

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: A. G. EDWARDS & SONS, INC.)
 AND SUZANNE MICHELLE WIEGAND) No. 0600669
)
)

NOTICE OF HEARING

TO THE RESPONDENTS: A. G. Edwards & Sons, Inc. CRD No. 4
 Suzanne Michelle Wiegand CRD NO. 1452080

Mr. Brian Clinton Underwood
Chief Compliance Officer,
Senior Vice President
A. G. Edwards & Sons, Inc.
One North Jefferson
St. Louis, MO 63103

Suzanne Michelle Wiegand
220 Bradford Lane
Suite C,
Waterloo, Illinois 62298

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1], et seq. (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 300 West Jefferson Street, Suite 300A, Springfield, Illinois 62702 on the 15th day of August, 2007 at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. Ellis or such other duly designated Hearing Officer of the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Notice.

Said hearing will be held to determine whether an Order should be entered which revokes the Dealer registration of A. G. Edwards & Sons, Inc. ("A. G. Edwards") and the Salesperson and Investment Adviser Representative registrations of Suzanne Michelle Wiegand ("Wiegand") in the State of Illinois and/or granting such other relief as may be authorized under the Act.

The grounds for such proposed action are as follows:

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Summary

Increasingly Americans are saving for their retirement through employer sponsored retirement plans. This trend will increase with the recent passage of Federal legislation which allows employers to automatically enroll their employees into employer sponsored retirement plans, initiate automatic withdrawals from the employees' paychecks and take other steps to encourage retirement savings by their employees. Generally, such employer sponsored retirement accounts are held at securities firms who provide brokerage services, investment advice and/or custodial services. As such, Broker-Dealers, Investment Advisers, securities salespersons and investment adviser representatives are required to comply with both Federal and State statutes and rules governing securities and employer sponsored retirement accounts. In the case described below, A.G. Edwards and Suzanne Wiegand willfully failed to meet their fiduciary, supervisory and compliance duties.

Wiegand is an Illinois registered salesperson and investment adviser representative of A. G. Edwards, an Illinois registered Dealer and Federally Covered Investment Adviser. Wiegand is also the daughter of Michael Welge ("Welge"). Welge is the President and Secretary-Treasurer of the Gilster-Mary Lee Corporation. Gilster-Mary Lee Corporation is the employer sponsor of the Gilster-Mary Lee Profit sharing Plan ("the Plan"). Welge is also a trustee of the Plan and as such is the principal decision-maker for all investment transactions, strategies and proposals executed by the Plan.

From at least January 2002 up to the present, Welge and Wiegand conspired to use Plan assets for their own use and benefit resulting in Wiegand receiving over \$140,000 in Plan assets. As part of the scheme, Welge transferred \$19 million dollars of Plan assets to Citigroup Global Markets, Inc. Smith Barney ("Citigroup"), an Illinois registered Broker-Dealer and Federally Covered Investment Adviser during the time period that Suzanne Wiegand worked at the firm. When Wiegand left employment with this firm in 2005 and became an employee of A. G. Edwards, Welge transferred \$17 million of Plan assets from Citigroup and from another brokerage firm into newly opened Plan accounts at A. G. Edwards for which Wiegand was the salesperson and/or investment adviser representative. After transferring Plan assets to the Wiegand Accounts, Welge directed over 360 transactions in these accounts resulting in Wiegand receiving over \$140,000 of commissions and investment advisory fees for these 3 accounts.

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Welge and Wiegand violated the Employee Retirement Income Security Act ("ERISA") and the Illinois Securities Act by engaging in Prohibited Transactions under ERISA and fraudulent and deceptive acts under the Illinois Securities Act.

Welge's and Wiegand's actions defrauded the over 3000 Gilster-Mary Lee employees who depend upon the Gilster-Mary Lee Profit Sharing plan for their retirement security. Welge as the trustee and principal investment decision-maker directed Plan assets to firms employing his daughter resulting in higher commissions paid by the Plan than if the Plan assets had been held at low cost brokerage firms as was the case for some Plan assets. Accounts for which she was the salesperson generated 2.5 to 3 times the amounts of commissions earned by other similar Plan accounts for which she was not the salesperson. Additionally, accounts not in her name earned performance percentage rates up to 4% greater than those accounts for which she was the salesperson.

