

BrokerCheck Report

MARK FRED AUGUSTA

CRD# 1333913

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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.



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)

Thank you for using FINRA BrokerCheck.

MARK F. AUGUSTA

CRD# 1333913

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

IA HILLTOP SECURITIES INC.
 2533 SO COAST HIGHWAY 101, SUITE
 250
 CARDIFF, CA 92007
 CRD# 6220
 Registered with this firm since: 05/27/2015

B HILLTOP SECURITIES INC.
 2533 SO COAST HIGHWAY 101, SUITE
 250
 CARDIFF, CA 92007
 CRD# 6220
 Registered with this firm since: 05/29/2015

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:**

- 11 Self-Regulatory Organizations
- 12 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):**

- B WEDBUSH SECURITIES INC.**
 CRD# 877
 SOLANA BEACH, CA
 01/2011 - 05/2015
- IA WEDBUSH SECURITIES INC.**
 CRD# 877
 LOS ANGELES, CA
 01/2011 - 05/2015
- B STONE & YOUNGBERG LLC**
 CRD# 795
 SAN DIEGO, CA
 07/2006 - 01/2011

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	21
Termination	1



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 11 SROs and is licensed in 12 U.S. states and territories through his or her employer.

Employment 1 of 1

Firm Name: **HILLTOP SECURITIES INC.**
 Main Office Address: **1201 ELM STREET, SUITE 3500
 SUITE 3500
 DALLAS, TX 75270-2180**
 Firm CRD#: **6220**

SRO	Category	Status	Date
B Cboe BYX Exchange, Inc.	General Securities Representative	APPROVED	05/29/2015
B Cboe BZX Exchange, Inc.	General Securities Representative	APPROVED	05/29/2015
B Cboe EDGX Exchange, Inc.	General Securities Representative	APPROVED	05/29/2015
B Cboe Exchange, Inc.	General Securities Representative	APPROVED	05/29/2015
B FINRA	General Securities Representative	APPROVED	05/29/2015
B Investors' Exchange LLC	General Securities Representative	APPROVED	02/07/2017
B NYSE American LLC	General Securities Representative	APPROVED	05/29/2015
B NYSE Arca, Inc.	General Securities Representative	APPROVED	05/29/2015
B Nasdaq BX, Inc.	General Securities Representative	APPROVED	05/29/2015
B Nasdaq Stock Market	General Securities Representative	APPROVED	05/29/2015
B New York Stock Exchange	General Securities Representative	APPROVED	05/29/2015

U.S. State/ Territory	Category	Status	Date
B California	Agent	APPROVED	05/29/2015
IA California	Investment Adviser Representative	APPROVED	05/29/2015



Broker Qualifications

Employment 1 of 1, continued

U.S. State/ Territory	Category	Status	Date
IA Connecticut	Investment Adviser Representative	APPROVED	05/27/2015
B Connecticut	Agent	APPROVED	05/29/2015
IA Florida	Investment Adviser Representative	APPROVED	05/29/2015
B Florida	Agent	APPROVED	06/02/2015
IA Indiana	Investment Adviser Representative	APPROVED	06/01/2015
B Indiana	Agent	APPROVED	06/17/2015
B Minnesota	Agent	APPROVED	05/29/2015
IA Minnesota	Investment Adviser Representative	APPROVED	06/04/2015
B Nevada	Agent	APPROVED	08/12/2015
IA Nevada	Investment Adviser Representative	APPROVED	08/12/2015
B New Mexico	Agent	APPROVED	05/29/2015
IA New Mexico	Investment Adviser Representative	APPROVED	06/01/2015
IA North Carolina	Investment Adviser Representative	APPROVED	05/27/2015
B North Carolina	Agent	APPROVED	05/29/2015
B Oklahoma	Agent	APPROVED	05/29/2015
IA Oklahoma	Investment Adviser Representative	APPROVED	06/26/2015
IA Rhode Island	Investment Adviser Representative	APPROVED	05/28/2015
B Rhode Island	Agent	APPROVED	05/29/2015
B Texas	Agent	APPROVED	10/01/2015
B Washington	Agent	APPROVED	08/21/2015

Broker Qualifications



Employment 1 of 1, continued

Branch Office Locations

HILLTOP SECURITIES INC.
2533 SO COAST HIGHWAY 101, SUITE 250
CARDIFF, CA 92007



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
B Securities Industry Essentials Examination	SIE	10/01/2018
B General Securities Representative Examination	Series 7	07/19/1986

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	04/23/2001
B Uniform Securities Agent State Law Examination	Series 63	09/03/1986

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/.

Broker Qualifications



Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 01/2011 - 05/2015	WEDBUSH SECURITIES INC.	877	SOLANA BEACH, CA
IA 01/2011 - 05/2015	WEDBUSH SECURITIES INC.	877	SOLANA BEACH, CA
B 07/2006 - 01/2011	STONE & YOUNGBERG LLC	795	SAN DIEGO, CA
IA 07/2006 - 01/2011	STONE & YOUNGBERG LLC	795	SAN DIEGO, CA
IA 03/2001 - 07/2006	PIPER JAFFRAY & CO.	665	LAJOLLA, CA
B 12/2000 - 07/2006	PIPER JAFFRAY & CO.	665	LAJOLLA, CA
B 08/1986 - 12/2000	MILLER & SCHROEDER FINANCIAL, INC.	7119	MINNEAPOLIS, MN
B 07/1986 - 09/1986	BARABAN SECURITIES, INC.	7659	

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	Employer Name	Position	Investment Related	Employer Location
05/2015 - Present	SOUTHWEST SECURITIES INC	FINANCIAL ADVISOR	Y	SAN DIEGO, CA, United States
01/2011 - 05/2015	WEDBUSH SECURITIES INC	REGISTERED REP	Y	SOLANA BEACH, CA, United States

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	19	N/A
Termination	N/A	1	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 4

Reporting Source:	Regulator
Employing firm when activities occurred which led to the complaint:	Wedbush Securities Inc.
Allegations:	Mark Fred Augusta was named in a customer complaint that asserted the following causes of action: violations of state and federal securities laws and FINRA/SEC Rules; breach of fiduciary duty; unsuitable recommendations; failure to supervise; constructive fraud, common law fraud and fraud by material misrepresentations/omissions; unjust enrichment; and elder financial abuse. In the Amended Statement of Claim, Claimants added a cause of action for unauthorized trading.
Product Type:	CD Debt-Municipal
Alleged Damages:	\$247,000.00
Arbitration Information	
Arbitration/Reparation Claim filed with and Docket/Case No.:	FINRA - CASE #16-00847
Date Notice/Process Served:	03/22/2016
Arbitration Pending?	No
Disposition:	Other
Disposition Date:	07/13/2017



