received if you report to Sterne Agee non receipt within 90 days of mailing date. (4) The customer has the right to receive, in the course of normal business operations, the delivery of the following: a) any free credit balances to which the customer is entitled; and/or b) any fully paid securities purchased on margin upon full payment by the customer of any indebtedness to this firm. (5) That bonds and preferred stocks which are callable in part and which we hold for customers (except for those held in custodian accounts), are held in bulk segregation, and in the event of a call, the securities to be called will be selected by an automated random selection in which the probability of a customer's holding being selected is proportional to the holdings of all customers of such securities held in bulk by us. (6) That Sterne Agee shall not be responsible for the destruction or loss of any securities, placed in the custody of a foreign bank, broker or other custodian, resulting from war, civil commotion, enemy action, governmental acts or other causes beyond the control of the depository or Sterne Agee. (7) That, in the absence of specific instructions to the contrary, orders for securities and options which are multi-listed and directed by Sterne Agee IBD for execution will be directed to the marketplace which Sterne Agee considers will provide the "best execution" including price improvement. In accordance with SEC Rule 11AC 1-3 and amendments to Rule 10b-10 under the Securities Exchange Act of 1934, all securities firms are required to periodically notify their customers of the existence of certain fee income. Visit the Sterne Agee website at [www.salclient.com](http://www.salclient.com) for details of possible order flow and other data required under SEC Rule 11AC 1-6. Details available upon written request. Your IBD may route orders and will have details available to you upon request. (8) That for the protection of the customer as well as that of Sterne Agee, Sterne Agee may at its discretion and without prior notice to the customer, monitor and/or record any and all telephone conversations which the customer may have with employees of Sterne Agee and its affiliate companies.

Sterne, Agee & Leach, Inc., 813 Shades Creek Parkway, Suite 100B, Birmingham, Alabama 35209. Customer Service Desk, 800-778-6257. FINRA Public Disclosure Program information is available at [www.finra.org](http://www.finra.org). Pursuant to the terms of NYSE Rule 409 and NASD 2340, statements will be mailed to you monthly if there are transactions during the month affecting money balances and/or security positions. Accounts lacking activity will be sent statements at least quarterly provided the account contains a monetary or security balance.

You are a customer of Sterne for purposes of the SEC Financial Responsibility Rules and the Security Investor Protection Act only. SIPC provides \$500,000 of individual account protection of which up to \$100,000 is for cash (visit [www.sipc.org](http://www.sipc.org) or call 202-371-8300). Accounts covered by SIPC are provided with an additional \$24.5 million (\$100 million aggregate) of protection through a private insurance policy carried by Sterne. A statement of financial condition of Sterne is available for your personal inspection at this office or a copy of it will be mailed to you upon written request.



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FINANCIAL ADVISOR:  
 RICHARD P KROCHMAL  
 MUTUAL MODELING ASSOCIATES INC • P O BOX 1390  
 PINEVILLE NC 28134  
 (803) 547-5665  
 Branch Code: HB21

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JTWR0S			ACCOUNT NUMBER	
INVESTMENT ACCOUNT SUMMARY			7183	
			Statement Period: 12/01/10 to 12/31/10	
<b>ASSET SUMMARY</b>			<b>CASH ACTIVITY</b>	
	This Month	Prior Month		This Period
Cash or Cash Equivalents	\$22,413.16	\$1,659.75	Opening Balance	\$0.00
Equities	5,376.00	26,182.00	Securities Sold	25,369.60
Mutual Funds	17,931.35	16,541.55	Securities Purchased	(3,859.34)
Total Invested Assets	45,720.51	44,383.30	Net Dividend	758.09
Less Debit Balance	(569.30)	0.00	Total Interest	0.06
<b>Total Account Value</b>	<b>\$45,151.21</b>	<b>\$44,383.30</b>	Net Money Market Activity	(20,753.41)
<b>Total Combined Value</b>	<b>\$45,151.21</b>	<b>\$44,383.30</b>	Net Other Bookkeeping	(2,084.30)
			Ending Balance	\$(569.30)
<b>EARNINGS SUMMARY</b>				
	This Period	Year-to-Date		
Money Fund Earnings	\$0.06	\$3.04		
Dividends	758.09	5,265.48		
Other Income	\$0.00	\$733.54		
<b>Total Income</b>	<b>\$758.15</b>	<b>\$6,002.06</b>		



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TWROS	ACCOUNT NUMBER	7183
INVESTMENT ACCOUNT	Statement Period: 12/01/10 to 12/31/10	

Did you know.....

There is a convenient method for you to borrow funds against your existing brokerage account. You may apply the borrowings to pursue additional investment opportunities within your account or to meet other personal financial needs.

Based on the value of the securities in your account, you may be able to borrow up to \$11,653.66. Please contact your Broker Dealer for more information. This borrowing capacity is subject to market fluctuations and account activity.

Borrowing on margin for investment or cash withdrawals increases the risk to your account. You can lose more than you invest. Sterne Agee can force the sale of securities or other assets in your account without your authorization to meet a margin call. You are not entitled to choose which securities are sold to meet a margin call. Sterne Agee can raise the in-house margin minimum without prior notice. You are not entitled to an extension of time to meet a margin call.

#### IMPORTANT INFORMATION ABOUT YOU

Under Securities and Exchange Rule 17a-3 Books and Records Requirements, the following information \* must be presented for your review. Your Broker Dealer makes investment recommendations or suitability determinations based in part on the financial information shown below originally obtained from you upon the occasion of opening your account or through adjustments as directed by you. Please review this data and if you find inaccuracies or incomplete information please call the branch office serving your account indicated on the first page of this statement.

#### Primary Account Holder Information

Annual Income: \$100,000 - \$199,999

Liquid Net Worth: \$500,000 - \$999,999

(net worth less value of primary residence)

Investment Objectives: Capital Appreciation/Growth + Moderate  
(visit [www.salclient.com](http://www.salclient.com) for Investment Objective definitions)



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INVESTMENT ACCOUNT



; JTWROS		ACCOUNT NUMBER	7183
INVESTMENT ACCOUNT		Statement Period: 12/01/10 to 12/31/10	
Associated Person of a Member Firm: No Occupation: Health Care/Medical/Dental Telephone Number: ██████████			
* To prevent possible improper use of certain information (identity theft) we have omitted your social security/tax identification number as well as date of birth as shown on our records.			
<b>MESSAGES</b>			
Any questions concerning your monthly statement, please contact us at 352-332-1938. Thank you for your business.			
Internal Revenue Service reporting requirements mandate that the Form 1099 report of dividends, interest, and sales of investments be mailed to taxpayers no later than January 31 each year. Frequently, Sterne Agee receives information from issuers that amend the originally issued Form 1099 information. Our experience is that most, but not all, revisions take place in February. Therefore, we will aggregate all February revisions and mail any corrected 1099's in late February. Starting in March, we will mail corrected Form 1099's on a weekly basis until the week of April 1. It is our suggestion that if you hold securities positions susceptible to revisions of their distributions (the majority of revised Form 1099's come from mutual fund shares and REITs), you wait until early April before completing your 2010 tax return. Otherwise, you may be required to amend your original return and incur additional preparation time and expense.			



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INVESTMENT ACCOUNT



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JTWR0S ACCOUNT NUMBER 7183  
INVESTMENT ACCOUNT Statement Period: 12/01/10 to 12/31/10

## MESSAGES

Please consult your tax advisor for the proper handling of Form 1099. Any questions that you may have regarding your account transactions should be directed to your Broker-Dealer.

## Special Notice:

A copy of the full balance sheet of Sterne, Agee & Leach, Inc., is available at no cost by accessing the web site [www.sterneagee.com](http://www.sterneagee.com) or calling the following toll free number:

1-888-678-3763 (option 1)

Net Capital at September 30, 2010: \$53,326,430

Required Net Capital at September 30, 2010: \$3,860,198



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 INVESTMENT ACCOUNT



**ACCOUNT NUMBER** 7183 **Statement Period:** 12/01/10 to 12/31/10

**PORTFOLIO HOLDINGS - CASH AND CASH EQUIVALENTS**

Insured Bank Deposit funds are held by respective banks and therefore the amount related to the FDIC money sweep is an FDIC insured product and is not covered under SIPC insurance. Balances are insured up to the FDIC limit per bank, subject to the combined total of all your deposits at a specific bank including those outside this account.

Amount	Description	Yield	Banks of Deposit	Amount
(569.30)	Cash Account Balance			
22,413.16	STERNE AGE INSURED / MONEY MARKET FUND	0.05%	Bank of America	22,413.16
<b>Total Cash and Cash Equivalents</b>		<b>21,843.86</b>		
<b>Percentage of Total Invested Assets</b>		<b>47.78%</b>		

**PORTFOLIO HOLDINGS - EQUITIES**

**Common Stocks**

Total Shares	Description	Symbol	Price	Current Value	Est. Annual Income	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
300	ANNALY CAPITAL MANAGEMENT INC	NYX	17.92	5,376.00	768.00	300	17.478	5,243.55	132.45
<b>Total Common Stocks</b>				<b>5,376.00</b>	<b>768.00</b>			<b>5,243.55</b>	<b>132.45</b>
<b>Percentage of Total Equities</b>				<b>100.00%</b>					
<b>Percentage of Total Invested Assets</b>				<b>11.76%</b>					



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INVESTMENT ACCOUNT

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ACCOUNT NUMBER 7183

Statement Period: 12/01/10 to 12/31/10

## PORTFOLIO HOLDINGS - MUTUAL FUNDS

Total Shares	Description	Symbol	Price	Current Value	Est. Annual Income	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
1,172.216	FEDERATED EQUITY FUNDS PRUDENT BEAR FUND CLASS A SHARES	BEARX	4.73	5,544.58		1,172.216	5.429	6,364.03	(819.45)
251.873	ICON ENERGY FUND	ICENX	20.04	5,047.53	52.13	251.873	18.915	4,764.41	283.12
60.57	ING MUT FDS RUSSIA FD CLA	LETRX	40.72	2,466.41		60.57	33.019	2,000.00	466.41
83.425	MATTHEWS INTL FDS ASIAN GROWTH & INCOME FD	MACSX	18.04	1,504.98	34.12	83.425	15.668	1,307.16	197.82
97.102	NORTHERN LIGHTS FUND TRUST CURRENCY FUND	FOREX	10.56	1,025.39	0.77	97.102	10.645	1,033.71	(8.32)
32.576	OPPENHEIMER DVLP MKRIS FD CLA	ODMAX	36.47	1,188.04	3.77	32.576	30.746	1,001.59	186.45
38.125	ROWE T PRICE HLTH SCIENCE FD	PRHSX	30.28	1,154.42		38.125	26.377	1,005.66	148.76
<b>Total Mutual Funds</b>				<b>17,931.35</b>	<b>90.79</b>			<b>17,476.56</b>	<b>454.79</b>
<b>Percentage of Total Invested Assets</b>				<b>39.22%</b>					



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 INVESTMENT ACCOUNT



ACCOUNT NUMBER 7183 Statement Period: 12/01/10 to 12/31/10

SECURITY TRANSACTION ACTIVITY

Date	Transaction	Quantity	Description	Price	Amount
12/10/10	REINVEST DIV	1.296	MATTHEWS INTL FDS ASIAN GROWTH & INCOME FD REINVEST AT 17.660	Unavailable	(22.88)
12/10/10	CAPITAL GAIN	1.104	MATTHEWS INTL FDS ASIAN GROWTH & INCOME FD REINVEST AT 17.660	Unavailable	(19.49)
12/17/10	CAPITAL GAIN	0.204	ROWE T PRICE HLTH SCIENCE FD REINVEST AT 29.800	Unavailable	(6.07)
12/20/10	REINVEST DIV	0.681	ICON ENERGY FUND REINVEST AT 19.510	Unavailable	(13.29)
12/23/10	REINVEST DIV	0.045	OPPENHEIMER DVL P MRKTS FD CL A REINVEST AT 35.410	Unavailable	(1.59)
12/23/10	REINVEST DIV	0.239	VAN ECK FUNDS GLOBAL HARD ASSETS FD CL A REINVEST AT 51.530	Unavailable	(12.31)
12/27/10	PURCHASE	189.203	ICON ENERGY FUND	19.82	(3,750.00)
12/31/10	CAPITAL GAIN	2.436	NORTHERN LIGHTS FUND TRUST CURRENCY FUND REINVEST AT 10.520	Unavailable	(25.63)
12/31/10	REINVEST DIV	0.683	NORTHERN LIGHTS FUND TRUST CURRENCY FUND REINVEST AT 10.520	Unavailable	(7.18)
12/31/10	CAPITAL GAIN	0.086	NORTHERN LIGHTS FUND TRUST CURRENCY FUND REINVEST AT 10.520	Unavailable	(0.90)
<b>Total Securities Purchased</b>					<b>(3,859.34)</b>
12/27/10	SALE	(700)	ISTAR FINANCIAL INC PFD SER G 7.65% PERPETUAL CUMULATIVE REDEEMABLE SH SALE VS PURCHASE TRADE	17.26	12,081.79
12/27/10	SALE	(600)	RAIF FINANCIAL TRUST SERIES B CUMULATIVE REDEEM PFD PERPETUAL SALE VS PURCHASE TRADE	17.353	10,411.80
12/27/10	SALE	(56.205)	VAN ECK FUNDS GLOBAL HARD ASSETS FD CL A	51.17	2,876.01
<b>Total Securities Sold</b>					<b>25,369.60</b>



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ACCOUNT NUMBER 7183 Statement Period: 12/01/10 to 12/31/10

## DIVIDENDS

Date	Transaction	Quantity	Description	Amount
12/10/10	CAPITAL GAIN		MATTHEWS INTL FDS ASIAN GROWTH & INCOME FD 120910 83.42500	19.49
12/10/10	DIVIDEND		MATTHEWS INTL FDS ASIAN GROWTH & INCOME FD 120910 83.42500	22.88
12/15/10	DIVIDEND		ISTAR FINANCIAL INC PFD SER G 7.65% PERPETUAL CUMULATIVE REDEEMABLE SH 121510 700	334.69
12/17/10	CAPITAL GAIN		ROWET PRICE HLTH SCIENCE FD 121610 38.12500	6.07
12/20/10	DIVIDEND		ICON ENERGY FUND 121710 62.67000	13.29
12/23/10	DIVIDEND		OPPENHEIMER DVLP MKRTS FD CL A 122210 32.57600	1.59
12/23/10	DIVIDEND		VAN ECK FUNDS GLOBAL HARD ASSETS FD CL A 122110 56.20500	12.31
12/30/10	DIVIDEND		RAIT FINANCIAL TRUST SERIES B CUMULATIVE REDEEM PFD PERPETUAL 123110 600	314.06
12/31/10	DIVIDEND		NORTHERN LIGHTS FUND TRUST CURRENCY FUND 123010 97.10200	7.18
12/31/10	CAPITAL GAIN		NORTHERN LIGHTS FUND TRUST CURRENCY FUND 123010 96.41900	25.63

