

## Jefferies LLC Disclosure Statement

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On March 12, 2014, pursuant to an offer of settlement by Jefferies LLC, the SEC entered an administrative order finding certain supervisory failures associated with its mortgage-backed securities department under Section 15(b)(4)(E) of the Securities Exchange Act of 1934. The administrative order censured Jefferies LLC and required the payment of disgorgement, prejudgment interest, and a civil penalty. Coincident with Jefferies LLC's offer of settlement with the SEC, Jefferies LLC also entered into a non-prosecution agreement ("NPA") with the Justice Department related to the same conduct. Pursuant to the NPA, Jefferies LLC stipulated to certain facts and agreed to pay a monetary penalty, with credit for certain restitution payments and the SEC penalty. Jefferies LLC received waivers from the SEC of any disqualifications under Regulations A, D (Rule 505 and 506), and E arising from the settlement, effective as of March 12, 2014. A more detailed description of Jefferies LLC's settlement with the SEC and the relief granted is available at <http://www.sec.gov/divisions/corpfin/cf-noaction/2014/jefferiesllc-3b-506d-031814.pdf>. The SEC Order is available at <http://www.sec.gov/litigation/admin/2014/34-71695.pdf>.

On February 2, 2016, pursuant to an offer of settlement by Jefferies LLC, the SEC entered an administrative order, pursuant to its Municipalities Continuing Disclosure Cooperation ("MCDC") initiative, finding that Jefferies LLC, in connection with its underwriting of certain municipal securities offerings, willfully violated Section 17(a)(2) of the Securities Act of 1933. The administrative order requires Jefferies LLC to cease and desist from committing or causing any violations or any future violations of Section 17(a)(2), to pay a civil penalty, and to complete certain undertakings. Jefferies LLC received waivers from the SEC of any disqualifications under Regulations A (Rule 262), D (Rule 505 and 506), and E arising from the settlement, effective as of February 2, 2016. The SEC Order is available at <https://www.sec.gov/rules/other/2016/33-10030.pdf>.