

BrokerCheck Report

RICHARD JAY BERNSTEIN

CRD# 1113777

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About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- o information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. [For more information about FINRA, visit www.finra.org.](http://www.finra.org)



RICHARD J. BERNSTEIN

CRD# 1113777

Currently employed by and registered with the following Firm(s):

WELLS FARGO CLEARING SERVICES, LLC

1999 AVENUE OF THE STARS
STE 2200
LOS ANGELES, CA 90067
CRD# 19616

Registered with this firm since: 07/01/2015

WELLS FARGO CLEARING SERVICES, LLC

925 TAHOE BLVD STE 202
INCLINE VILLAGE, NV 89451
CRD# 19616

Registered with this firm since: 07/01/2015

Report Summary for this Broker

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

Broker Qualifications

This broker is registered with:

- 5 Self-Regulatory Organizations
- 17 U.S. states and territories

This broker has passed:

- 0 Principal/Supervisory Exams
- 2 General Industry/Product Exams
- 2 State Securities Law Exams

Registration History

This broker was previously registered with the following securities firm(s):

MORGAN STANLEY

CRD# 149777
BEVERLY HILLS, CA
06/2009 - 07/2015

MORGAN STANLEY & CO. INCORPORATED

CRD# 8209
BEVERLY HILLS, CA
04/2009 - 06/2009

UBS FINANCIAL SERVICES INC.

CRD# 8174
BEVERLY HILLS, CA
02/2003 - 04/2009

Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

Are there events disclosed about this broker? **Yes**

The following types of disclosures have been reported:

| Type | Count |
|------------------|-------|
| Customer Dispute | 8 |

Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at <https://www.adviserinfo.sec.gov>



Broker Qualifications

Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

This individual is currently registered with 5 SROs and is licensed in 17 U.S. states and territories through his or her employer.

Employment 1 of 1

Firm Name: **WELLS FARGO CLEARING SERVICES, LLC**

Main Office Address: **ONE NORTH JEFFERSON AVENUE
MAIL CODE: H0004-050
ST. LOUIS, MO 63103**

Firm CRD#: **19616**

| SRO | Category | Status | Date |
|-------------------------|-----------------------------------|----------|------------|
| FINRA | General Securities Representative | APPROVED | 07/01/2015 |
| NYSE American LLC | General Securities Representative | APPROVED | 07/01/2015 |
| Nasdaq PHLX LLC | General Securities Representative | APPROVED | 07/01/2015 |
| Nasdaq Stock Market | General Securities Representative | APPROVED | 07/01/2015 |
| New York Stock Exchange | General Securities Representative | APPROVED | 07/01/2015 |

| U.S. State/ Territory | Category | Status | Date | U.S. State/ Territory | Category | Status | Date |
|--------------------------|----------|----------|------------|--------------------------|----------|----------|------------|
| Alabama | Agent | APPROVED | 11/09/2018 | New York | Agent | APPROVED | 07/01/2015 |
| Arizona | Agent | APPROVED | 07/01/2015 | North Carolina | Agent | APPROVED | 07/01/2015 |
| California | Agent | APPROVED | 07/01/2015 | Oregon | Agent | APPROVED | 07/06/2015 |
| Florida | Agent | APPROVED | 07/01/2015 | South Carolina | Agent | APPROVED | 07/23/2015 |
| Hawaii | Agent | APPROVED | 08/31/2015 | Texas | Agent | APPROVED | 07/01/2015 |
| Idaho | Agent | APPROVED | 10/18/2018 | Utah | Agent | APPROVED | 07/01/2015 |
| Illinois | Agent | APPROVED | 07/02/2015 | Washington | Agent | APPROVED | 07/15/2015 |
| Nevada | Agent | APPROVED | 07/06/2015 | Wisconsin | Agent | APPROVED | 07/01/2015 |
| New Mexico | Agent | APPROVED | 07/01/2015 | | | | |