Disposition Detail: As to Respondent Mark Fred Augusta, the Panel finds that he and his member firm both engaged in improper conduct. The Panel also grants Augusta's Cross-Claim for indemnification. Accordingly, the firm is solely liable for and shall pay to Claimants the following amounts: \$250,000 in compensatory damages; \$110,000 in commission disgorgement; Interest in the amounts of \$35,069 for compensatory damages and \$15,430 for commission disgorgement. In addition, \$1,080,000 in punitive damages pursuant to California (CA) Elder Abuse and Adult Civil Protective Act, Welfare and Institutions Code Section 15600 et seq.; \$277,691 in attorneys fees pursuant to CA Welfare & Institutions Code Section 15657.1; and \$28,864 in costs. The Panel awards Augusta the sum of \$110,000.00 in attorneys' fees and costs. However, as a result of Augusta's improper conduct, the Panel subtracts the commissions that he received, plus interest, in the amount of \$50,172. Therefore, the firm is liable for and shall pay Augusta the net sum of \$59,828 in attorneys fees and costs pursuant to Lab. Code Section 2802.

Reporting Source: Firm

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

Allegations: ON BEHALF OF THE CLIENT, CPA WITH WRITTEN AUTHORIZATION CLAIMS THE CLIENT'S INVESTMENTS WERE UNSUITABLE FOR THEIR AGE AND STATED INVESTMENT OBJECTIVES. AUGUST 2015 UPDATE: SETTLEMENT DEMAND LETTER RECEIVED BY CLIENT'S ATTORNEY LISTS THE FOLLOWING ALLEGATIONS: BREACH OF FIDUCIARY DUTY; UNSUITABLE RECOMMENDATIONS; CONSTRUCTIVE FRAUD, COMMON LAW FRAUD, AND FRAUD BY MATERIAL MISREPRESENTATIONS/OMISSIONS; UNJUST ENRICHMENT; AND FINANCIAL ELDER ABUSE.

Product Type: Debt-Municipal
Other: STRUCTURED NOTES

Alleged Damages: \$247,000.00

Alleged Damages Amount Explanation (if amount not exact): PER THE WRITTEN COMMUNICATION, THE CLIENT IS REQUESTING THE FOLLOWING: CURRENT PORTFOLIO BROUGHT TO FULL VALUE (NO REALIZED LOSSES) AND; REIMBURSEMENT OF: TRANSACTION COSTS (BUYING AND SELLING) FOR 2013 AND 2014, COMMISSIONS EARNED IN 2013 AND 2014, TRANSACTION CREDITS EARNED IN 2013 AND 2014, REALIZED LOSSES INCURRED IN 2013 AND 2014, AND UNREALIZED LOSSES. AUG '15 UPDATE: SETTLEMENT DEMAND ALSO REQUESTS ATTORNEY'S FEES AND PUNITIVE DAMAGES

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: 05/07/2015

Complaint Pending? No

Status: Evolved into Arbitration/CFTC reparation (the individual is a named party)

Status Date: 03/22/2016

Settlement Amount:

**Individual Contribution
Amount:**

Arbitration Information

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

Docket/Case #: [16-00847](#)

Date Notice/Process Served: 04/20/2016

Arbitration Pending? No

Disposition: Award to Customer

Disposition Date: 07/13/2017

**Monetary Compensation
Amount:** \$1,866,473.94

**Individual Contribution
Amount:** \$50,172.00

Reporting Source: Broker

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

Allegations: ON BEHALF OF THE CLIENT, CPA WITH WRITTEN AUTHORIZATION CLAIMS THE CLIENT'S INVESTMENTS WERE UNSUITABLE FOR THEIR AGE AND STATED INVESTMENT OBJECTIVES. AUGUST 2015 UPDATE: SETTLEMENT



DEMAND LETTER RECEIVED BY CLIENT'S ATTORNEY LISTS THE FOLLOWING ALLEGATIONS: BREACH OF FIDUCIARY DUTY; UNSUITABLE RECOMMENDATIONS; CONSTRUCTIVE FRAUD, COMMON LAW FRAUD, AND FRAUD BY MATERIAL MISREPRESENTATIONS/OMISSIONS; UNJUST ENRICHMENT; AND FINANCIAL ELDER ABUSE.

Product Type: Debt-Municipal
Other: STRUCTURED PRODUCTS

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): PER WRITTEN COMMUNICATION, THE CLIENT IS REQUESTING THE FOLLOWING: CURRENT PORTFOLIO BROUGHT TO FULL VALUE (NO LOSSES) AND; REIMBURSEMENT OF: TRANSACTION COST (BUYING AND SELLING)FOR 2013 AND 2014, COMMISSIONS EARNED 2013 AND 2014, TRANSACTION CREDITS EARNED IN 2013 AND 2014, REALIZED LOSSES INCURRED IN 2013 AND 2014, AND UNREALIZED LOSSES IN INVESTMENTS WHICH DON NOT MATCH STATED TIME HORIZON AND RISK TOLERANCE.

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: 05/26/2015

Complaint Pending? No

Status: Arbitration Award/Monetary Judgment (for claimants/plaintiffs)

Status Date: 04/19/2016

Settlement Amount: \$1,797,054.00

Individual Contribution Amount: \$50,172.00

Arbitration Information

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

Docket/Case #: [16-00847](#)

Date Notice/Process Served: 04/19/2016

Arbitration Pending? No



Disposition:	Award to Customer
Disposition Date:	07/13/2017
Monetary Compensation Amount:	\$1,797,054.00
Individual Contribution Amount:	\$50,172.00
Broker Statement	<p>The Panel found Mr. Augusta and his prior Firm had engaged in improper conduct, subjected the Claimant to elder abuse and permitted unauthorized trading in the Claimant's account.</p> <p>The Panel awarded Mr. Augusta the sum of \$110,000.00 in attorney's fees and costs. However, as a result of Mr. Augusta's improper conduct, the Panel subtracted the commissions he received, plus interest, in the amount of \$50,172.00.</p>

Disclosure 2 of 4

Reporting Source:	Regulator
Employing firm when activities occurred which led to the complaint:	
Allegations:	BREACH OF FIDUCIARY AND NEGLIGENT BREACH OF FIDUCIARY DUTY
Product Type:	Other
Other Product Type(s):	BONDS
Alleged Damages:	\$41,250.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.:	NASD - CASE #00-05765
Date Notice/Process Served:	01/23/2001
Arbitration Pending?	No
Disposition:	Award
Disposition Date:	04/01/2002
Disposition Detail:	RESPONDENT IS LIABLE AN SHALL PAY TO CLAIMANT THE SUM OF \$41,250.00 TOGETHER WITH PRE-JUDGEMENT INTEREST



Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: CLIENT ALLEGED THAT BROKER MISLED THEM REGARDING THE RISK, AND THE AFFILIATION OF THE HERITAGE FACILITIES. THE CLIENT ALSO ALLEGES BREACH OF FIDUCIARY DUTY, SUITABILITY REGARDING THE SOLICITATION OF HERITAGE BONDS

Product Type: Debt - Municipal

Alleged Damages: \$377,000.00

Customer Complaint Information

Date Complaint Received: 07/10/2000

Complaint Pending? No

Status: Arbitration/Reparation
Closed/No Action

Status Date: 02/07/2001

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASDR-00-05765

Date Notice/Process Served: 02/07/2001

Arbitration Pending? Yes

Firm Statement VERBAL COMPLAINT WAS NOT CLOSED.

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: MILLER & SCHOEDER FINANCIAL INC.

Allegations: CLIENT ALLEGED THAT BROKER MISLED THEM REGARDING THE RISK, AND



THE AFFILIATION OF THE HERITAGE FACILITIES. THE CLIENT ALSO ALLEGES BREACH OF FIDUCIARY DUTY, SUITABILITY REGARDING THE SOLICITATION OF HERITAGE BONDS.

Product Type: Debt - Municipal

Alleged Damages: \$377,000.00

Customer Complaint Information

Date Complaint Received: 07/10/2000

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 02/07/2001

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [NASDR-00-05765](#)

Date Notice/Process Served: 02/07/2001

Arbitration Pending? No

Disposition: Award to Customer

Disposition Date: 04/01/2002

Monetary Compensation Amount: \$41,250.00

Individual Contribution Amount: \$41,250.00

Broker Statement RESPONDENT IS LIABLE AND SHALL PAY TO CLAIMANT THE SUM OF \$41,250.00 TOGETHER WITH PRE-JUDGMENT INTEREST

Disclosure 3 of 4

Reporting Source: Regulator

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.



Allegations: BREACH OF FIDUCIARY DUTY, NEGLIGENCE, AND FRAUDULENT MISREPRESENTATION.

Product Type: Other

Other Product Type(s): UNKNOWN TYPE OF SECURITIES.

Alleged Damages: \$300,000.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [NATIONAL ASSOCIATION OF SECURITIES DEALERS - CASE #00-04825](#)

Date Notice/Process Served: 10/23/2000

Arbitration Pending? No

Disposition: Award

Disposition Date: 10/05/2001

Disposition Detail: RESPONDENT IS JOINTLY AND SEVERALLY LIABLE TO PAY CLAIMANTS \$168,400 IN COMPENSATORY DAMAGES.

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: CLIENTS ALLEGED MISREPRESENTATION AND UNSUITABILITY IN REGARDS TO THE PURCHASE OF VARIOUS MUNICIPAL BOND ISSUES, INCLUDING DANFORTH TX HEALTH FACILITIES, PURCHASED JULY 1998, CHICAGO IL HEALTH FACILITIES, PURCHASED JULY 1998; DESERT HOT SPRINGS CA, PURCHASED AUG 1998.

Product Type: Debt - Municipal

Alleged Damages: \$300,000.00

Customer Complaint Information

Date Complaint Received: 08/17/2000

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 11/28/2000

**Settlement Amount:****Individual Contribution Amount:****Arbitration Information**

Arbitration/Reparation Claim filed with and Docket/Case No.: [NASD-DR 00-04825](#)

Date Notice/Process Served: 11/28/2000

Arbitration Pending? No

Disposition: Award to Customer

Disposition Date: 10/05/2001

Monetary Compensation Amount: \$168,000.00

Individual Contribution Amount:

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: CLIENT ALLEGES MISREPRESENTATION IN REGARD TO THE PURCHASE OF HERITAGE BONDS/MUNICIPAL BONDS WHICH HAVE DEFAULTED.

Product Type: Debt-Municipal

Alleged Damages: \$0.00

Customer Complaint Information

Date Complaint Received: 08/17/2000

Complaint Pending? No

Status: Arbitration Award/Monetary Judgment (for claimants/plaintiffs)

Status Date: 11/20/2000

Settlement Amount:**Individual Contribution Amount:**



Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	NASD-DR CASE # 00-04825
Docket/Case #:	NASD-DR CASE # 00-04825
Date Notice/Process Served:	11/28/2000
Arbitration Pending?	No
Disposition:	Award to Customer
Disposition Date:	10/05/2001
Monetary Compensation Amount:	\$168,400.00
Individual Contribution Amount:	\$0.00
Broker Statement	ALLEGATION OF MISREPRESENTATION IN THE SALE OF HEALTH CARE MUNICIPAL BONDS WHICH HAVE DEFAULTED. CLIENT'S ALLEGED COMPENSATORY DAMAGES IS \$300,000 AND PUNITIVE IS APPROX. \$200,000

Disclosure 4 of 4

Reporting Source:	Regulator
Employing firm when activities occurred which led to the complaint:	MILLER & SCHROEDER FINANCIAL, INC.
Allegations:	MISREPRESENTATION, NEGLIGENCE, BREACH OF FIDUCIARY DUTY
Product Type:	Other
Other Product Type(s):	NOTES AND BONDS
Alleged Damages:	\$230,000.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.:	NASD - CASE #00-04006
Date Notice/Process Served:	09/12/2000
Arbitration Pending?	No



Disposition: Award
Disposition Date: 03/07/2002
Disposition Detail: RESPONDENT IS LIABLE FOR \$243,125.00 IN COMPENSATORY DAMAGES.

