

## BrokerCheck Report

**RICHARD JOSEPH MASSAUX**

CRD# 2746156

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

## 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:
  - 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
  - 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](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://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. MASSAUX**

CRD# 2746156

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

**IA MORGAN STANLEY**  
 1650 Market Street 42Nd Floor  
 Philadelphia, PA 19103  
 CRD# 149777  
 Registered with this firm since: 07/10/2017

**B MORGAN STANLEY**  
 1650 Market Street 42Nd Floor  
 Philadelphia, PA 19103  
 CRD# 149777  
 Registered with this firm since: 07/10/2017

**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:**

- 4 Self-Regulatory Organizations
- 36 U.S. states and territories

**This broker has passed:**

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

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

**B WELLS FARGO CLEARING SERVICES, LLC**  
 CRD# 19616  
 PHILADELPHIA, PA  
 07/2003 - 07/2017

**IA WELLS FARGO CLEARING SERVICES, LLC**  
 CRD# 19616  
 ST. LOUIS, MO  
 07/2003 - 07/2017

**IA PRUDENTIAL SECURITIES INCORPORATED**  
 CRD# 7471  
 NEW YORK, NY  
 02/1997 - 07/2003

**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
Regulatory Event	2
Customer Dispute	2



## 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 4 SROs and is licensed in 36 U.S. states and territories through his or her employer.**

### Employment 1 of 1

Firm Name: **MORGAN STANLEY**

Main Office Address: **2000 WESTCHESTER AVENUE  
PURCHASE, NY 10577-2530**

Firm CRD#: **149777**

	SRO	Category	Status	Date
B	FINRA	General Securities Representative	Approved	07/10/2017
B	NYSE American LLC	General Securities Representative	Approved	07/10/2017
B	Nasdaq Stock Market	General Securities Representative	Approved	07/10/2017
B	New York Stock Exchange	General Securities Representative	Approved	07/10/2017

	U.S. State/ Territory	Category	Status	Date
B	California	Agent	Approved	09/18/2017
B	Colorado	Agent	Approved	03/11/2021
B	Connecticut	Agent	Approved	08/24/2017
B	Delaware	Agent	Approved	09/18/2017
B	District of Columbia	Agent	Approved	07/10/2017
B	Florida	Agent	Approved	10/30/2017
B	Georgia	Agent	Approved	10/07/2017
B	Illinois	Agent	Approved	12/04/2023
B	Kansas	Agent	Approved	04/24/2024

## Broker Qualifications



### Employment 1 of 1, continued

	U.S. State/ Territory	Category	Status	Date
B	Louisiana	Agent	Approved	07/10/2017
B	Maryland	Agent	Approved	07/10/2017
B	Massachusetts	Agent	Approved	10/20/2021
B	Michigan	Agent	Approved	07/10/2017
B	Minnesota	Agent	Approved	11/13/2023
B	Mississippi	Agent	Approved	02/27/2018
B	Missouri	Agent	Approved	09/06/2017
B	Nevada	Agent	Approved	11/30/2017
B	New Jersey	Agent	Approved	08/22/2017
IA	New Jersey	Investment Adviser Representative	Approved	05/27/2022
B	New Mexico	Agent	Approved	03/30/2021
B	New York	Agent	Approved	07/10/2017
B	North Carolina	Agent	Approved	08/29/2017
B	Ohio	Agent	Approved	08/23/2017
B	Oklahoma	Agent	Approved	04/09/2019
B	Pennsylvania	Agent	Approved	08/17/2017
IA	Pennsylvania	Investment Adviser Representative	Approved	08/18/2017
B	Puerto Rico	Agent	Approved	02/01/2019
B	Rhode Island	Agent	Approved	07/10/2017
B	South Carolina	Agent	Approved	09/06/2017
B	Tennessee	Agent	Approved	08/18/2017

## Broker Qualifications



### Employment 1 of 1, continued

	U.S. State/ Territory	Category	Status	Date
B	Texas	Agent	Approved	07/10/2017
IA	Texas	Investment Adviser Representative	Restricted Approval	07/10/2017
B	Utah	Agent	Approved	10/01/2019
B	Vermont	Agent	Approved	03/25/2021
B	Virginia	Agent	Approved	07/10/2017
B	Washington	Agent	Approved	10/21/2019
B	West Virginia	Agent	Approved	07/10/2017
B	Wisconsin	Agent	Approved	06/20/2025
B	Wyoming	Agent	Approved	08/31/2023

### Branch Office Locations

#### MORGAN STANLEY

1650 Market Street 42Nd Floor  
Philadelphia, PA 19103



## 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. A passed exam or exam waiver does not permit a broker to do business without an active SRO or state registration.

