



IAPD 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.



IAPD Information About Representatives

IAPD offers information on all current-and many former representatives. Investors are strongly encouraged to use IAPD to check the background of representatives before deciding to conduct, or continue to conduct, business with them.

What is included in a IAPD report?

IAPD reports for individual representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.

It is important to note that the information contained in an IAPD 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 representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

Where did this information come from?

The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD, (see more on CRD below) and is a combination of:

- information the states require representatives and firms to submit as part of the registration and licensing process, and
- information that state regulators report regarding disciplinary actions or allegations against representatives.

How current is this information?

Generally, representatives are required to update their professional and disciplinary information in IARD within 30 days.

Need help interpreting this report?

For help understanding how to read this report, please consult NASAA's IAPD Tips page <http://www.nasaa.org/IAPD/IARReports.cfm>

What if I want to check the background of an Individual Broker or Brokerage Firm?

To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.

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

It is recommended that you learn as much as possible about an individual representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association <http://www.nasaa.org>



Report Summary

RICHARD JOSEPH MASSAUX (CRD# 2746156)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **12/02/2025**.

CURRENT EMPLOYERS

| | Firm | CRD# | Registered Since |
|-----------|----------------|-------------|------------------|
| B | MORGAN STANLEY | CRD# 149777 | 07/10/2017 |
| IA | MORGAN STANLEY | CRD# 149777 | 07/10/2017 |

QUALIFICATIONS

This representative is currently registered in **4** SRO(s) and **36** jurisdiction(s).

Is this representative currently Inactive or Suspended with any regulator? **No**

Note: Not all jurisdictions require IAR registration or may have an exemption from registration.

Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

REGISTRATION HISTORY

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

| | FIRM | CRD# | LOCATION | REGISTRATION DATES |
|-----------|------------------------------------|-------|------------------|-------------------------|
| B | WELLS FARGO CLEARING SERVICES, LLC | 19616 | PHILADELPHIA, PA | 07/01/2003 - 07/11/2017 |
| IA | WELLS FARGO CLEARING SERVICES, LLC | 19616 | PHILADELPHIA, PA | 07/01/2003 - 07/11/2017 |
| IA | PRUDENTIAL SECURITIES INCORPORATED | 7471 | PHILADELPHIA, PA | 02/06/1997 - 07/01/2003 |

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

DISCLOSURE INFORMATION

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

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

The following types of events are disclosed about this representative:

| Type | Count |
|------------------|-------|
| Regulatory Event | 2 |
| Customer Dispute | 2 |



Qualifications

REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works. This individual is currently registered with **36** jurisdiction(s) and 4 SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **MORGAN STANLEY**
Main Address: 2000 WESTCHESTER AVENUE
PURCHASE, NY 10577-2530
Firm ID#: 149777

| Regulator | Registration | 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 |
| 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 |



Qualifications

| | Regulator | Registration | 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 |



Qualifications

| Regulator | Registration | Status | Date |
|-------------------------|-----------------------------------|---------------------|------------|
| B South Carolina | Agent | Approved | 09/06/2017 |
| B Tennessee | Agent | Approved | 08/18/2017 |
| 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



Qualifications

PASSED INDUSTRY EXAMS

This section includes all industry exams that the representative has passed. Under limited circumstances, a representative may attain registration after receiving an exam waiver based on a combination of exams the representative has passed and qualifying work experience. Likewise a new exam requirement may be grandfathered based on a representative's specific qualifying work experience. Exam waivers and grandfathering are not included below.

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 |
|------|----------|------|
|------|----------|------|

| | | |
|--|-----------|------------|
|  Securities Industry Essentials Examination (SIE) | SIE | 10/01/2018 |
|  Futures Managed Funds Examination (S31) | Series 31 | 08/03/2005 |
|  General Securities Representative Examination (S7) | Series 7 | 06/21/1996 |

State Securities Law Exams

| Exam | Category | Date |
|------|----------|------|
|------|----------|------|

| | | |
|--|-----------|------------|
|  Uniform Investment Adviser Law Examination (S65) | Series 65 | 04/10/1997 |
|  Uniform Securities Agent State Law Examination (S63) | Series 63 | 06/26/1996 |

PROFESSIONAL DESIGNATIONS

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

No information reported.



