

## BrokerCheck Report

**PATRICIA FAYE MEIDELL**

CRD# 331254

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our [investor alert](#) on imposters.

## 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).

**PATRICIA F. MEIDELL**

CRD# 331254

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

- IA AMERICAN WEALTH MANAGEMENT**  
570 HAMMILL LANE  
RENO, NV 89511  
CRD# 122205  
Registered with this firm since: 09/04/2008
- B M. S. HOWELLS & CO.**  
570 Hammill Lane  
Reno, NV 89511  
CRD# 104100  
Registered with this firm since: 08/24/2016

**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:**

- 2 Self-Regulatory Organizations
- 9 U.S. states and territories

**This broker has passed:**

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

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

- B FOOTHILL SECURITIES, INC.**  
CRD# 1027  
RENO, NV  
03/2011 - 08/2016
- IA LPL FINANCIAL LLC**  
CRD# 6413  
FORT MILL, SC  
09/2009 - 03/2011
- B LPL FINANCIAL LLC**  
CRD# 6413  
RENO, NV  
09/2009 - 03/2011

**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 | 11    |



## 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 2 SROs and is licensed in 9 U.S. states and territories through his or her employer.**

### Employment 1 of 2

Firm Name: **AMERICAN WEALTH MANAGEMENT**

Main Office Address: **570 HAMMILL LANE  
RENO, NV 89511**

Firm CRD#: **122205**

|    | U.S. State/ Territory | Category                          | Status              | Date       |
|----|-----------------------|-----------------------------------|---------------------|------------|
| IA | Arizona               | Investment Adviser Representative | Approved            | 09/02/2009 |
| IA | California            | Investment Adviser Representative | Approved            | 07/09/2009 |
| IA | Nevada                | Investment Adviser Representative | Approved            | 09/04/2008 |
| IA | Texas                 | Investment Adviser Representative | Restricted Approval | 11/21/2011 |

### Branch Office Locations

570 HAMMILL LANE  
RENO, NV 89511

### Employment 2 of 2

Firm Name: **M. S. HOWELLS & CO.**

Main Office Address: **23350 N. PIMA RD.  
SCOTTSDALE, AZ 85255**

Firm CRD#: **104100**

|   | SRO   | Category                          | Status   | Date       |
|---|-------|-----------------------------------|----------|------------|
| B | FINRA | General Securities Principal      | Approved | 08/24/2016 |
| B | FINRA | General Securities Representative | Approved | 08/24/2016 |



## Broker Qualifications

### Employment 2 of 2, continued

| SRO                   | Category                          | Status   | Date       |
|-----------------------|-----------------------------------|----------|------------|
| B Nasdaq Stock Market | General Securities Principal      | Approved | 08/24/2016 |
| B Nasdaq Stock Market | General Securities Representative | Approved | 08/24/2016 |

| U.S. State/ Territory | Category | Status   | Date       |
|-----------------------|----------|----------|------------|
| B Arizona             | Agent    | Approved | 08/24/2016 |
| B California          | Agent    | Approved | 08/24/2016 |
| B Maryland            | Agent    | Approved | 09/19/2016 |
| B Nevada              | Agent    | Approved | 09/16/2016 |
| B New Mexico          | Agent    | Approved | 08/24/2016 |
| B Pennsylvania        | Agent    | Approved | 08/24/2016 |
| B Texas               | Agent    | Approved | 08/24/2016 |
| B Virginia            | Agent    | Approved | 08/24/2016 |
| B Washington          | Agent    | Approved | 09/01/2016 |

### Branch Office Locations

#### M. S. HOWELLS & CO.

570 Hammill Lane  
Reno, NV 89511



## 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 1 principal/supervisory exam, 3 general industry/product exams, and 2 state securities law exams.**

### Principal/Supervisory Exams

| Exam  | Category  | Date       |
|---|-----------|------------|
| <b>B</b> General Securities Principal Examination | Series 24 | 06/12/1985 |

### General Industry/Product Exams

| Exam   | Category   | Date       |
|--|------------|------------|
| <b>B</b> General Securities Representative Examination | Series 7TO | 01/02/2023 |
| <b>B</b> Securities Industry Essentials Examination    | SIE        | 10/01/2018 |
| <b>B</b> Registered Representative Examination         | Series 1   | 12/28/1972 |

### State Securities Law Exams

| Exam  | Category  | Date       |
|---|-----------|------------|
| <b>IA</b> Uniform Investment Adviser Law Examination    | Series 65 | 02/24/1994 |
| <b>B</b> Uniform Securities Agent State Law Examination | Series 63 | 06/25/1987 |

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 **1** professional designation(s).