Broker Qualifications



Employment 1 of 1, continued

Branch Office Locations

WELLS FARGO CLEARING SERVICES, LLC

925 TAHOE BLVD STE 202
INCLINE VILLAGE, NV 89451

WELLS FARGO CLEARING SERVICES, LLC

1999 AVENUE OF THE STARS
STE 2200
LOS ANGELES, CA 90067



Broker Qualifications

Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

This individual has passed 0 principal/supervisory exams, 2 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

| Exam | Category | Date |
|--------------------------|----------|------|
| No information reported. | | |

General Industry/Product Exams

| Exam | Category | Date |
|---|----------|------------|
| Securities Industry Essentials Examination | SIE | 10/01/2018 |
| General Securities Representative Examination | Series 7 | 04/16/1983 |

State Securities Law Exams

| Exam | Category | Date |
|--|-----------|------------|
| Uniform Investment Adviser Law Examination | Series 65 | 10/11/1995 |
| Uniform Securities Agent State Law Examination | Series 63 | 04/29/1983 |

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

| Registration Dates | Firm Name | CRD# | Branch Location |
|--------------------|--|--------|-------------------|
| 06/2009 - 07/2015 | MORGAN STANLEY | 149777 | BEVERLY HILLS, CA |
| 04/2009 - 06/2009 | MORGAN STANLEY & CO. INCORPORATED | 8209 | BEVERLY HILLS, CA |
| 02/2003 - 04/2009 | UBS FINANCIAL SERVICES INC. | 8174 | BEVERLY HILLS, CA |
| 04/1992 - 03/2003 | SALOMON SMITH BARNEY INC. | 7059 | NEW YORK, NY |
| 12/1988 - 05/1992 | PRUDENTIAL SECURITIES INCORPORATED | 7471 | NEW YORK, NY |
| 08/1985 - 12/1988 | BEAR, STEARNS & CO. INC. | 79 | |
| 04/1983 - 09/1985 | MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED | 7691 | |

Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

| Employment Dates | Employer Name | Employer Location |
|-------------------|--|---------------------|
| 11/2016 - Present | WELLS FARGO CLEARING SERVICES, LLC | INCLINE VILLAGE, NV |
| 07/2015 - 11/2016 | WELLS FARGO ADVISORS, LLC | INCLINE VILLAGE, NV |
| 01/2015 - 07/2015 | MORGAN STANLEY PRIVATE BANK, NATIONAL ASSOCIAT | NEW YORK, NY |
| 11/2014 - 07/2015 | MORGAN STANLEY SMITH BARNEY LLC | CRYSTAL BAY, NV |
| 02/2010 - 07/2015 | MORGAN STANLEY SMITH BARNEY LLC | WAILEA, HI |
| 06/2009 - 07/2015 | MORGAN STANLEY SMITH BARNEY LLC | BEVERLY HILLS, CA |
| 04/2009 - 06/2009 | MORGAN STANLEY & CO. INCORPORATED | BEVERLY HILLS, CA |

Registration and Employment History



Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

No information reported.



Disclosure Events

What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - o A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
 - o A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
 - o
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
 - o
4. **There are different statuses and dispositions for disclosure events:**
 - o A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - § A "pending" event involves allegations that have not been proven or formally adjudicated.
 - § An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - § A "final" event has been concluded and its resolution is not subject to change.
 - o A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - § An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - § A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - § A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

| | Pending | Final | On Appeal |
|------------------|---------|-------|-----------|
| Customer Dispute | 2 | 6 | N/A |





Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Customer Dispute - Award / Judgment

This type of disclosure event involves a final, consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the broker that resulted in an arbitration award or civil judgment for the customer.