Welge's and Wiegand's conspiracy to use Plan assets for their own benefit was known to A. G. Edwards. A. G. Edwards' management and supervisory personnel knew that Welge and Wiegand were father and daughter. In addition, the branch manager for Wiegand met Welge and stated in a letter sent to Welge on A. G. Edwards' letterhead: "...and it is my intention to do all that is possible to support Suzanne in her role." A. G. Edwards and its supervisory and compliance personnel did nothing to prevent the actions of Welge and Wiegand and failed to implement any written supervisory procedures to ensure compliance with ERISA or the Illinois Securities Act by A. G. Edwards, its managers, supervisors and employees/agents. A. G. Edwards failure to establish written supervisory procedures to ensure that Employee Benefit Plan accounts held at the firm were and are in compliance with all applicable State and Federal Statutes and rules and its failure to adequately supervise Wiegand resulted in harm to Illinois investors and will result in future harm to them and form the basis for disciplinary action against A. G. Edwards.

Wiegand's and A. G. Edwards conduct violated the provisions of the Illinois Securities Act as follows:

1. At all times relevant, A. G. Edwards was an Illinois registered Dealer and made notification filings in Illinois as a Federally Covered Investment Adviser pursuant to Section 8 of the Illinois Securities Law of 1953, 815 ILCS 5/1 et seq. (the "Act").

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2. At all times relevant, Suzanne Wiegand was an Illinois registered salesperson and investment adviser representative pursuant to Section 8 of the Illinois Securities Law of 1953, 815 ILCS 5/1 et seq. (the "Act").
3. From July 31, 1993 through January 1, 2005, Suzanne Michelle Wiegand was a salesperson for Citigroup.
4. From January 18, 2005 through the present, Suzanne Michelle Wiegand was a salesperson and investment adviser representative for A. G. Edwards.
5. Gilster-Mary Lee Corporation ("Gilster Mary Lee") is a Missouri registered corporation located in Chester, Illinois. Gilster Mary Lee has approximately 3,000 employees and an employee profit sharing plan with a current value of over \$78 million in assets.
6. Michael W. Welge ("Welge") is the President and Secretary-Treasurer of Gilster Mary Lee and a trustee of the Restated Employees' Profit-Sharing Retirement Plan and Trust Agreement of Gilster-Mary Lee Corporation (the "Plan").
7. The Restated Employees' Profit-sharing Retirement Plan and Trust Agreement of Gilster-Mary Lee Corporation is organized pursuant to United States Internal Revenue Service and U.S. Department of Labor rules and statutes, subject to the statutes and regulations governing employee benefit plans and covers all of the full time employees of Gilster Mary Lee.
8. Welge, together with the other trustees of the Plan, made and continues to make investment decisions regarding the asset allocation/diversification, investment strategy and investment transactions of the Plan and both are fiduciaries of and to the Plan.
9. Suzanne Michelle Wiegand, is the daughter and lineal descendant of Michael W. Welge.
10. On or about October 15, 2002, approximately \$10 Million of Plan assets were transferred to accounts at Citigroup. Citigroup documents state that the accounts were transferred to Citigroup as a result of a referral from Wiegand who worked for Citigroup and with the salesperson to whom the accounts were transferred (See Attachment A).