Reporting Source: Broker
Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: CLIENT PURCHASED HIGH YEILD MUNICIPAL AND CORPORATE BONDS FROM THE BROKER THAT THE CUSTOMER CLAIMED WERE UNSUITABLE FOR AN ELDERLY INDIVIDUAL, BASED ON AGE, TAX BRACKET, RISK TOLERANCE AND INVESTMENT OBJECTIVES. MUNICIPAL BONDS WERE PURCHASED ON THE ISSUE AND SUBSEQUENTLY DEFAULTED

Product Type: Debt - Municipal
Other Product Type(s): CORPORATE DEBT BONDS. ALL BONDS WERE HIGH YEILD
Alleged Damages: \$230,000.00

Customer Complaint Information

Date Complaint Received: 06/13/2000
Complaint Pending? No
Status: Arbitration/Reparation
Status Date: 09/27/2000

Settlement Amount:
Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: [NASDR-DR CASE NUMBER 00-04006](#)

Date Notice/Process Served: 10/02/2000
Arbitration Pending? No
Disposition: Award to Customer
Disposition Date: 03/07/2002



Monetary Compensation Amount:	\$833,125.00
Individual Contribution Amount:	\$0.00
Broker Statement	\$243,125 COMPENSATORY DAMAGES; \$240,000 ATTORNEYS' FEES; \$350,000 EXEMPLARY DAMAGES



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 8

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	WEDBUSH SECURITIES, INC.
Allegations:	UNSUITABLE PURCHASE OF THE PUERTO RICO MUNICIPAL BONDS IN DECEMBER 2014. THE COMPLAINT INCLUDES CLAIM FOR BREACH OF FIDUCIARY DUTY, BREACH OF WRITTEN AND ORAL CONTRACT, CONSTRUCTIVE FRAUD, FRAUD BY MISREPRESENTATION AND OMISSION.
Product Type:	Derivative Other: PUERTO RICO MUNICIPAL BONDS
Alleged Damages:	\$50,000.00
Alleged Damages Amount Explanation (if amount not exact):	APPROXIMATE AMOUNT OF LOSS
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	20-00978
Filing date of arbitration/CFTC reparation or civil litigation:	04/16/2020

Customer Complaint Information

Date Complaint Received:	04/17/2020
Complaint Pending?	No
Status:	Settled
Status Date:	07/16/2020



Settlement Amount: \$25,000.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker

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

Allegations: UNSUITABLE PURCHASE OF THE PUERTO RICO MUNICIPAL BONDS IN DECEMBER 2014. THE COMPLAINT INCLUDES CLAIM FOR BREACH OF FIDUCIARY DUTY, BREACH OF WRITTEN AND ORAL CONTRACT, CONSTRUCTIVE FRAUD, FRAUD BY MISREPRESENTATION AND OMISSION.

Product Type: Debt-Municipal

Alleged Damages: \$50,000.00

Alleged Damages Amount Explanation (if amount not exact): APPROXIMATE AMOUNT OF LOSS

Is this an oral complaint? No

Is this a written complaint? Yes

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

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 20-00978

Filing date of arbitration/CFTC reparation or civil litigation: 04/16/2020

Customer Complaint Information

Date Complaint Received: 05/01/2020

Complaint Pending? No

Status: Settled

Status Date: 07/17/2020



Settlement Amount: \$25,000.00
Individual Contribution Amount: \$0.00

Disclosure 2 of 8

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: Wedbush Securities Inc
Allegations: The claimant alleges that unauthorized and unsuitable investments were made by the financial advisor in June 2014.
Product Type: Other: Puerto Rico Municipal Bonds
Alleged Damages: \$398,832.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): FINRA
Docket/Case #: 19-00401
Date Notice/Process Served: 02/13/2019
Arbitration Pending? No
Disposition: Settled
Disposition Date: 11/07/2019
Monetary Compensation Amount: \$75,000.00
Individual Contribution Amount: \$0.00

Reporting Source: Broker
Employing firm when activities occurred which led to the complaint: Wedbush Securities Inc.
Allegations: The claimant alleges that unauthorized and unsuitable investments were made by the financial advisor in June 2014.



Product Type: Other: Puerto Rico Municipal Bonds

Alleged Damages: \$398,832.00

Arbitration Information

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

Docket/Case #: 19-00401

Date Notice/Process Served: 02/13/2019

Arbitration Pending? No

Disposition: Settled

Disposition Date: 11/07/2019

Monetary Compensation Amount: \$75,000.00

Individual Contribution Amount: \$0.00

Broker Statement Hilltop Securities Inc. received notice that Wedbush Securities Inc. filed an updated FINRA Form U-5 on 11/13/19 regarding this matter. A corresponding FINRA Form U-4 was filed on 11/14/19 to update this pending matter.

Disclosure 3 of 8

Reporting Source: Firm

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

Allegations: UNSUITABLE INVESTMENTS, BREACH OF FIDUCIARY DUTY, MISREPRESENTATIONS/OMISSIONS, NEGLIGENCE AND VIOLATIONS OF CALIFORNIA SECURITIES LAWS.

Product Type: Other: STRUCTURED CDs

Alleged Damages: \$97,774.00

Arbitration Information

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



Docket/Case #: 18-02930
Date Notice/Process Served: 08/27/2018
Arbitration Pending? No
Disposition: Settled
Disposition Date: 07/02/2019
Monetary Compensation Amount: \$75,000.00
Individual Contribution Amount: \$0.00

Reporting Source: Broker
Employing firm when activities occurred which led to the complaint: Wedbush Securities Inc.

Allegations: Unsuitable investments, breach of fiduciary duty, misrepresentations/omissions, negligence and violations of California securities laws.

Product Type: Other: Structured CDs

Alleged Damages: \$97,774.00

Arbitration Information

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

Docket/Case #: 18-02930
Date Notice/Process Served: 08/27/2018
Arbitration Pending? No
Disposition: Settled
Disposition Date: 11/21/2019
Monetary Compensation Amount: \$75,000.00
Individual Contribution Amount: \$0.00



Disclosure 4 of 8

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	WEDBUSH SECURITIES INC
Allegations:	UNSUITABLE INVESTMENTS, CLAIMS FOR BREACH OF FIDUCIARY CONTRACT, NEGLIGENCE, BREACH OF FIDUCIARY DUTY AND ELDER ABUSE.
Product Type:	Other: FIXED INCOME INVESTMENTS
Alleged Damages:	\$375,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	18-02498
Filing date of arbitration/CFTC reparation or civil litigation:	07/10/2018

Customer Complaint Information

Date Complaint Received:	07/18/2018
Complaint Pending?	No
Status:	Evolved into Arbitration/CFTC reparation (the individual is a named party)
Status Date:	07/10/2018

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
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Docket/Case #: 18-02498
Date Notice/Process Served: 07/18/2018
Arbitration Pending? No
Disposition: Settled
Disposition Date: 10/21/2019
Monetary Compensation Amount: \$65,625.00
Individual Contribution Amount: \$0.00

Reporting Source: Broker
Employing firm when activities occurred which led to the complaint: Wedbush Securities and Hilltop Securities Inc.

Allegations: Claimants allege employing firms failed to supervise representative, misrepresentation by omission with respect to the disclosure of representative's regulatory and disciplinary history, unsuitable recommendations, and financial abuse of an elder.

Product Type: No Product

Alleged Damages: \$375,000.00

Alleged Damages Amount Explanation (if amount not exact): Claimant alleges damages of \$375,000.00 plus pre-aware interest, statutory damages, FINRA forum fees and costs, expert witness fees, attorney's fees and any other relief deemed just and proper by the panel.