Disclosure 1 of 2

| | |
|--|---|
| Reporting Source: | Regulator |
| Employing firm when activities occurred which led to the complaint: | SMITH BARNEY SHEARSON, INC |
| Allegations: | UNAUTHORIZED TRADING; MISREPRESENTATION; SUITABILITY; BRCH OF FIDUCIARY DT |
| Product Type: | |
| Alleged Damages: | \$60,000.00 |
| Arbitration Information | |
| Arbitration/Reparation Claim filed with and Docket/Case No.: | UNKNOWN - CASE #95-03046 |
| Date Notice/Process Served: | 06/27/1995 |
| Arbitration Pending? | No |
| Disposition: | Other |
| Disposition Date: | 07/31/1996 |
| Disposition Detail: | CASE CLOSED,SETTLED/OTHER ACTUAL/COMPENSATORY DAMAGES, RELIEF HAS BEEN AWARDED (PARTIAL OR FULL), AWARD AMOUNT \$66,200.00 JOINTLY AND SEVERALLY; ACTUAL/COMPENSATORY DAMAGES, RELIEF REQUEST |



HAS
 BEEN DENIED IN FULL; OTHER MONETARY RELIEF, RELIEF REQUEST HAS
 BEEN DENIED IN FULL; INTEREST, RELIEF REQUEST HAS BEEN DENIED
 IN FULL; OTHER COSTS, RELIEF REQUEST HAS BEEN DENIED IN FULL;
 OTHER MONETARY RELIEF, RELIEF HAS BEEN AWARDED (PARTIAL OR
 FULL), AWARD AMOUNT \$25,000.00 JOINTLY AND SEVERALLY

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: SMITH BARNEY SHEARSON, INC

Allegations: UNSUITABLE INVESTMENTS LOSS OF INCOME, UNAUTHORIZED TRADE, \$30,000 LOSSES, \$30,000 LOST INCOME BREACH OF FIDUCIARY DUTY, FAILURE TO FOLLOW INSTRUCTIONS.

Product Type:

Alleged Damages: \$60,000.00

Customer Complaint Information

Date Complaint Received: 06/22/1994

Complaint Pending? No

Status: Arbitration/Reparation

Status Date:

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.; 95-03046](#)

Date Notice/Process Served: 06/27/1995

Arbitration Pending? No

Disposition: Award to Customer

Disposition Date: 07/31/1996



Monetary Compensation Amount: \$91,200.00

Individual Contribution Amount:

Broker Statement 66,200 JOINT & SEVERALLY LIABLE PLUS 25,000 ATTORNEYS FEES CONTACT [THIRD PARTY] 212-816-7613 CLIENT OWNED DIVERSIFIED PORTFOLIO OF BONDS WHICH ALL PAID INTEREST AS PROMISED. 68% OF PORTFOLIO WAS INVESTMENT GRADE. [CUSTOMER] ADMITTED ALL TRADES WERE AUTHORIZED IN HEARING. LOSSES IN ACCOUNT WERE SOLEY FROM HIGHER RATES IN 1994. THIS ARBITRATION PANEL EXLUDED KEY EVIDENCE WHICH WAS SUPOENED FROM CHARLES SCHWAB. FC IS PROTESTING FAIRNESS OF HEARING BECAUSE OF THIS EXCLUSION AND AWARDED AMOUNTS. IT SHOULD BE NOTED SMITH BARNEY MANAGER, [BRANCH MANAGER] FAILED TO RESPOND TO CLIENTS INITIAL COMPLAINT. [BRANCH MANAGER] ALSO SUPPRESSED FC`S WRITTEN RESPONSE TO [CUSTOMER].

Disclosure 2 of 2

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: PRUDENTIAL SECURITIES INC.

Allegations: CUSTOMER ALLEGED EXCESSIVE AND UNAUTHORIZED TRADING IN MOSTLY 1989 AND 1990, RESULTING IN DAMAGES OF \$250,000. OVER \$600,000 WAS REQUESTED IN ARBITRATION.

