

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:)	
)	
UBS Financial Services, Inc.,)	RULE TO SHOW CAUSE
CRD No. 8174,)	Matter No. 14112
Respondent.)	
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WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”) has been authorized and directed by the Securities Commissioner of South Carolina (the “Securities Commissioner”) to administer the provisions of S.C. Code Ann. 35-1-101, *et seq.*, the South Carolina Uniform Securities Act of 2005 (the “Act”); and

WHEREAS, the Division alleges the following:

I. RESPONDENT

1. UBS Financial Services, Inc. (“UBS”) is a broker-dealer with an address of 1200 Harbor Boulevard, Weehawken, New Jersey 07086.
2. UBS is registered with the Financial Industry Regulatory Authority under CRD No. 8474.
3. UBS is registered as a broker-dealer with the Division and has been registered as such since 1981.

II. JURISDICTION

4. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601.

III. FACTUAL ALLEGATIONS

5. The Division is conducting an examination of certain product sales and sales practices of UBS.

6. In connection with its examination, the Division has, on three occasions, sent visitation letters to UBS requiring the production of certain records (“Visitation Letter I,” “Visitation Letter II,” and “Visitation Letter III”).

7. Division staff mailed Visitation Letter I to UBS through registered mail on February 7, 2014.

8. Despite numerous conversations and other additional attempts by Division staff to contact UBS employees by email and telephone, by January 15, 2015, UBS had failed to provide the documents responsive to Visitation Letter I (“Production I”).

9. On January 15, 2015, following a telephone call to UBS, the Division received a return call from UBS’ state regulatory liaison, who apologized for the late production and agreed to provide Production I within two weeks.

10. On January 29, 2015, the Division received the Production I from UBS.

11. Division staff mailed Visitation Letter II to UBS through overnight mail and e-mail on April 15, 2015.

12. Visitation Letter II required the production of additional records to the Division no later than April 30, 2015 (“Production II”).

13. UBS failed to provide Production II by April 30, 2015. Further, UBS’ employees failed to return the telephone calls inquiring about the production of Production II.

14. Production II was not provided to the Division until May 19, 2015, following another telephone call from Division staff to UBS on May 18, 2015.

15. Division staff mailed Visitation Letter III to UBS through first-class mail and e-mail on August 19, 2015.

16. Visitation Letter III required UBS to produce certain records to the Division no later than September 9, 2015 (“Production III”).

17. Contemporaneously with the mailing of Visitation Letter III, Division staff spoke with, and exchanged e-mails with a UBS employee (the “UBS Employee”) related to Production III.

18. UBS failed to produce Production III by September 9, 2015.

19. On September 25, 2015, Division staff called and left a message with the UBS Employee inquiring as to the status of Production III. The UBS Employee did not return the call.

20. On October 30, 2015, Division staff again called and left a message with the UBS Employee inquiring as to the status of Production III. The UBS Employee did not return the call.

21. On November 4, 2015, Division staff again called and left a message with the UBS Employee, informing her that Production III would need to be produced to the Division no later than November 6, 2015. The UBS Employee did not return the call.

22. Production III was not produced to the Division by November 6, 2015.

IV. APPLICABLE LAW

23. The Act governs the offer and sale of securities in and from the State of South Carolina.

24. Pursuant to S.C. Code Ann. § 35-1-411(d), the Securities Commissioner or his designee may inspect the records of a broker-dealer registered with the Division.

25. Pursuant to S.C. Code Ann. § 35-1-412(d)(8), a registrant commits a violation of the Act by refusing to allow or otherwise impeding the Securities Commission or his designee from conducting an audit or inspection under S.C. Code Ann. § 35-1-411(d).

26. Pursuant to S.C. Code Ann. § 35-1-412(d)(13), a registrant commits a violation of the Act by engaging in dishonest and unethical practices in the securities business within the previous 10 years.

27. Repeated failures to return the Division's telephone calls, as set forth above, constitute dishonest and unethical practices in the securities business.