**This individual has passed 0 principal/supervisory exams, 3 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>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> Futures Managed Funds Examination	Series 31	08/03/2005
<b>B</b> General Securities Representative Examination	Series 7	06/21/1996

### State Securities Law Exams

Exam	Category	Date
<b>IA</b> Uniform Investment Adviser Law Examination	Series 65	04/10/1997
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	06/26/1996

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/](http://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>B</b> 07/2003 - 07/2017	WELLS FARGO CLEARING SERVICES, LLC	19616	PHILADELPHIA, PA
<b>IA</b> 07/2003 - 07/2017	WELLS FARGO CLEARING SERVICES, LLC	19616	PHILADELPHIA, PA
<b>IA</b> 02/1997 - 07/2003	PRUDENTIAL SECURITIES INCORPORATED	7471	PHILADELPHIA, PA
<b>B</b> 07/1996 - 07/2003	PRUDENTIAL SECURITIES INCORPORATED	7471	NEW YORK, NY

### 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
08/2017 - Present	Morgan Stanley Private Bank, National Association	Financial Advisor	Y	NEW YORK, NY, United States
07/2017 - Present	Morgan Stanley	Financial Advisor	Y	Philadelphia, PA, United States
11/2016 - 07/2017	WELLS FARGO CLEARING SERVICES, LLC	REGISTERED REP	Y	PHILADELPHIA, PA, United States
05/2009 - 11/2016	WELLS FARGO ADVISORS LLC	REGISTERED REP	Y	PHILADELPHIA, PA, 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.

1. First Place LLC; Investment related - Yes; Philadelphia; Restaurant bar; Owner (proprietor, partner, officer, director, employee, trustee, agent); 10/2010; During business hours: 0; After business hours: 0

2. Blackstone 25 LLC; Investment related; real estate; Sole Proprietor / Owner / Partner (proprietor, partner, officer, director, employee, trustee, agent); Mar 2019; During business hours: 0; After business hours: 0; rent out an apartment in the building

**Registration and Employment History**



**Other Business Activities, continued**

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## 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:**
  - A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
  - 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.
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3. **Disclosure events in BrokerCheck reports come from different sources:**
  - 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.
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4. **There are different statuses and dispositions for disclosure events:**
  - 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.
  - 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
Regulatory Event	0	2	0
Customer Dispute	0	2	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.

### Regulatory - Final

This type of disclosure event may involve (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of a broker's authority to act as an attorney, accountant, or federal contractor.

#### Disclosure 1 of 2

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** Massachusetts

**Sanction(s) Sought:** Undertaking

**Date Initiated:** 08/04/2016

**Docket/Case Number:** R-2016-0045

**URL for Regulatory Action:**

**Employing firm when activity occurred which led to the regulatory action:** Wells Fargo Advisors, LLC

**Product Type:** No Product

**Allegations:** On or about January 22, 2016 WFA submitted to the CRD of FINRA a Uniform Application for Securities Industry Registration or Transfer (the "Application") seeking registration of Massaux as an agent of WFA in Massachusetts. From 2009 to present, Massaux has been the subject of two (2) customer complaints, as reported on the CRD. In 2009, one customer alleged, inter alia, that Massaux made unsuitable recommendations and committed common law fraud. In 2013, another customer alleged that Massaux purchased incorrect option contracts then attempted to mitigate the error by making an improper option trade recommendation. Massaux contributed 78% of the settlement amount paid to that customer. On or about April 11, 2007, FINRA initiated a regulatory action alleging



Massaux effectuated a hedge fund customer's market timing trades through multiple accounts which were opened in the names of limited partnerships created by the hedge fund customer so that the hedge fund customer delayed detection of its market timing activities and circumvented restrictions on trading imposed by various mutual fund companies. On May 16, 2008, this matter was resolved by a consent order issued by FINRA in which Massaux was suspended for three (3) months and fined \$86,014. On or about August 5, 2008, The Illinois Securities Department (the "ISD") initiated a regulatory action notifying Massaux that his registration as an agent in Illinois was subject to revocation as a result of the FINRA action mentioned above. On January 29, 2009, the ISD entered a consent order dismissing the action and Massaux agreed to certain undertakings and paid \$1,000 in costs. The above-stated disclosure incidents against Massaux suggest a pattern of behavior that has moved the Division to place conditions on his registration as an agent of WFA.