Product Type:

Alleged Damages: \$600,000.00

Customer Complaint Information

Date Complaint Received:

Complaint Pending? No

Status: Arbitration/Reparation

Status Date:

Settlement Amount:



**Individual Contribution
Amount:**

Arbitration Information

**Arbitration/Reparation Claim
filed with and Docket/Case
No.:** Pacific Stock Exchange; ARL-08203

Date Notice/Process Served: 12/01/1992

Arbitration Pending? No

Disposition: Award to Customer

Disposition Date: 01/27/1995

**Monetary Compensation
Amount:** \$31,300.00

**Individual Contribution
Amount:** \$0.00

Firm Statement

AWARD OF \$31,300 RENDERED, BUT CLAIMANT ALSO
ORDERED TO PAY FORUM FEES OF OVER \$5,000 CLAIM HAD PREVIOUSLY
BEEN INVESTIGATED BY THE N.A.S.D. AND THEY FOUND NO EVIDENCE OF
WRONGDOING. BROKER WAS NOT ASKED TO CONTRIBUTE BY
PRUDENTIAL
SECURITIES INCORPORATED.
Not Provided

Reporting Source: Broker

**Employing firm when
activities occurred which led
to the complaint:** PRUDENTIAL SECURITIES INC.

Allegations: UNKNOWN

Product Type:

Alleged Damages: \$600,000.00

Customer Complaint Information

Date Complaint Received:

Complaint Pending? No

Status: Arbitration/Reparation



Status Date:

Settlement Amount:

**Individual Contribution
Amount:**

Arbitration Information

**Arbitration/Reparation Claim
filed with and Docket/Case
No.:** PACIFIC STOCK EXCHANGE; ARL-08203

Date Notice/Process Served: 12/01/1992

Arbitration Pending? No

Disposition: Award to Customer

Disposition Date: 01/27/1995

**Monetary Compensation
Amount:** \$31,300.00

**Individual Contribution
Amount:** \$0.00

Broker Statement

UNKNOWN

I HAVE ANSWERED NO TO 22H1 & 22N1. I HAVE REQUESTED AN AMENDED U5 FROM PRUDENTIAL SECURITIES AS INDICIATED ON MY JUNE 23, 1992 LETTER TO [NASD OFFICER] AT THE NASD IN LOS ANGES TO MY KNOWLEDGE THERE HAS BEEN NO COMPLAINT FILED BY THE CLIENT [CUSTOMER]. ALLEGING UNAUTHORIZED TRADING. I HAVE ALSO REQUESTED THAT PRUDENTIAL SUPPLY ME WITH ANY ALLEGATIONS MADE BY THIS CLIENT AND HAVE RECEIVED OR HAVE BEEN TOLD OR NOTHING WHICH HAS TRANSPIRED SINCE MY DEPARTURE.



Customer Dispute - Settled

This type of disclosure event involves a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit containing allegations of sale practice violations against the broker that resulted in a monetary settlement to the customer.

Disclosure 1 of 2

| | |
|--|---|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | UBS FINANCIAL SERVICES, INC. |
| Allegations: | THE COMPLAINT AROSE OUT OF THE SALE OF AN AUCTION RATE SECURITY (ARS) THAT WAS MADE PRIOR TO THE WIDESPREAD ILLIQUIDITY IN THE ARS MARKET THAT OCCURRED IN FEBRUARY 2008. |
| Product Type: | Other: AUCTION RATE SECURITIES |
| Alleged Damages: | \$0.00 |
| Alleged Damages Amount Explanation (if amount not exact): | THE CUSTOMER DID NOT MAKE A CLAIM FOR COMPENSATORY DAMAGES AND/OR DAMAGES WERE DETERMINED TO BE LESS THAN \$5,000. |
| Is this an oral complaint? | No |
| Is this a written complaint? | Yes |
| Is this an arbitration/CFTC reparation or civil litigation? | No |

Customer Complaint Information

| | |
|--|---|
| Date Complaint Received: | 03/03/2008 |
| Complaint Pending? | No |
| Status: | Settled |
| Status Date: | 12/23/2008 |
| Settlement Amount: | \$50,000.00 |
| Individual Contribution Amount: | \$0.00 |
| Firm Statement | THE COMPLAINT AROSE IN CONNECTION WITH THE INDUSTRY WIDE BREAKDOWN OF LIQUIDITY IN THE MARKET FOR AUCTION RATE SECURITIES ("ARS"). THE FIRM AGREED TO REPURCHASE THE ARS SECURITIES AT ISSUE AT PAR VALUE FROM THE CLIENT PURSUANT TO A |