## DIVIDENDS

Date	Transaction	Quantity	Description	Amount
12/31/10	CAPITAL GAIN		NORTHERN LIGHTS FUND TRUST CURRENCY FUND 123010 93.98300	0.90
Total Dividend Credits				758.09

## INTEREST

Date	Transaction	Description	Amount
12/15/10	INTEREST	STERNE AGEE INSURED MONEY MARKET FUND 121510 1.182	0.06
Total Interest Credits			0.06



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ACCOUNT NUMBER 7183 Statement Period: 12/01/10 to 12/31/10

**MONEY MARKET ACTIVITY**

**OTHER BOOKKEEPING**

Date	Transaction	Quantity	Description	Amount
12/06/10	SALE		STERNE AGEE INSURED MONEY MARKET FUND	55.00
12/08/10	SALE		STERNE AGEE INSURED MONEY MARKET FUND	422.00
12/28/10	SALE		STERNE AGEE INSURED MONEY MARKET FUND	519.00

Date	Transaction	Quantity	Description	Amount
12/03/10	FEE		11/02-12/01 \$44,510.11	(55.00)
12/07/10	FEE		12/07-12/10 \$44,629.05	(422.00)
12/27/10	FEE		11/27-12/26 \$46,382.37	(519.00)
12/29/10	FEE		11/29-12/28 \$45,771.55	(519.00)
12/31/10	FEE		11/30-12/29 \$45,339.39	(569.30)

Total Money Market Credits 996.00

Total Other Bookkeeping Debits (2,084.30)

12/15/10	INTEREST REINVEST		STERNE AGEE INSURED MONEY MARKET FUND	(0.06)
12/16/10	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(334.69)
12/30/10	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(21,100.60)
12/31/10	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(314.06)

Total Money Market Debits (21,749.41)

Net Money Market (20,753.41)

End of Statement



## INTRODUCED ACCOUNTS

### ANNUAL MARGIN DISCLOSURE STATEMENT

Sterne, Agee & Leach, Inc. (SALI) serves as clearing broker to your brokerage firm as introduced by Sterne Agee Clearing, Inc. (SACI). With respect to this relationship, SALI offers a number of services to your brokerage firm as outlined in their clearing agreement and as disclosed to you under the terms of NYSE Rule 382. Under the clearing agreement, SALI is the lender with respect to margin loans.

This document is being provided to you to provide some basic facts about purchasing securities on margin and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement provided upon opening your margin account. Consult your brokerage firm regarding any questions or concerns you may have with your margin account.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from SALI. If you choose to borrow funds from SALI, you will open a margin account with SALI through your brokerage firm. The securities purchased are SALI's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, SALI or your brokerage firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with SALI, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in using margin, whether trading securities on margin or using your margin account equity for other purposes. These risks include the following:

- **You can lose more funds than you deposit in the margin account.** A decline in the value of securities purchased/held in your margin account may require you to provide additional funds to SALI to avoid the forced sale of those securities or other securities or assets in your account(s).
- **SALI or your brokerage firm can force the sale of securities or other assets in your account(s).** If the equity in your account falls below the maintenance margin requirements or higher "house" requirements, SALI or your brokerage firm can sell the securities or other assets in any of your accounts held at SALI to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.
- **SALI or your brokerage firm can sell your securities or other assets without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their clients of margin calls, but they are not required to do so. However, even if SALI or your brokerage firm has contacted you and provided a specific date by which you can meet a margin call, either firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to you.
- **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, SALI or your brokerage firm has the right to decide which security to sell in order to protect its interests.
- **SALI can increase its "house" maintenance margin requirements at any time and is not required to provide advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Failure to satisfy the call may cause SALI or your brokerage firm to liquidate or sell securities in your account(s).
- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to you under certain conditions, you do not have a right to the extension.

**Introducing/clearing arrangements**

The transactions being reported on this statement are being cleared by Sterne, Agee & Leach, Inc. (Sterne Agee) for your introducing broker dealer ("IBD"), whose name appears on the front of this statement, pursuant to an Agreement for Securities Clearance Services. That Agreement allocates various functions between Sterne Agee and your IBD. Included among the responsibilities and functions allocated to your IBD are the opening of your account, acceptance of all orders from you, the providing of investment advice for your account, monitoring and supervision of all activity in your account, and establishing commission rates and fees charged to you. Your Registered Representative is not an employee of Sterne Agee or any of its affiliates, but is employed by your IBD, which is solely responsible for supervising your Registered Representative's activities. You should have received a letter that specifies the allocation of duties as indicated above. If you have not received this letter, please contact your IBD or Sterne Agee's Customer Service Department directly at 561-368-4355 and a copy of the allocation of responsibilities will be provided to you.

**Your Instructions**—As clearing agent for your IBD, which has introduced your account to Sterne Agee, and until you give Sterne Agee written notice to the contrary (by registered mail, return receipt requested, Attention: Customer Service Department), Sterne Agee may accept from your IBD, without inquiry or investigation, any instruction relating to transactions in your account, including instructions for the withdrawal or transfer of property to or from your account.

**Valuation**—The market prices have been obtained from quotation services we believe to be reliable; however, we cannot guarantee their accuracy. Most security values are based on "last sale" prices. The actual market value may be greater or less than that which is shown. If the account statement does not provide an estimated value for Direct Participation Programs (DPP) or Real Estate Investment Trusts (REIT) securities, then you should understand that (1) DPP or REIT securities are generally illiquid, (2) the value of these securities may be different than their purchase price, and; (3) if applicable, that accurate valuation information is not available. Contact your IBD if you require an actual bid.

Mutual fund distributions are credited to your account on the day that transmission is received from the mutual fund paying agent. Should the transmission date be subsequent to the dividend payable date and after the closing date of this statement, the market value shown for your mutual fund(s) may be understated.

The prices assigned to Certificates of Deposit have been provided by a national pricing service and derived from a "Market Driven Pricing Model." This price may not be the actual price you receive upon sale.

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It is agreed between Sterne Agee and the Customer: (1) That all transactions are subject to the constitution, rules, regulations, customs, usages, rulings and interpretations of the exchange or market, and its clearing house, if any, where the transactions are executed. Customer agrees to abide by the terms of the Customer Agreement and the fully disclosed clearing agreement between clearing firm and IBD. (2) That Sterne Agee, unless and until obligations of the customer to Sterne Agee are discharged, may from time to time and without notice to the customer pledge or re-pledge, hypothecate, or re-hypothecate any or all securities now or hereafter held, purchased or carried by Sterne Agee or may lend the same, or deliver the same on contracts for

other customers without Sterne Agee having in its possession and control for delivery a like amount of similar securities. (3) That Sterne Agee will replace at no charge any certificate mailed to you by Sterne Agee and not received if you report to Sterne Agee non receipt within 90 days of mailing date. (4) The customer has the right to receive, in the course of normal business operations, the delivery of the following: a) any free credit balances to which the customer is entitled; and/or b) any fully paid securities purchased on margin upon full payment by the customer of any indebtedness to this firm. (5) That bonds and preferred stocks which are callable in part and which we hold for customers (except for those held in custodian accounts), are held in bulk segregation, and in the event of a call, the securities to be called will be selected by an automated random selection in which the probability of a customer's holding being selected is proportional to the holdings of all customers of such securities held in bulk by us. (6) That Sterne Agee shall not be responsible for the destruction or loss of any securities, placed in the custody of a foreign bank, broker or other custodian, resulting from war, civil commotion, enemy action, governmental acts or other causes beyond the control of the depository or Sterne Agee. (7) That, in the absence of specific instructions to the contrary, orders for securities and options which are multi-listed and directed by Sterne Agee IBD for execution will be directed to the marketplace which Sterne Agee considers will provide the "best execution" including price improvement. In accordance with SEC Rule 11AC 1-3 and amendments to Rule 10b-10 under the Securities Exchange Act of 1934, all securities firms are required to periodically notify their customers of the existence of certain fee income. Visit the Sterne Agee website at [www.salclient.com](http://www.salclient.com) for details of possible order flow and other data required under SEC Rule 11AC 1-6. Details available upon written request. Your IBD may route orders and will have details available to you upon request. (8) That for the protection of the customer as well as that of Sterne Agee, Sterne Agee may at its discretion and without prior notice to the customer, monitor and/or record any and all telephone conversations which the customer may have with employees of Sterne Agee and its affiliate companies.

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FINANCIAL ADVISOR:  
 HOUSE ACCOUNT  
 TRADE-PMR • 1015 NW 56TH TERRACE  
 GAINESVILLE FL 32605  
 (352) 332-8723  
 Branch Code: HP01



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JTWROS			ACCOUNT NUMBER	
INVESTMENT ACCOUNT SUMMARY			7183	
			Statement Period: 03/01/11 to 03/31/11	
<b>ASSET SUMMARY</b>			<b>CASH ACTIVITY</b>	
	This Month	Prior Month		This Period
Cash or Cash Equivalents	\$278.95	\$91.80	Opening Balance	\$0.00
Equities	31,687.50	33,686.00	Net Dividend	187.15
Mutual Funds	12,101.58	11,895.18	Net Money Market Activity	(187.15)
Total Invested Assets	44,068.03	45,672.98	Ending Balance	\$0.00
<b>Total Account Value</b>	<b>\$44,068.03</b>	<b>\$45,672.98</b>		
<b>Total Combined Value</b>	<b>\$44,068.03</b>	<b>\$45,672.98</b>		
<b>EARNINGS SUMMARY</b>				
	This Period	Year-to-Date		
Money Fund Earnings	\$0.00	\$0.43		
Dividends	187.15	409.15		
Net Interest Income	0.00	(24.42)		
<b>Total Income</b>	<b>\$187.15</b>	<b>\$385.16</b>		



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INVESTMENT ACCOUNT



JTWROS	ACCOUNT NUMBER	7183
INVESTMENT ACCOUNT	Statement Period: 03/01/11 to 03/31/11	

Did you know.....

There is a convenient method for you to borrow funds against your existing brokerage account. You may apply the borrowings to pursue additional investment opportunities within your account or to meet other personal financial needs.

Based on the value of the securities in your account, you may be able to borrow up to \$20,936.27. Please contact your Broker Dealer for more information. This borrowing capacity is subject to market fluctuations and account activity.

Borrowing on margin for investment or cash withdrawals increases the risk to your account. You can lose more than you invest. Sterne Agee can force the sale of securities or other assets in your account without your authorization to meet a margin call. You are not entitled to choose which securities are sold to meet a margin call. Sterne Agee can raise the in-house margin minimum without prior notice. You are not entitled to an extension of time to meet a margin call.

**IMPORTANT INFORMATION ABOUT YOU**

Under Securities and Exchange Rule 17a-3 Books and Records Requirements, the following information \* must be presented for your review. Your Broker Dealer makes investment recommendations or suitability determinations based in part on the financial information shown below originally obtained from you upon the occasion of opening your account or through adjustments as directed by you. Please review this data and if you find inaccuracies or incomplete information please call the branch office serving your account indicated on the first page of this statement.

<p><u>Primary Account Holder Information</u> Annual Income: \$100,000 - \$199,999</p>	<p>Liquid Net Worth: \$500,000 - \$999,999 (net worth less value of primary residence) Investment Objectives: Capital Appreciation/Growth + Moderate (visit <a href="http://www.salclient.com">www.salclient.com</a> for Investment Objective definitions)</p>
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INVESTMENT ACCOUNT



JTWR0S		ACCOUNT NUMBER	7183
INVESTMENT ACCOUNT		Statement Period: 03/01/11 to 03/31/11	
Associated Person of a Member Firm: No Occupation: Health Care/Medical/Dental Telephone Number: ██████████			
* To prevent possible improper use of certain information (identity theft) we have omitted your social security/tax identification number as well as date of birth as shown on our records.			
<u>Secondary Account Holder Information</u>			
Name of Associated Party	Occupation	Associated Person of a Member Firm, Broker or Dealer	
██████████	Health Care/Medical/Dental	No	
<b>MESSAGES</b>			
Any questions concerning your monthly statement, please contact us at 352-332-1938. Thank you for your business.			



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 INVESTMENT ACCOUNT



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ACCOUNT NUMBER 7183 Statement Period: 03/01/11 to 03/31/11

**PORTFOLIO HOLDINGS - CASH AND CASH EQUIVALENTS**

Insured Bank Deposit funds are held by respective banks and therefore the amount related to the FDIC money sweep is an FDIC insured product and is not covered under SIPC insurance. Balances are insured up to the FDIC limit per bank, subject to the combined total of all your deposits at a specific bank including those outside this account.