Arbitration Information

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

Docket/Case #: 18-02498

Date Notice/Process Served: 07/16/2018

Arbitration Pending? No

Disposition: Settled

Disposition Date: 09/30/2019



Monetary Compensation Amount:	\$87,500.00
Individual Contribution Amount:	\$0.00
Broker Statement	This matter was settled by both Hilltop Securities Inc. and Wedbush Securities Inc. for the amount listed above. Wedbush contributed \$62,625.00 and Hilltop contributed \$21,875.00.

Disclosure 5 of 8

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	WEDBUSH SECURITIES INC.
Allegations:	Breach of Fiduciary Duty, Constructive Fraud, Fraud by Material Misrepresentations/Omissions, Breach of Written Contract, Elder Financial Abuse
Product Type:	Other: Puerto Rico bonds
Alleged Damages:	\$150,000.00
Is this an oral complaint?	No
Is this a written complaint?	
Is this an arbitration/CFTC reparation or civil litigation?	

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	18-00975
Date Notice/Process Served:	03/19/2018
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	02/07/2019
Monetary Compensation Amount:	\$73,900.00



Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: Wedbush Securities Inc.

Allegations: Breach of Fiduciary Duty, Constructive Fraud, Fraud by Material Misrepresentations/Omissions, Breach of Written Contract, Elder Financial Abuse. The specific dates of the allegations are currently unknown.

Product Type: Other: Puerto Rico bonds

Alleged Damages: \$150,000.00

Arbitration Information

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

Docket/Case #: 18-00975

Date Notice/Process Served: 03/19/2018

Arbitration Pending? No

Disposition: Settled

Disposition Date: 02/07/2019

Monetary Compensation Amount: \$73,900.00

Individual Contribution Amount: \$0.00

Disclosure 6 of 8

Reporting Source: Firm

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

Allegations: CUSTOMER ALLEGES THAT UNSUITABLE INVESTMENTS WERE MADE BY THE FINANCIAL ADVISOR DURING THE PERIOD OF SEPTEMBER 2013



THROUGH APRIL 2015.

Product Type: CD
Alleged Damages: \$33,648.00
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: 06/08/2017
Complaint Pending? No
Status: Settled
Status Date: 10/02/2017
Settlement Amount: \$25,000.00
**Individual Contribution
Amount:** \$0.00

Reporting Source: Broker
**Employing firm when
activities occurred which led
to the complaint:** Wedbush Securities Inc. & Hilltop Securities Inc.

Allegations: Customer alleges poor recommendation with respect to the purchase of a swap rate linked certificate of deposit. Correspondence was subsequently received on June 9, 2017 with an additional suitability claim against Hilltop Securities Inc. specific to a hold recommendation alleged by the claimant.

Product Type: CD
Alleged Damages: \$33,648.00
**Alleged Damages Amount
Explanation (if amount not
exact):** The initial complaint made on October 17, 2016 did not contain a specific claim amount. Subsequent correspondence received on June 9, 2017 contained a claim of damages listed above.
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: 10/17/2016

Complaint Pending? No

Status: Settled

Status Date: 08/30/2017

Settlement Amount: \$25,000.00

**Individual Contribution
Amount:** \$0.00

Broker Statement

A review of the customer's account activity revealed that no transactions had taken place since the account was opened. During a telephone discussion with the customer, it was determined that the activity to which the customer referenced took place at Wedbush Securities Inc. The customer was advised to address any concerns regarding that activity directly to Wedbush. Hilltop Securities Inc. considers this matter closed.

Subsequent correspondence received on June 9, 2017 containing substantially similar allegations with the addition of a suitability claim specific to an alleged hold recommendation made while the account was at Hilltop Securities Inc.

These matters were resolved through a settlement agreement between the claimant, Wedbush and Hilltop Securities Inc. whereby Wedbush and Hilltop jointly agreed to a \$25,000.00 settlement amount.

Disclosure 7 of 8

Reporting Source: Broker

**Employing firm when
activities occurred which led
to the complaint:** Hilltop Securities Inc.

Allegations: customer alleges the purchase of ten Chino Hills CA 2.625% due 09/01/2024 bonds in October 2015 was unauthorized.

Product Type: Debt-Municipal

Alleged Damages: \$10,000.00



Alleged Damages Amount Explanation (if amount not exact): This is the purchase price of the bonds.

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: 01/06/2016

Complaint Pending? No

Status: Settled

Status Date: 02/09/2016

Settlement Amount: \$150.00

Individual Contribution Amount: \$0.00

Broker Statement Upon review of the account activity in question, it was determined that the bond purchase had been executed in the wrong customer's account (trading error). The firm agreed to buy back the bonds and credit the customer \$150.00.

Disclosure 8 of 8

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: ALLEGATION OF MISREPRESENTATION, SUITABILITY AND ELDER ABUSE IN REGARD TO THE PURCHASE OF MUNICIPAL AND CORPORATE BONDS(HERITAGE, AMERICAN BANKNOTE, SERVICE MERCHANDISE, BOSTON CHICKEN, PIONEER FINANCE, GLOBALSTAR TELECOMUNICATIONS AND BRAZOS SPORTSWEAR)

Product Type: Debt - Corporate

Alleged Damages: \$107,000.00

Customer Complaint Information

Date Complaint Received: 10/02/2000



Complaint Pending? No
Status: Closed/No Action
Denied
Settled

Status Date: 11/01/2000

Settlement Amount: \$4,000.00

Individual Contribution Amount: \$0.00

Broker Statement THIS CUSTOMER COMPLAINT IS NO LONGER REPORTABLE. THE ATTORNEY FOR THE CLIENTS GROUPED THE COMPLAINTS TOGETHER TO CREATE A LARGER CLAIM. TWO OF THE CLIENTS INCLUDED IN THE CLAIM DO NOT BELONG TO THIS BROKER. WE SETTLED WITH ONE OF THE CUSTOMERS WHO WAS THE CLIENT OF ANOTHER BROKER. IT SHOULD BE NOTED THAT THE SOME OF THE CUSTOMERS ARE NOT CLIENTS OF MR. AUGUSTA.