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11. On or about January 1, 2005, Suzanne Michelle Wiegand retired as a salesperson for Citigroup and on January 18, 2005 became a salesperson and investment adviser representative for A. G. Edwards.
12. On or about January 19, 2005, Welge completed a new account application that was received and processed by A. G. Edwards in order to open an account in the name of the Plan for Account 3001-0186 (Original account number was 0460-046718). The New Account form in a section titled "Client Associations" discloses that the client, The Restated Employees' Profit-sharing Retirement and Trust Agreement of the Gilster-Mary Lee Corporation, and its authorized person, Michael W. Welge, are related to an employee of A. G. Edwards, Suzanne Michelle Wiegand. This form was approved by Suzanne Michelle Wiegand on January 21, 2005, and by the Branch Office Manager, Rodney D. Vaught, on the same date. The account documentation submitted for this Account both in a paper format and electronically stated that the account was to be marked/coded as "an ERISA Account."
13. On or about January 25, 2005, an account transfer form signed by Welge was sent by A. G. Edwards to Citigroup requesting the transfer of \$17,993,831.44 of Plan assets from a Citigroup account to a newly opened A. G. Edwards Account 3001-0186. The salesperson for this account was Suzanne Michelle Wiegand.
14. On or about August 3, 2005, Welge completed a new account application that was received and processed by A. G. Edwards in order to open an account in the name of the Plan for Account 3001-204. The New Account form in a section titled "Client Associations" discloses that the client, The Restated Employees Profit-sharing Retirement and Trust Agreement of the Gilster-Mary Lee Corporation, and its authorized person, Michael W. Welge, are related to an employee of A. G. Edwards, Suzanne Michelle Wiegand. This form was approved by Suzanne Michelle Wiegand on August 3, 2005, and by the Branch Office Manager, Patrick C McAllister, ("McAllister") on the same date.
15. On or about September 12, 2005, Welge completed a new account application that was received and processed by A. G. Edwards in order to open an account in the name of the Plan for Account 3001-202. The New Account form in a

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section titled "Client Associations" discloses that the client, The Restated Employees' Profit-sharing Retirement and Trust Agreement of the Gilster-Mary Lee Corporation, and its authorized person, Michael W. Welge, are related to an employee of A. G. Edwards, Suzanne Michelle Wiegand. This form was approved by Suzanne Michelle Wiegand on September 12, 2005, and by the Branch Office Manager, Robert D. Maurer, on the same date.

16. On or about August 3, 2005, a request to wire funds of \$423,040.64 from the Plan signed by Welge was sent to Citigroup requesting that Plan funds be wire transferred into A. G. Edwards Account 3001-0204. These funds were actually transferred to A. G. Edwards Account 3001-0186, re-transferred to A. G. Edwards Account 3001-0204 and later \$400,000 of the Plan assets were transferred to A. G. Edwards Account 3001-0202. The salesperson for all of the accounts above was Suzanne Michelle Wiegand.
17. On or about January 11, 2006, A. G. Edwards Branch Office Manager, Patrick C. McAllister, met with Michael Welge regarding the Plan accounts at A. G. Edwards. In electronic notes regarding the matter, McAllister wrote the following: "He is aware of the commission he pays and admits that Suzanne (his daughter) is an order taker on his account." (See Attachment B)
18. In a follow-up letter dated January 11, 2006 and addressed to Michael Welge, McAllister stated the following: "You mentioned in our discussion that you make your own decisions on the investments made for the Gilster-Mary Lee Employees Profit Sharing account (3001-0186). You also mentioned that you have similar sized positions with other firms, and that the true size is three to four times the size that we have at AG Edwards. Certainly we would like to earn more of your business as time goes by, and it is my intention to do all that is possible to support Suzanne in her role." (See Attachment C)
19. McAllister at the time of the above-described meeting was a Branch Office Manager of the Branch Office where Wiegand worked and was her supervisor.
20. Soon after the above-described meeting, on or about January 20, 2006, an account transfer form signed by Welge was sent by A. G. Edwards to Edward Jones, a Broker-Dealer which maintained a brokerage account with Plan assets,

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requesting the transfer of \$674,590.48 of Plan assets from an Edward Jones brokerage account to a newly opened A. G. Edwards Account 3001-0184. The salesperson for this account was Suzanne Michelle Wiegand.