Amount	Description	Yield	Banks of Deposit	Amount
278.95	STERNE AGEE INSURED / MONEY MARKET FUND	0.05%	ServisFirst Bank	278.95
<b>Total Cash and Cash Equivalents</b>		<b>278.95</b>		
<b>Percentage of Total Invested Assets</b>		<b>0.63%</b>		

**PORTFOLIO HOLDINGS - EQUITIES**

**Common Stocks**

Total Shares	Description	Symbol	Price	Current Value	Est. Annual Income	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
100	AMERICAN CAPITAL AGENCY CORP	AGNC	29.14	2,914.00	560.00	100	29.519	2,951.90	(37.90)
300	ANNALY CAPITAL MANAGEMENT INC	NLY	17.45	5,235.00	744.00	300	17.478	5,243.55	(8.55)
250	ANWORTH MORTGAGE ASSET CORP	ANH	7.09	1,772.50	220.00	250	6.968	1,742.00	30.50
100	BP PLC SPONSORED ADR	BP	44.14	4,414.00	42.00	100	46.729	4,672.90	(258.90)
1,000	CHIMERA INVESTMENT CORP	CIM	3.96	3,960.00	560.00	1,000	4.109	4,109.00	(149.00)
100	HATTERAS FINANCIAL CORP REIT	HTS	28.12	2,812.00	400.00	100	29.046	2,904.60	(92.60)
1,000	RAIT FINANCIAL TRUST	RAS	2.46	2,460.00		1,000	2.798	2,798.00	(338.00)



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INVESTMENT ACCOUNT



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ACCOUNT NUMBER 7183 Statement Period: 03/01/11 to 03/31/11

PORTFOLIO HOLDINGS - EQUITIES

Common Stocks

Total Shares	Description	Symbol	Price	Current Value	Est. Annual Income	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
100	VERIZON COMMUNICATIONS INC	VZ	38.54	3,854.00	195.00	100	35.218	3,521.80	332.20
<b>Total Common Stocks</b>				<b>27,421.50</b>	<b>2,721.00</b>			<b>27,943.75</b>	<b>(522.25)</b>
Percentage of Total Equities				86.54%					

PORTFOLIO HOLDINGS - EQUITIES

Preferred Stock

Total Shares	Description	Symbol	Price	Current Value	Est. Annual Income	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
100	ISTAR FINANCIAL INC PFD SER G 7.65% PERPETUAL CUMULATIVE REDEEMABLE SH	SFI'G	20.60	2,060.00	191.25	100	18.29	1,829.00	231.00
100	RAIT FINANCIAL TRUST SERIES B CUMULATIVE REDEM PFD PERPETUAL	RAS'B	22.06	2,206.00	209.37	100	20.71	2,071.00	135.00
<b>Total Preferred Stock</b>				<b>4,266.00</b>	<b>400.62</b>			<b>3,900.00</b>	<b>366.00</b>
Percentage of Total Equities				13.46%					
Percentage of Total Invested Assets				71.91%					



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INVESTMENT ACCOUNT



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ACCOUNT NUMBER 7183 Statement Period: 03/01/11 to 03/31/11

PORTFOLIO HOLDINGS - MUTUAL FUNDS

Total Shares	Description	Symbol	Price	Current Value	Est. Annual Income	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
251.873	ICON ENERGY FUND	ICENX	22.65	5,704.92	53.90	251.873	18.915	4,764.41	940.51
60.57	ING MUT FDS RUSSIA FD.CLA	LETRX	44.80	2,713.53		60.57	33.019	2,000.00	713.53
83.425	MATTHEWS INTL FDS ASIAN GROWTH & INCOME FD	MACSX	18.06	1,506.65	39.37	83.425	15.668	1,307.16	199.49
97.102	NORTHERN LIGHTS FUND TRUST CURRENCY FUND	FOREX	10.27	997.23	7.47	97.102	10.645	1,033.71	(36.48)
32.576	OPPENHEIMER DVL P MRKTS FD CL A	ODMAX	36.20	1,179.25	1.59	32.576	30.746	1,001.59	177.66
<b>Total Mutual Funds</b>				<b>12,101.58</b>	<b>102.33</b>			<b>10,106.87</b>	<b>1,994.71</b>
<b>Percentage of Total Invested Assets</b>				<b>27.46%</b>					



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INVESTMENT ACCOUNT



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ACCOUNT NUMBER 7183

Statement Period: 03/01/11 to 03/31/11

## DIVIDENDS

Date	Transaction	Quantity	Description	Amount
03/10/11	DIVIDEND		CUSHING MLP TOTAL RETURN FUND 031011 200	45.00
03/15/11	DIVIDEND		ISTAR FINANCIAL INC PFD SER G 7.65% PERPETUAL CUMULATIVE REDEMABLE SH 031511 100	47.81
03/28/11	DIVIDEND		BP PLC SPONSORED ADR 032811 100	42.00
03/30/11	DIVIDEND		RAI FINANCIAL TRUST SERIES B CUMULATIVE REDEEM PFD PERPETUAL 033111 100	52.34
Total Dividend Credits				187.15

## MONEY MARKET ACTIVITY

Date	Transaction	Quantity	Description	Amount
03/11/11	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(45.00)
03/16/11	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(47.81)
03/29/11	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(42.00)
03/31/11	PURCHASE		STERNE AGEE INSURED MONEY MARKET FUND	(52.34)
Total Money Market Debits				(187.15)

End of Statement

**Introducing/clearing arrangements**

The transactions being reported on this statement are being cleared by Sterne, Agee & Leach, Inc. (Sterne Agee) for your introducing broker dealer ("IBD"), whose name appears on the front of this statement, pursuant to an Agreement for Securities Clearance Services. That Agreement allocates various functions between Sterne Agee and your IBD. Included among the responsibilities and functions allocated to your IBD are the opening of your account, acceptance of all orders from you, the providing of investment advice for your account, monitoring and supervision of all activity in your account, and establishing commission rates and fees charged to you. Your Registered Representative is not an employee of Sterne Agee or any of its affiliates, but is employed by your IBD, which is solely responsible for supervising your Registered Representative's activities. You should have received a letter that specifies the allocation of duties as indicated above. If you have not received this letter, please contact your IBD or Sterne Agee's Customer Service Department directly at 561-368-4355 and a copy of the allocation of responsibilities will be provided to you.

**Your Instructions**—As clearing agent for your IBD, which has introduced your account to Sterne Agee, and until you give Sterne Agee written notice to the contrary (by registered mail, return receipt requested, Attention: Customer Service Department), Sterne Agee may accept from your IBD, without inquiry or investigation, any instruction relating to transactions in your account, including instructions for the withdrawal or transfer of property to or from your account.

**Valuation**—The market prices have been obtained from quotation services we believe to be reliable; however, we cannot guarantee their accuracy. Most security values are based on "last sale" prices. The actual market value may be greater or less than that which is shown. If the account statement does not provide an estimated value for Direct Participation Programs (DPP) or Real Estate Investment Trusts (REIT) securities, then you should understand that (1) DPP or REIT securities are generally illiquid, (2) the value of these securities may be different than their purchase price, and; (3) if applicable, that accurate valuation information is not available. Contact your IBD if you require an actual bid.

Mutual fund distributions are credited to your account on the day that transmission is received from the mutual fund paying agent. Should the transmission date be subsequent to the dividend payable date and after the closing date of this statement, the market value shown for your mutual fund(s) may be understated.

The prices assigned to Certificates of Deposit have been provided by a national pricing service and derived from a "Market Driven Pricing Model." This price may not be the actual price you receive upon sale.

Securities for which a price is not available are marked "Unavailable" and are omitted from the account total value. Bonds may be subject to extraordinary call features. You should review the offering documents pertaining to those bonds or contact your IBD for additional information.

**Securities classified as penny stocks**—The market prices have been obtained from quotation services we believe to be reliable; however, we cannot guarantee their accuracy. If this statement contains an estimated value, you should be aware

that this value may be based on a limited number of trades or quotes. Therefore, you may not be able to sell these securities at a price equal to or near the value shown. Also, the amount you receive from a sale generally will be reduced by the amount of any commissions or similar charges. If an estimated value is not shown for a security, a value could not be determined because of a lack of information. Securities for which a price is not available are marked "Unavailable" and are omitted from the total. Cost basis reporting is informational only and may not accurately reflect your original cost. Changes can be made by contacting your IBD.

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# EXHIBIT D

This report has been prepared, and is intended to be used, only for the referenced engagement. This report is not to be distributed to any parties outside of the engagement.

ACCT.#	DATE	DESCRIPTION	AMOUNT	CUMUL.
1183	1/6/2009	MONTHLY MGMT FEE	(414.00)	(414.00)
1183	1/30/2009	QUARTERLY MGMT FEE	(418.42)	(832.42)
1183	2/5/2009	QUARTERLY MGMT FEE	(425.00)	(1,257.42)
1183	2/11/2009	QUARTERLY MGMT FEE	(778.00)	(2,035.42)
1183	2/17/2009	QUARTERLY MGMT FEE	(415.00)	(2,450.42)
1183	3/5/2009	MONTHLY MGMT FEE	(350.00)	(2,800.42)
1183	3/17/2009	MONTHLY MGMT FEE	(375.00)	(3,175.42)
1183	3/19/2009	MONTHLY MGMT FEE	(391.50)	(3,566.92)
1183	4/1/2009	MONTHLYMGMT FEE	(375.00)	(3,941.92)
1183	4/6/2009	MONTHLY MGMT FEE	(400.00)	(4,341.92)
1183	4/23/2009	MONTHLY MGMT FEE	(415.85)	(4,757.77)
1213	1/6/2009	MONTHLY MGMT FEE	(53.00)	(4,810.77)
1213	2/5/2009	QUARTERLY MGMT FEE	(150.00)	(4,960.77)
1213	3/5/2009	MONTHLY MGMT FEE	(125.00)	(5,085.77)
1213	3/17/2009	MONTHLY MGMT FEE	(100.00)	(5,185.77)
1213	3/26/2009	MONTHLY MGMT FEE	(125.00)	(5,310.77)
1213	4/6/2009	MONTHLY MGMT FEE	(329.45)	(5,640.22)
1217	1/6/2009	MONTHLY MGMT FEE	(363.00)	(6,003.22)
1217	3/5/2009	MONTHLY MGMT FEE	(650.00)	(6,653.22)
1217	3/17/2009	MONTHLY MGMT FEE	(677.50)	(7,330.72)
1217	3/19/2009	MONTHLY MGMT FEE	(700.00)	(8,030.72)
1217	3/26/2009	MONTHLY MGMT FEE	(730.00)	(8,760.72)
1217	4/1/2009	MONTHLY MGMT FEE	(700.00)	(9,460.72)
1217	4/6/2009	MONTHLY MGMT FEE	(740.00)	(10,200.72)
1217	4/23/2009	MONTHLY MGMT FEE	(750.00)	(10,950.72)
1217	2/5/2009	QUARTERLY MGMT FEE	(780.00)	(11,730.72)
1217	2/11/2009	QUARTERLY MGMT FEE	(778.00)	(12,508.72)
1217	2/17/2009	QUARTERLY MGMT FEE	(772.00)	(13,280.72)
1217	1/30/2009	QUARTERLY MGMT FEE	(783.16)	(14,063.88)

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## TRADEPMR ACCOUNT FEES

ACCT. #	Date	Transaction	Description	Fee	Cumulative Amt.
0420	3/4/2010	FEE	03/02-03/03 \$2,821.11	(37.00)	(37.00)
0420	3/31/2010	FEE	03/30-03/31 \$2,786.97	(37.00)	(74.00)
0420	5/5/2010	FEE	04/01-05/08 \$2,824.72	(74.00)	(148.00)
0420	9/7/2010	FEE	08/01-09/07\$2,947.48	(25.00)	(173.00)
0420	12/3/2010	FEE	11/02-12/01 \$3,060.51	(10.00)	(183.00)
0420	1/19/2010	FEE	12/01-12/31 \$2,122.87	(25.00)	(208.00)
7183	8/3/2009	FEE	04/01-07/29\$49,838.34	(643.53)	(643.53)
7183	9/2/2009	FEE	08/01-08/31 \$54,659.31	(137.00)	(780.53)
7183	10/12/2009	FEE	09/07-10/06 \$59,487.64	(560.00)	(1,340.53)
7183	11/6/2009	FEE	11/03-11/05 \$56,038.33	(147.80)	(1,488.33)
7183	11/17/2009	FEE	10/01-10/31 \$57,327.70	(72.00)	(1,560.33)
7183	11/6/2009	FEE	11/03-11/05 \$56,038.33	(147.80)	(1,708.13)
7183	11/17/2009	FEE	10/01-10/31 \$57,327.70	(72.00)	(1,780.13)
7183	12/3/2009	FEE	10/01-11/02\$56,871.35	(356.94)	(2,137.07)
7183	1/11/2010	FEE	01/08-01/11 \$56,886.15	(706.00)	(2,843.07)
7183	1/19/2010	FEE	12/01-12/31 \$56,811.16	(71.00)	(2,914.07)
7183	1/29/2010	FEE	12/29-01/28\$55,119.98	(484.45)	(3,398.52)
7183	2/3/2010	FEE	02/01-02/02 \$55,064.62	(50.00)	(3,448.52)
7183	2/16/2010	FEE	02/16-02/17 \$55,767.92	(111.00)	(3,559.52)
7183	2/22/2010	FEE	02/19-02/20\$56,537.27	(259.00)	(3,818.52)
7183	2/25/2010	FEE	02/24-02/25 \$57,403.05	(211.00)	(4,029.52)
7183	3/1/2010	FEE	02/26-02/27\$57,438.33	(370.00)	(4,399.52)
7183	3/4/2010	FEE	03/02-03/03 \$57,809.66	(37.00)	(4,436.52)
7183	3/31/2010	FEE	03/30-03/31 \$57,339.68	(37.00)	(4,473.52)
7183	4/5/2010	FEE	04/01-04/02 \$58,007.69	(74.00)	(4,547.52)
7183	4/5/2010	FEE	04/05-04/08 \$58,007.69	(283.00)	(4,830.52)
7183	4/13/2010	FEE	03/12-04/11 \$57,614.00	(125.00)	(4,955.52)
7183	4/29/2010	FEE	03/29-04/28 \$58,259.70	(372.00)	(5,327.52)
7183	5/5/2010	FEE	04/01-05/08\$53,739.23	(1,126.00)	(6,453.52)
7183	6/10/2010	FEE	06/07-06/15 \$46,926.11	(87.00)	(6,540.52)
7183	6/14/2010	FEE	06/11-06/17\$47,926.36	(185.00)	(6,725.52)
7183	6/15/2010	FEE	06/14-06/18 \$47,926.36	(50.00)	(6,775.52)
7183	7/12/2010	FEE	06/12-07/09 \$47,160.59	(59.00)	(6,834.52)
7183	7/30/2010	FEE	07/01-07/31 \$48,083.99	(60.00)	(6,894.52)
7183	8/3/2010	FEE	08/02-08/05 \$48,170.01	(150.00)	(7,044.52)
7183	8/4/2010	FEE	08/04-08/09 \$48,545.90	(298.00)	(7,342.52)
7183	8/9/2010	FEE	08/09-08/12 \$48,490.30	(150.00)	(7,492.52)
7183	8/10/2010	FEE	08/09-08/12 \$48,313.94	(111.00)	(7,603.52)
7183	9/7/2010	FEE	08/01-09/07\$46,356.69	(58.00)	(7,661.52)
7183	10/4/2010	FEE	09/04-09/30 \$45,369.75	(60.00)	(7,721.52)
7183	10/4/2010	FEE	09/30-10/06 \$45,369.75	(348.00)	(8,069.52)
7183	10/18/2010	FEE	10/18-10/21 \$46,973.11	(595.00)	(8,664.52)
7183	11/2/2010	FEE	10/01-10/31 \$48,743.70	(680.00)	(9,344.52)
7183	11/10/2010	FEE	11/10-11/16 \$47,207.44	(569.00)	(9,913.52)
7183	11/24/2010	FEE	11/24-12/01 \$45,107.69	(296.00)	(10,209.52)
7183	12/3/2010	FEE	11/02-12/01 \$44,510.11	(55.00)	(10,264.52)
7183	12/7/2010	FEE	12/07-12/10 \$44,629.05	(422.00)	(10,686.52)
7183	12/27/2010	FEE	11/27-12/26\$46,382.37	(519.00)	(11,205.52)
7183	12/29/2010	FEE	11/29-12/28 \$45,771.55	(519.00)	(11,724.52)
7183	12/31/2010	FEE	11/30-12/29\$45,339.39	(569.30)	(12,293.82)
7183	1/3/2011	FEE	12/03-01/02 \$45,151.21	(56.00)	(12,349.82)
7183	1/5/2011	FEE	01/05-01/10 \$44,937.55	(298.00)	(12,647.82)
7183	1/7/2011	FEE	12/06-01/05 \$44,687.18	(569.00)	(13,216.82)
7183	1/12/2011	FEE	1 2/11-01/1 0 \$44,064.44	(556.30)	(13,773.12)
7183	2/7/2011	FEE	01/01-01/31 \$43,858.53	(403.00)	(14,176.12)
4901	1/19/2010	FEE	12/01-12/31 \$4,244.19	(25.00)	(25.00)

