



## IAPD Report

# MICHAEL PAUL FARAH

CRD# 807381

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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

### MICHAEL PAUL FARAH (CRD# 807381)

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 **01/05/2026**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	FARAH PRIVATE WEALTH MANAGEMENT, INC	CRD# 133776	01/28/2005

### QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **2** 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	WEDBUSH MORGAN SECURITIES INC.	877	PASADENA, CA	07/27/1995 - 02/24/2005
B	SMITH BARNEY INC.	7059	NEW YORK, NY	07/31/1993 - 07/18/1995
B	LEHMAN BROTHERS INC.	7506	NEW YORK, NY	10/25/1982 - 07/31/1993

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
Customer Dispute	10



## 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 **2** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

### Employment 1 of 1

Firm Name: **FARAH PRIVATE WEALTH MANAGEMENT, INC**  
Main Address: 1901 NEWPORT BLVD  
SUITE 149  
COSTA MESA, CA 92627  
Firm ID#: 133776

Regulator	Registration	Status	Date
IA California	Investment Adviser Representative	Approved	01/05/2026
IA Texas	Investment Adviser Representative	Restricted Approval	03/07/2023

### Branch Office Locations

**FARAH PRIVATE WEALTH MANAGEMENT, INC**  
1901 NEWPORT BLVD  
SUITE 149  
COSTA MESA, CA 92627

**FARAH PRIVATE WEALTH MANAGEMENT, INC**  
1919 SANTA ANA AVENUE  
COSTA MESA, CA 92626



## 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 1 principal/supervisory exam, 2 general industry/product exams, and 1 state securities law exam.**

#### Principal/Supervisory Exams

Exam	Category	Date
Registered Principal Examination (S40)	Series 40	11/27/1978

#### General Industry/Product Exams

Exam	Category	Date
AMEX Put and Call Exam (PC)	PC	09/07/1977
General Securities Representative Examination (S7)	Series 7	04/19/1975

#### State Securities Law Exams

Exam	Category	Date
Uniform Securities Agent State Law Examination (S63)	Series 63	01/15/1980

### 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	07/27/1995 - 02/24/2005	WEDBUSH MORGAN SECURITIES INC.	CRD# 877	PASADENA, CA
B	07/31/1993 - 07/18/1995	SMITH BARNEY INC.	CRD# 7059	NEW YORK, NY
B	10/25/1982 - 07/31/1993	LEHMAN BROTHERS INC.	CRD# 7506	NEW YORK, NY
B	01/31/1980 - 11/09/1982	PAINE, WEBBER, JACKSON & CURTIS INC.	CRD# 8174	
B	04/01/1977 - 01/31/1980	PAINE, WEBBER, JACKSON & CURTIS INCORPORATED	CRD# 640	
B	04/24/1975 - 04/01/1977	DEAN WITTER & CO. INCORPORATED	CRD# 6466	

### 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
01/2005 - Present	FARAH PRIVATE WEALTH MANAGEMENT, LLC	MANAGING MEMBER/CCO/IAR	Y	NEWPORT BEACH, CA, 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.

No information reported.



## 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
Customer Dispute	10

### 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 10

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	WEDBUSH MORGAN SECURITIES, INC
<b>Allegations:</b>	CUSTOMERS CLAIM THAT RISK OF CMOS WERE MISREPRESENTED, AND THAT FIRM FAILED TO SUPERVISE FORMER IE MICHAEL FARAH, WHO WAS NOT NAMED.
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	COLLATERALIZED MORTGAGE OBLIGATIONS
<b>Alleged Damages:</b>	\$757,344.00

### Customer Complaint Information

<b>Date Complaint Received:</b>	04/05/2006
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	10/11/2006
<b>Settlement Amount:</b>	\$701,742.00
<b>Individual Contribution Amount:</b>	\$0.00

### Arbitration Information

<b>Arbitration/Reparation Claim filed with and Docket/Case No.:</b>	NASD NO: 05-01526
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**Date Notice/Process Served:** 04/05/2006  
**Arbitration Pending?** No  
**Disposition:** Settled  
**Disposition Date:** 10/11/2006  
**Monetary Compensation Amount:** \$701,742.00  
**Individual Contribution Amount:** \$0.00

