

## Problem Codes

### Problem Code: (required)

Select the most egregious in the complaint from the following codes.

Code	Description of Problem	(Effective 10/01/2014)
00	<b>Miscellaneous (Sales Practice Only)</b> - "Sales Practice" only ("Non-Sales Practice" Miscellaneous code is "99").	
01	<b>Misrepresentation</b> - Allegations concerning false or misleading statements, claims, comparisons or omissions of material fact. Includes, but is not limited to, assurances and guarantees that are part of either oral or written communications or correspondence from the Registered Representative (RR) to a customer or prospect (not research/trading/investment banker/issuer/sponsor material).	
02	<b>Unauthorized Trading</b> - Allegations concerning one or more transactions that were effected without the customer's specific knowledge and approval. (Note: Not margin liquidation or dividend reinvestment type problems.)	
03	<b>Excessive Trading</b> - Allegations concerning trading that was controlled by the RR and was excessive given the size, frequency, and character of the account in which trading was done solely to generate commissions or other compensation with disregard to the customer's investment objectives.	
04	<b>Suitability</b> - Allegations concerning an unsuitable recommended transaction or investment strategy involving a security or securities, including possible violations of, among others, the following main suitability obligations: reasonable-basis suitability (must perform reasonable diligence to understand the nature of the recommended security or investment strategy involving a security or securities, as well as the potential risks and rewards, and determine whether the recommendation is suitable for at least some investors based on that understanding); customer-specific suitability (must have a reasonable basis to believe that a recommendation of a security or investment strategy involving a security or securities is suitable for the particular customer based on the customer's investment profile); and quantitative suitability (must have a reasonable basis to believe that a series of recommended securities transactions are not excessive where there is control over the account).	
05	<b>Failure to Follow Instructions</b> - Allegations concerning the RR's failure to follow specific instructions from the customer's proper power of attorney holder or authorized parties of corporate or other entity accounts.	
06	<b>Documentation</b> - Allegations concerning material inaccuracies, omissions, or failures to obtain or provide required documents.	
07	<b>Solicitation</b> - Allegations concerning improper solicitation of an account or a transaction.	
08	<b>Misappropriation/Forgery</b> - Allegations concerning theft or misappropriation of funds or securities or forgery. (Note: Not dividend reinvestment, customer checking/debit card activity or routine transfer instructions problems.)	
09	<b>Communication with Public</b> - Allegations concerning false or misleading statements, claims, comparisons, or material omissions in communications or correspondence to a customer or prospect (including flyers, retail communications, sales materials and advertisements prepared by the RR).	
10	<b>Disclosure of Fees</b> - Allegations concerning the RR's failure to advise or the RR's incorrect advice of back-end fees associated with the product. (Includes Contingent Deferred Sales Charges (CDSC), surrender penalties, but not commissions or managed account fees.)	
11	<b>Failure to Supervise</b> - Allegations where a customer makes a sales practice complaint against his/her account or registered representative (RR) and also cites a failure to supervise on the part of the named supervisor such as the Branch Office Manager at the time the activity occurred.	
12	<b>Poor Recommendation / Poor Advice</b> - Allegations that a recommendation to purchase, sell or exchange a security constituted poor advice.	
13	<b>Selling Away</b> - Allegations concerning the RR engaging in a securities transaction outside the scope of his or her relationship with the firm and without the knowledge or approval of the firm.	
14	<b>Outside Business Activities</b> - Allegations concerning the RR engaging in an undisclosed business activity (other than a securities transaction) outside the scope of his or her relationship with the firm (e.g., employment with another entity without the knowledge of the firm).	
20	<b>Research</b> - Allegations concerning a transaction(s) that was made based upon a firm's research opinion that allegedly contained a material misstatement(s) or the omission of a material fact(s) communicated to the RR/customer. (This will usually be coded as a "Firm" vs. "RR" problem.)	
21	<b>Product Origination/Investment Banking</b> - Allegations concerning a transaction(s) that was based on investment banking/issuer/sponsor disclosure(s) that allegedly lacked "due diligence" in that such disclosure(s) contained a material misstatement(s) or the omission of a material fact(s) communicated to the RR/customer. (This will usually be coded as a "Firm" vs. "RR" problem.)	
22	<b>Trading</b> - Allegations concerning a transaction(s) that was based on a Trading Department (or support staff) disclosure(s) that contained a material misstatement(s) or the omission of a material fact(s) relating to secondary market conditions or security feature communicated to the RR/customer. (This will usually be coded as a "Firm" vs. "RR" problem.)	