4901	3/31/2010	FEE	03/30-03/31 \$5,030.80	(74.00)	(99.00)
4901	5/5/2010	FEE	04/01-05/08 \$5,021.40	(111.00)	(210.00)
4901	6/17/2010	FEE	06/16-06/22 \$4,930.01	(37.00)	(247.00)
4901	6/18/2010	FEE	06/17-06/22 \$4,930.01	(74.00)	(321.00)
4901	11/24/2010	FEE	11/24-12/01 \$5,030.42	(111.00)	(432.00)
4901	12/3/2010	FEE	11/02-12/01 \$4,929.84	(10.00)	(442.00)
4901	1/3/2011	FEE	12/03-01/02 \$4,930.87	(99.00)	(541.00)
4901	1/5/2011	FEE	01/05-01/10 \$4,822.87	(111.00)	(652.00)
4901	1/28/2011	FEE	01/28-02/02 \$4,804.08	(111.00)	(763.00)
4566	8/3/2009	FEE	04/01-07/29\$203,533.76	(3,638.22)	(3,638.22)
4566	9/2/2009	FEE	08/01-08/31 \$215,310.44	(538.00)	(4,176.22)
4566	9/21/2009	FEE	08/21-09/20\$234,274.39	(290.00)	(4,466.22)
4566	10/12/2009	FEE	09/07-10/06 \$234,664.42	(991.00)	(5,457.22)
4566	10/19/2009	FEE	09/16-10/15 \$237,920.88	(495.50)	(5,952.72)
4566	11/2/2009	FEE	09/29-10/28 \$228,661.94	(389.55)	(6,342.27)
4566	11/2/2009	FEE	09/30-10/29\$231,819.79	(519.35)	(6,861.62)
4566	11/9/2009	FEE	10/06-11/05 \$230,138.92	(495.40)	(7,357.02)
4566	11/17/2009	FEE	10/01-10/31 \$227,045.28	(568.00)	(7,925.02)
4566	11/24/2009	FEE	11/23-11/26 \$233,682.28	(79.90)	(8,004.92)
4566	12/4/2009	FEE	11/01-12/04\$233,488.78	(1,082.00)	(9,086.92)
4566	12/21/2009	FEE	12/21-12/22\$221,584.43	(599.40)	(9,686.32)
4566	1/6/2010	FEE	01/04-01/05 \$223,681.38	(1,299.00)	(10,985.32)
4566	1/19/2010	FEE	12/01-12/31 \$223,681.38	(280.00)	(11,265.32)
4566	1/27/2010	FEE	01/26-01/27 \$225,407.91	(435.00)	(11,700.32)
4566	1/29/2010	FEE	12/28-01/27\$224,218.57	(608.00)	(12,308.32)
4566	2/12/2010	FEE	01/11-02/10 \$223,536.59	(1,236.00)	(13,544.32)
4566	2/18/2010	FEE	02/17-02/18 \$229,716.32	(545.00)	(14,089.32)
4566	2/25/2010	FEE	02/24-02/25\$239,041.32	(37.00)	(14,126.32)
4566	3/1/2010	FEE	02/01-02/28 \$239,457.50	(299.00)	(14,425.32)
4566	3/1/2010	FEE	02/ 25-02/ 25 \$239,041.32	(174.00)	(14,599.32)
4566	3/4/2010	FEE	03/02-03/03 \$240,891.25	(74.00)	(14,673.32)
4566	3/5/2010	FEE	03/03-03/04 \$242,729.03	(720.00)	(15,393.32)
4566	3/9/2010	FEE	03/09-03/12 \$245,138.55	(969.00)	(16,362.32)
4566	4/5/2010	FEE	04/01-04/02 \$249,451.25	(74.00)	(16,436.32)
4566	4/5/2010	FEE	04/05-04/08 \$249,451.25	(866.00)	(17,302.32)
4566	4/7/2010	FEE	04/01-04/12\$252,610.14	(222.00)	(17,524.32)
4566	4/23/2010	FEE	04/22-04/27\$256,613.63	(869.00)	(18,393.32)
4566	5/13/2010	FEE	05/13-05/19 \$254,558.93	(869.00)	(19,262.32)
4566	5/19/2010	FEE	05/19-05/24\$243,102.95	(919.00)	(20,181.32)
4566	5/21/2010	FEE	05/21-05/26 \$232,549.28	(672.00)	(20,853.32)
4566	5/26/2010	FEE	05/26-05/29 \$231,083.69	(1,019.00)	(21,872.32)
4566	6/4/2010	FEE	06/04-06/09 \$238,644.23	(908.00)	(22,780.32)
4566	6/10/2010	FEE	05/10-06/09\$231,622.05	(746.00)	(23,526.32)
4566	6/10/2010	FEE	06/07-06/15\$231,622.05	(50.00)	(23,576.32)
4566	6/15/2010	FEE	06/14-06/18 \$236,907.52	(50.00)	(23,626.32)
4566	6/16/2010	FEE	06/15-06/21 \$239,869.19	(524.00)	(24,150.32)
4566	6/17/2010	FEE	06/16-06/22 \$239,632.62	(287.00)	(24,437.32)
4566	6/28/2010	FEE	06/21-06/30\$240,763.95	(795.00)	(25,232.32)
4566	7/20/2010	FEE	07/19-07/23 \$232,776.68	(495.00)	(25,727.32)
4566	7/23/2010	FEE	07/23-07/28 \$234,239.29	(969.00)	(26,696.32)
4566	7/27/2010	FEE	07/26-07/29\$233,781.37	(769.00)	(27,465.32)
4566	7/30/2010	FEE	07/01-07/31 \$235,187.01	(294.00)	(27,759.32)
4566	7/2/2010	FEE	07/02-07/06 \$228,905.42	(435.00)	(28,194.32)
4566	7/8/2010	FEE	07/06-07/14 \$228,748.19	(494.00)	(28,688.32)
4566	7/12/2010	FEE	06/12-07/09 \$235,839.84	(295.00)	(28,983.32)
4566	7/14/2010	FEE	06/12-07/15 \$235,237.86	(348.00)	(29,331.32)
4566	7/19/2010	FEE	07/16-07/21 \$235,086.41	(517.00)	(29,848.32)

4566	8/3/2010	FEE	08/02-08/05 \$235,821.41	(387.00)	(30,235.32)
4566	8/4/2010	FEE	08/04-08/09 \$237,899.90	(298.00)	(30,533.32)
4566	8/9/2010	FEE	08/09-08/12 \$241,108.49	(187.00)	(30,720.32)
4566	8/10/2010	FEE	08/09-08/12 \$240,999.71	(37.00)	(30,757.32)
4566	8/11/2010	FEE	08/11-08/17\$240,367.86	(322.00)	(31,079.32)
4566	8/13/2010	FEE	08/13-08/18 \$238,369.58	(422.00)	(31,501.32)
4566	8/17/2010	FEE	08/16-08/19 \$238,081.99	(495.00)	(31,996.32)
4566	8/23/2010	FEE	08/23-08/26 \$230,064.44	(422.00)	(32,418.32)
4566	8/25/2010	FEE	08/24-08/27 \$231,130.68	(497.00)	(32,915.32)
4566	9/7/2010	FEE	08/01-09/07\$233,601.42	(292.00)	(33,207.32)
4566	9/10/2010	FEE	09/10-09/15 \$232,664.96	(569.00)	(33,776.32)
4566	9/17/2010	FEE	09/16-09/22 \$234,619.58	(619.00)	(34,395.32)
4566	9/22/2010	FEE	09/22-09/25 \$234,243.12	(743.00)	(35,138.32)
4566	9/27/2010	FEE	09/27-09/30\$236,194.57	(719.00)	(35,857.32)
4566	9/28/2010	FEE	09/28-10/01 \$235,737.16	(445.00)	(36,302.32)
4566	9/30/2010	FEE	09/30-10/05 \$236,347.58	(619.00)	(36,921.32)
4566	10/4/2010	FEE	09/04-09/30 \$234,859.86	(294.00)	(37,215.32)
4566	10/6/2010	FEE	10/06-10/11 \$236,709.23	(495.00)	(37,710.32)
4566	10/8/2010	FEE	10/07-10/13 \$236,560.12	(211.00)	(37,921.32)
4566	10/8/2010	FEE	10/08-10/13 \$235,360.03	(385.00)	(38,306.32)
4566	10/13/2010	FEE	10/13-10/18 \$236,231.72	(495.00)	(38,801.32)
4566	10/18/2010	FEE	10/18-10/21 \$236,275.72	(619.00)	(39,420.32)
4566	10/22/2010	FEE	09/21-10/20 \$235,410.73	(1,059.00)	(40,479.32)
4566	10/22/2010	FEE	10/22-10/27 \$234,954.51	(689.00)	(41,168.32)
4566	10/25/2010	FEE	10/25-10/28 \$233,081.63	(595.00)	(41,763.32)
4566	10/28/2010	FEE	10/2510/29 \$232,679.43	(471.00)	(42,234.32)
4566	10/29/2010	FEE	10/28-11/01 \$231,869.98	(719.00)	(42,953.32)
4566	11/1/2010	FEE	10/01-10/31 \$232,241.86	(638.00)	(43,591.32)
4566	11/5/2010	FEE	10/05-11/04 \$236,004.96	(619.00)	(44,210.32)
4566	11/9/2010	FEE	11/09-11/12 \$236,834.97	(545.00)	(44,755.32)
4566	11/10/2010	FEE	11/10-11/16 \$234,464.68	(296.00)	(45,051.32)
4566	11/15/2010	FEE	11/15-11/18 \$234,021.73	(495.00)	(45,546.32)
4566	11/17/2010	FEE	11/16-11/19\$232,693.87	(370.00)	(45,916.32)
4566	11/19/2010	FEE	11/19-11/24\$232,685.00	(495.00)	(46,411.32)
4566	11/23/2010	FEE	11/22-11/25\$232,440.27	(495.00)	(46,906.32)
4566	11/23/2010	FEE	11/23-11/29\$232,869.08	(296.00)	(47,202.32)
4566	11/24/2010	FEE	11/24-12/01 \$231,310.12	(385.00)	(47,587.32)
4566	11/29/2010	FEE	11/29-12/02 \$231,669.95	(422.00)	(48,009.32)
4566	12/2/2010	FEE	11/01-11/30\$231,997.30	(625.00)	(48,634.32)
4566	12/6/2010	FEE	12/06-12/09 \$234,839.73	(495.00)	(49,129.32)
4566	12/7/2010	FEE	12/07-12/10 \$235,387.13	(348.00)	(49,477.32)
4566	12/10/2010	FEE	12/10-12/15\$231,690.38	(495.00)	(49,972.32)
4566	12/14/2010	FEE	12/14-12/17 \$233,477.15	(372.00)	(50,344.32)
4566	12/17/2010	FEE	12/17-12/22 \$229,560.24	(385.00)	(50,729.32)
4566	12/23/2010	FEE	12/23-12/28 \$231,876.23	(669.00)	(51,398.32)
4566	12/27/2010	FEE	11/27-12/26 \$231,436.22	(222.00)	(51,620.32)
4566	12/27/2010	FEE	12/23-12/29 \$231,436.22	(669.00)	(52,289.32)
4566	12/29/2010	FEE	11/29-12/28\$231,021.43	(222.00)	(52,511.32)
4566	1/3/2011	FEE	1 2/03-01/02 \$231,255.61	(784.00)	(53,295.32)
4566	1/5/2011	FEE	01/05-01/1 0 \$228,583.65	(569.00)	(53,864.32)
4566	1/5/2011	FEE	11/30-12/29\$230,112.36	(719.40)	(54,583.72)
4566	1/10/2011	FEE	01/1 0-01/1 3 \$227,469.1 7	(522.00)	(55,105.72)
4566	1/12/2011	FEE	01/1 2-01/1 7 \$227,802.30	(643.00)	(55,748.72)
4566	1/12/2011	FEE	1 2/11-01/1 0 \$227,003.28	(767.05)	(56,515.77)
4566	1/14/2011	FEE	01/1 4-01/1 9 \$225,736.47	(422.00)	(56,937.77)
4566	1/18/2011	FEE	01/18-01/21 \$226,001.77	(569.00)	(57,506.77)
4566	1/19/2011	FEE	01/19-01/21 \$225,625.22	(569.00)	(58,075.77)