### Certified Financial Planner

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This representative holds or did hold **1** professional designation(s) that may have been used to qualify as an Investment Advisor representative. Please check with the appropriate designation authority for verification that the designation is still in effect. The contact information for these professional designation authorities can be found on the website for the North American Securities Administrators Association at <http://www.nasaa.org>



## 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> 03/2011 - 08/2016  | FOOTHILL SECURITIES, INC.                                  | 1027   | RENO, NV        |
| <b>B</b> 09/2009 - 03/2011  | LPL FINANCIAL LLC  | 6413   | RENO, NV        |
| <b>IA</b> 09/2009 - 03/2011 | LPL FINANCIAL LLC  | 6413   | RENO, NV        |
| <b>IA</b> 07/1996 - 10/2009 | ASSOCIATED PLANNERS INVESTMENT ADVISORY INC                | 104790 | RENO, NV        |
| <b>IA</b> 08/2004 - 09/2009 | ASSOCIATED SECURITIES CORP.                                | 12969  | RENO, NV        |
| <b>B</b> 02/1988 - 09/2009  | ASSOCIATED SECURITIES CORP.                                | 12969  | RENO, NV        |
| <b>IA</b> 05/2004 - 07/2004 | AMERICAN RETIREMENT PLANNERS                               | 122205 | RENO, NV        |
| <b>IA</b> 02/1998 - 12/2002 | AMERICAN RETIREMENT PLANNERS                               | 122205 | RENO, NV        |
| <b>B</b> 08/1992 - 06/2002  | ASSOCIATED PLANNERS SECURITIES CORPORATION OF NEVADA, INC. | 30200  | RENO, NV        |
| <b>B</b> 07/1982 - 03/1988  | TITAN CAPITAL CORPORATION                                  | 6359   |                 |
| <b>B</b> 01/1973 - 07/1982  | TMI EQUITIES, INC.   | 5374   |                 |

### 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             |
|-------------------|---|-----------------------|--------------------|-------------------------------|
| 08/2016 - Present | M.S. Howells Securities, Inc.                                   | Registered Principal  | Y                  | Scottsdale, AZ, United States |
| 06/2008 - Present | AMERICAN WEALTH MANAGEMENT (AMERICAN RETIREMENT PLANNERS, INC.) | CHAIRMAN OF THE BOARD | Y                  | RENO, NV, United States       |





## Registration and Employment History

### Employment History, continued

| Employment        | Employer Name                            | Position                  | Investment Related | Employer Location       |
|-------------------|--|---------------------------|--------------------|-------------------------|
| 08/1998 - Present | QUAIL VILLAGE II MAINTENANCE ASSOCIATION | SEC/TREASURER             | Y                  | RENO, NV, United States |
| 03/2011 - 08/2016 | FOOTHILL SECURITIES, INC.                | REGISTERED REPRESENTATIVE | Y                  | RENO, NV, 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) JUNE 2008; AMERICAN WEALTH MANAGEMENT; RENO, NV; INVESTMENT RELATED; RIA; CHAIRMAN OF THE BOARD; DEVOTE 160 HOURS PER MONTH; 80 HOURS PER MONTH DURING BUSINESS & MARKET HOURS;

2) AUGUST 1998; QUAIL VILLAGE II, RENO, NV; NON INVESTMENT RELATED; MAINTENANCE ASSOCIATION OF NONPROFIT ORGANIZATION FOR MY BUSINESS BUILDING; OWNER/SEC/TREASURER; DEVOTE 1 HOUR PER MONTH; 0 HOURS DURING BUSINESS AND MARKET HOURS.

3) APRIL 2017; NEVADA CLERGY ASSOCIATION DBA NEVADA INTERFAITH ASSOCIATION; RENO, NV; NON INVESTMENT RELATED; NONPROFIT 501C3; PRESIDENT; DEVOTE 2 HRS/MONTH, 0 DURING MARKET HOURS.