<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	08/04/2016
<b>Sanctions Ordered:</b>	Undertaking Other: Subject to heightened supervision for a period of five (5) years which includes WFA submitting reports on a quarterly basis to the Division.

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<b>Reporting Source:</b>	Broker
<b>Regulatory Action Initiated By:</b>	Massachusetts
<b>Sanction(s) Sought:</b>	Undertaking
<b>Date Initiated:</b>	08/08/2016
<b>Docket/Case Number:</b>	R-2016-0045
<b>Employing firm when activity occurred which led to the regulatory action:</b>	Wells Fargo Advisors, LLC



<b>Product Type:</b>	No Product
<b>Allegations:</b>	On August 8, 2016, the Massachusetts Securities Division entered a Consent Order Approving Registration Upon Conditions which, for a five year period, requires additional supervision of Massachusetts customer accounts, constrains Mr. Massaux's ability to act as a supervisor, and imposes additional reporting requirements.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	08/04/2016
<b>Sanctions Ordered:</b>	Undertaking

#### Disclosure 2 of 2

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	
<b>Date Initiated:</b>	05/16/2008
<b>Docket/Case Number:</b>	<a href="#">2006004542202</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	PRUDENTIAL SECURITIES INCORPORATED
<b>Product Type:</b>	Mutual Fund
<b>Allegations:</b>	NASD RULE 2110: DURING THE PERIOD MARCH 2002 THROUGH THE END OF JANUARY 2003, RESPONDENT FACILITATED A HEDGE FUND CUSTOMER'S USE OF DECEPTIVE PRACTICES TO ENGAGE IN MARKET TIMING OF MUTUAL FUND SHARES. RESPONDENT EXECUTED TRADES FOR THE CUSTOMER THROUGH MULTIPLE ACCOUNTS WHICH USED MULTIPLE PARTNERSHIP NAMES AND TRADED THROUGH THREE



REGISTERED REPRESENTATIVE NUMBERS. THESE ACTIVITIES ALLOWED THE HEDGE FUND CUSTOMER TO AVOID DETECTION OF ITS MARKET TIMING ACTIVITIES BY MUTUAL FUND COMPANIES IN MANY INSTANCES AND TO CIRCUMVENT NUMEROUS RESTRICTIONS ON ADDITION TRADING IMPOSED BY THOSE COMPANIES.

**Current Status:** Final

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Resolution Date:** 05/16/2008

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Disgorgement  
Suspension

**Regulator Statement** WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE HE IS FINED \$86,014 (INCLUDING DISGORGEMENT OF \$43,007) AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR THREE MONTHS. THE SUSPENSION IN ANY CAPACITY WILL BE IN EFFECT FROM MAY 27, 2008, THROUGH AUGUST 26, 2008. FINES PAID ON JUNE 04, 2008.

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Suspension

**Other Sanction(s) Sought:**

**Date Initiated:** 04/11/2007

**Docket/Case Number:** [2006004542202](#)

**Employing firm when activity occurred which led to the regulatory action:** PRUDENTIAL SECURITIES, INC.



<b>Product Type:</b>	Mutual Fund(s)
<b>Other Product Type(s):</b>	
<b>Allegations:</b>	NASD RULE 2110 - BETWEEN MARCH 2002 AND JANUARY 2003 MR. MASSAUX IS ALLEGED TO HAVE EFFECTUATED A HEDGE FUND CUSTOMER'S MARKET TIMING TRADES THROUGH MULTIPLE ACCOUNTS WHICH WERE OPENED IN THE NAMES OF LIMITED PARTNERSHIPS CREATED BY THE HEDGE FUND CUSTOMER. BY SUBMITTING TRADES IN THIS WAY, THE HEDGE FUND CUSTOMER DELAYED DETECTION OF ITS MARKET TIMING ACTIVITIES AND CIRCUMVENTED RESTRICTIONS ON TRADING IMPOSED BY VARIOUS MUTUAL FUND COMPANIES. MR. MASSAUX CEASED EFFECTUATING MARKET TIMING TRADES BY FEBRUARY 2003. HE CONTINUED TO SERVICE THE CUSTOMER'S ACCOUNTS THROUGH OCTOBER 2003. 08 THROUGH AUGUST 26, 2008.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	05/16/2008
<b>Sanctions Ordered:</b>	Disgorgement/Restitution Monetary/Fine \$86,014.00 Suspension
<b>Other Sanctions Ordered:</b>	DISGORGEMENT OF \$43,007.00.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, MR. MASSAUX AGREED TO A THREE MONTH SUSPENSION FROM ASSOCIATION WITH ANY FINRA MEMBERS AND A FINE IN THE AMOUNT OF \$86,014 (INCLUDING DISGORGEMENT OF \$43,007). THE SUSPENSION WILL BE IN EFFECT FROM MAY 27, 2008 THROUGH AUGUST 26, 2008.