4566	1/20/2011	FEE	01/20-01/25\$222,957.83	(569.00)	(58,644.77)
4566	1/25/2011	FEE	01/25-01/28 \$221,994.85	(297.65)	(58,942.42)
4566	1/27/2011	FEE	12/27-01/26 \$226,742.92	(471.45)	(59,413.87)
4566	1/28/2011	FEE	01/28-02/02\$227,537.59	(435.00)	(59,848.87)
4566	1/31/2011	FEE	01/31-02/03 \$225,921.30	(311.00)	(60,159.87)
4566	2/4/2011	FEE	01 /01-01 /31 \$226,442.46	(671.00)	(60,830.87)
4566	2/8/2011	FEE	02/07-02/10 \$229,067.76	(519.00)	(61,349.87)
1527	8/3/2009	FEE	04/01-07/29 \$367,597.48	(2,500.00)	(2,500.00)
1527	8/11/2009	FEE	04/01-07/31 \$373,759.33	(2,334.00)	(4,834.00)
1527	9/2/2009	FEE	08/01-08/31 \$391,748.51	(980.00)	(5,814.00)
1527	10/12/2009	FEE	09/07-10/06 \$429,074.26	(1,244.00)	(7,058.00)
1527	10/19/2009	FEE	09/16-10/15 \$435,239,92450	(608.30)	(7,666.30)
1527	11/2/2009	FEE	09/30-10/29\$426,490.64	(680.15)	(8,346.45)
1527	11/6/2009	FEE	11/03-11/05 \$424,213.99	(1,175.55)	(9,522.00)
1527	11/11/2009	FEE	11/09-11/10 \$430,518.70	(508.40)	(10,030.40)
1527	11/17/2009	FEE	10/01-10/31 \$418,108.92	(1,045.00)	(11,075.40)
1527	11/19/2009	FEE	10/18-11/17\$433,310.80	(619.25)	(11,694.65)
1527	11/24/2009	FEE	11/23-11/26 \$431,101.36	(169.80)	(11,864.45)
1527	12/4/2009	FEE	11/01-12/04 \$428,745.33	(1,694.00)	(13,558.45)
1527	12/21/2009	FEE	12/21-12/22\$400,643.94	(968.90)	(14,527.35)
1527	1/6/2010	FEE	01/04-01/05 \$406,530.83	(1,448.00)	(15,975.35)
1527	1/15/2010	FEE	01/14-01/15 \$41 2,837.03	(682.00)	(16,657.35)
1527	1/19/2010	FEE	1 2/01-1 2/31 \$406,530.83	(508.00)	(17,165.35)
1527	1/28/2010	FEE	1 2/28-01/27 \$398,856.70	(732.00)	(17,897.35)
1527	1/29/2010	FEE	1 2/29-01/28 \$398,179.42	(299.70)	(18,197.05)
1527	2/3/2010	FEE	02/01-02/02 \$398,773.47	(50.00)	(18,247.05)
1527	2/4/2010	FEE	02/02-02/03 \$407,525.21	(235.00)	(18,482.05)
1527	2/12/2010	FEE	01/11-02/10\$398,108.97	(1,647.00)	(20,129.05)
1527	2/16/2010	FEE	02/16-02/17 \$399,769.62	(74.00)	(20,203.05)
1527	2/23/2010	FEE	02/22-02/23 \$414,741.45	(37.00)	(20,240.05)
1527	2/25/2010	FEE	02/23-02/23 \$414,741.45	(670.00)	(20,910.05)
1527	3/1/2010	FEE	02/25-02/25 \$412,949.02	(248.00)	(21,158.05)
1527	3/4/2010	FEE	03/02-03/03 \$420,805.34	(893.00)	(22,051.05)
1527	3/9/2010	FEE	03/09-03/12 \$428,329.79	(1,069.00)	(23,120.05)
1527	3/23/2010	FEE	02/23-03/22 \$436,209.52	(495.00)	(23,615.05)
1527	3/31/2010	FEE	03/31-04/01 \$433,125.91	(969.00)	(24,584.05)
1527	3/31/2010	FEE	03/30-03/31 \$433,125.91	(74.00)	(24,658.05)
1527	4/5/2010	FEE	04/05-04/08 \$438,160.49	(1,160.00)	(25,818.05)
1527	4/5/2010	FEE	04/01-04/02\$438,160.49	(111.00)	(25,929.05)
1527	4/7/2010	FEE	04/01-04/12 \$442,989.39	(400.00)	(26,329.05)
1527	4/23/2010	FEE	04/22-04/27\$444,319.08	(869.00)	(27,198.05)
1527	5/19/2010	FEE	05/19-05/24\$429,805.99	(869.00)	(28,067.05)
1527	5/26/2010	FEE	05/26-05/29\$411,976.07	(819.00)	(28,886.05)
1527	6/4/2010	FEE	06/04-06/09 \$425,322.29	(1,045.00)	(29,931.05)
1527	6/10/2010	FEE	06/07-06/15 \$414,807.02	(786.00)	(30,717.05)
1527	6/14/2010	FEE	06/14-06/18 \$424,457.23	(237.00)	(30,954.05)
1527	6/15/2010	FEE	06/14-06/18 \$424,457.23	(261.00)	(31,215.05)
1527	6/16/2010	FEE	06/15-06/21 \$429,405.08	(772.00)	(31,987.05)
1527	6/17/2010	FEE	06/16-06/22 \$429,069.01	(285.00)	(32,272.05)
1527	6/28/2010	FEE	06/21-06/30\$427,702.11	(458.00)	(32,730.05)
1527	7/2/2010	FEE	06/02-07/01 \$408,729.81	(619.25)	(33,349.30)
1527	7/8/2010	FEE	07/06-07/14 \$408,551.47	(619.00)	(33,968.30)
1527	7/12/2010	FEE	06/12-07/09 \$422,300.13	(528.00)	(34,496.30)
1527	7/14/2010	FEE	06/12-07/15\$421,523.56	(137.00)	(34,633.30)
1527	7/19/2010	FEE	07/16-07/21 \$423,455.15	(669.00)	(35,302.30)
1527	7/20/2010	FEE	07/19-07/23 \$418,411.18	(521.00)	(35,823.30)
1527	7/23/2010	FEE	07/23-07/28 \$424,034.54	(669.00)	(36,492.30)

1527	7/27/2010	FEE	07/26-07/29 \$426,777.02	(669.00)	(37,161.30)
1527	7/30/2010	FEE	07/01-07/31 \$434,321.81	(543.00)	(37,704.30)
1527	8/3/2010	FEE	08/02-08/05 \$434,974.66	(387.00)	(38,091.30)
1527	8/4/2010	FEE	08/04-08/09 \$439,641.25	(298.00)	(38,389.30)
1527	8/9/2010	FEE	08/09-08/12 \$442,996.29	(224.00)	(38,613.30)
1527	8/10/2010	FEE	08/09-08/12 \$443,699.12	(74.00)	(38,687.30)
1527	8/11/2010	FEE	08/11-08/17\$442,307.41	(322.00)	(39,009.30)
1527	8/17/2010	FEE	08/16-08/19 \$435,937.91	(595.00)	(39,604.30)
1527	8/23/2010	FEE	08/23-08/26 \$426,924.94	(780.00)	(40,384.30)
1527	8/25/2010	FEE	08/24-08/27\$428,133.65	(348.00)	(40,732.30)
1527	8/27/2010	FEE	08/26-09/02 \$425,562.41	(499.00)	(41,231.30)
1527	9/1/2010	FEE	09/01-08/06 \$442,996.29	(593.00)	(41,824.30)
1527	9/7/2010	FEE	08/01-09/07\$426,110.65	(533.00)	(42,357.30)
1527	9/9/2010	FEE	09/08-09/13 \$424,231.36	(469.00)	(42,826.30)
1527	9/15/2010	FEE	09/15-09/20\$429,655.79	(619.00)	(43,445.30)
1527	9/17/2010	FEE	09/16-09/22 \$430,003.41	(458.00)	(43,903.30)
1527	9/20/2010	FEE	09/20-09/23 \$430,178.48	(619.00)	(44,522.30)
1527	9/29/2010	FEE	09/29-10/04 \$425,322.39	(606.00)	(45,128.30)
1527	10/4/2010	FEE	09/04-09/30 \$422,509.55	(528.00)	(45,656.30)
1527	10/8/2010	FEE	10/07-10/13 \$430,606.15	(211.00)	(45,867.30)
1527	10/13/2010	FEE	10/13-10/18 \$434,230.56	(569.00)	(46,436.30)
1527	10/18/2010	FEE	10/18-10/21 \$433,088.01	(569.00)	(47,005.30)
1527	10/22/2010	FEE	09/21-10/20\$434,332.19	(669.00)	(47,674.30)
1527	10/25/2010	FEE	10/25-10/28 \$434,181.31	(545.00)	(48,219.30)
1527	10/28/2010	FEE	10/2510/29 \$433,997.51	(595.00)	(48,814.30)
1527	11/1/2010	FEE	10/01-10/31 \$443,445.55	(1,150.00)	(49,964.30)
1527	11/5/2010	FEE	10/05-11/04 \$449,573.34	(743.00)	(50,707.30)
1527	11/9/2010	FEE	11/09-11/12 \$451,138.46	(693.00)	(51,400.30)
1527	11/15/2010	FEE	11/15-11/18 \$444,711.71	(406.00)	(51,806.30)
1527	11/17/2010	FEE	11/16-11/19\$443,898.51	(296.00)	(52,102.30)
1527	11/19/2010	FEE	11/19-11/24\$443,291.68	(495.00)	(52,597.30)
1527	11/23/2010	FEE	11/22-11/25\$443,380.89	(359.00)	(52,956.30)
1527	11/23/2010	FEE	11/23-11/29\$443,923.06	(296.00)	(53,252.30)
1527	11/24/2010	FEE	11/24-12/01 \$441,149.09	(422.00)	(53,674.30)
1527	12/2/2010	FEE	11/01-11/30\$443,865.95	(839.00)	(54,513.30)
1527	12/6/2010	FEE	12/06-12/09 \$449,890.02	(569.00)	(55,082.30)
1527	12/7/2010	FEE	12/07-12/10 \$452,602.28	(322.00)	(55,404.30)
1527	12/10/2010	FEE	12/1042/15 \$445,712.78	(521.00)	(55,925.30)
1527	12/14/2010	FEE	12/14-12/17 \$451,365.54	(322.00)	(56,247.30)
1527	12/17/2010	FEE	12/17-12/22 \$444,196.67	(545.00)	(56,792.30)
1527	12/22/2010	FEE	12/21-12/24\$449,422.39	(643.00)	(57,435.30)
1527	12/23/2010	FEE	12/23-12/28 \$448,379.97	(743.00)	(58,178.30)
1527	12/27/2010	FEE	12/23-12/29 \$447,564.07	(743.00)	(58,921.30)
1527	12/27/2010	FEE	11/27-12/26\$447,564.07	(422.00)	(59,343.30)
1527	12/29/2010	FEE	11/29-12/28\$447,333.52	(422.00)	(59,765.30)
1527	12/30/2010	FEE	12/28-01/05\$445,111.48	(569.00)	(60,334.30)
1527	1/3/2011	FEE	1 2/03-01/02 \$445,71 8.01	(1,226.00)	(61,560.30)
1527	1/5/2011	FEE	01/05-01/10 \$438,978.81	(569.00)	(62,129.30)
1527	1/7/2011	FEE	1 2/06-01/05 \$439,661.98	(569.00)	(62,698.30)
1527	1/10/2011	FEE	01/1 0-01/1 3 \$441,928.96	(701.00)	(63,399.30)
1527	1/12/2011	FEE	01/1 2-01/1 7 \$443,436.1 2	(606.00)	(64,005.30)
1527	1/14/2011	FEE	01/1 4-01/1 9 \$439,861.03	(495.00)	(64,500.30)
1527	1/18/2011	FEE	01/18-01/21 \$441,435.97	(643.00)	(65,143.30)
1527	1/19/2011	FEE	01/19-01/21 \$441,100.56	(791.00)	(65,934.30)
1527	1/20/2011	FEE	01/20-01/25\$435,991.94	(471.00)	(66,405.30)
1527	1/27/2011	FEE	12/27-01/26 \$439,973.25	(297.65)	(66,702.95)
1527	1/28/2011	FEE	01/28-02/02 \$444,645.20	(422.00)	(67,124.95)

1527	1/31/2011	FEE	01/31-02/03 \$442,236.69	(422.00)	(67,546.95)
1527	2/4/2011	FEE	01 /01-01 /31 \$444,987.14	(1,133.00)	(68,679.95)
1527	2/8/2011	FEE	02/07-02/10 \$449,399.89	(569.00)	(69,248.95)



## Marcus B. Hodge, CPA/ABV/CFF, MBA, CFE

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### Professional Experience

Forensic Accounting	September 2008 - Present
Asc. Forensic, LLC	February 2009 – Present

### Services

#### I. Forensic Accounting Services

- Economic Damages Calculations
- Accounting Reconstruction
- Analysis of Embezzlement Mechanics

#### III. Business Valuation Services

- Sell, Merger or Acquisition of a Business Interest
- Marital Dissolution or Alimony Modification
- Corporate or Partnership Dispute

#### II. Business Intelligence Services

- Fraud Investigation
- Due Diligence Services
- Business Background Searches

\*Please visit [www.aforensic.com](http://www.aforensic.com) to see additional services offered.