23	<b>Poor Performance</b> - Allegations concerning the poor performance of the customer's account, but does not allege any specific sale practice violations against the RR or attribute damages to a research analyst recommendation. (Not otherwise reportable under Sales Practice Codes 20, 21 or 22.)
24	<b>Managed Accounts</b> - Allegations concerning the practice of an in-house or outside money manager. (Not to be used when the RR is the money manager and allegations are of a sales practice nature against the RR.)
25	<b>Marketing/Sales Literature</b> - Allegations concerning false or misleading statements, claims, comparisons or material omissions found in <i>retail communications</i> , advertisements, sales literature and other written firm communications. (Not research trading/investment banking/issuer/sponsor materials.)
26	<b>Regulation B</b> - Allegations concerning a denial of credit on the basis of race, color, religion, national origin, sex, marital status, age, receipt of income from public assistance programs or good faith exercise of any rights under the Consumer Credit Protection Act (CCPA) (Usually coded as a "firm vs. RR" problem.)
27	<b>Regulation E</b> - Allegations concerning a failure by the firm to comply with Regulation E – the Electronic Transfer Act. (Usually coded as a "firm vs. RR" problem.)
28	<b>Regulation S-P</b> - Allegations concerning a failure by the firm to comply with Regulation S-P, which was adopted to implement Title V of the Gramm-Leach-Bliley Act. Pursuant to Regulation S-P, a financial institution must: <ul style="list-style-type: none"> <li>▪ Disclose to customers - on an initial and annual basis - its policies for collecting and sharing a customer's non-public personal information with affiliated and non-affiliated third parties;</li> <li>▪ Provide the Firm's customers with the ability to "opt out" of certain disclosures of their non-public personal information to nonaffiliated third parties, with certain exceptions;</li> <li>▪ State the financial institution's security standards to protect a customer's nonpublic personal information. (Usually coded as a "firm vs. RR" problem.)</li> </ul>
29	<b>Third Party/Anonymous</b> - Allegations received by an unauthorized third party or anonymous source. (Note: If the firm received authorization from the customer subsequent to the receipt of a third party/anonymous complaint, it is obligated to file an amendment via the Firm Gateway application within 45 days of receipt of the authorization to identify the true problem code.)
30	<b>Complaints Referred to Previous Employer</b> - Allegations received by a firm against a current or previously employed RR regarding activities that occurred at the RR's former employer firm.
31	<b>Other Theft/Forgery</b> - Allegations concerning theft or misappropriation of funds or securities or forgery against someone other than a RR of the firm.
32	<b>Identity Theft</b> - Allegations concerning improper use of a customer's social security number or other non-public personal identity information by unauthorized individuals or entities.
33	<b>Non-Broker-Dealer Affiliate Activity</b> - Non-Broker-Dealer Affiliate activity not otherwise characterized by another Problem Code.
40	<b>Miscellaneous</b> - Firm related complaints only. Non sales practice miscellaneous code is 99. Sales practice miscellaneous code is 00.
<b>Non-Sales Practice Problem Codes</b>	
50	<b>Transfer of Accounts</b> - Allegations concerning full or partial transfer of a customer's account between broker-dealers. Includes both ACATS and manual transfers and internal transfers between branches.
51	<b>Receipt and/or Delivery of Securities</b> - Allegations concerning receipt or delivery of any type of security from broker-dealer to a customer or vice versa. Includes lost certificates, delayed securities transfers, non-transferable securities or securities not in transfer because of a fail.
52	<b>Receipt and/or Disbursement of Funds</b> - Allegations concerning funds received from or disbursed to a customer. Includes checks generated automatically, such as monthly dividend checks, IRS distribution, etc.
53	<b>Dividend and Interest Problems</b> - Allegations concerning payments or charges of dividends or interest, including stock dividends. Does not include disbursement of automatic monthly dividend checks or margin interest dependencies.
54	<b>Margin Problems</b> - Allegations concerning margin, including account liquidations, margin call notification and margin interest discrepancies.
55	<b>Reorganization/Redemption</b> - Allegations concerning stock splits, tenders, mergers, bond/unit trust redemption, and called bonds.
56	<b>Proxy/Prospectus</b> - Allegations concerning the delay or non-receipt of a proxy, prospectus or shareholder mailing by a customer.
57	<b>Execution</b> - Allegations concerning non-execution, price discrepancy, delay in entry or report and delay in mutual fund purchases and redemptions.
58	<b>Statement/Confirms</b> - Allegations concerning physical characteristics and representation of statements/confirms, failure to receive statement/confirms and questions regarding the reported price, value of or failure to value, a security.
59	<b>Tax Reporting</b> - Allegations concerning tax reporting on behalf of or to clients. Includes 1099, TEFRA withholding, K-1, W2-p, 5498 and Year-to-Date information appearing on monthly statements as well as any other tax reporting forms.
60	<b>Fees and Commissions</b> - Allegations concerning customary fees (custodial, administrative), service charges (bounced checks, lost certificate, replacement, etc.) and commissions/markups (markdowns) and wrap fees.
61	<b>Account Administration and Processing</b> - Allegations concerning daily activity in a customer's account (e.g., trade corrections, journal entries, un-invested credit balances, and erroneous or missing positions in account).
62	<b>On-Line Trading</b> - Allegations concerning trading initiated by a client on-line, (including non-execution, price discrepancy, delays in execution and delays in trade confirmation).
63	<b>Service Issues</b> - Allegations concerning inadequate or unsatisfactory service from the firm or any of its employees.

64	<b>PATRIOT Act Liquidation</b> - Allegations concerning the liquidation of an account due to the firm's inability to confirm the customer's identity as per Section 326 of the PATRIOT Act or failure to obtain foreign bank certifications per Section 313 and 319(b) of the PATRIOT Act.
65	<b>Account Administration and Processing — Account Opening</b> - Allegations concerning problems establishing a new account (e.g., delays in opening account, and issues with account type and documentation).
66	<b>Account Administration and Processing - Account Maintenance</b> - Allegations concerning non-transaction-related problems with existing accounts (e.g. address changes, investment objective changes, title changes and account closing issues).
67	<b>On-Line Issues</b> - Allegations concerning access and functionality of a firm's online system (connectivity and navigation).
68	<b>Firm Policy</b> - Allegations concerning a customer's dissatisfaction with the RR or the firm as a result of a firm policy or procedure (that is not otherwise better characterized by another Problem Code).
99	<b>Miscellaneous (Non-Sales Practice Only)</b> - "Non-Sales Practice" only ("Sales Practice" Miscellaneous code is "00").