GLOBAL REPURCHASE AGREEMENT IT ENTERED INTO WITH SEVERAL REGULATORY BODIES. THIS WAS NOT A SETTLEMENT OF A DISPUTE BETWEEN THE CLIENT AND THE REPRESENTATIVE AND WAS NOT BASED ON THE MERITS OF THE CLIENT'S SPECIFIC CONCERNS OR ANY FINDING OF FAULT OR WRONGDOING BY THE NAMED REPRESENTATIVE. THE NAMED REPRESENTATIVE WAS NOT A PARTY TO, AND DID NOT AGREE TO OR PARTICIPATE IN, THE REPURCHASE AGREEMENT BETWEEN THE FIRM AND THE RELEVANT REGULATORY BODIES. THE NAMED REPRESENTATIVE DID NOT MAKE ANY PAYMENTS TO THE CLIENT AND THE NAMED REPRESENTATIVE WAS NOT ASKED TO AND DID NOT CONTRIBUTE TO THE SETTLEMENT AMOUNT. THE LISTED "SETTLEMENT AMOUNT" REPRESENTS ONLY THE GROSS INITIAL PAR VALUE OF THE ARS POSITION AND DOES NOT TAKE INTO ACCOUNT THE ACTUAL VALUE OF THE ARS POSITION AT THE TIME THE FIRM RECEIVED IT BACK FROM THE CLIENT IN CONNECTION WITH THE SETTLEMENT. THIS MATTER IS BEING REPORTED AS A SETTLEMENT PURSUANT TO THE REQUIREMENTS OF FINRA REGULATORY NOTICE 09-12.

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: UBS FINANCIAL SERVICES, INC.

Allegations: THE COMPLAINT AROSE OUT OF THE SALE OF AN AUCTION RATE SECURITY (ARS) THAT WAS MADE PRIOR TO THE WIDESPREAD ILLIQUIDITY IN THE ARS MARKET THAT OCCURRED IN FEBRUARY 2008.

Product Type: Other: AUCTION RATE SECURITIES

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): THE CUSTOMER DID NOT MAKE A CLAIM FOR COMPENSATORY DAMAGES AND/OR DAMAGES WERE DETERMINED TO BE LESS THAN \$5,000

Is this an oral complaint? No

Is this a written complaint? Yes

Is this an arbitration/CFTC reparation or civil litigation? No

Customer Complaint Information

Date Complaint Received: 03/03/2008



Complaint Pending? No
Status: Settled
Status Date: 12/23/2008
Settlement Amount: \$50,000.00
Individual Contribution Amount: \$0.00

Broker Statement

THE COMPLAINT AROSE IN CONNECTION WITH THE INDUSTRY WIDE BREAKDOWN OF LIQUIDITY IN THE MARKET FOR AUCTION RATE SECURITIES ("ARS"). THE FIRM AGREED TO REPURCHASE THE ARS SECURITIES AT ISSUE AT PAR VALUE FROM THE CLIENT PURSUANT TO A GLOBAL REPURCHASE AGREEMENT IT ENTERED INTO WITH SEVERAL REGULATORY BODIES. THIS WAS NOT A SETTLEMENT OF A DISPUTE BETWEEN THE CLIENT AND THE REPRESENTATIVE AND WAS NOT BASED ON THE MERITS OF THE CLIENT'S SPECIFIC CONCERNS OR ANY FINDING OF FAULT OR WRONGDOING BY THE NAMED REPRESENTATIVE. THE NAMED REPRESENTATIVE WAS NOT A PARTY TO, AND DID NOT AGREE TO OR PARTICIPATE IN, THE REPURCHASE AGREEMENT BETWEEN THE FIRM AND THE RELEVANT REGULATORY BODIES. THE NAMED REPRESENTATIVE DID NOT MAKE ANY PAYMENTS TO THE CLIENT AND THE NAMED REPRESENTATIVE WAS NOT ASKED TO AND DID NOT CONTRIBUTE TO THE SETTLEMENT AMOUNT. THE LISTED "SETTLEMENT AMOUNT" REPRESENTS ONLY THE GROSS INITIAL PAR VALUE OF THE ARS POSITION AND DOES NOT TAKE INTO ACCOUNT THE ACTUAL VALUE OF THE ARS POSITION AT THE TIME THE FIRM RECEIVED IT BACK FROM THE CLIENT IN CONNECTION WITH THE SETTLEMENT. THIS MATTER IS BEING REPORTED AS A SETTLEMENT PURSUANT TO THE REQUIREMENTS OF FINRA REGULATORY NOTICE 09-12.