### Organizations & Positions

AICPA Member

AICPA Forensic & Valuation Services Member

AICPA ABV Champion

Association of Certified Fraud Examiners Member

### Education & Certifications

<b>MBA with Emphasis in Accounting</b> Coastal Carolina University, Conway, SC	12/2008
<b>Certified Public Accountant</b>	08/2009
<b>Certified Fraud Examiner</b>	06/2009
<b>Accredited in Business Valuation</b>	04/2011
<b>Certified in Financial Forensics</b>	02/2015

References available upon request

**Cases for which I have provided litigation support:**

Location	Case Number(s)	Court or Regulatory Body	Parties
Charleston, SC	09-06959-dd	BR, Dist. Of SC	Thomas L. Reed, III
Charleston, SC	09-06778-dd	BR, Dist. Of SC	John L. & Rita S. Duffy
Charleston, SC	09-06741-dd	BR, Dist. Of SC	Ernest D. & Sheri S. Milholen
Charleston, SC	09-06740-dd	BR, Dist. Of SC	Palm Steel, Inc.
Richland, SC	2011-CP-40-1745	Com. Pls., 5th Cir.	McRant, et al. v. CCWB, et al.
Spartanburg, SC	2011-CP-42-0906	Com. Pls., 7th Cir.	Huskey v. JP Morgan Chase, et al.
Spartanburg, SC	2010-CP-42-4674	Com. Pls., 7th Cir.	Cudd v. CitiMortgage, Inc.
Berkeley, SC	2012-CP-08-2214	Com. Pls., 9th Cir.	The Deutsche Bank v. Jordan, et al.
Charleston, SC	2010-CP-10-3690	Com. Pls., 9th Cir.	Limehouse, et al. v. Griffith, et al.
Charleston, SC	2010-CR-10-6060	Com. Pls., 9th Cir.	BAC Loan Servicing, et al. v. Koola
Charleston, SC	2011-CP-10-07502	Com. Pls., 9th Cir.	Bank of America v. McHale, et al.
Greenville, SC	2009-CP-23-3074	Com. Pls., 13th Cir.	Campbell v. Page
Greenville, SC	2012-CP-23-1770	Com. Pls., 13th Cir.	Durham v. M&M Truck Repair, Inc.
Horry, SC	2008-CP-26-6552	Com. Pls., 15th Cir.	Justice v. Sanders, et al.
Horry, SC	2011-CP-26-7704	Com. Pls., 15th Cir.	Geyser v. Pereksta
Georgetown, SC	2011-CP-22-01624	Com. Pls., 15th Cir.	Cribb v. Carolina OB/GYN, et al.
Richland, SC	2013-DR-40-3836	Fam. Ct., 5th Cir.	Kotoske v. Pillinger
Richland, SC	2010-DR-04-644	Fam. Ct., 5th Cir.	Corbitt v. Walton
Cherokee, SC	2014-DR-46-0471	Fam. Ct., 7th Cir.	Moss v. Shytles
Spartanburg, SC	2010-DR-42-0006	Fam. Ct., 7th Cir.	Allison v. Allison
Spartanburg, SC	2012-DR-42-3096	Fam. Ct., 7th Cir.	Harley v. Harley
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Spartanburg, SC	2014-DR-42-2032	Fam. Ct., 7th Cir.	Cobourn v. Cobourn
Anderson, SC	2008-DR-04-0064	Fam. Ct., 10th Cir.	Armstrong v. Armstrong
Pickens, SC	2011-DR-39-1158	Fam. Ct., 13th Cir.	Dungan v. Dungan
Greenville, SC	2013-DR-23-00436	Fam. Ct., 13th Cir.	Luccia v. Luccia
Beaufort, SC	2013-CP-07-237	Fam. Ct., 14th Cir.	Burling v. Burling
Anderson, SC	8:08-CR-716	Fed. Ct., Dist. of SC	CFS Fed. Equity Receivership
Anderson, SC	8:13-CR-354	Fed. Ct., Dist. of SC	U.S. v. Harrison, et al.
Greenville, SC	6:10-CR-042	Fed. Ct., Dist. of SC	U.S. v. Wofford, et al.
Greenville, SC	6:12-CV-02089-MGL	Fed. Ct., Dist. of SC	Cassidy v. Cliffs at High Carolina, et al.
Spartanburg, SC	7:09-CR-436	Fed. Ct., Dist. of SC	U.S. v. Abraham
Spartanburg, SC	7:13-CR-508	Fed. Ct., Dist. of SC	U.S. v. Petty, et al.
Anderson, SC	8:08-CV-3607-GRA	Fed. Ct., Dist. of SC	Hawkins, et al. v. Mass Mutual
Columbia, SC	3:10-CV-01924	Fed. Ct., Dist. of SC	Gilliand, et al. v. Synovus Fin. Corp.
Richland, SC	2006-GS-40-06978	Gen. Sessions, 5th Cir.	SC v. Powell
Richland, SC	2014-GS-40-07713 to 7720	Gen. Sessions, 5th Cir.	SC v. Ford
Spartanburg, SC	2012-GS-42-0060 to 63	Gen. Sessions, 7th Cir.	SC v. Mitchell
Laurens, SC	2012-GS-30-00685 to 686	Gen. Sessions, 8th Cir.	SC v. Roberts
Laurens, SC	2012-GS-30-00718	Gen. Sessions, 8th Cir.	SC v. Roberts
Lexington, SC	2014-GS32-06033 to 6035	Gen. Sessions, 11th Cir.	SC v. Freeman
York, SC	2014-GS-46-00563 to 566	Gen. Sessions, 16th Cir.	SC v. Krochmal
Columbia, SC		Gulf Coast Claims Facility	Private Claim to BP's Settlement Fund
Columbia, SC	C2013-140	S.C. Senate Ethics Comm.	SCSEC v. Sen. Robert Ford

**Cases for which I have provided litigation support (Continued):**

<b>Location</b>	<b>Case Number(s)</b>	<b>Court or Regulatory Body</b>	<b>Parties</b>
Litchfield, CT	LLI-CV12-6005855-S	Litchfield Cty. Supr. Ct.	Berkshire Bank v. MCJ, LLC et al.
Lawrence, KS	2011-DM-466	Douglas Cty. Dist. Ct.	Sinks v. Sinks
Rabun, GA	2010-CV-0387-C	Rabun Cty. Supr. Ct.	Hunt v. Hunt
Muscogee, GA	SU10-CV-4590	Muscogee Cty. Supr. Ct.	Marshall, et al. v. Synovus Fin., et al.
Muscogee, GA	SU11-CV-2994	Muscogee Cty. Supr. Ct.	Shanahan, et al. v. Synovus Fin., et al.
Buncombe, NC	14-CVS-01783	Buncombe Cty. Supr. Ct.	Insight Health v. MDI of NC, et al.
Catawba, NC	12-CVS-2976	Catawba Cty. Supr. Ct.	Measured Dose Pharm. v. Poteet, et al.
Henderson, NC	11-CVS-2212	Henderson Cty. Supr. Ct.	Young Investmt. Co., et al. v. Rhodes
Henderson, NC	11-CVS-2213	Henderson Cty. Supr. Ct.	Young Investments Co. v. Rhodes
Travis, TX	D-1-GN-12-001952	Travis Cty. Dist. Ct.	Draper, et al. v. Campus Crest, et al.
St. Petersburg, FL		Gulf Coast Claims Facility	Private Claims to BP's Settlement Fund
Key West, FL		Gulf Coast Claims Facility	Private Claims to BP's Settlement Fund
Hamburg, Ger.	737-F-97/13	Familengericht AG, Hamburg	

**Cases for which I have provided both litigation support and expert testimony:**

<b>Location</b>	<b>Case Number(s)</b>	<b>Court or Regulatory Body</b>	<b>Parties</b>
Cherokee, SC	2005-CP-11-353	Com. Pls., 7th Cir.	Studyvance v. Cozy One Stop, Inc.
Anderson, SC	2011-CP-04-285	Com. Pls., 10th Cir.	Cabbage v. Kay, et al.
Greenville SC	2006-CP-23-7596	Com. Pls., 13th Cir.	Maur v. Lindsey, et al.
Spartanburg, SC	2008-DR-42-1860	Fam. Ct., 7th Cir.	King v. King
Spartanburg, SC	2007-DR-42-3364	Fam. Ct., 7th Cir.	Black v. Black
Anderson, SC	2007-DR-04-2311	Fam. Ct., 10th Cir.	Tollison v. Tollison
Oconee, SC	2005-DR-37-0231	Fam. Ct., 10th Cir.	Land v. Land
Greenville, SC	2012-DR-23-2025	Fam. Ct., 13th Cir.	Clark v. Clark
Anderson, SC	8:09-CR-264	Fed. Ct., Dist. of SC	U.S. v. McAbee
Spartanburg, SC	7:10-CV-02463-JMC	Fed. Ct., Dist. of SC	Jeffcoat v. HSFC., et al.
Spartanburg, SC	7:11-CV-03497	Fed. Ct., Dist. of SC	Williams v. Röchling Automotive
Columbia, SC		S.C. House Ethics Comm.	SCHEC v. Rep. Harold Mitchell, Jr.

The undersigned hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.

December 6, 2016

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STATE OF SOUTH CAROLINA  
IN THE COURT OF APPEALS

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APPEAL FROM YORK COUNTY

The Honorable J. Mark Hayes, II, Circuit Court Judge

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Appellate Case No. 2015-001914

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THE STATE, ..... APPELLANT,

v.

RICHARD P. KROCHMAL, ..... RESPONDENT.

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FINAL BRIEF OF APPELLANT

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<u>Lenz v. Walsh,</u> 362 S.C. 603, 608 S.E.2d 471 (Ct. App. 2005).....	7, 8
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**STATEMENT OF ISSUES ON APPEAL****ARGUMENT 1**

WHETHER THE RESTITUTION COURT ERRED AS A MATTER OF LAW  
BECAUSE A CRIMINAL IS NOT ENTITLED TO MONETARY  
COMPENSATION FOR COMMITTING CRIMINAL ACTS?

**ARGUMENT 2**

WHETHER, ASSUMING A CRIMINAL IS ENTITLED TO OFFSET  
RESTITUTION FOR FAIR COMPENSATION OF SERVICES RENDERED,  
RESPONDENT FAILED TO PROVIDE ANY LEGITIMATE SERVICES  
AND IS NOT ENTITLED TO COMPENSATION?

### STATEMENT OF THE CASE

This appeal is taken from the "ORDER OF RESTITUTION" issued by the Honorable J. Mark Hayes, II on August 24, 2015. (R. p. 8). The restitution hearing occurred on March 30, 2015. The Respondent was indicted by the York County Grand Jury on February 20, 2014 for the following four (4) offenses:

- 2014GS4600563
  - CDR 2615, Securities Fraud >\$20k, S.C. Code § 35-1-508(a)(1)
    - Date of offense "sometime in 2009, 2010, 2011"
    - employed a scheme to collect exorbitant fees from investments in Mutual Modeling Assoc. Inc. far in excess of the fee agreement
- 2014GS4600564
  - CDR 2615, Securities Fraud >\$20k, S.C. Code § 35-1-508(a)(1)
    - Date of offense "sometime in 2009, 2010, 2011"
    - transacting business in this State as an unregistered investment advisor
- 2014GS4600565
  - CDR 3437, Forgery >\$10k, S.C. Code § 16-13-0010(A)
    - Date of offense "sometime in 2009"
    - forging the signature of victim1 on an Investment Advisory Form(s) dated July 6, 2009
- 2014GS4600566
  - CDR 3437, Forgery >\$10k, S.C. Code § 16-13-0010(A)
    - Date of offense "sometime in 2009"
    - forging the signature of victim2 on an Investment Advisory Form(s) dated July 6, 2009

(R. pp. 87 - 94).

On January 28, 2015, pursuant to a negotiated plea agreement, Respondent pled guilty to lesser included offenses of each charge and was sentenced on each count to consecutive 2.25 years in SCDC suspended on the service of 22

days in the detention center and probation for 60 months.<sup>1</sup> (R. pp. 4 - 7). The restitution hearing was deferred until after the Respondent was released from his four (4) consecutive sentences of 22 days in the local county detention facility. He is currently on probation.

---

<sup>1</sup> The sixty (60) month probationary sentence is not consecutive, S.C. Code § 24-21-440.

**STANDARD OF REVIEW**

In criminal cases, appellate courts sit to review errors of law only. State v. Wilson, 345 S.C. 1, 5, 545 S.E.2d 827, 829 (2001). "On appeal, the trial court's ruling will not be disturbed absent a prejudicial abuse of discretion amounting to an error of law." State v. Sheldon, 344 S.C. 340, 342, 543 S.E.2d 585, 585-586 (Ct. App. 2001). An abuse of discretion occurs where the trial court's conclusions lack evidentiary support or are controlled by an error of law. State v. Elders, 386 S.C. 474, 480, 688 S.E.2d 857, 861 (Ct. App. 2010).

## ARGUMENT 1

THE RESTITUTION COURT ERRED AS A MATTER OF LAW  
BECAUSE A CRIMINAL IS NOT ENTITLED TO MONETARY  
COMPENSATION FOR COMMITTING CRIMINAL ACTS

“When a defendant is convicted of a crime which has resulted in pecuniary damages or loss to a victim, the court must hold a hearing to determine the amount of restitution due the victim or victims of the defendant's criminal acts.” S.C. Code § 17-25-322. Respondent has been convicted of crimes, and during the commission of his criminal acts he took money from the victims – they are entitled to restitution.

The restitution court erred when it found that the total restitution amount owed by the Respondent is only \$30,100 when it is undisputed that the Respondent took \$159,800 from the victims during the commission of his criminal acts. At the March 30, 2015 restitution hearing, the Respondent presented the testimony and reports from his retained expert, Marcus B. Hodge, CPA/ABV/CFF, MBA, CFE. (P. p. 58). Respondent's expert calculated the total dollar amount of money received by the Respondent from the victims during “2009 to 2011.” (R. p. 65, line 20). Respondent's expert calculated that Respondent “overcharged” the victims \$30,100 when the total Respondent *should* have charged was \$129,700 and the actual “fees” charged totaled \$159,800. (R. p. 65). Appellant submits that restitution is the entire amount (\$159,800) received by the Respondent during the indictment period because

the Respondent was engaged in criminal acts during that time and cannot be entitled to any compensation for committing crimes.

It is undisputed that Respondent's "services" were illegal, in part, because he operated as an unregistered investment advisor (indictment 2014GS4600564).<sup>2</sup> All of the trades performed during the indictment period by Respondent regarding the victim's investments were done so illegally because he was not a registered investment advisor. Not only was he unregistered, he also committed additional acts in his scheme to defraud the victims with nonsensical trades/fees (indictment 2014GS4600563). In addition, when questioned by the Securities Commissioner regarding the calculation of fees, Respondent presented forged investment fee agreements (indictments 2014GS4600565 and 2014GS4600566).

Respondent argued that the victim's investment accounts increased in value and that he therefore performed a valuable [albeit illegal] service. Respondent's assertion lacks any causality – there was no evidence presented that the capital gains in the victim's accounts were due to anything other than the appreciation of the mutual fund market during 2009-2011. There was no evidence presented whatsoever that Respondent had any sort of "Midas touch." To the contrary, the fact is the only service Respondent rendered for the victims was fraud.

This Court previously held in a civil home construction case that

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<sup>2</sup> The Securities Act declares it unlawful for a person "to transact business in this State as an investment adviser unless the person is registered under [the Act] as an investment adviser or is exempt from registration as an investment adviser." S.C. Code § 35-1-403(a).

homeowner victims were not entitled to recuperation of payments made to an unlicensed contractor.

(1) the statutes requiring licenses do not specifically authorize the recovery of money paid; (2) such laws are penal in nature and must be strictly construed; (3) the specification of particular penalties precludes the addition of other penalties by judicial interpretation; (4) allowing the recovery of such payments is not necessary to effectuate the policy of licensing statutes; and (5) equity and the principles of restitution do not require that unlicensed contractors be completely uncompensated or that contracting homeowners receive the completed construction without cost.

