

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: THRIVENT INVESTMENT MANAGEMENT )  
INC., ITS MANAGERS, ) File No. 1700167  
OFFICERS, AFFILIATES, SUBSIDIARIES, )  
REPRESENTATIVES, AND ASSIGNS )  
)

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Notice of Hearing

TO THE RESPONDENT: Thrivent Investment Management, Inc.  
CRD No. 18387

c/o Jeff Ziesman  
Attorney at Law  
Bryan Cave  
One Kansas City Place  
1200 Main St., Suite 3800  
Kansas City, MO 64105-2122

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 421 E. Capitol Ave. 2<sup>nd</sup> Floor, on the 21<sup>st</sup> day of June, 2017 at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Abby Sgro, or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order should be entered against the Respondent, Thrivent Investment Management, Inc., which suspends or revokes its dealer registration, prohibits Thrivent Investment Management, Inc. from offering or selling securities and or providing investment advice in the State of Illinois and granting such other relief and sanctions against the Respondent, Thrivent Investment Management, Inc., as may be authorized under the Act including but not limited to imposition of a Censure and/or monetary fines in the maximum amount pursuant to Section 11 of the Act, payable within ten (10) days of the entry of the Order.

Grounds for such action are as follows:

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1. Thrivent Investment Management, Inc. ("Thrivent Investment") is a business incorporated in the state of Delaware with a principal place of business at 625 Fourth Avenue South, Minneapolis, Minnesota, 55415-1665 and is a member of FINRA (Financial Industry Regulatory Authority) with CRD #18387.
2. Thrivent Investment is a wholly owned subsidiary of Thrivent Financial Holdings Inc.; Thrivent Financial Holdings Inc is the wholly owned subsidiary of Thrivent Financial for Lutherans ("Thrivent Financial").
3. Thrivent Investment has been registered as a broker-dealer in Illinois since July 20, 1987 and notice-filed as a federally covered investment adviser in Illinois since June 26, 2002.
4. As a registered broker-dealer and a notice filed investment adviser in the State of Illinois, Thrivent Investment is obligated under the Illinois Securities Act, and by the SEC and FINRA to supervise its employees, independent contractors, and registered representatives in order to ensure compliance with applicable Federal, State, and self-regulatory organization laws, rules, and regulations.
5. Such duties include the requirement to create, maintain, and enforce written supervisory procedures in order to ensure compliance with applicable securities laws, rules, and regulations and to create and test internal controls to ensure the efficacy of the written supervisory procedures.
6. Additionally, Thrivent Investment is required to maintain certain books and records evidencing its compliance with applicable securities laws, rules and regulations.
7. Pursuant to the Section 11 of the Illinois Securities Law, the Department is authorized to obtain evidence and information from registrants, including information requested in a subpoena, which is relevant to the Department's investigation.
8. The Department has an ongoing investigation regarding, among other things, Thrivent Investment's procedures, training of salespersons, supervision and other duties required of Dealers.
9. As part of an ongoing investigation, the Department issued two subpoenas dated April 14, 2017 (the "First Subpoena") and April 18, 2017 (the "Second Subpoena") to Thrivent Investment requiring the production of emails of certain employees and registered representatives of Thrivent Investment and relevant to the Department's investigation.
10. The First Subpoena's response was due May 1, 2017 at 10 AM CST.
11. The Second Subpoena's response is due May 15, 2017 at 10 AM CST.
12. The emails requested by the Subpoenas are required to be kept by Thrivent Investment pursuant to SEC and FINRA rules and by Department rules and statutes.
13. SEC Rule 17a-4, FINRA Rules 3110 and 2110 and the Illinois Securities Act, Section 8.E(q) impose a duty on broker dealers, including Thrivent Investment, to maintain email records.

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14. SEC, FINRA and Illinois Securities Law provisions require broker dealers to grant access to and produce documents to regulators.
15. Additionally, Thrivent Investment's Written Supervisory Procedures Manual states that it preserves records in electronic format for six years.
16. On May 1, 2017 at approximately 5:08 PM, the Department received, by email from counsel for Thrivent Investment, a response to both subpoenas that refused to provide the subpoenaed documents and instead objected to the subpoenas in their entirety on the grounds that they were, inter alia, 'incredibly burdensome,' arbitrary, capricious, oppressive, and unreasonable.
17. Respondent refused and continues to refuse to produce emails that are required to be maintained pursuant to broker dealer recordkeeping requirements and that are in the Respondent's possession in electronic, easily producible format.
18. That by virtue of the foregoing, the Respondent has violated sections 12.D and 12.E of the Act.
19. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D or E of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in or from this State.
20. That by virtue of the foregoing, Respondent, Thrivent Investment, is subject to an order prohibiting it from offering or selling securities and offering investment advice in or from this State.
21. That by virtue of the foregoing the Respondent Thrivent Investment's registration as a dealer is subject to a suspension or revocation pursuant to Section 8.E.1 (g), (h), (m), (q) and (r) of the Act.
22. That 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 censure and/or a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act.
23. That by virtue of the foregoing, the Respondent, Thrivent Investment, is subject to a censure and/or fine of up to \$10,000.00 per each violation, and the orders and prohibitions set forth above.

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 to the allegations outlined within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing.

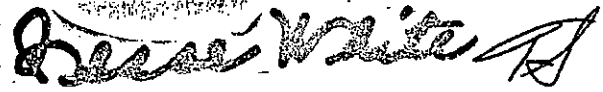
Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default.

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

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Dated this 5<sup>th</sup> day of May, 2017.

A handwritten signature in black ink that reads "Jesse White" with a stylized flourish at the end.

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Jesse White  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:  
Thomas Hoffman  
Illinois Securities Department  
421 E. Capitol Ave. 2<sup>nd</sup> Floor  
Springfield, Illinois 62701  
Telephone: (217) 785-4947

Hearing Officer:  
Abby Sgro  
1 W. Old State Capitol Plaza  
Springfield, IL 62701