21. A total of \$19,435,234.81 of Plan assets representing 22% of the total Plan assets were transferred into accounts at A. G. Edwards for which Suzanne Michelle Wiegand was the designated salesperson and/or investment adviser representative.
22. As of April 2006, the Plan had assets of \$78,498,818.13, of which \$35,059,431.94 were held directly by the Plan in certificate form. \$46,439,386.19 of Plan assets were held in securities brokerage accounts at 8 firms including A. G. Edwards. Suzanne Michelle Wiegand had the largest amount of Plan assets of any salesperson in 3 accounts representing 38% of all assets held at brokerage firms.
23. From January 2005 through March 2006, Welge directed and ordered over 360 buy and sell transactions to be transacted for A. G. Edwards accounts 3001-0204 and 3001-0186 resulting in \$137,191.72 in commission fees charged to Plan assets and paid to his daughter, Suzanne Michelle Wiegand.
24. Additionally, Michael Welge opened an investment advisory account (the Select Advisors Account) at A. G. Edwards, 3001-0202, whose assets were to be managed by a third party investment adviser and money manager recommended by A. G. Edwards and/or Wiegand. Part of the investment advisory fees for managing this account were paid on a quarterly basis to A. G. Edwards and Suzanne Michelle Wiegand. Suzanne Michelle Wiegand received from the opening of the account to April 2006, \$4,256.78 in investment advisory fees paid out of the Plan assets.
25. Due to the large number of transactions Welge directed to accounts for which his daughter was the salesperson, the commissions she earned were more than 2.5 times the commissions of similar accounts at another firm or for which another salesperson at A. G. Edwards was the assigned salesperson. An almost \$10 million dollar account with Plan assets held at A. G. Edwards, but with a different salesperson, only generated \$57,228.33 in commissions during the same time period. An over \$12 million dollar account of Plan assets held at Wachovia

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Securities, Inc. earned only \$47,369.75 in commissions during the relevant time period. Together these accounts totaled over \$21 million in Plan assets but only paid \$104,590.08 in commission charges

26. Just as significantly, these other Plan accounts also had higher annualized internal rates of return. For instance, 3001-0186 an account for which Wiegand is the salesperson had an annualized internal rate of return of 10.79%. The other accounts of similar sizes discussed above had annualized internal rates of return of 14.23% and 15.13% respectively.
27. If the Plan assets transferred to A. G. Edwards and Wiegand had been directed to an existing or a new low cost brokerage firm(s), the Plan would have saved over \$120,000 in commissions during the relevant time period.
28. United States Code, Title 29 Chapter 18 Paragraph 1106 (a)(1)(D) Prohibits transactions between the fiduciary of an employee benefit plan and a Party in Interest that result in a transfer, to a Party in Interest, of any plan assets.
29. United States Code, Title 29 Chapter 18 Paragraph 1106 (b) (1) Prohibits a plan fiduciary from dealing with the plan assets in his own interest or for his own account.
30. United States Code, Title 29 Chapter 18 Paragraph 1002 provides that a person is a fiduciary with a plan to the extent that he renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of such plan, or has any authority or responsibility to do so.
31. Party in Interest is defined by United States Code, Title 29 Chapter 18 Paragraph 1002 (14) to include a relative (including lineal descendants) of a plan fiduciary.
32. ERISA's enumeration of Prohibited Transactions for Fiduciaries and Parties in Interest was to prevent and prohibit the exact type of abuse which is alleged here. Courts have held that the requirement not to engage in Prohibited Transactions also applies to Parties in Interest.

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33. Section 8.E.1(b) of the Act provides, inter alia, that subject to the provisions of subsection F of Section 11 of the Act, the registration of a salesperson or an investment adviser representative may be suspended or revoked if the Secretary of State finds that the salesperson or investment adviser representative has engaged in any unethical practice in the offer or sale of securities or in any fraudulent business practice.
34. Section 8.E.1(e)(1) of the Act provides, inter alia, that subject to the provisions of subsection F of Section 11 of the Act, the registration of a dealer may be suspended or revoked if the Secretary of State finds that the dealer has failed reasonably to supervise the securities activities of any of its salesperson or other employees and the failure has permitted or facilitated a violation of Section 12 of the Act.
35. Section 8.E.1(e)(iv) of the Act provides, inter alia, that subject to the provision of subsection F of Section 11 of the Act, the registration of a dealer may be suspended or revoked if the Secretary of State finds that the dealer has failed to maintain and enforce written procedures to supervise the types of business in which it engages and to supervise the activities of its salespersons that are reasonably designed to achieve compliance with applicable securities laws and regulations.
36. Section 8.E.1(g) of the Act provides, inter alia, that subject to the provisions of subsection F of the Section 11 of the Act, the registration of a salesperson or investment adviser representative may be suspended or revoked if the Secretary of State finds that the salesperson or investment adviser representative has violated any provisions of the Act.
37. Section 12.F of the Act provides, inter alia, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
38. Section 12.J of the Act, provides, inter alia, that it shall be violation of the Act for any person when acting as an investment adviser representative by any means or instrumentality, directly or indirectly: (1) To employ any

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device, scheme or artifice to defraud any client or prospective client; (2) To engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client; or (3) To engage in any act, practice, or course of business is fraudulent, deceptive or manipulative.