Disclosure 2 of 2

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: UBS FINANCIAL SERVICES INC.

Allegations: TIME FRAME:JANUARY 2008
 CLIENT'S COUNSEL ALLEGES THAT THE FA FAILED TO FOLLOW HIS CLIENT'S INSTRUCTIONS TO LIQUIDATE THE CLIENT'S ACCOUNTS AS WAS SPECIFICALLY DIRECTED.

Product Type: Other



Other Product Type(s): VARIOUS
Alleged Damages: \$14,306.20

Customer Complaint Information

Date Complaint Received: 11/04/2008
Complaint Pending? No
Status: Settled
Status Date: 02/17/2009
Settlement Amount: \$5,792.72
Individual Contribution Amount: \$0.00



Customer Dispute - Closed-No Action / Withdrawn / Dismissed / Denied

This type of disclosure event involves (1) a consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the individual broker that was dismissed, withdrawn, or denied; or (2) a consumer-initiated, investment-related written complaint containing allegations that the broker engaged in sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities, which was closed without action, withdrawn, or denied.

Disclosure 1 of 2

| | |
|--|--|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | UBS FINANCIAL SERVICES INC |
| Allegations: | TIME FRAME: SEPTEMBER 27, 2005 TO JANUARY 23, 2009 THE CLIENT'S PERSONAL REPRESENTATIVE WITH AUTHORITY FROM THE CLIENT ALLEGES THAT THE FINANCIAL ADVISOR PURCHASED A HIGH RISK MUTUAL FUND WITHOUT HIS PERMISSION AFTER THE CLIENT GAVE INSTRUCTIONS TO ONLY PURCHASE "SAFE SECURITIES." |
| Product Type: | Other: CLOSED END MUTUAL FUNDS |
| Alleged Damages: | \$25,555.00 |
| Is this an oral complaint? | No |
| Is this a written complaint? | Yes |
| Is this an arbitration/CFTC reparation or civil litigation? | No |

Customer Complaint Information

| | |
|--|------------------|
| Date Complaint Received: | 12/29/2009 |
| Complaint Pending? | No |
| Status: | Closed/No Action |
| Status Date: | 05/03/2010 |
| Settlement Amount: | |
| Individual Contribution Amount: | |

Reporting Source: Broker



Employing firm when activities occurred which led to the complaint: UBS FINANCIAL SERVICES INC

Allegations: TIME FRAME: SEPTEMBER 27, 2005 TO JANUARY 23, 2009 THE CLIENT'S PERSONAL REPRESENTATIVE WITH AUTHORITY FROM THE CLIENT ALLEGES THAT THE FINANCIAL ADVISOR PURCHASED A HIGH RISK MUTUAL FUND WITHOUT HIS PERMISSION AFTER THE CLIENT GAVE INSTRUCTIONS TO ONLY PURCHASE "SAFE SECURITIES."

Product Type: Other: CLOSED END MUTUAL FUNDS

Alleged Damages: \$25,555.00

Is this an oral complaint? No

Is this a written complaint? Yes

Is this an arbitration/CFTC reparation or civil litigation? No

Customer Complaint Information

Date Complaint Received: 12/29/2009

Complaint Pending? No

Status: Closed/No Action

Status Date: 05/03/2010

Settlement Amount:

Individual Contribution Amount:

Disclosure 2 of 2

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: UBS FINANCIAL SERVICES INC.