## 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.
  -
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 |
|------------------|---------|-------|-----------|
| Customer Dispute | 0       | 11    | 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

|  |   |
|--|---|
| <b>Reporting Source:</b>   | Regulator   |
| <b>Employing firm when activities occurred which led to the complaint:</b> | ASSOCIATED SECURITIES CORP.   |
| <b>Allegations:</b>  | BREACH OF CONTRACT, FRAUD, CHURNING, DECEIT, OMISSION OF MATERIAL FACT, BREACH OF FIDUCIARY DUTY, FRAUDULENT CONCEALMENT.                           |
| <b>Product Type:</b>   | Mutual Fund(s)  |
| <b>Alleged Damages:</b>  | \$560,980.00  |
| <b>Arbitration Information</b>   |   |
| <b>Arbitration/Reparation Claim filed with and Docket/Case No.:</b>        | NASD - CASE #06-02936   |
| <b>Date Notice/Process Served:</b>   | 06/14/2006  |
| <b>Arbitration Pending?</b>  | No  |
| <b>Disposition:</b>  | Award   |
| <b>Disposition Date:</b>   | 11/19/2007  |
| <b>Disposition Detail:</b>   | RESPONDENT IS JOINTLY AND SEVERALLY LIABLE TO AND SHALL PAY CLAIMANT \$345,000 IN COMPENSATORY DAMAGES PLUS INTEREST IN THE AMOUNT OF \$234,093.75. |



**Reporting Source:** Broker  
**Employing firm when activities occurred which led to the complaint:** ASSOCIATED SECURITIES CORP.

**Allegations:** IN LATE 2000 THE CUSTOMERS ESTABLISHED AN INVESTMENT ADVISORY ACCOUNT THROUGH AN AFFILIATED REGISTERED INVESTMENT ADVISOR WHERE MS. MEIDELL MANAGED THE ACCOUNT AND CHARGED A QUARTERLY MANAGEMENT FEE. CLAIMANT WAS SEEKING TO GROW HIS ASSETS IN ORDER TO FUND HIS LIFESTYLE DURING RETIREMENT. THE CONSTRUCTED PORTFOLIO CONSISTED OF INVESTMENTS PRIMARILY IN EQUITY MUTUAL FUNDS. AS A RESULT OF THE SUBSEQUENT SIGNIFICANT MARKET DECLINE IN 2000-2002, THE MARKET VALUE OF HIS ACCOUNT ALSO DECLINED AND HE IS NOW CLAIMING THAT THE INVESTMENTS WERE UNSUITABLE AND HAD MS. MEIDELL PLACED HIM IN MORE CONSERVATIVE ASSETS SUCH AS BONDS, HE WOULD HAVE MADE MONEY. PAT MEIDELL WAS ADDED AS AN INDIVIDUAL RESPONDENT TO THIS CLAIM 9 MONTHS AFTER THE CLAIM WAS INITIALLY FILED.

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

**Alleged Damages:** \$560,980.00

### Customer Complaint Information

**Date Complaint Received:** 09/24/2007

**Complaint Pending?** No

**Status:** Arbitration/Reparation

**Status Date:** 09/24/2007

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** [NASD 06-02936](#)

**Date Notice/Process Served:** 09/24/2007

**Arbitration Pending?** No

**Disposition:** Award to Customer

**Disposition Date:** 11/16/2007



**Monetary Compensation Amount:** \$345,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement**

THIS IS ANOTHER CLAIM IN A SERIES OF CLAIMS THAT HAS BEEN BROUGHT BY THE SAME CLAIMANT'S ATTORNEY OVER THE COURSE OF THE LAST YEAR AS THE RESULT OF A SOLICITATION CAMPAIGN WHERE COUNSEL IMPROPERLY USED THE REPRESENTATIVE'S CLIENT LIST AND OTHER DOCUMENTATION CONTAINING UNRELATED CUSTOMER INFORMATION OBTAINED DURING DISCOVERY IN ANOTHER MATTER TO CONTACT MS. MEIDELL'S CLIENTS AND INDUCE THEM TO FILE CLAIMS. DOCUMENTATION COMPLETED BY THIS CLAIMANT AT THE TIME THE INVESTMENTS WERE MADE DO NOT SUPPORT THE ALLEGATIONS THAT HIS WAS A CONSERVATIVE INVESTOR OR ANY OF THE ALLEGED CAUSES OF ACTION (E.G. UNSUITABILITY, NEGLIGENCE, ETC.). DOCUMENTED DISCLOSURE WAS PROVIDED TO THE CLIENTS AT THE TIME THE INVESTMENTS WERE MADE. AS THE BASIS FOR THE ALLEGED DAMAGES, THE CLAIM SEEKS TO RECOVER MARKET LOSSES THAT WERE THE RESULT OF THE 2000-2002 MARKET DOWNTURN BY CHERRY PICKING BOTH THE TIME PERIOD AND INVESTMENTS WHERE MARKET LOSSES OCCURRED AND BY CLAIMING (IN HINDSIGHT) THAT HAD THE ACCOUNT BEEN INVESTED IN BONDS, HE WOULD HAVE MADE MORE MONEY. AS THE CLAIM IS WITHOUT MERIT, IT WILL BE VIGOROUSLY DEFENDED. ON NOVEMBER 16, 2007 THE ARBITRATION PANEL ISSUED THE FOLLOWING AWARD:  
\$345,000 IN COMPENSATORY DAMAGES; ACCRUED INTEREST ON THAT AMOUNT OF \$234,093.75 AND REIMBURSEMENT OF EXPERT FEES OF \$26,000