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**Reporting Source:** Individual  
**Employing firm when activities occurred which led to the complaint:** WEDBUSH MORGAN SECURITIES INC  
**Allegations:** RISK OF CMOS WERE MISREPRESENTATED, AND WEDBUSH FAILED TO SUPERVISE MR. FARAH.  
**Product Type:** Other: COLLATERALIZED MORTGAGE OBLIGATIONS  
**Alleged Damages:** \$757,344.00  
**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:** NASD  
**Docket/Case #:** 05-01526  
**Filing date of arbitration/CFTC reparation or civil litigation:** 04/05/2006

### Customer Complaint Information

**Date Complaint Received:** 04/05/2006  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 10/11/2006  
**Settlement Amount:** \$701,742.00  
**Individual Contribution Amount:** \$0.00

### Arbitration Information

#### Disclosure 2 of 10

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** WEDBUSH MORGAN SECURITIES INC



**Allegations:** CLIENT CLAIMS RISK AND VALUATIONS OF CMOS WERE MISREPRESENTED, AND FIRM FAILED TO SUPERVISE IE MICHAEL FARAH. ALLEGED DAMAGES WERE \$100,000 PLUS.

**Product Type:** Other

**Other Product Type(s):** CMOS

**Alleged Damages:** \$100,000.00

**Customer Complaint Information**

**Date Complaint Received:** 05/06/2005

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 10/11/2006

**Settlement Amount:** \$240,358.00

**Individual Contribution Amount:** \$0.00

**Arbitration Information**

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD NO. 05-02329

**Date Notice/Process Served:** 05/06/2005

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 10/11/2006

**Monetary Compensation Amount:** \$240,358.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Individual

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

**Allegations:** RISK AN VALUATIONS OF CMOS WERE MISREPRESENTED, AND WEDBUSH MORGAN SECURITES INC FAILED TO SUPERVISE MR. FARAH.

**Product Type:** Other: COLLATERIZED MORGAGE OBLIGATIONS

**Alleged Damages:** \$100,000.00

**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:** NASD

**Docket/Case #:** 05-02329



Filing date of arbitration/CFTC reparation or civil litigation: 05/06/2005

### Customer Complaint Information

Date Complaint Received: 05/06/2005  
Complaint Pending? No  
Status: Settled  
Status Date: 10/11/2006  
Settlement Amount: \$240,358.00  
Individual Contribution Amount: \$0.00

### Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): NASD  
Docket/Case #: 05-02329  
Date Notice/Process Served: 05/06/2005  
Arbitration Pending? No  
Disposition: Settled  
Disposition Date: 10/11/2006  
Monetary Compensation Amount: \$240,358.00  
Individual Contribution Amount: \$0.00

### Disclosure 3 of 10

Reporting Source: Firm  
Employing firm when activities occurred which led to the complaint: WEDBUSH MORGAN SECURITIES INC

Allegations: CLIENT ALLEGED UNSUITABLE SALE OF CMOS, NEGLIGENCE, BREACH OF FIDUCIARY DUTY, MISREPRESENTATION, AND UNFAIR BUSINESS PRACTICES.

Product Type: Other  
Other Product Type(s): CMOS  
Alleged Damages: \$300,000.00

### Customer Complaint Information

Date Complaint Received: 09/06/2005  
Complaint Pending? No  
Status: Settled  
Status Date: 09/26/2006  
Settlement Amount: \$66,400.00



**Individual Contribution Amount:** \$0.00

**Civil Litigation Information**

**Court Details:** SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF LOS ANGELES, CASE NUMBER 8C339270.

**Date Notice/Process Served:** 09/06/2005

**Litigation Pending?** No

**Disposition:** Settled

**Disposition Date:** 09/26/2006

**Monetary Compensation Amount:** \$66,400.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Individual

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

**Allegations:** CLIENT ALLEGED UNSUITABLE SALE OF CMOS, NEGLIGENCE, BREACH OF FIDUCIARY DUTY, MISREPRESENTATION, AND UNFAIR BUSINESS.