Allegations: TIME FRAME: 2008
CLIENT'S COUNSEL ALLEGES THE FA PURCHASED UNSUITABLE SECURITIES IN THE CLIENT'S ACCOUNT. COUNSEL FURTHER ALLEGES OVER-CONCENTRATION IN THE CLIENT'S PORTFOLIO IN THE FINANCIAL SECTOR DESPITE INSTRUCTIONS TO AVOID MARKET RISK AND TO PRESERVE CAPITAL. DAMAGES ESTIMATED TO BE IN EXCESS OF \$5,000.



Product Type: Other
Other Product Type(s): PREFERRED STOCK
Alleged Damages: \$5,000.00

Customer Complaint Information

Date Complaint Received: 10/17/2008
Complaint Pending? No
Status: Denied
Status Date: 01/30/2009
Settlement Amount:
Individual Contribution Amount:



Customer Dispute - Pending

This type of disclosure event involves (1) a pending consumer-initiated, investment-related arbitration or civil suit that contains allegations of sales practice violations against the broker; or (2) a pending, consumer-initiated, investment-related written complaint containing allegations that the broker engaged in, sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities.

Disclosure 1 of 2

| | |
|--|--|
| Reporting Source: | Firm |
| Employing firm when activities occurred which led to the complaint: | MSSB |
| Allegations: | CLAIMANT ALLEGES INTER ALIA, UNSUITABILITY WITH RESPECT TO INVESTMENTS - May 2014 - Jul 2015 |
| Product Type: | Debt-Corporate Equity Listed (Common & Preferred Stock) |
| Alleged Damages: | \$175,500.00 |

Arbitration Information

| | |
|---|------------|
| Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): | FINRA |
| Docket/Case #: | 19-00013 |
| Date Notice/Process Served: | 01/15/2019 |
| Arbitration Pending? | Yes |

| | |
|--|---|
| Reporting Source: | Broker |
| Employing firm when activities occurred which led to the complaint: | Wells Fargo Clearing Services and Morgan Stanley |
| Allegations: | Claimant alleges that from 2015 through 2016, FA made unsuitable investments. |
| Product Type: | Other: Miscellaneous |
| Alleged Damages: | \$0.00 |
| Alleged Damages Amount Explanation (if amount not exact): | Claimant is seeking damages in the amount of at least \$175,500.00. |



Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): FINRA

Docket/Case #: 19-00013

Date Notice/Process Served: 01/15/2019

Arbitration Pending? Yes

Disclosure 2 of 2

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Morgan Stanley

Allegations: Claimant alleges, inter alia, that from February 2013 to July 2015 the FA made unauthorized trades which conflicted with the client's stated investment goals

Product Type: Equity Listed (Common & Preferred Stock)

Alleged Damages: \$81,738.82

Is this an oral complaint? No

Is this a written complaint? No

Is this an arbitration/CFTC reparation or civil litigation? Yes

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 17-00137

Filing date of arbitration/CFTC reparation or civil litigation: 01/09/2017

Customer Complaint Information

Date Complaint Received: 02/01/2017

Complaint Pending? Yes

Settlement Amount:


**Individual Contribution
Amount:**

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: Morgan Stanley and Wells Fargo Clearing Services, LLC

Allegations: Wells Fargo: Claimant is seeking at least \$53,000.00 in damages.

Morgan Stanley: Claimant alleges, inter alia, that from February 2013 to July 2015 the FA made unauthorized trades which conflicted with the client's stated investment goals

Product Type: Equity Listed (Common & Preferred Stock)

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): Claimant is seeking at least \$53,000.00 in damages.

Is this an oral complaint? No

Is this a written complaint? No

Is this an arbitration/CFTC reparation or civil litigation? Yes

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 17-00137

Filing date of arbitration/CFTC reparation or civil litigation: 01/09/2017

Customer Complaint Information

Date Complaint Received: 02/21/2019

Complaint Pending? Yes

Settlement Amount:

**Individual Contribution
Amount:**

End of Report



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