DIVISION OF SECURITIES AND RETAIL FRANCHISING

The Division of Securities and Retail Franchising of the State Corporation Commission is charged with the administration of the following laws:

Virginia Securities Act (known as the "Blue Sky Law"), Virginia Code Sections 13.1-1 to 13.1-527.3.

UNDER THE VIRGINIA SECURITIES ACT:

9 qualification applications received
67 coordination applications received
1 notification applications received
2,508 investment company filings
27 filings for exemption from registration
2,079 filings for exemption-related federal covered securities
196 broker-dealer registrations approval
2,256 broker-dealer registrations renewal
129 broker-dealer registrations denied, withdrawn, and terminated
12 broker-dealer audits
38,234 agent registrations approval
130,695 agent registrations renewal
4 agents placed on special supervision
754 agent registrations denied, withdrawn, and terminated
92 investment advisor registrations approval
1,855 investment advisor registrations renewal
12 investment advisor registrations denied, withdrawn, and terminated
51 investment advisor representative registrations denied, withdrawn, and terminated
1,487 investment advisor representative registrations approval
8,533 investment advisor representative registrations renewal
56 investment advisor audits
394 violation deficiencies resolved
0 orders filing and/or canceling surety bonds
13 orders granting exemptions and/or official interpretations
28 orders for subpoena of records by banks, corporations, and individuals
11 orders of show cause
22 judgments of compromise and settlement
12 final order and/or judgment
1 temporary injunction
107 investigations completed

UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

857 applications for trademarks and/or service marks approved, renewed, or assigned
747 applications for trademarks and/or service marks denied, abandoned, expired, or withdrawn

UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

1,612 franchise registration, renewal, or post-effective amendment applications received
304 franchises denied, withdrawn, non-renewed, or terminated
2 orders for show cause
15 judgments of compromise and settlement
6 final orders and/or judgment
22 investigations completed

TELEPHONE CALLS AND COMPLAINTS:

1,079 pending enforcement calls
237 enforcement general inquiry calls
741 pending registration application calls
13,199 registration general inquiry calls
1,738 pending audit calls
651 audit general inquiry calls
3,186 pending examination application calls
9,619 examination general inquiry calls
1,070 pending TM/SM calls
1,319 TM/SM general inquiry calls
211 complaints resulting in investigations
35 complaints resulting in referrals
69 complaints resulting in no actions

<table>
<thead>
<tr>
<th>Kind</th>
<th>2004</th>
<th>2005</th>
<th>Increase or Decrease</th>
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<tbody>
<tr>
<td>Securities Act</td>
<td>$7,530,476.38</td>
<td>$8,018,309.75</td>
<td>$487,833.37</td>
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<tr>
<td>Retail Franchising Act</td>
<td>421,950.00</td>
<td>451,100.00</td>
<td>29,150.00</td>
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<tr>
<td>Trademarks-Service Marks</td>
<td>27,920.00</td>
<td>35,045.00</td>
<td>7,125.00</td>
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<tr>
<td>Penalties</td>
<td>186,500.00</td>
<td>173,047.30</td>
<td>(13,452.70)</td>
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<td>Global Settlement Penalties</td>
<td>0.00</td>
<td>627,219.00</td>
<td>627,219.00</td>
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<tr>
<td>Cost of Investigations</td>
<td>54,886.00</td>
<td>50,826.48</td>
<td>(4,059.52)</td>
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<td><strong>TOTAL</strong></td>
<td>$8,221,732.38</td>
<td>$9,355,547.53</td>
<td>$1,133,815.15</td>
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