**Product Type:** Other: COLLATERALIZED MORTGAGE OBLIGATIONS

**Alleged Damages:** \$300,000.00

**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:** SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES

**Docket/Case #:** 8C339270

**Filing date of arbitration/CFTC reparation or civil litigation:** 09/06/2005

**Customer Complaint Information**

**Date Complaint Received:** 09/06/2005

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 09/26/2006

**Settlement Amount:** \$66,400.00

**Individual Contribution Amount:** \$0.00

**Civil Litigation Information**



**Type of Court:** State Court  
**Name of Court:** SUPERIOR COURT OF CALIFORNIA  
**Location of Court:** COUNTY OF LOS ANGELES  
**Docket/Case #:** 8C339270  
**Date Notice/Process Served:** 09/06/2005  
**Litigation Pending?** No  
**Disposition:** Settled  
**Disposition Date:** 09/26/2005  
**Monetary Compensation Amount:** \$66,400.00  
**Individual Contribution Amount:** \$0.00

**Disclosure 4 of 10**

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** WEDBUSH MORGAN SECURITIES

**Allegations:** [CUSTOMER] ALLEGES MIKE FARAH MISREPRESENTED THE NATURE, QUALITY AND SAFETY OF CERTAIN CMO'S WHICH WENT INTO DEFAULT

**Product Type:** Debt - Asset Backed

**Alleged Damages:** \$50,000.00

**Customer Complaint Information**

**Date Complaint Received:** 05/23/2005

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 12/08/2005

**Settlement Amount:** \$31,000.00

**Individual Contribution Amount:** \$0.00

**Reporting Source:** Individual  
**Employing firm when activities occurred which led to the complaint:** WEDBUSH MORGAN SECURITIES INC

**Allegations:** CUSTOMER ALLEGED MR. FARAH MISREPRESENTATED THE NATURE, QUALITY AND SAFETY OF CERTAIN CMOS WHICH WENT INTO DEFAULT.

**Product Type:** Other: COLLATERALIZED MORTGATE OBLIGATIONS

**Alleged Damages:** \$50,000.00

**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: 05/23/2005

Complaint Pending? No

Status: Settled

Status Date: 12/08/2005

Settlement Amount: \$31,000.00

Individual Contribution  
Amount: \$0.00

#### Disclosure 5 of 10

Reporting Source: Individual

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

Allegations: FAILURE TO DISCLOSE PERTINENT FACTS ABOUT INVESTMENTS TO CLIENTS. MR. FARAH DID NOT ADHERE TO CLIENTS' INVESTMENT GOALS & RISK PROFILE. CLIENTS REQUESTED WMS TO REIMBURSE THEM FOR ALL PRINCIPAL LOSSES & WILL REALIZE IN RESTRUCTURING PORTFOLIO TO MEET THEIR LONG STANDING GOALS. WMS HAS DENIED THIS CLAIM AND CLIENTS HAVE NOT PURSUED IT.

Product Type: Other

Other Product Type(s): BONDS

Alleged Damages: \$5,000.00

### Customer Complaint Information

Date Complaint Received: 12/22/2003

Complaint Pending? No

Status: Withdrawn

Status Date: 12/16/2004

Settlement Amount:

Individual Contribution  
Amount:

Broker Statement CLIENT ACCOUNT WAS EXAMINED AND NO LOSS WAS FOUND; NO ARBITRATION WAS PURSUED; NO DAMAGES NEEDED TO BE AWARDED; AND CLIENT ULTIMATELY WITHDREW THE COMPLAINT.

#### Disclosure 6 of 10

Reporting Source: Regulator

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

Allegations: INTENTIONAL MISREPRESENTATION, NEGLIGENT MISREPRESENTATION,



**Product Type:** BREACH OF FIDUCIARY DUTY, NEGLIGENCE, MONIES HAD AND RECEIVED.  
 Mutual Fund(s)

**Alleged Damages:** \$500,000.00

**Arbitration Information**

**Arbitration/Reparation Claim filed with and Docket/Case No.:** [NASD - CASE #03-07340](#)

**Date Notice/Process Served:** 10/09/2003

**Arbitration Pending?** No

**Disposition:** Award

**Disposition Date:** 04/22/2005

**Disposition Detail:** RESPONDENTS ARE JOINTLY AND SEVERALLY LIABLE TO AND SHALL PAY CLAIMANT THE SUM OF \$49,040.00 IN COMPENSATORY DAMAGES.