39. By virtue of the foregoing, Suzanne Michelle Wiegand has violated Sections 12.F and J of the Act.
40. Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsections F or J of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
41. Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act; and
42. By virtue of the foregoing, Suzanne Michelle Wiegand is subject to a fine of up to \$10,000.00 per violation and an order which permanently prohibits her from offering or selling securities in the State of Illinois
43. By virtue of the foregoing, A. G. Edwards is subject to the entry of an Order which revokes its dealer registration in the State of Illinois pursuant to the authority provided under Section 8.E.1(e)(1), (e)(iv) or of the Act.
- 44. By virtue of the foregoing, Suzanne Michelle Wiegand is subject to the entry of an Order which revokes her salesperson and investment adviser representative registrations in the State of Illinois pursuant to the authority provided under Section 8.E.1(b) or (g) of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer, special appearance or other responsive pleading to the allegations outlined above within thirty days of the receipt of this notice. A failure to

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file an answer, special appearance or other responsive pleading within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any respondent has upon due notice moved for and obtained a continuance.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated this 18th day of May, 2007.



JESSE WHITE
Secretary of State
State of Illinois

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010-707-4380-5029 WNK

ENHANCED DUE DILIGENCE QUESTIONNAIRE

(576) 576-37029 UPDATE ONLY

Client Name <u>Gilster MARY Lee</u>	Account Number <u>12447, 14685, 14649, 45047, 75369, 75370, 30701</u>
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Questions 1 through 10 must be answered for ALL Designated Accounts. Question 11 must be answered for all INDIVIDUAL Designated Accounts. Question 12A must be answered for all NRA Accounts (including foreign trusts, PICS and NRA sole proprietors). Question 13 must be answered for all NON-INDIVIDUAL Designated Accounts

1 INDIVIDUAL DESIGNATED ACCOUNTS

- Non Resident Alien
- Personal Investment Company ("PIC")
- Foreign Trust
- Individual with a net worth of \$10 million or more
- Sole Proprietorship
- Foreign Public Figure



If opening an account for a Foreign Public Figure, you must contact the Compliance Department for further guidance

- FP Code
- GEO Code
- CIT Code

NON-INDIVIDUAL DESIGNATED ACCOUNTS

- Non-public Corporation
- Hedge Fund
- Partnership
- Limited Partnership ("LP")
- Limited Liability Company or Partnership ("LLC" or "LLP")
- Financial Institution
- Money Manager, Investment Advisor or Investment Advisory Firm

2 How were you introduced to the client or its agent?

- Walk-in
- Solicitation
- Seminar
- Client initiated contact
- Referral from
- Client is a family member (specify)
- Money Manager
- Other (specify)
- A Citigroup affiliate
- An existing SSB client

Daughter worked for Barb

Other (specify) Employee

You must contact the referring party and check name against BADI

Name of Referring Party <u>Suzanne Wiegand</u>	Phone Number of Referring Party <u>615-934-4350</u>
Client's Relationship to the Referring Party	

How long have you known the referring party?

- Less than three months
- Less than one year
- One to five years
- More than five years

How long has the referring party known the client or client's agent?

- Less than three months
- Less than one year
- One to five years
- More than five years

3 How long have you known the client or client's agent?

- Less than three months
- Less than one year
- One to five years
- More than five years

4 Did you meet personally prior to opening the account?

If yes, where? (Check all that apply)

- Client's Home
- Client's Business
- SSB Branch Office
- Other (specify)

5 Are you aware of any prior or pending criminal proceeding, or any negative reputation issues involving the client, client's agent or the referring party, if any?

