ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIOM7e,

WHEREAS, UVEST, without admitting or denying the Conclusions of Law set forth
below and solely for the purposes of this Consent Order, admits the jurisdiction of the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Securities Division"), admits the Findings of Fact set forth below, voluntarily consents to the entry of this Consent Order, and waives any right to a hearing or to judicial review regarding this Consent Order;

NOW THEREFORE, the Securities Commissioner of the State of South Carolina (the "Securities Commissioner") hereby enters this Consent Order.

I. FINDINGS OF FACT

1. Bankers Life is a life insurance company located in Illinois that has never been registered as a broker-dealer or investment adviser.

2. BLCFS is a wholly-owned subsidiary of Bankers Life that also is located in Illinois. BLCFS (CRD No. 126638) has been a member ofNASD or FINRA since 2003 and is registered as a broker-dealer only in Illinois. During its existence, BLCFS has had no business activity
other than as described herein. BLCFS has never been registered as a broker-dealer or investment adviser in South Carolina, and it has not registered any agents or investment adviser representatives in South Carolina.

3. At all relevant times, UVEST (CRD No. 13787) was a broker-dealer registered in South Carolina and (through an affiliate) a federal covered investment adviser.

4. Effective January I, 2005, Bankers Life entered into a Financial Services Agreement with UVEST (the "UVEST Agreement") under which Bankers Life insurance agents who became licensed as registered representatives and/or investment adviser representatives of UVEST
(the "dual agents") would provide brokerage and investment advisory services out of Bankers Life branch office locations. The UVEST Agreement specified that UVEST would "exercise exclusive control" over the broker-dealer and investment advisory activities of the dual
agents and assigned Bankers Life several securities-related roles, which Bankers Life did perform, including:

a. appointing the persons to be dual agents and having sole discretion to withdraw appointments at any time;

b. determining with UVEST the number and identity of dual agents at each office;

c. determining with UVEST the compensation to be paid to each agent;

d. determining with UVEST the "brokerage product offerings available for distribution" by the dual agents;

e. approving the clearing broker selected by UVEST;

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f. approving advertising and promotional material; and

g. paying for:

1. pre-examination training for required NASD/FINRA examinations;
ii. investment research materials used in the branch offices;
u1. recrnitment and travel costs; and
1v. UVEST stationary and business cards.

5. The UVEST Agreement provided for UVEST to pay Bankers Life "Revenue Sharing Payments" according to a schedule that varied from 82% to 85% of the gross commissions received by UVEST for the dual agents' securities transactions. The UVEST Agreement characterized these payments as representing reimbursement for the compensation Bankers Life pays to the dual agents and "payment for the use of the facilities and equipment" of Bankers Life. The UVEST Agreement provided that Bankers Life would not compensate Series 6 licensed dual agents for the sale of individual stocks and bonds, and instead Bankers Life would retain all such revenue.

6. In March of 2005, Bankers Life determined that BLCFS should have been a party to the UVEST Agreement. As a result, the three firms agreed to a new first page of the UVEST Agreement that added BLCFS as a party and a new signature page, which was executed by
the three parties. The revised UVEST Agreement did not assign BLCFS any rights or duties separate from those of Bankers Life and made all of Bankers Life's rights and duties also apply to BLCFS.

7. Bankers and UVEST terminated the UVEST Agreement effective on or about April 29, 2010.

8. Evidence uncovered during the investigation showed that Bankers screened prospective securities agents, trained new securities agents, conducted periodic training sessions for securities agents, monitored and attempted to increase securities production of securities agents, and played a significant role in determining the compensation of securities agents. Additionally, evidence showed that the involvement of Bankers in securities-related roles led to confusion in the reporting and responsibility hierarchies as between Bankers and the applicable broker-dealer.

9. At no time were the dual agents registered as agents or investment adviser representatives of Bankers Life or BLCFS.

10. From January I, 2005, through April 29, 2010, Bankers received, on a nationwide basis, a total of approximately $17 million from UVEST under their agreement for variable annuity and securities transactions and investment advice.

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II. CONCLUSIONS OF LAW

1. Under the South Carolina Uniform Securities Act of2005 (the "Act"), a person may not act
as a broker-dealer in South Carolina unless registered or exempt from registration. S. C.
Code Ann. § 35-1-401 (Supp. 2011).

2. Similarly, a person may not act as an investment adviser in South Carolina unless registered,
exempt from registration, or a federal covered investment adviser. S. C. Code Am1. § 35-1-
403 (Supp. 2011).

3. A broker-dealer may not employ or associate with an agent, as an315 Tc 2.811 0 Tds0.01 (Carolina1001gistratio111 0

3. If any state securities regulator determines

12. This Consent Order shall be binding upon UVEST, its relevant affiliates, successors and assigns as well as to successors and assigns of relevant affiliates with respect to all conduct subject to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.

13. Except as set forth above, the Securities Division agrees to take no action adverse to UVEST based solely on the same conduct addressed in this Consent Order. However, nothing in this Consent Order shall preclude the Securities Division from: (a) taking adverse action based on other conduct; (b) taking this Consent Order and the conduct described above into account in determining the proper resolution of action based on other conduct; (c) taking any and all available steps to enforce this Consent Order; or (d) taking any action against other entities or individuals, regardless of any affiliation or relationship between UVEST and the entities or individuals.

IT IS HEREBY ORDERED on this -~-~...__. I t"I ,.-:"{/. (_..---

_ _ day of ~ , 2012.

Securities Commissioner

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CONSENT TO ENTRY OF CONSENT ORDER BY THE SECURITIES DIVISION

The Securities Division of the Office of the Attorney General consents to entry of the above Consent Order, on this the "'ttn day of~;i~, 2012.

THE SECURITIES DIVISION
OF THE ST ATE OF SOUTH CAROLINA

By:

6$JOc~ CL '\"Yoo go_,v:, Tracy~ Meyers
Assistant Deputy Attorney General

CONSENT TO ENTRY OF CONSENT ORDER

UVEST, by signing below, admits the Findings of Fact set forth above, agrees to the entry of this Consent Order, and waives any right to a hearing or to judicial review.

UV EST states that no promise of any kind or nature whatsoever that is not reflected in this Consent Order was made to it to induce it to enter into this Consent Order and that it has entered into this Consent Order voluntarily.

kc<,-l,-lt\\f-e" v~ t-.l<7u:R1:-eJ4 (name) represents that he or she has been authorized to enteffuto this Consent brder on behalf of UVEST Financial Services Group, Inc.

UVEST Financial Services Group, Inc.

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