**Reporting Source:** Firm

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

**Allegations:** [CUSTOMER] ALLEGES THAT MR. FARAH MADE MISREPRESENTATIONS IN THE RECOMMENDATION OF MUTUAL FUND "B" SHARES

**Product Type:** Mutual Fund(s)

**Alleged Damages:** \$500,000.00

**Customer Complaint Information**

**Date Complaint Received:** 10/21/2002

**Complaint Pending?** No

**Status:** Arbitration/Reparation

**Status Date:** 10/09/2003

**Settlement Amount:**

**Individual Contribution Amount:**

**Arbitration Information**

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD CASE #03/07340

**Date Notice/Process Served:** 10/09/2003

**Arbitration Pending?** No

**Disposition:** Award to Customer

**Disposition Date:** 04/22/2005

**Monetary Compensation Amount:** \$49,040.00

**Individual Contribution Amount:**



**Firm Statement** RESPONDENTS ARE JOINTLY AND SEVERALLY LIABLE TO AND SHALL PAY CLAIMANT THE SUM OF \$49,040.00 IN COMPENSATORY DAMAGES.

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**Reporting Source:** Individual

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

**Allegations:** [CUSTOMER] ALLEGES THAT MR. FARAH MADE MISREPRESENTATIONS IN THE RECOMMENDATION OF MUTUAL FUND "B" SHARES

**Product Type:** Mutual Fund

**Alleged Damages:** \$500,000.00

**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:** NASD

**Docket/Case #:** 03-07340

**Filing date of arbitration/CFTC reparation or civil litigation:** 12/03/2003

### Customer Complaint Information

**Date Complaint Received:** 10/21/2002

**Complaint Pending?** No

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

**Status Date:** 12/03/2003

**Settlement Amount:** \$49,040.00

**Individual Contribution Amount:** \$0.00

### Arbitration Information

**Disposition:** Award to Customer

**Disposition Date:** 12/03/2003

### Civil Litigation Information

**Disposition:**

**Disposition Date:** 12/03/2003

### Disclosure 7 of 10

**Reporting Source:** Regulator

**Employing firm when activities occurred which led to the complaint:** LEHMAN BROTHERS INC.



**Allegations:** BRCH OF FIDUCIARY DT; ACCOUNT  
RELATED-NEGLIGENCE; MISREPRESENTATION

**Product Type:**

**Alleged Damages:** \$500,000.00

### Arbitration Information

**Arbitration/Reparation Claim  
filed with and Docket/Case  
No.:** NASD - CASE #96-02413

**Date Notice/Process Served:** 06/27/1996

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 07/30/1997

**Disposition Detail:** PENDING  
Not Provide

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**Reporting Source:** Firm

**Employing firm when  
activities occurred which led  
to the complaint:** LEHMAN BROTHERS INC.

**Allegations:** MISREPRESENTATION (FRAUD), UNAUTHORIZED  
TRADING AND SUITABILITY.

**Product Type:**

**Alleged Damages:** \$500,000.00

### Customer Complaint Information

**Date Complaint Received:**

**Complaint Pending?** No

**Status:** Arbitration/Reparation  
Litigation

**Status Date:**

**Settlement Amount:**

**Individual Contribution  
Amount:**

### Arbitration Information

**Arbitration/Reparation Claim  
filed with and Docket/Case  
No.:** National Assoc. of Securities Dealers; 96-02413

**Date Notice/Process Served:** 06/27/1996

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 07/30/1997

**Monetary Compensation  
Amount:** \$410,000.00



**Individual Contribution Amount:** \$0.00

### Civil Litigation Information

**Court Details:** STATE  
**Date Notice/Process Served:** 04/04/1995  
**Litigation Pending?** No  
**Disposition:** Judgment (other than monetary)  
**Disposition Date:**

**Firm Statement** THIS MATTER SETTLED FOR \$410,000. MR. FARAH WAS NOT ASKED TO CONTRIBUTE TO THE SETTLEMENT. FOR MORE INFORMATION, PLEASE CONTACT JOHN P. BEVILACQUA 212-816-7279.