- Yes
- No



If you answered YES to this question, you must advise a member of your management team to contact the Compliance Department for further guidance.

6 Approximately what percentage of the initially deposited funds does the client anticipate will be invested (not including bank deposit funds)?

- 50% or more
- 25 - 49%
- 24% or less
- Undecided

If less than 25% or undecided, please explain Stacked Small

7 Will this be an FMA account?

- Yes
- No

a If Yes, has the client expressed an interest in receiving checks or debit card? Which? Checks Debit Card

b If you checked either, will the use of the checks or debit card constitute the primary activity of the account? Yes No



Attachment A

ENHANCED DUE DILIGENCE QUESTIONNAIRE (continued)

8 FUNDS MOVEMENT

A. Will there be third party deposits or withdrawals (e.g., checks, wire transfers, etc.) into or from the account?

Yes No

If yes, please describe the anticipated activity: _____

B. Will there be regular funds movement to/from foreign countries?

Yes No

If yes, please specify: _____

9 ANTICIPATED ACTIVITY

Indicate all products that are anticipated to be utilized by the client

Foreign Exchange

Foreign Exchange Derivatives

Money Market

Equities

Equity Derivatives

Futures

Futures Derivatives

Fixed Income

Fixed Income Derivatives

Commodities

Other

specify _____

10 Initial Anticipated Deposit

A

Total Amount	250 m	Securities	Other
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B. Identify institutions transmitting all or any part of the initial deposit

Name	Gilksa Mary Lee	Location	Chester.
Name		Location	

C. Is the initial deposit from a third-party source, including related but different name accounts?

Yes No

If yes, please explain: _____

11 What is the client's source of wealth? (Complete all applicable sections) (for Non-Individual Accounts, skip to Question 13)

Complete all of Section 11 for the beneficial owner of the PIC, settlor of the foreign trust and/or the sole proprietor

A. COMPENSATION DERIVED FROM CURRENT EMPLOYMENT RETIRED (provide information about last employer)

1) Name and Address of Employer
2) Client's Occupation
3) Nature of Employer's Business
4) Annual Salary (Gross)
5) Employed Since

B. PRESENT BUSINESS OWNERSHIP

Private Company

Public Company

Stock Symbol _____

Identify Exchange _____

1) Name and Address of Company
2) Describe the business of the Company (be specific) _____
3) Percent Ownership
4) If a private company, list names of other owners with 10% or more ownership



If unable to obtain, you must contact the Compliance Department for further guidance. If obtained, do a BADI check on names

ENHANCED DUE DILIGENCE QUESTIONNAIRE (continued)

11 What is the client's source of wealth? (continued)

B	5) Approximately how long has the Company been in existence?	6) Approximate number of employees
	7) Prior Year's Annual Gross Revenues	
	8) Primary geographic market areas	
	9) Significant revenues from government contracts/licenses? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't Know	
	10) If yes please state which governments/countries?	

C OTHER SOURCES OF WEALTH

1)	From Real Estate Investments? <input type="checkbox"/> Commercial <input type="checkbox"/> Residential <input type="checkbox"/> Undeveloped Property <i>Describe</i> _____
2)	From Securities? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Describe</i> _____
3)	From Private Investment? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Describe</i> _____
4)	From the sale of a business? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Describe</i> _____
5)	OTHER such as inheritance or trust fund distributions? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Describe</i> _____

12A For NRA accounts Have you obtained a copy of the client's passport or other government photo identification (e.g., drivers license, national identity card)? *Note: A separate EDD Form must be completed for each NRA account owner. Obtaining the passport information for NRA accounts is a Treasury Department regulation.*

Yes No

Name/Type of Identification	Number
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If a copy was not obtained, you must contact the Compliance Department for further guidance.