Lenz v. Walsh, 362 S.C. 603, 608, 608 S.E.2d 471, 473 (Ct. App. 2005) (citing Hawkins v. Holland, 97 N.C. App. 291, 294, 388 S.E.2d 221, 223 (1990)).

Appellant submits that the underlying rationale of Walsh does not apply to this criminal case. While applicable for common pleas, the specific five (5) Walsh factors are not applicable in a criminal restitution analysis.

S.C. Code § 17-25-322(A) specifically authorizes the recovery of money paid - "the court shall order the defendant make restitution or compensate the victim for any pecuniary damages." The Constitution of South Carolina Victim's Bill of Rights also specifically authorizes the recovery of money paid - "prompt and full restitution from the person or persons convicted of the criminal conduct that caused the victim's loss or injury, including both adult and juvenile offenders". S.C. Const. art. I, § 24(A)(9). Unlike Walsh, this is a criminal case; it is by its very nature penal and the addition of penalties is not precluded but is available in the form of fine(s) and incarceration. Similarly, the final "equity" factor from Walsh is not applicable when fraud

occurs.<sup>3</sup> Respondent is not entitled to the protections of equity when he has unclean hands. Straight v. Goss, 383 S.C. 180, 678 S.E.2d 443 (Ct. App. 2009). Respondent's hands are unclean, stained with the guilt of his frauds.

"Crime doesn't pay" is the concept of criminal restitution.<sup>4</sup> The restitution court's order entitles Respondent to be paid for committing his crimes - this is error an error of law.

#### **"Amount of Loss" v. Restitution**

There is some case law as well as secondary source material suggesting it is appropriate to offset the fair market value of services performed when calculating the "amount of loss." However, "amount of loss" is a term of art not applicable for restitution but is instead for figuring the applicable federal sentencing guideline offense level. United States Sentencing Commission, Guidelines Manual, §2B1.1, comment (n. 3(E)(i)) (Nov. 2015). *See also*, U.S. v. Hausmann, 345 F.3d 952, 960 (2003) (explaining amount of loss reduced by fair market value of services rendered by the defendant applies to "calculation of fraud victim loss amounts for sentencing guideline purposes").

---

<sup>3</sup> The fifth factor from Lenz v. Walsh explains, "equity and the principles of restitution do not require that unlicensed contractors be completely uncompensated or that contracting homeowners receive the completed construction without cost." Lenz v. Walsh, 362 S.C. 603, 608, 608 S.E.2d 471, 473 (Ct. App. 2005). Tracing this proposition leads to Hawkins v. Holland, 97 N.C. App. 291, 294, 388 S.E.2d 221, 223 (1990) which cites Homeland Insurance Co. v. Crescent Realty Co., 277 Ala. 213, 168 So.2d 243 (1964). Homeland Insurance Co. traces to H.A. Edwards Ins. Agency which explains: "For the rule is well settled that a person cannot recover back money which he has voluntarily paid with full knowledge of all the facts, without fraud, duress or extortion in some form." H.A. Edwards Ins. Agency v. Jones, 242 Ala. 624, 626, 7 So. 2d 567, 568 (1942).

<sup>4</sup> So called "Son of Sam" laws went even further and attempted to have *future earnings* set aside for victims of crimes. S.C. Code § 15-59-40 (repealed 2000).

Yet, even within the federal sentencing guidelines no offset would apply for this Respondent's services because he was "falsely posing as [a] licensed professional..." a specific category of exclusion. USSG §2B1.1, comment (n. 3(F)(v)). Similarly, there has been no evidence presented that the \$129,700 the Respondent claims is based on any sort of fair-market-value calculation for the "services" rendered.

**ARGUMENT 2**  
**ASSUMING A CRIMINAL IS ENTITLED TO OFFSET RESTITUTION**  
**FOR FAIR COMPENSATION OF SERVICES RENDERED,**  
**RESPONDENT FAILED TO PROVIDE ANY LEGITIMATE SERVICES**  
**AND IS NOT ENTITLED TO COMPENSATION**

There was no evidence presented at the restitution hearing regarding Respondent's ability to pay, and the restitution court made no specific findings of fact in the Restitution Order related to Respondent's ability to pay.

Respondent pled guilty for criminal activity during 2009-2011. Respondent claimed that under his interpretation of a 2002 fee agreement he *could* charge a "base fee which is percentage of the assets, a \$29.95 per trading fee, and a \$31.95 per trade advisement fee." (R. p. 63, lines 13 - 15). Respondent's expert explained that his conclusions presupposed that this 2002 agreement was legitimate. (R. p. 74, line 16). The 2002 agreement is a red herring and has nothing to do with the indictment period, 2009-2011.

There was no legitimacy to Respondent's fees. Respondent's expert explained that there were 8.66 quarters during the indictment period and 1,733 "trades" made. (R. pp. 62 - 63). Respondent's own expert was unable to refute that the fees Respondent charged lacked any legitimacy. For example, the supposed "fees" for January 2011 charged by Respondent were "16,661.50" for a fund balance of "\$438,000." (R. p. 68, line 23 - p. 70, line 18). Respondent's own expert agreed that Respondent was overlapping charges in

January 2011:

Q. And obviously, sir, and stop me if I'm wrong here, but when looking at lines three and lines four, there's clearly an overlap of [January] 14th, the 15th, the 16th, and the 17th. He's charging for those days multiple times; is that correct, sir?

A. It does look he is -- there is an overlap, yes.

(R. p. 71, lines 12 – 17).

Another example is nonsensical “monthly management” fees. Respondent’s own expert explained:

Q. And those are all dated in April; is that right?

A. That is correct, yes.

Q. So that would be three monthly management fees in April?

A. Yes.

(R. p. 74, lines 6 – 10).

It is undisputed that Respondent was engaged in criminal acts between 2009 and 2011. Respondent was not operating off of any legitimate fee agreement. Respondent was careful in his presentation regarding the 2002 agreement. His argument is that presupposing the 2002 agreement was legitimate, he *should* have charged \$129,700. Even if the 2002 agreement was valid for 2009-2011 (it is not), the Respondent’s own expert concluded that the fees Respondent was charging failed to follow any sort of agreement.<sup>5</sup>

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<sup>5</sup> For the 2009-2011 time frame, Respondent pled guilty to multiple crimes, there is no “fee agreement” available to support his fee scheme in his attempt to avoid restitution.

1. 2014GS4600563, employed a scheme to collect exorbitant fees from investments in Mutual Modeling Assoc. Inc. far in excess of the fee agreement
2. 2014GS4600564, transacting business in this State as an unregistered investment advisor
3. 2014GS4600565, forging the signature of victim1 on an Investment Advisory Form(s) dated July 6, 2009

Q. And is that should have charged, is that something you see in what he did charge? I mean, does it look like he was charging by transaction and by quarterly, or does it look all over the place, like he was just jumping in and grabbing money when he felt like it?

A. That's a great question. It looks like there -- and it's possible there's multiple types of fees within there. They're not distinguished between the fees that were agreed upon under the 2002 agreement.

(R. p. 72, lines 1 – 9).

There is no legitimacy to the Respondent's "fees." Accordingly, the restitution court erred in concluding that while Respondent had taken \$159,809 under the guise of fees, the Respondent was nonetheless entitled to be compensated for his services in the amount of \$129,700 – with a net restitution ordered in the amount of \$30,100.

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4. 2014GS4600566, forging the signature of victim2 on an Investment Advisory Form(s) dated July 6, 2009.

## CONCLUSION

For these reasons, Appellant submits that the victims are entitled to restitution for the \$159,800 in "fees" the Respondent charged while committing securities fraud. The restitution court should be reversed for holding otherwise.

Respectfully submitted,

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By:   
ATTORNEYS FOR THE APPELLANT

Columbia, South Carolina  
December 13, 2016

ORIGINAL

STATE OF SOUTH CAROLINA  
IN THE COURT OF APPEALS

RECEIVED

Appeal from York County

DEC 22 2016

Honorable J. Mark Hayes, Circuit Court Judge

SC Court of Appeals

THE STATE,

APPELLANT,

v.

RICHARD P. KROCHMAL,

RESPONDENT

APPELLATE CASE NO 2015-001914

FINAL BRIEF OF RESPONDENT

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ATTORNEY FOR RESPONDENT

STATE OF SOUTH CAROLINA  
IN THE COURT OF APPEALS

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Appeal from York County

Honorable J. Mark Hayes, Circuit Court Judge

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THE STATE,

APPELLANT,

V.

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ATTORNEY FOR RESPONDENT

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The restitution court properly concluded the victim was entitled to \$30, 100 in restitution since that was the actual amount of loss or damage to the victims, the victims were not entitled to a windfall because respondent was not licensed at the time the victims used him, it was undisputed the victims benefited from respondent’s services, and restitution was meant to make the victim whole, and not to be punitive, or to provide a windfall to the victims..... 8

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**STATEMENT OF ISSUES ON APPEAL**

1.

Whether the restitution court erred as a matter of law because a criminal is not entitled to monetary compensation for committing criminal acts?

2.

Whether, assuming a criminal is entitled to offset restitution for fair compensation of services rendered, respondent failed to provide any legitimate services and is not entitled to compensation?

**COUNTER STATEMENT OF ISSUES ON APPEAL**

1.

Whether the restitution court properly awarded the victim \$30,100 in restitution since that is the amount expert testimony established was the actual damage to the victim, and the relevant restitution statute, case law, and established principles of contract law provide the victim should be made whole, but is not entitled to a windfall?

2.

Whether the restitution court properly concluded the victim was entitled to \$30, 100 in restitution since that was the actual amount of loss or damage to the victims, the victims were not entitled to a windfall because respondent was not licensed at the time the victims used him, it was undisputed the victims benefited from respondent's services, and restitution was meant to make the victim whole, and not to be punitive, or to provide a windfall to the victims?

**STATEMENT OF THE CASE**

Respondent agrees with the state's procedural history of the case.

## ARGUMENTS

1.

The restitution court properly awarded the victim \$30,100 in restitution since that is the amount expert testimony established was the actual damage to the victim, and the relevant restitution statute, case law, and established principles of contract law provide the victim should be made whole, but is not entitled to a windfall.

### **Relevant Facts**

At the January 28, 2015 guilty plea held before the Honorable Roger Couch, Judah Vansyckel represented appellant. Brian Petrano was the assistant attorney general representing the state. R. 25. Respondent told the judge that he was guilty because he did not properly supervise other people. "I accept it. I'm guilty. I didn't supervise them. I didn't do what I was supposed to do. I am guilty." However, respondent said he greatly increased the value of the victim's wealth. R. 46, l. 20 – 47, l. 8.

The state agreed to a point: "[T]here was some accumulation of the wealth, but it was not three hundred to a million." R. 48, ll. 18-19.

A restitution hearing was later held before the Honorable J. Mark Hayes, II. Respondent presented the expert testimony of Marcus Hodge. Hodge was a "forensic accountant, fraud examiner, and business evaluation analyst." Hodge had a master's degree in business administration with an emphasis on accounting. R. 58, l. 8 – 59, l. 3. The state had no objection to recognizing Hodge as an expert in forensic accounting and a fraud examiner. R. 59, ll. 8-19. In

Hodge's expert opinion was that respondent overcharged the victims \$30, 100. R. 65, ll. 19-23. Hodge explained from his report that respondent should have charged \$129,700 during the

indictment period. However, respondent actually charged \$159,800. Thus, in Hodge's expert opinion appellant was responsible for \$30,100 in excess fees charged during the indictment as restitution. See, Calculation Report at 2. R. 105.

The defense agreed respondent owed \$30,100.00 in restitution. R. 77, l. 7 – 78, l. 22. The state maintained that respondent owed the victim \$159,809.00 -- the entire amount of fees charged during the indictment period. R. 78, l. 23 – 79, l. 14. It is important to note that the state did not dispute Hodge's mathematics. The state simply took the position that restitution was every dollar respondent ever received from the victim's which was \$159,800.00 R. 78, l. 23- 79, l. 4.

In the judge's order of restitution filed August 27, 2015 he determined the proper amount of restitution be \$30,100.00. The judge ordered that the restitution payments be made to the victims in Oregon. R. 8.

Respondent, at the trial level, and now on appeal strongly maintains that under the restitution statute, the relevant case law, and established principles of contract law that \$30,100 is the proper amount of restitution.

**A . S.C. CODE § 17-25-322**

S.C. Code § 17-25-322 provides for a hearing "[w]hen a defendant is convicted of a crime which has resulted in pecuniary damages or loss to a victim." The state must prove a pecuniary damage or loss to the victim, and that the defendant's actions were the proximate cause of that damage or loss.

Restitution is intended to reimburse victims for their loss. It is intended to "make a victim whole again." In order to qualify as restitution, an amount must therefore qualify as "pecuniary damages or loss."

The state agrees that § 17-25-322 is a proper mechanism for determining restitution, but its argument disregards the plain language of the statute. Again, the statute speaks of "pecuniary damages or loss."

The state continues to argue that the victims should be entitled to restitution in the form of all the fees. However, this would simply result in a windfall for the victims. Even if the victims had hired a licensed investor, they would have had to pay him similar fees. The only measurable loss in the case is \$30,100, the amount of fees that the victims were improperly overcharged by the respondent. Restitution under § 17-25-322 is not intended to be punitive, but to be restorative, to make one who has suffered a loss whole. Further, as stated above, the state admitted at the guilty plea that respondent aided the victims – it just disagreed with how much.

#### **B. CONTRACT LAW PRINCIPLES**

Contract law can also be instructive in the area of a mistake or misrepresentation of fact in a contract. Where a misrepresentation as to the quality of goods is discovered after delivery, the buyer has two possible remedies: (1) to avoid the contract, return the goods, and receive the purchase price in return; or (2) to retain the goods and receive an abatement in the price if they are worth less. See, e.g., Southern Iron & Equipment Co. v. Bamberg, Ehrhardt, & Walterboro Ry. Co., 151 S.C.506, 149 S.E. 271 (1929).

To ask for restitution in the amount requested by the state in the lower court would essentially be requesting to avoid the contract as a whole. Again, however, it is undisputed that the victims have already received the benefit from the contract - profit off their investments during the time period in question. The victims obviously have not returned their financial gain, the benefit they received under the contract. Consequently, for this reason and others, the judge correctly ruled that the victims would receive restitution under the second theory. They retain the benefit of

respondent's work, and they will receive an abatement in price as their remedy – the overcharged amount, \$30,100.00.