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**Reporting Source:** Individual  
**Employing firm when activities occurred which led to the complaint:** LEHMAN BROTHERS INC.  
**Allegations:** CUSTOMER ALLEGED MISREPRESENTATION, FRAUD, UNAUTHORIZED TRADING AND SUITABILITY. ALLEGED DAMAGES=\$283,125.29.  
**Product Type:** Other: LIMITED PARTNERSHIPS  
**Alleged Damages:** \$500,000.00  
**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:** NASD  
**Docket/Case #:** 96-02413  
**Filing date of arbitration/CFTC reparation or civil litigation:** 06/27/1996

### Customer Complaint Information

**Date Complaint Received:** 06/27/1996  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 07/30/1997  
**Settlement Amount:** \$410,000.00  
**Individual Contribution Amount:** \$0.00

### Arbitration Information



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

**Docket/Case #:** 96-02413

**Date Notice/Process Served:** 06/27/1996

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 07/30/1997

**Monetary Compensation Amount:** \$410,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** SMITH BARNEY SETTLED CCASE FOR \$410,000. SMITH BARNEY FOUND NOT FAULT WITH MR FARAH AND HENCE HE WAS NOT ASKED TO CONTRIBUTE TO THE SETTLEMENT. ALL ALLEGATIONS WERE AGAINST LIMITED PARTNERSHIPS PURCHASES THAT WERE MADE BETWEEN 10 TO 20 YEARS AGO.

**Disclosure 8 of 10**

**Reporting Source:** Regulator

**Employing firm when activities occurred which led to the complaint:** SHEARSON LEHMAN HUTTON, INC.

**Allegations:** SUITABILITY; UNAUTHORIZED TRADING

**Product Type:**

**Alleged Damages:** \$650,000.00

**Arbitration Information**

**Arbitration/Reparation Claim filed with and Docket/Case No.:** [NASD - CASE #91-00913](#)

**Date Notice/Process Served:** 04/18/1991

**Arbitration Pending?** No

**Disposition:** Other

**Disposition Date:** 09/29/1992

**Disposition Detail:** AWARD AGAINST PARTY ACTUAL/COMPENSATORY DAMAGES, RELIEF HAS BEEN AWARDED (PARTIAL OR FULL), AWARD AMOUNT \$52,500.00 JOINTLY AND SEVERALLY

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** SHEARSON LEHMAN HUTTON, INC.

**Allegations:** ALLEGED UNSUITABILITY, FRAUD, FAILURE TO



**Product Type:** SUPERVISE, SELF DEALING BREACH OF FIDUCIARY DUTY, BREACH OF EXPRESS AND IMPLIED CONTRACT ALLEGED DAMAGES \$650,000

**Alleged Damages:** Other: LIMITED PARTNERSHIPS

**Is this an oral complaint?** \$650,000.00

**Is this a written complaint?** No

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

**Arbitration/Reparation forum or court name and location:** Yes

**Docket/Case #:** NASD

**Filing date of arbitration/CFTC reparation or civil litigation:** 91-00913

**Customer Complaint Information**

**Date Complaint Received:** 04/18/1991

**Complaint Pending?** No

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

**Status Date:** 09/29/1992

**Settlement Amount:** \$52,500.00

**Individual Contribution Amount:** \$0.00

### Arbitration Information

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

**Docket/Case #:** [91-00913](#)

**Date Notice/Process Served:** 04/18/1991

**Arbitration Pending?** No

**Disposition:** Award to Customer

**Disposition Date:** 09/29/1992

**Monetary Compensation Amount:** \$52,500.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

AN ARBITRATION PANEL AWARDED THE CLAIMANT \$52,500 PLUS 10% INTEREST FROM MARCH 20, 1991 TO PAYMENT DATE WHICH WAS ON OCTOBER 20, 1992 THE TOTAL PAYMENT WAS FOR \$60,812. THIS COMPLAINT IS OVER TEN YEARS AND INVOLVES SALES IN LIMITED PARTNERSHIP THAT ARE OVER 20 YEARS OLD, WHERE THE INTIAL BUYER EVENTUALLY REALIZED GAINS OVER HIS/HER ORIGINAL INVESTMENT.