Registration & Employment History

PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

| | Registration Dates | Firm Name | ID# | Branch Location |
|----|-------------------------|------------------------------------|------------|------------------|
| B | 07/01/2003 - 07/11/2017 | WELLS FARGO CLEARING SERVICES, LLC | CRD# 19616 | PHILADELPHIA, PA |
| IA | 07/01/2003 - 07/11/2017 | WELLS FARGO CLEARING SERVICES, LLC | CRD# 19616 | PHILADELPHIA, PA |
| IA | 02/06/1997 - 07/01/2003 | PRUDENTIAL SECURITIES INCORPORATED | CRD# 7471 | PHILADELPHIA, PA |
| B | 07/01/1996 - 07/01/2003 | PRUDENTIAL SECURITIES INCORPORATED | CRD# 7471 | NEW YORK, NY |

EMPLOYMENT HISTORY

Below is the representative's employment history for up to the last 10 years.

| Employment Dates | 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 representative regarding other business activities the representative 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

*366703- Blackstone 25 LLC; Investment related: Yes; Philadelphia, Pennsylvania; Rental Property; Sole Proprietor/Owner (proprietor, partner, officer, director, employee, trustee, agent); 03/2019; During business hours: 0; After business hours: 0; passive owner



Disclosure Summary

Disclosure Information

What you should know about reported disclosure events:

(1) Certain thresholds must be met before an event is reported to IARD, for example:

- A law enforcement agency must file formal charges before an Investment Adviser Representative is required to report a particular criminal event.;
- A customer dispute must involve allegations that an Investment Adviser Representative engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.

(2) Disclosure events in IAPD reports come from different sources:

As mentioned in the "About IAPD" section on page 1 of this report, information contained in IAPD comes from Investment Adviser Representatives, 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 IAPD report. The different versions will be separated by a solid line with the reporting source labeled.

(3) There are different statuses and dispositions for disclosure events:

- A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
 - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure 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 represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

(4) You may wish to contact the Investment Adviser Representatives to obtain further information regarding any of the disclosure events contained in this IAPD report.



DISCLOSURE EVENT DETAILS

When evaluating this information, please keep in mind that some items may involve pending actions or allegations that may be contested and have not been resolved or proven. The event may, in the end, be withdrawn, dismissed, resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to the Investment Adviser Registration Depository. Some of the specific data fields contained in the report may be blank if the information was not provided.

The following types of events are disclosed about this representative:

| Type | Count |
|------------------|-------|
| Regulatory Event | 2 |
| Customer Dispute | 2 |

Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative'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.

Current Status: Final

Resolution: Consent

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: 08/04/2016

Sanctions Ordered: 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.

Reporting Source: Individual

Regulatory Action Initiated By: Massachusetts

Sanction(s) Sought: Undertaking

Date Initiated: 08/08/2016

Docket/Case Number: R-2016-0045

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

Product Type: No Product

Allegations: 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.

Current Status: Final

Resolution: Consent

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: 08/04/2016
Sanctions Ordered: Undertaking

Disclosure 2 of 2

Reporting Source: Regulator
Regulatory Action Initiated By: FINRA

Sanction(s) Sought:
Date Initiated: 05/16/2008

Docket/Case Number: [2006004542202](#)

Employing firm when activity occurred which led to the regulatory action: PRUDENTIAL SECURITIES INCORPORATED

Product Type: Mutual Fund

Allegations: 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.

Reporting Source: Individual



| | |
|--|---|
| 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. |
| Product Type: | Mutual Fund(s) |
| Other Product Type(s): | |
| Allegations: | 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. |
| Current Status: | Final |
| Resolution: | Acceptance, Waiver & Consent(AWC) |
| Resolution Date: | 05/16/2008 |
| Sanctions Ordered: | Disgorgement/Restitution Monetary/Fine \$86,014.00 Suspension |
| Other Sanctions Ordered: | DISGORGEMENT OF \$43,007.00. |
| Sanction Details: | 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

This section provides information regarding a customer dispute that was reported to the Investment Adviser Registration Depository (IARD) by the Investment Adviser Representative (IAR), an investment adviser and/or securities firm, and/or a securities regulator. The event may include a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit that contains allegations of sales practice violations against the individual.

The customer dispute may be pending or may have resulted in a civil judgment, arbitration award, monetary settlement, closure without action, withdrawal, dismissal, denial, or other outcome.

Disclosure 1 of 2

| | |
|--|---|
| Reporting Source: | Individual |
| Employing firm when activities occurred which led to the complaint: | WELLS FARGO ADVISORS, LLC |
| Allegations: | 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) |
| Product Type: | Options |
| Alleged Damages: | \$0.00 |
| Alleged Damages Amount Explanation (if amount not exact): | LOSSES ARE NOT SPECIFIED BUT ARE BELIEVED TO EXCEED \$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: | 01/06/2013 |
| Complaint Pending? | No |
| Status: | Settled |
| Status Date: | 01/15/2013 |
| Settlement Amount: | \$93,450.63 |
| Individual Contribution Amount: | \$73,390.59 |

| | |
|-------------------------|--|
| Broker Statement | 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: | Individual |
|--------------------------|------------|



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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