### C. RELEVANT CASE LAW

In South Carolina a license is required to do many things: to practice medicine, to practice law, to be a barber, or to build houses. This Court decided a case involving facts that are ultimately very similar to those at issue here, making its analysis helpful in showing why the decision of the lower court should be affirmed.

In Lenz v. Walsh, 362 S.C. 603, 608 S.E.2d 471 (Ct. App. 2004), an unlicensed homebuilder sued to enforce the final payment on a home he built for the appellants. The appellant homeowners counterclaimed for damages in the amount they had to spend to complete the home. This Court held that although the plaintiff could not sue to enforce the contract pursuant to state statute, the appellants also could not recover the amount they spent to finish the home because it was not in excess of what they would have paid to the plaintiff under the contract. In doing so, this court stated: "Allowing the Walshes to recover these sums would be indistinguishable from allowing them to recover money paid directly to the builder to purchase construction materials." *Id.* at 609, 474.

In Lenz, state law specifically prohibited the unlicensed homebuilder from enforcing the contract. *Id.* at 607, 473. State law also criminally prohibited this offense. This goes even further than the law that applies to the case at bar, which makes transacting business as an unlicensed investment advisor illegal, but makes no mention of enforcement of contracts. Even with such a prohibition, this Court in Lenz held that the homeowners could not recover amounts paid to finish the home unless they were in excess of the contract amount. In short, this Court determined that the

Appellant homeowners had not suffered any damage or loss under the contract, even though the plaintiff's actions constituted a criminal offense.

This Court adopted the holding from a North Carolina Court of Appeals Case, Hawkins v. Holland, 97 N.C. App. 291, 388 S.E.2d 221 (Ct.App. 1 990). The court held that homeowners could not recover payments that they had already made to an unlicensed builder under a residential building contract. The Court found the Hawkins court's reasoning to be persuasive, specifically the principle that "equity and the principles of restitution *do not require that unlicensed contractors be completely uncompensated or that contracting homeowners receive the completed construction without cost.*" Lenz at 608, 473. (emphasis added).

The lower court essentially followed the reasoning of the Lenz decision in this case. Even though respondent was not licensed at the time of the transactions and his actions thus constituted a criminal offense -- for which he was prosecuted and to which he ultimately pled guilty -- the only monetary loss suffered by the victims consisted of the amount of money that they were charged in excess of the fee agreement. Principles of equity and restitution do not require that an unlicensed investor be completely uncompensated or that the contracting clients receive the benefit of the investment contract without cost. The lower court properly reasoned that the victims were charged \$159,800, and that they should have been charged \$129,700. The difference between the two amounts comes was the \$30,100, the amount of restitution ordered by the lower court. The ruling of the lower court should be affirmed.

2.

The restitution court properly concluded the victim was entitled to \$30,100 in restitution since that was the actual amount of loss or damage to the victims, the victims were not entitled to a windfall because respondent was not licensed at the time the victims used him, it was undisputed the victims benefited from respondent's services, and restitution was meant to make the victim whole, and not to be punitive, or to provide a windfall to the victims.

Argument two in the brief of appellant is in reality a continuation of argument one. Appellant incorrectly argues that: "Respondent failed to provide any legitimate services and it not entitled to compensation [offset]." Brief of Appellant at 10. The statement that respondent did not provide a service to the victims contradicted its acknowledgement in the lower court. "[T]here was some accumulation of the wealth, but it was not three hundred to a million." R. 48, ll. 18-19.

Respondent presented expert testimony and the calculation report showing the proper amount of restitution to the victim was \$30,100. R. 104. Appellant's argument that respondent should pay the victim \$159,100, rather than the actual loss suffered by the victims, would result in an unjustifiable windfall for the victims. That was not the purpose of restitution pursuant to the restitution statute. As argued supra, the restitution statute envisions the offender making the victim whole. The statute was not designed to make the defendant pay the victim an unjustifiable windfall that has no relation to his actual damages.

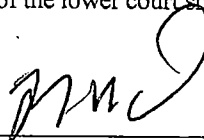
In contract law, under Principles of Quantum Meruit, based on quasi-contract, respondent in this case conferred a benefit upon the victims. The victims realized that benefit, and even the state, as seen above, admitted respondent conferred a benefit on the victims that was realized by the victims. The victims retained that benefit under conditions that would make it unjust for them to retain the entire benefit without some offset of its value. See, Earthscapes Unlimited, Inc. v.

Ulbrich, 390 S.C. 609, 703 S.E.2d. 221 (2010). The same result would apply from our case law which does not allow a windfall to the plaintiff or the victim because the defendant engaged in conduct that was criminal. See, Lenz v. Walsh, 362 S.C. 603, 608 S.E.2d 471 (Ct. App. 2004).

The trial judge held a hearing and considered legal memorandums on this issue. The order shows that the trial judge was very thoughtful and came to the right result in ordering respondent to pay the victims \$30,100 in restitution. Again, that result was supported by expert testimony and documentation. For these reason, the restitution order of the trial judge should be affirmed.

CONCLUSION

By reason of the foregoing arguments, the order of the lower court should be affirmed.



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Robert M. Dudek  
Chief Appellate Defender

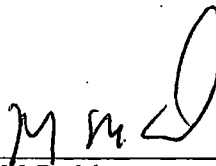
ATTORNEY FOR RESPONDENT

This 22<sup>nd</sup> day of December, 2016.

## CERTIFICATE OF COUNSEL

The undersigned certifies that to the best of my ability this Final Brief of Respondent complies with Rule 211(b), SCACR, and the April 15, 2014 order from the South Carolina Supreme Court entitled "Revised Order Concerning Personal Identifying Information and Other Sensitive Information in Appellate Court Filings."

December 22, 2016



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**RECEIVED**  
DEC 22 2016  
SC Court of Appeals

**THIS OPINION HAS NO PRECEDENTIAL VALUE. IT SHOULD NOT BE  
CITED OR RELIED ON AS PRECEDENT IN ANY PROCEEDING  
EXCEPT AS PROVIDED BY RULE 268(d)(2), SCACR.**

**THE STATE OF SOUTH CAROLINA  
In The Court of Appeals**

The State, Appellant,

v.

Richard P. Krochmal, Respondent.

Appellate Case No. 2015-001914

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Appeal From York County  
J. Mark Hayes, II, Circuit Court Judge

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Unpublished Opinion No. 2018-UP-126  
Heard February 6, 2018 – Filed March 21, 2018

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**AFFIRMED**

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Attorney General Alan McCrory Wilson and Assistant  
Attorney General Brian T. Petrano, both of Columbia, for  
Appellant.

Chief Appellate Defender Robert Michael Dudek, of  
Columbia, for Respondent.

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**PER CURIAM:** The State appeals from the circuit court's restitution order requiring Richard Krochmal to repay \$30,100 to two clients of his financial planning business. The State argues Krochmal should repay all the fees collected from the clients during the period of Krochmal's misconduct. We affirm pursuant

to Rule 220(b), SCACR, and the following authorities: *State v. Gullede*, 326 S.C. 220, 228, 487 S.E.2d 590, 594 (1997) ("The restitution hearing is part of the sentencing proceeding."); *State v. Morgan*, 417 S.C. 338, 341, 790 S.E.2d 27, 29 (Ct. App. 2016) ("[A] restitution order is in the nature of a sentence, and the [circuit] court is vested with wide discretion in determining the appropriate sentence for a convicted defendant." (citing *United States v. Anglian*, 784 F.2d 765, 768 (6th Cir. 1986))); *State v. Dawson*, 402 S.C. 160, 163, 740 S.E.2d 501, 502 (2013) ("A sentence will not be overturned absent an abuse of discretion when the ruling is based on an error of law."); *Lenz v. Walsh*, 362 S.C. 603, 608, 608 S.E.2d 471, 473 (Ct. App. 2005) ("[G]enerally, a homeowner may not recover payments already made to an unlicensed contractor *merely because the contractor did not hold a license when the contract was executed.*" (emphasis added)); S.C. Code Ann. § 17-25-322(B) (2014) (stating in calculating the amount of restitution, the circuit court may consider "(1) the financial resources of the defendant and the victim and the burden that the manner or method of restitution will impose upon the victim or the defendant; (2) the ability of the defendant to pay restitution on an installment basis or on other conditions to be fixed by the court; (3) the anticipated rehabilitative effect on the defendant regarding the manner of restitution or the method of payment; (4) any burden or hardship upon the victim as a direct or indirect result of the defendant's criminal acts; (5) the mental, physical, and financial well-being of the victim"); *State v. Wilson*, 274 S.C. 352, 356, 264 S.E.2d 414, 416 (1980) ("In order for the [circuit court] to properly exercise its discretion and impose a condition of reparation, which is in furtherance of the objective of probation, an evidentiary basis must exist.").

**AFFIRMED.**

**LOCKEMY, C.J., and WILLIAMS and KONDUROS, JJ., concur.**

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STATE OF SOUTH CAROLINA  
IN THE COURT OF APPEALS

RECEIVED  
APR 05 2018  
SC Court of Appeals

APPEAL FROM YORK COUNTY

The Honorable J. Mark Hayes, II, Circuit Court Judge

Appellate Case No. 2015-001914

THE STATE,..... APPELLANT,

v.

RICHARD P. KROCHMAL,.....RESPONDENT.

Unpublished Opinion 2018-UP-126, filed March 21, 2018

Petition for Rehearing

On March 21, 2018, this Court issued an opinion in which it affirmed the decision of the circuit court's order authorizing Respondent to be paid for committing his crimes. State v. Krochmal, Unpub. Op. No. 2018-UP-126 (S.C. Ct. App. filed March 21, 2018). Appellant respectfully petitions for rehearing per Rule 221, SCACR.

This Court's opinion cites S.C. Code Ann. § 17-25-322(B), (1), (2), (3), (4), and (5) (2014) as factors that a sentencing court may generally consider. The circuit

court addressed the factors and indicated they were not relevant.

[T]he Court may apply the factors outlined in 17-25-322(A) to determine the pecuniary damage or loss to the victim, and use the legislature's prescribed manner and method of determining restitution found in 17-25-322 (B)(1),(2),(3),(4),and (5). **In the present case before this court, the factors listed in (B)(1),(2).(3),(4), and (5) do not seem relevant.**

R. p. 10. (emphasis added).

There has been no argument presented that the circuit court abused its discretion by finding those factors irrelevant in this case. While the circuit court found the discretionary factors set forth in part (B) of S.C. Code Ann. § 17-25-322 (2014) to be inapplicable, the non-discretionary part (A) remains: "the court shall order the defendant make restitution or compensate the victim for any pecuniary damages." S.C. Code Ann. § 17-25-322(A) (2014).

#### **There is no valid fee agreement.**

This Court's opinion affirms the circuit court's adoption of the following argument advanced by the Respondent: "the only monetary loss suffered by the victims consists of the amount of money that they were charged in excess of the fee agreement." R. p. 20.<sup>1</sup> The restitution calculation affirmed by this Court consists of the following simple formula:

$$\boxed{\text{Restitution Amount} = \{\text{fees Respondent actually charged}\} - \{\text{amount per fee agreement}\}}^2$$

This Court's opinion overlooks the undisputed fact that there is no valid fee agreement rationalizing that the victims paid Respondent for the very criminal conduct that was the factual basis for the guilty plea. Respondent's own expert

<sup>1</sup> See also, R. p. 31, lines 3-9.

<sup>2</sup> As applied: \$30,100 = \$159,800 - \$129,700. R. p. 104.

witness testified that his calculation presupposed that the agreement was valid. R. p. 74, line 16. To adopt Respondent's fiction that there is a valid fee agreement for the indictment period nullifies the very existence of his criminal convictions for Securities Fraud.

**Lenz v. Walsh, is not applicable for criminal restitution.**

In Lenz v. Walsh, this Court applied an equitable analysis as explained in the fifth and final inclusive factor: "and (5) equity and the principles of restitution do not require that unlicensed contractors be completely uncompensated or that contracting homeowners receive the completed construction without cost." Lenz v. Walsh, 362 S.C. 603, 608, 608 S.E.2d 471, 473 (Ct. App. 2005). Unlike the purely civil claims at issue in this Court's opinion in Lenz, Respondent's criminal convictions trigger the application of S.C. Const. art. I, 24(A)(9) authorizing the victims to "receive prompt and full restitution from the person or persons convicted of the criminal conduct that caused the victim's loss..." S.C. Const. art. I, 24(A)(9) (emphasis added). Applying the civil analysis of Lenz denies victims of crimes the very rights afforded to them under our State Constitution and the companion criminal restitution statutes. See generally State v. Morgan, 417 S.C. 338, 790 S.E.2d 27, (Ct. App. 2016) (citing S.C. Code Ann. § 16-3-1110 (2015) and S.C. Code Ann. § 17-25-322 (2014)).

WHEREFORE, because the circuit court erred as a matter of law ordering that a convicted criminal is entitled to be paid for committing crimes, Appellant requests this Court grant the Petition for Rehearing and rehear the case as criminal conduct cannot be rewarded.

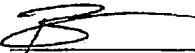
Respectfully submitted,

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By:   
ATTORNEYS FOR THE APPELLANT

Columbia, South Carolina

April 5, 2018.

# The South Carolina Court of Appeals

The State, Appellant,

v.

Richard P. Krochmal, Respondent.

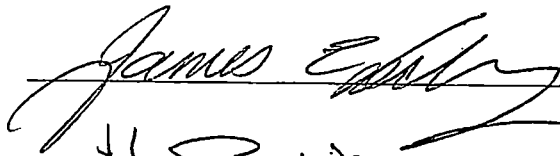
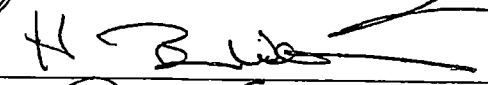
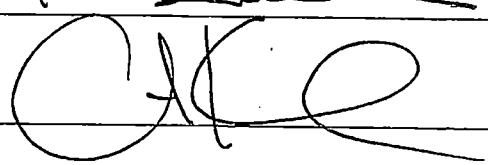
Appellate Case No. 2015-001914

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ORDER

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After careful consideration of the petition for rehearing, the Court is unable to discover that any material fact or principle of law has been either overlooked or disregarded, and hence, there is no basis for granting a rehearing. Accordingly, the petition for rehearing is denied.

 C.J.  
 J.  
 J.

Columbia, South Carolina

cc:  
Robert Michael Dudek, Esquire  
Brian T. Petrano, Esquire  
Alan McCrory Wilson, Esquire  
The Honorable J. Mark Hayes, II

**FILED**

May 24, 2018