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 7

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	MILLER & SCHROEDER FINANCIAL, INC.
Allegations:	CLAIMANTS ALLEGE FRAUD, MISREPRESENTATION, AND BREACH OF FIDUCIARY DUTY IN NUMEROUS PURCHASES OF MUNICIPAL BOND ISSUES INCLUDING, AMONG OTHERS, DANFORTH HEALTH FACILITIES, PURCHASED FIRST IN DEC 1996; TARRANT COUNTY (ST. JOSEPH), PURCHASED FIRST IN JUNE 1997; CITY OF MEXICO BEACH (SEMINOLE), PURCHASED FIRST IN DEC 1998; COUNTY OF SHELBY TN (JACKSON AVENUE APTS), PURCHASED FIRST IN JULY 1999; BEECH GROVE ECONOMIC DEVELOPMENT REVENUE BONDS, PURCHASED FIRST IN OCT 1997.
Product Type:	Debt - Municipal
Alleged Damages:	\$3,300,000.00

Customer Complaint Information

Date Complaint Received:	11/26/2001
Complaint Pending?	No
Status:	Arbitration/Reparation
Status Date:	11/26/2001
Settlement Amount:	
Individual Contribution Amount:	

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.:	NASD-DR 01-05806
Date Notice/Process Served:	11/26/2001
Arbitration Pending?	Yes



Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: CLAIMANTS ALLEGE FRAUD, MISREPRESENTATION, AND BREACH OF FIDUCIARY DUTY WITH NUMEROUS PURCHASES OF MUNICIPAL BOND ISSUES INCLUDING, AMONG OTHERS, DANFORTH HEALTH FACILITIES, PURCHASED FIRST IN DECEMBER 1996; TARRANT COUNTY (ST. JOSEPH), PURCHASED FIRST IN JUNE 1997; CITY OF MEXICO BEACH (SEMINOLE), PURCHASED FIRST IN DECEMBER 1998; COUNTY OF SHELBY TN (JACKSON AVENUE APTS), PURCHASED FIRST IN JULY 1999; BEECH GROVE ECONOMIC DEVELOPMENT REVENUE BONDS, PURCHASED FIRST IN OCTOBER 1997.

Product Type: Debt-Municipal

Alleged Damages: \$3,300,000.00

Customer Complaint Information

Date Complaint Received: 11/26/2001

Complaint Pending? No

Status: Closed/No Action

Status Date: 07/08/2004

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Docket/Case #: DR 01-05806

Date Notice/Process Served: 11/26/2001

Arbitration Pending? No

Disposition: Other: DISCHARGED IN BANKRUPTCY

Disposition Date: 07/08/2004



Monetary Compensation Amount:	\$0.00
Individual Contribution Amount:	\$0.00
Broker Statement	THE UNITED STATES BANKRUPTCY COURT, SOUTHERN DISTRICT OF CALIFORNIA, ORDERED ON 8/7/2004 THAT MR. AUGUSTA, BE GRANTED A DISCHARGE FROM DEBTS AGAINST HIM. CLAIMS MADE BY THE [REDACTED] FAMILY WERE INCLUDED IN THE DISCHARGE ORDER.

Disclosure 2 of 7

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	MILLER & SCHROEDER FINANCIAL, INC.
Allegations:	ALLEGATIONS OF NEGLIGENT MISREPRESENTATION, UNSUITABILITY, FRAUD DECIET, OMISSION OF FACT, BREECH OF FIDUCIARY DUTY IN REGARD TO THE SALE OF MUNICIPAL(HERITAGE,JACKSON COUNTY) AND CORPORATE BONDS(BOSTON CHICKEN AND SERVICE MERCHANDISE).
Product Type:	Debt - Municipal
Other Product Type(s):	CORPORATE BONDS
Alleged Damages:	\$514,845.00

Customer Complaint Information

Date Complaint Received:	04/23/2001
Complaint Pending?	No
Status:	Arbitration/Reparation Closed/No Action
Status Date:	04/23/2001
Settlement Amount:	\$0.00
Individual Contribution Amount:	\$0.00

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.:	NASDR-01-01348
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Date Notice/Process Served: 04/23/2001

Arbitration Pending? Yes

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: ALLEGATIONS OF NEGLIGENT MISREPRESENTATION, UNSUITABILITY, FRAUD DECEIT, OMISSION OF FACT, BREACH OF FIDUCIARY DUTY IN REGARD TO THE SALE OF MUNICIPAL (HERITAGE, JACKSON COUNTY) AND CORPORATE BONDS (BOSTON CHICKEN AND SERVICE MERCHANDISE).

Product Type: Debt-Municipal

Alleged Damages: \$514,845.00

Customer Complaint Information

Date Complaint Received: 04/23/2001

Complaint Pending? No

Status: Closed/No Action

Status Date: 07/08/2004

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Docket/Case #: DR 01-01348

Date Notice/Process Served: 04/23/2001

Arbitration Pending? No

Disposition: Other: DISCHARGED IN BANKRUPTCY

Disposition Date: 07/08/2004



Monetary Compensation Amount: \$0.00

Individual Contribution Amount: \$0.00

Broker Statement THE UNITED STATES BANKRUPTCY COURT, SOUTHERN DISTRICT OF CALIFORNIA, ORDERED ON 8/7/2004 THAT MR. AUGUSTA, BE GRANTED A DISCHARGE FROM DEBTS AGAINST HIM. CLAIMS MADE BY NAMED CLAIMANTS WERE INCLUDED IN THE DISCHARGE ORDER.

Disclosure 3 of 7

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: ALLEGATIONS OF NEGLIGENCE, BREACH OF FIDUCIARY RESPONSIBILITY, FAILURE TO SUPERVISE AND FRAUD IN REGARD TO THE SOLICITATION OF HIGH YEILD BONDS BOTH CORPORATE AND MUNICIPAL WHICH HAVE DEFAULTED. MUNICIPAL BONDS INCLUDE HERITAGE(DANFORTH, TARRANT COUNTY, DESERT HOT SPRINGS AND CHICAGO HEALTH FACILITIES), BEECH GROVE ECO. DEVEL., TUPELO, MS AND VARIOUS CORPORATE BONDS(SERVICE MERCHANDISE, BOSTON CHICKEN AND GLOBALSTAR TELECOMMUNICATIONS)

Product Type: Debt - Municipal

Other Product Type(s): CORPORATE BONDS

Alleged Damages: \$229,256.00

Customer Complaint Information

Date Complaint Received: 04/23/2000

Complaint Pending? No

Status: Arbitration/Reparation
Denied

Status Date: 10/14/2000

Settlement Amount:

Individual Contribution Amount:

Arbitration Information



Arbitration/Reparation Claim filed with and Docket/Case No.: NASD-R 01-01444

Date Notice/Process Served: 04/09/2001

Arbitration Pending? Yes

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: ALLEGATIONS OF NEGLIGENCE, BREACH OF FIDUCIARY RESPONSIBILITY, FAILURE TO SUPERVISE AND FRAUD IN REGARD TO THE SOLICITATION OF HIGH YIELD BONDS BOTH CORPORATE AND MUNICIPAL WHICH HAVE DEFAULTED. MUNICIPAL BONDS INCLUDE HERITAGE (DANFORTH, TARRANT COUNTY, DESERT HOT SPRINGS AND CHICAGO HEALTH FACILITIES), BEECH GROVE ECO. DEVEL., TUPELO, MS AND VARIOUS CORPORATE BONDS (SERVICE MERCHANDISE, BOSTON CHICKEN AND GLOBALSTAR TELECOMMUNICATIONS).