12B PERSONAL INVESTMENT COMPANY ("PIC") FOREIGN TRUST SOLE PROPRIETORSHIP

1) Was the PIC or Foreign Trust created by a Citigroup entity? Yes No

2) Please identify the PIC Beneficial Owner the Trust Settlor and the Beneficiaries _____

(A BADI check must be done)

3) For Sole Proprietorships is a) there a "DBA" (doing business as) name? Yes No
 b) this a domestic or foreign entity?
 If yes state the DBA (**Note: A BADI check must be done**) _____


ENHANCED DUE DILIGENCE QUESTIONNAIRE (continued)

12B (continued)

4) Does the PIC, Foreign Trust or Sole Proprietorship have any agents authorized to conduct business on its behalf? Yes No


If yes please identify any authorized agents (Note A)

BADI check must be done)

 If unable to obtain the names of the owner, beneficiary, or authorized agent, you must contact the Compliance Department for further guidance

5) Where was the entity incorporated or formed?

6) Have you obtained a copy of the Articles of Incorporation (PIC) Formation Agreement (PIC), Trust Agreement, or any formation document for a sole proprietorship? Yes No



 If you answered no, you must contact the Compliance Department for further guidance.

Remember Passport copies must be obtained for PIC Beneficial owners Foreign Trust Settlers and NRA Sole Proprietors

The Applicable Section of Question 13 must be answered for all NON-INDIVIDUAL ACCOUNTS

13 Type of Entity

A HEDGE FUND

1) When was the Fund initially funded?			
2) Is this an "off-shore" Fund? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes please specify jurisdiction of formation			
3) Identify the Fund's Portfolio Manager and individuals comprising the general partner (Note check names against BADI)			
4) State the minimum investment amount		5) Describe Fund's market focus.	
6) Investor base		Individual Investors	Institutions
		%	%
7) Is the Fund currently open to new investors? <input type="checkbox"/> Yes <input type="checkbox"/> No			
8) Does the Fund have audited financials? <input type="checkbox"/> Yes <input type="checkbox"/> No Identify the audit firm			
9) Have the offering document and subscription agreement been obtained? <input type="checkbox"/> Yes <input type="checkbox"/> No  If you answered no, you must contact the Compliance Department for further guidance			
10) Does the Fund have Anti-Money Laundering policies and/or procedures? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes does the client verify of the customer's a) Identification? <input type="checkbox"/> Yes <input type="checkbox"/> No b) Source of funds? <input type="checkbox"/> Yes <input type="checkbox"/> No c) Source of wealth? <input type="checkbox"/> Yes <input type="checkbox"/> No  If you answered no, or are unable to obtain this information, you must contact the Compliance Department for further guidance			
11) If you have visited the place of business please describe			

ENHANCED DUE DILIGENCE QUESTIONNAIRE (continued)

13 Type of Entity (continued)

B. FINANCIAL INSTITUTION MONEY MANAGER INVESTMENT ADVISOR/FIRM
 Will this be a PROPRIETARY or OMNIBUS ACCOUNT (non-proprietary funds)

1) a) Is this client a U S -regulated entity? Yes No
 b) If the client is not a U S -regulated entity is the client regulated by a financial services regulator of another country? Yes No
 c) If the client is regulated in another country which country? _____

2) How does the client market its services?
 Mass Mailings Telephone Solicitations Referrals/Prospecting Other

3) Does the client have Anti-Money Laundering policies and/or procedures? Yes No
 If yes does the client verify the customer's
 a) identification? Yes No
 b) Source of funds? Yes No
 c) Source of wealth? Yes No

STOP If you answered no, or are unable to obtain this information you must contact the Compliance Department for further guidance

4) If you have visited the place of business, please describe

5) Is this is an offshore bank? Yes No If yes, approximately how many branches? _____ Countries where the branches are located _____

C NON-PUBLIC CORPORATION LP LLC/LLP PARTNERSHIP
 This entity is Domestic Offshore

1) Name business address and nature of the entity's business? Gilster Mary Lee Inc.
1037 State St. Chester, OH 62233

2) If you have visited the place of business please describe Yes

3) Please identify the principal shareholders (10% or more ownership), general partners or partners and directors (check names against BADI) Michael Welge / Don Welge

STOP If unable to obtain the names of the principal(s), etc., you must contact the Compliance Department for further guidance

4) Entity's Taxpayer ID# 37-6122087 Not applicable because foreign entity with no Taxpayer ID#