<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	SHEARSON LEHMAN HUTTON, INC.
<b>Allegations:</b>	CHURNING, FAILURE TO SUPERVISE, BREACH OF FIDUCIARY DUTY, UNSUITABILITY, UNAUTHORIZED TRADING, COMMON LAW FRAUD, SECURITIES FRAUD, AND VIOLATIONS OF CALIFORNIA CIVIL CODE AND CORPORATIONS CODE. ALLEGED DAMAGES:\$3,000,000
<b>Product Type:</b>	Debt-Corporate
<b>Alleged Damages:</b>	\$3,000,000.00
<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>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	UNKNOWN
<b>Docket/Case #:</b>	UNKNOWN
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	02/01/1990

### Customer Complaint Information

<b>Date Complaint Received:</b>	02/01/1990
<b>Complaint Pending?</b>	No
<b>Status:</b>	Arbitration Award/Monetary Judgment (for claimants/plaintiffs)
<b>Status Date:</b>	08/04/1992
<b>Settlement Amount:</b>	\$903,953.88
<b>Individual Contribution Amount:</b>	\$0.00

### Arbitration Information

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	UNKNOWN
<b>Docket/Case #:</b>	UNKNOWN
<b>Date Notice/Process Served:</b>	02/01/1990
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Award to Customer
<b>Disposition Date:</b>	08/04/1992
<b>Monetary Compensation Amount:</b>	\$903,953.88
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	AWARD RENDERED WAS \$903,953.88 SHEARSON PAID THE AWARD. SHEARSON'S ANALYSIS OF THE TRADING SHOWED A GAIN OF OVER



\$2,000,000 ON A NET OUT OF POCKET BASIS. AT ALL RELEVANT TIMES, THE LIMITED PARTNERSHIP INVESTMENTS IN THE [CUSTOMER] ACCOUNT WERE APPROVED BY THE TRUSTEE OF THE ACCOUNT AND/OR A COURT APPOINTED ATTORNEY. THE BOND TRADING IN THE ACCOUNT GENERATED AN APPROXIMATE 14% RATE OF RETURN FOR [CUSTOMER]. THIS COMPLAINT IS OVER TEN YEARS AND INVOLVES SALES IN LIMITED PARTNERSHIP THAT ARE OVER 20 YEARS OLD, WHERE THE INITIAL BUYER EVENTUALLY REALIZED GAINS OVER HIS/HER ORIGINAL INVESTMENT.

**Disclosure 10 of 10**

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** SHEARSON LEHMAN HUTTON, INC.

**Allegations:** UNSUITABILITY, MISREPRESENTATION, BREACH OF FIDUCIARY DUTY, BREACH OF CONTRACT. ALLEGED DAMAGES: \$68,000.00

**Product Type:** Other: LIMITED PARTNERSHIPS

**Alleged Damages:** \$68,000.00

**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:** UNKNOWN

**Docket/Case #:** ARL05262

**Filing date of arbitration/CFTC reparation or civil litigation:** 06/01/1992

**Customer Complaint Information**

**Date Complaint Received:** 06/01/1992

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 02/01/1993

**Settlement Amount:** \$19,000.00

**Individual Contribution Amount:** \$0.00

**Arbitration Information**

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

**Docket/Case #:** ARL05262

**Date Notice/Process Served:** 06/01/1992

**Arbitration Pending?** No



<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	02/01/1993
<b>Monetary Compensation Amount:</b>	\$19,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	CASE SETTLED FOR \$19,000.00. SHEARSON PAID TOTAL SETTLEMENT. BROKER WAS SUBSTITUTED OUT OF CASE. NO BROKER INVOLVEMENT WITH SETTLEMENT. THIS COMPLAINT IS OVER TEN YEARS AND INVOLVES SALES IN LIMITED PARTNERSHIP THAT ARE OVER 20 YEARS OLD, WHERE THE INTIAL BUYER EVENTUALLY REALIZED GAINS OVER HIS/HER ORIGINAL INVESTMENT.



## End of Report

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