Product Type: Debt-Municipal

Alleged Damages: \$229,256.00

Customer Complaint Information

Date Complaint Received: 04/23/2001

Complaint Pending? No

Status: Closed/No Action

Status Date: 10/14/2000

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Docket/Case #: 01-01444



Date Notice/Process Served: 04/09/2001

Arbitration Pending? No

Disposition: Other: DISCHARGED IN BANKRUPTCY

Disposition Date: 07/08/2004

Monetary Compensation Amount: \$0.00

Individual Contribution Amount: \$0.00

Broker Statement THE UNITED STATES BANKRUPTCY COURT, SOUTHERN DISTRICT OF CALIFORNIA, ORDERED ON 8/7/2004 THAT MR. AUGUSTA, BE GRANTED A DISCHARGE FROM DEBTS AGAINST HIM. CLAIMS MADE BY NAMED CLAIMANTS WERE INCLUDED IN THE DISCHARGE ORDER.

Disclosure 4 of 7

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL, INC.

Allegations: THE CLIENT ALLEGES MISREPRESENTATION BY BROKER REGARDING THE PURCHASE OF HERITAGE ISSUE MUNICIPAL BONDS WHICH HAD DEFAULTED, AND FAILURE TO SUPERVISE AND POOR DUE DILIGENCE ON THE PART OF MILLER & SCHROEDER FINANCIAL

Product Type: Debt - Municipal

Alleged Damages: \$45,000.00

Customer Complaint Information

Date Complaint Received: 07/10/2000

Complaint Pending? No

Status: Arbitration/Reparation
Closed/No Action

Status Date: 02/07/2001

Settlement Amount:

Individual Contribution Amount:



Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: NASDR-001-00113

Date Notice/Process Served: 02/07/2001

Arbitration Pending? Yes

Firm Statement COMPLAINT WAS NEVER CLOSED

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL INC.

Allegations: THE CLIENT ALLEGES MISREPRESENTATION BY BROKER REGARDING THE PURCHASE OF HERITAGE ISSUE MUNICIPAL BONDS WHICH HAD DEFAULTED AND FAILURE TO SUPERVISE AND POOR DUE DILIGENCE ON THE PART OF MILLER & SCHROEDER FINANCIAL.

Product Type: Debt-Municipal

Alleged Damages: \$45,000.00

Customer Complaint Information

Date Complaint Received: 07/10/2000

Complaint Pending? No

Status: Closed/No Action

Status Date: 07/08/2004

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Docket/Case #: 001-00113

Date Notice/Process Served: 02/07/2001



Arbitration Pending?	No
Disposition:	Other: DISCHARGED IN BANKRUPTCY
Disposition Date:	07/08/2004
Monetary Compensation Amount:	\$0.00
Individual Contribution Amount:	\$0.00
Broker Statement	THE UNITED STATES BANKRUPTCY COURT, SOUTHERN DISTRICT OF CALIFORNIA, ORDERED ON 8/7/2004 THAT MR. AUGUSTA, BE GRANTED A DISCHARGE FROM DEBTS AGAINST HIM. CLAIMS MADE BY NAMED CLAIMANTS WERE INCLUDED IN THE DISCHARGE ORDER.

Disclosure 5 of 7

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	MILLER & SCHROEDER FINANCIAL, INC.
Allegations:	MISREPRESENTATION OF UNRATED BONDS AS SAFE INVESTMENTS. FRAUD IN REGARD TO THE MISTATEMENT OF PRICE OF UNRATED BONDS ON THE MONTHLY STATEMNT. NEGLIGENCE IN REGARD TO RECOMMENDING HIGH YEILD BONDS WHICH WERE UNSUITABLE FOR ELDERLY CLIENTS RISK ADVERSE INDIVIDUALS
Product Type:	Debt - Municipal
Alleged Damages:	\$500,000.00

Customer Complaint Information

Date Complaint Received:	12/21/2000
Complaint Pending?	No
Status:	Arbitration/Reparation
Status Date:	12/21/2000

Settlement Amount:

Individual Contribution Amount:

Arbitration Information



Arbitration/Reparation Claim filed with and Docket/Case No.: NASDR-00-05349

Date Notice/Process Served: 12/21/2000

Arbitration Pending? Yes

Firm Statement ARBITRATION PROCEEDING HAVE JUST BEGAN. STATEMENT OF ANSWER IS DUE ON 2/9/01

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL INC.

Allegations: MISREPRESENTATION OF UNRATED BONDS AS SAFE INVESTMENTS. FRAUD IN REGARD TO THE MISTATEMENT OF PRICE OF UNRATED BONDS ON THE MONTHLY STATEMENT. NEGLIGENCE IN REGARD TO RECOMMENDING HIGH YIELD BONDS WHICH WERE UNSUITABLE FOR ELDERLY CLIENTS RISK ADVERSE INDIVIDUALS.

Product Type: Debt-Municipal

Alleged Damages: \$500,000.00

Customer Complaint Information

Date Complaint Received: 12/21/2000

Complaint Pending? No

Status: Closed/No Action

Status Date: 07/08/2004

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

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

Docket/Case #: 00-0539

Date Notice/Process Served: 12/21/2000



Arbitration Pending?	No
Disposition:	Other: DISCHARGED IN BANKRUPTCY
Disposition Date:	07/08/2004
Monetary Compensation Amount:	\$0.00
Individual Contribution Amount:	\$0.00
Broker Statement	THE UNITED STATES BANKRUPTCY COURT, SOUTHERN DISTRICT OF CALIFORNIA, ORDERED ON 8/7/2004 THAT MR. AUGUSTA, BE GRANTED A DISCHARGE FROM DEBTS AGAINST HIM. CLAIMS MADE BY NAMED CLAIMANTS WERE INCLUDED IN THE DISCHARGE ORDER.