28. Pursuant to S.C. Code Ann. § 35-1-412(c), if the Securities Commissioner finds that the order is in the public interest and subsection (d)(1) through (6), (8), (9), (10), or (12) and (13) authorizes the action, the Securities Commissioner may issue an order imposing a censure, a bar, and/or impose a civil penalty of up to \$10,000 for each violation committed by a registrant.

V. CONCLUSION

29. Based on the foregoing facts and applicable law, UBS should be sanctioned for its violations of the Act, as set forth above.

NOW THEREFORE, it is hereby **ORDERED**, that the Respondent **SHOW CAUSE**, if any there be, why, thirty (30) days after the issuance of this Rule to Show Cause, an Order should not be issued, pursuant to S.C. Code Ann. § 35-1-412(c), imposing the following sanctions on the Respondent:

- a. Ordering the Respondent to cease and desist from violating the Act;
- b. Suspending the Respondent's broker-dealer registration;
- c. Censuring the Respondent for its violations of the Act described above; and

d. Imposing a fine of Eighty Thousand Dollars (\$80,000) on the Respondent.

VI. REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

The Respondent is hereby notified that it has thirty (30) days from the date of this Order to file an answer and, if desired, a request for a hearing on the matters contained herein. Such documents should be filed with Thresechia Navarro, Clerk of the Securities Division, Post Office Box 11549, Columbia, South Carolina 29211. In its written Answer, the Respondent shall admit or deny each factual allegation in this Order, and set forth any specific facts, laws, and/or affirmative defenses upon which the Respondent relies. If the Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, it shall so state.

In the event an answer and written notice requesting a hearing is not received within the above-stated thirty (30) day period of time, an order imposing the sanctions set forth above shall be issued against the Respondent.

The Respondent is further notified that by seeking the imposition of the sanctions set forth above, the Division is not waiving any rights it may have to pursue additional remedies available to it for violations of the Act committed by the Respondent.

ENTERED, this the 9th day of November, 2015.

ALAN WILSON
SECURITIES COMMISSIONER

By: Tracy Meyers
TRACY A. MEYERS
Deputy Securities Commissioner

ISSUANCE REQUESTED BY:



IAN P. WESCHLER
Assistant Attorney General
Securities Division
Office of the Attorney General
Columbia, South Carolina

STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL
SECURITIES DIVISION

CERTIFICATE OF SERVICE AND
AFFIDAVIT OF COMPLIANCE
File Number 14112

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated November 9, 2015, by serving a copy of said document upon the Securities Commissioner of the State of South Carolina and by placing a copy of said document in the United States mail, certified mail, return receipt requested, first class postage prepaid and addressed to:

UBS Financial Services, Inc.
Attn: Ms. Toni Tomorazzo
Associate General Counsel
1200 Harbor Blvd.
Weehauken, New Jersey 07086-6791

Document(s): Rule to Show Cause

Mailed November 10, 2015 from Columbia, South Carolina.

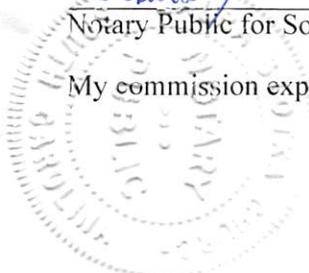
I further hereby certify, swear and affirm that, service of the above-listed entity is in compliance with Section 35-1-611, Code of Laws of South Carolina.

By: Thresechia P. Navarro
Thresechia P. Navarro
South Carolina Attorney General's Office
Securities Division
Post Office Box 11549
Columbia, SC 29211-1549
(803) 734-4731

Subscribed and sworn to before me on
this 10th day of November, 2015.

Jana Atolka Chud
Notary Public for South Carolina

My commission expires: 3-10-18



THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

RECEIVED
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TO THE DIRECTOR, UNIVERSITY OF CHICAGO
FROM THE DIRECTOR, UNIVERSITY OF CHICAGO
SUBJECT: [Illegible]

RE: [Illegible]

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