## 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

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	WELLS FARGO ADVISORS, LLC
<b>Allegations:</b>	CLIENT ALLEGES THAT FINANCIAL ADVISOR PURCHASED INCORRECT OPTIONS CONTRACTS. FURTHER ALLEGES THAT AN ADDITIONAL OPTIONS TRADE WAS IMPROPERLY RECOMMENDED IN AN ATTEMPT TO MITIGATE THE ERROR, BUT INSTEAD RESULTED IN ADDITIONAL DAMAGES. (12/26/12 & 1/4/13)
<b>Product Type:</b>	Options
<b>Alleged Damages:</b>	\$0.00
<b>Alleged Damages Amount Explanation (if amount not exact):</b>	LOSSES ARE NOT SPECIFIED BUT ARE BELIEVED TO EXCEED \$5,000.
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

### Customer Complaint Information

<b>Date Complaint Received:</b>	01/06/2013
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	01/15/2013
<b>Settlement Amount:</b>	\$93,450.63
<b>Individual Contribution Amount:</b>	\$73,390.59
<b>Broker Statement</b>	THE OPTIONS TRADES IN QUESTION WERE CANCELLED AT NO COST TO THE CLIENT. I ENTERED THE INCORRECT SYMBOL WHEN I HAD INTENDED TO ENTER A CUSTOMER'S AUTHORIZED OPTIONS ORDER WHICH



RESULTED IN THE CUSTOMER OWNING OPTIONS WITH EXPIRATION DATES EARLIER THAN PLANNED. THIS RESULTED IN A LOSS TO THE CUSTOMER'S ACCOUNT. BECAUSE I WAS RESPONSIBLE FOR THIS MISTAKE, I INCURRED THE EXPENSE OF THE CANCELLED TRADES.  
 \*\*\*ADDITIONAL ALLEGATION RESULTED IN FIRM SETTLEMENT.

## Disclosure 2 of 2

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** WELLS FARGO ADVISORS, LLC

**Allegations:** CLAIMANT ALLEGES THAT PURCHASES SHE MADE OF SELECTED PREFERRED SHARES BEGINNING IN JANUARY 2008, AS PART OF HER \$2.6 MILLION PORTFOLIO, WERE UNSUITABLE AND THAT HER BROKER VIOLATED THE SECURITIES EXCHANGE ACT OF 1934, THE PENNSYLVANIA UNFAIR TRADE PRACTICES AND CONSUMER PROTECTION LAW, BREACHED HIS FIDUCIARY DUTY, COMMITTED COMMON LAW FRAUD, AND WAS NEGLIGENTLY SUPERVISED, CAUSING A DECLINE IN THE VALUE OF THIS PORTION OF HER PORTFOLIO.

**Product Type:** Equity Listed (Common & Preferred Stock)

**Alleged Damages:** \$600,000.00

**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 #:** 09-02867

**Filing date of arbitration/CFTC reparation or civil litigation:** 05/21/2009

## Customer Complaint Information

**Date Complaint Received:** 05/26/2009

**Complaint Pending?** No

**Status:** Settled



**Status Date:** 04/13/2010

**Settlement Amount:** \$45,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement**

\*\*FA'S RESPONSE: I BELIEVE THAT I HAVE MERITORIOUS DEFENSES TO CLAIMANT'S ALLEGATIONS. I DENY ALL OF CLAIMANT'S ALLEGATIONS AND INTEND TO DEFEND MYSELF VIGOROUSLY IN THIS MATTER.

\*\*\*RESPONDENT SUCCESSFULLY ENGAGED IN MEDIATION AND BROUGHT THIS MATTER TO AN ACCEPTABLE CONCLUSION. WITHOUT ADMITTING ANY LIABILITY, AND SOLELY TO AVOID THE EXPENSE AND DISTRACTION OF ARBITRATION, RESPONDENT AGREED TO SETTLE THE CLAIM FOR \$45,000.

## End of Report



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