Disclosure 6 of 7

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	MILLER & SCHROEDER FINANCIAL, INC.
Allegations:	ALLEGATIONS OF BEACH OF FIDUCIARY DUTY, CHURNING, MISREPRESENTATION, SUITABILITY AND OMISSION OF FACTS REGARDING THE PURCHASES OF CORPORATE BONDS (AMERICAN BANKNOTE AND BOSTON CHICKEN) WHICH HAVE DEFAULTED AND GONE INTO CHAPTER 11 BANKRUPTCY. TRADES TOOK PLACE BETWEEN MARCH OF 1997 AND JUNE OF 1999
Product Type:	Debt-Corporate
Alleged Damages:	\$312,000.00

Customer Complaint Information

Date Complaint Received:	08/10/2000
Complaint Pending?	No
Status:	Closed/No Action
Status Date:	07/08/2004
Settlement Amount:	\$0.00
Individual Contribution Amount:	\$0.00

Arbitration Information



Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	NASD
Docket/Case #:	DR-00-03275
Date Notice/Process Served:	08/10/2000
Arbitration Pending?	No
Disposition:	Other: DISCHARGED IN BANKRUPTCY
Disposition Date:	07/08/2004
Monetary Compensation Amount:	\$0.00
Individual Contribution Amount:	\$0.00
Broker Statement	THE UNITED STATES BANKRUPTCY COURT, SOUTHERN DISTRICT OF CALIFORNIA, ORDERED ON 8/7/2004 THAT MR. AUGUSTA, BE GRANTED A DISCHARGE FROM DEBTS AGAINST HIM. CLAIMS MADE BY THE [CUSTOMERS] WERE INCLUDED IN THE DISCHARGE ORDER.

Disclosure 7 of 7

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	MILLER & SCHROEDER FINANCIAL
Allegations:	ALLEGATIONS OF NEGLIGENCE, SUITABILITY, MISREPRESENTATION, BREACH OF FIDUCIARY DUTY REGARDING THE PURCHASE OF MUNICIPAL BONDS (HERITAGE HEALTH CARE) WHICH HAVE DEFAULTED.
Product Type:	Debt-Municipal
Alleged Damages:	\$230,771.70

Customer Complaint Information

Date Complaint Received:	08/09/2000
Complaint Pending?	No
Status:	Closed/No Action
Status Date:	07/08/2004

**Settlement Amount:**

**Individual Contribution
Amount:**

Arbitration Information

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

Docket/Case #: DR 00-04717

Date Notice/Process Served: 11/02/2000

Arbitration Pending? No

Disposition: Other: DISCHARGED IN BANKRUPTCY

Disposition Date: 07/08/2004

**Monetary Compensation
Amount:** \$0.00

**Individual Contribution
Amount:** \$0.00

Broker Statement

CLIENT PURCHASED MUNICIPAL BONDS ON THE ISSUE WHICH HAVE DEFAULTED. THE UNITED STATES BANKRUPTCY COURT, SOUTHERN DISTRICT OF CALIFORNIA, ORDERED ON 8/7/2004 THAT MR. AUGUSTA, BE GRANTED A DISCHARGE FROM DEBTS AGAINST HIM. CLAIMS MADE BY THE [CUSTOMER] FAMILY WERE INCLUDED IN THE DISCHARGE ORDER.



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:	WEDBUSH SECURITIES INC.
Allegations:	CLAIMANT ALLEGES THAT FROM 2012 TO 2015 UNAUTHORIZED AND UNSUITABLE INVESTMENTS WERE MADE BY THE FINANCIAL ADVISOR.
Product Type:	Other: VARIES
Alleged Damages:	\$0.00
Alleged Damages Amount Explanation (if amount not exact):	UNSPECIFIED
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	20-02836
Filing date of arbitration/CFTC reparation or civil litigation:	08/27/2020

Customer Complaint Information

Date Complaint Received:	08/31/2020
Complaint Pending?	Yes
Settlement Amount:	
Individual Contribution Amount:	



Reporting Source: Broker

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

Allegations: CLAIMANT ALLEGES THAT FROM 2012 TO 2015 UNAUTHORIZED AND UNSUITABLE INVESTMENTS WERE MADE BY THE FINANCIAL ADVISOR.

Product Type: Other: Varies

Alleged Damages: \$0.00

Alleged Damages Amount Explanation (if amount not exact): UNSPECIFIED

Is this an oral complaint? No

Is this a written complaint? Yes

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

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 20-02836

Filing date of arbitration/CFTC reparation or civil litigation: 08/31/2020

Customer Complaint Information

Date Complaint Received: 08/31/2020

Complaint Pending? Yes

Settlement Amount:

Individual Contribution Amount:

Disclosure 2 of 2

Reporting Source: Broker



Employing firm when activities occurred which led to the complaint: MILLER & SCHROEDER FINANCIAL,INC.

Allegations: PURCHASE OF HERITAGE HEALTH CARE MUNICIPAL BONDS BETWEEN FEBRUARY OF 1997 AND JANUARY 1999,THAT DEFAULTED. CLIENT ALLEGES THAT THESE INVESTMENTS WERE UNSUITABLE .

Product Type: Debt - Municipal

Alleged Damages: \$40,000.00

Customer Complaint Information

Date Complaint Received: 09/29/2000

Complaint Pending? Yes

Settlement Amount:

Individual Contribution Amount:

Broker Statement THIS CUSTOMER COMPLAINT IS NO LONGER REPORTABLE. CLIENT PURCHASED HERITAGE BONDS IN BOTH FAMILY TRUST AND IRA ACCOUNT. TOTAL PURCHASE IN BOTH ACCOUNTS IS APPROX \$90,000, ONLY CLAIMING ON IRA.



Employment Separation After Allegations

This type of disclosure event involves a situation where the broker voluntarily resigned, was discharged, or was permitted to resign after being accused of (1) violating investment-related statutes, regulations, rules or industry standards of conduct; (2) fraud or the wrongful taking of property; or (3) failure to supervise in connection with investment-related statutes, regulations, rules, or industry standards of conduct.

Disclosure 1 of 1

Reporting Source: Firm

Employer Name: WEDBUSH SECURITIES INC

Termination Type: Voluntary Resignation

Termination Date: 05/27/2015

Allegations: REGISTERED REPRESENTATIVE RESIGNED AS A CUSTOMER COMPLAINT WAS FILED AGAINST HIM.

Product Type: Other: STRUCTURED PRODUCTS

Reporting Source: Broker

Employer Name: WEDBUSH SECURITIES, INC.

Termination Type: Voluntary Resignation

Termination Date: 05/27/2015

Allegations: REGISTERED REPRESENTATIVE RESIGNED AS A CUSTOMER COMPLAINT WAS FILED AGAINST HIM.

Product Type: Other: STRUCTURED PRODUCTS

End of Report



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