

## SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is made and entered into as of December 8<sup>th</sup>, 2010, by and between the Division of Securities of the Delaware Department of Justice ("Division") and PNC Investments LLC ("PNC Investments").

WHEREAS, the Division of Securities of the Delaware Department of Justice ("Division") has conducted an investigation into a customer complaint regarding the conduct of one of PNC Investments' agents, Thomas A. Guido, and

WHEREAS, on February 12, 2010, the Division filed an administrative complaint against Mr. Guido alleging that he engaged in fraudulent and unethical conduct in violation of the Delaware Securities Act ("Act"); and

WHEREAS, the Division contends that PNC Investments, in violation of 6 Del. C. § 7316(a)(7), failed reasonably to supervise Mr. Guido in connection with his misconduct as alleged in the February 12, 2010 complaint; and

WHEREAS, PNC Investments disagrees that it has violated the Act; and

WHEREAS, the Division and PNC Investments both acknowledge that there have been no findings and both wish to resolve this matter informally and amicably;

NOW THEREFORE, IN FINAL RESOLUTION OF THIS MATTER, THE DIVISION AND PNC INVESTMENTS HEREBY AGREE as follows:

1. PNC Investments shall pay to the State of Delaware the amount of \$250,000.00. PNC Investments shall satisfy its payment obligation by delivering to the Delaware Division of Securities, within 30 days of the date of the execution of this agreement, a check, drawn on good and sufficient funds, made payable to the "State of Delaware" in the amount of \$250,000.00.

2. PNC Investments, within 90 days of the date of the execution of this agreement, shall propose the names of two independent consultants ("Consultant"), not unacceptable to the Division. After consultation with the Division, PNC Investments shall, at PNC Investments' expense, retain such Consultant, who shall conduct a comprehensive review of PNC Investments' policies, procedures and practices relating to the detection and prevention of the types of improper conduct alleged to have occurred in the Division's administrative complaint against Thomas A. Guido. PNC Investments shall cooperate with the Consultant's review and provide any and all reasonably requested documents or information (excluding materials or information protected by a valid claim of attorney-client privilege or attorney work product).

Within 90 days following the engagement of the Consultant, the Division, counsel for PNC Investments, and the Consultant shall meet at the Division's offices to review and agree on the work to be performed and the form and timing of a report ("Scope of Work"). It is anticipated that, prior to such meeting, the Consultant will familiarize himself/herself with PNC Investments' business such that he/she can adequately address the Scope of Work at such meeting.

3. For good cause shown, the Consultant or PNC Investments may make an application to the Division to extend any of the procedural dates outlined above.


4. The Consultant shall not enter into any other business or professional relationship with PNC Investments or any of its affiliates during the period of the engagement required by this Agreement.

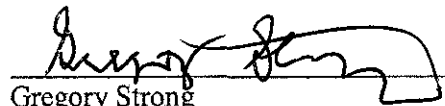
5. This Agreement shall constitute a final and binding resolution of this matter and the Division's investigation into PNC Investments' supervision of Mr. Guido

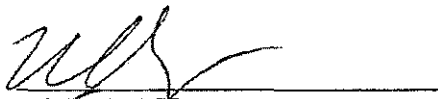
with respect to PNC Investments account numbers

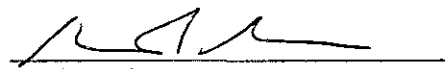
and conducted in connection with the filing of the Complaint in case 09-1-1. Nothing herein prohibits the Division from taking any action or pursuing any inquiry or investigation authorized under the Act or its accompanying Rules and Regulations in the event the Division receives a new complaint, implicating conduct the Division has not already investigated, by any customer serviced by Mr. Guido during his employment at PNC Investments.

6. The Agreement represents a compromise of disputed claims and contentions and shall not be construed as an order, or admission of liability, fault, or wrongdoing by PNC Investments.

  
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