5) Date of formation 8/2/1995 6) Place of formation Chester, OH

7) Name and location of entity's bank Chester Savings Bank Chester, OH / Buena Vista Bank West of

8) Bank officer (name) Michael Welge / Don Welge Bank officer telephone number 618-826

9) Does the client have audited financials? Yes No If yes identify the audit firm Kerran Eck, + Breueckel

10) Has copy of the relevant formation document been obtained? Yes No **STOP** If unable to obtain the formation document you must contact the Compliance Department for further guidance

11) If this is an offshore entity, any person authorized to transact business in the account must provide a copy of his/her passport

Name/Type of Identification	Number

STOP If unable to obtain copies of passports for all authorized persons, you must contact the Compliance Department for further guidance.

ALL BADI CHECKS HAVE BEEN COMPLETED FC Initials MS

Financial Consultant Signature <u>[Signature]</u>	Date _____	Approved/Branch Manager Signature <u>[Signature]</u>	Date <u>10-15-02</u>
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NOTEPAD

Gilster-Mary Lee Corp
Employees Profit Sharing
Rtrmt Pl & Tr U A DTD
12-8-72 Mike Welge TEE
PO Box 227
Chester, IL 62233

H (618) 826-2039
B: (800) 642-4531 x3106
F. (618) 826-2973

SUZANNE M WIEGAND
(618) 939-4400
(800) 897-0972

Wed 02/22/2006 01:38 PM - Suzanne called in from vacation and had me sell 2000 LNY @ MKT kse
Wed 01/11/2006 12:58 PM - I spoke with Mike Wedge today about the performance of the Gilster Mary Lee accounts. He told me that he calls his own shots, has accounts in several other places, and that the positions are probably 4 times as large as what we see at AGE as he has accounts in other firms. He named MSDW, All F Trade, and also noted that a broker with AGE in Cape G has been calling on him as well. He is aware of the amount of commissions he pays and admits that Suzanne (his daughter) is an order taker on his account. PCMc
Tue 07/12/2005 11:38 AM - Per Mike Welge is holding junk bond #45734SAA4
Wed 04/27/2005 09:22 AM - Karen called for the sale proceeds for the LB and the \$ amount from the cash merger of Mandalay Resort Group kse
Tue 04/26/2005 02:02 PM - per Mike Welge sell 5000 LB @ mkt for Suzanne. GWH
Mon 02/07/2005 08:37 AM

Suzanne Wiegand



Specializing in Private Brand Food Manufacturing

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 Fax #(618) 826-2973

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TO: Suzanne Wiegand

COMPANY NAME: _____

LOCATION (618) 939-5110

FROM: Mike Welge

COMMENTS: _____

If this transmission is not complete or the pages are illegible, please call (618) 826-2361, ext. 3107

A G EDWARDS & SONS INC
16 Executive Drive Suite 100
Fairview Heights, IL 62208

phone 618/624 8190
toll free 800/228 8190
fax 618/624 8390

*Suzanne
FXX
Love
Dad*



January 11, 2006

Mr Michael Welge
Gilster-Mary Lee Corp
PO Box 227
Chester, IL 62233

Dear Mike,

It was a pleasure speaking with you again earlier today. I had intended to follow up on our meeting at the Waterloo office's open house prior to this call, and am happy to once again make your acquaintance. As mentioned, periodically we need to conduct a review of some of our accounts, so this was a good opportunity to get in touch with you.

You mentioned in our discussion that you make your own decisions on the investments made for the Gilster-Mary Lee Employees Profit Sharing account (3001-0186). You also mentioned that you have similar sized positions with other firms, and that the true size is three to four times the size that we have at AG Edwards. Certainly we would like to earn more of your business as time goes by, and it is my intention to do all that is possible to support Suzanne in her role.

In looking over your account at AG Edwards in Waterloo, I note that for 2005 there were realized profits of slightly over \$1,005,000 and unrealized profits of over \$1,400,000. Commissions paid were \$80,347 for the period of May through December of 2005.

I do look forward to having the opportunity to spend some time with you when you come through the Fairview Heights area. Should you need to reach me, I am enclosing my business card for you reference.

Sincerely,

Patrick C. McAllister
Vice President
Branch Manager