**Disclosure 2 of 4**

**Reporting Source:** Regulator

**Employing firm when activities occurred which led to the complaint:** ASSOCIATED SECURITIES CORP.

**Allegations:** BREACH OF WRITTEN AND ORAL CONTRACTS; FRAUD, DECEIT AND OMISSION OF MATERIAL FACT; BREACH OF FIDUCIARY DUTY

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

**Other Product Type(s):** UNSPECIFIED EQUITY MUTUAL FUNDS

**Alleged Damages:** \$731,456.00



## Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD - CASE #06-02122

**Date Notice/Process Served:** 04/25/2006

**Arbitration Pending?** No

**Disposition:** Award

**Disposition Date:** 09/20/2007

**Disposition Detail:** AMENDED AWARD: CLAIMANT'S CLAIMS ARE DENIED IN THEIR ENTIRETY. MEIDELL IS JOINTLY AND SEVERALLY LIABLE TO AND SHALL PAY CLAIMANT'S IRA \$25,000 IN COMPENSATORY DAMAGES AND SHALL PAY CLAIMANT'S PROFIT SHARING PLAN \$425,000. RESPONDENT IS JOINTLY AND SEVERALLY LIABLE TO AND SHALL PAY CLAIMANTS IRA AND PROFIT SHARING PLAN INTEREST ON \$450,000.

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ASSOCIATED SECURITIES CORP.

**Allegations:** CLAIMANT, INDIVIDUALLY AND IN HER CAPACITY AS TRUSTEE FOR THE PROFIT SHARING PLAN BEGAN HER RELATIONSHIP WITH ASC 17 YEARS AGO IN 1990 WITH ASC REP [OTHER FIRM EMPLOYEE] INVESTING IN MUTUAL FUNDS, LIMITED PARTNERSHIPS, ANNUITIES. CLAIMANTS' INVESTMENTS IN BONDS WERE NOT APPRECIATING SUFFICIENTLY IN VALUE AND SHE DIRECTED THOSE MONIES INTO EQUITY MUTUAL FUNDS. IN 1993, MS. MEIDELL BEGAN HANDLING CLAIMANTS' ACCOUNTS WITH [OTHER FIRM EMPLOYEE] AND CONTINUED THE INVESTMENT STRATEGY OF INVESTING IN MUTUAL FUNDS. IN 1996, [OTHER FIRM EMPLOYEE] RETIRED AND MS. MEIDELL CONTINUED HANDLING THE ACCOUNTS. THE ACCOUNTS EXPERIENCED SIGNIFICANT GROWTH IN VALUE OVER THE YEARS UNTIL THE US MARKET DECLINE IN 2000-2002. IN OR ABOUT 1998, MS. MEIDELL BEGAN MANAGING A PORTION OF EACH OF THE ACCOUNTS AS INVESTMENT ADVISORY ACCOUNTS AND CHARGED A MANAGEMENT FEE. CLAIMANTS INCURRED MARKET LOSSES IN THEIR INVESTMENTS DURING THE PRECIPITOUS MARKET DECLINE IN 2000-2002 TIME PERIOD AND ARE NOW CONTENDING THAT THE INVESTMENTS WERE UNSUITABLE, WERE NOT DIVERSIFIED AND THAT THEY SHOULD HAVE BEEN INVESTED IN BONDS DURING THIS TIME PERIOD AND THEREFORE WOULD HAVE MADE MORE MONEY. PAT MEIDELL WAS ADDED AS AN INDIVIDUAL



RESPONDENT TO THIS CLAIM 9 MONTHS AFTER THE CLAIM WAS INITIALLY FILED.

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

**Alleged Damages:** \$731,456.00

### Customer Complaint Information

**Date Complaint Received:** 02/22/2007

**Complaint Pending?** No

**Status:** Arbitration/Reparation

**Status Date:** 02/22/2007

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD 06-02122

**Date Notice/Process Served:** 02/22/2007

**Arbitration Pending?** No

**Disposition:** Award to Customer

**Disposition Date:** 07/03/2007

**Monetary Compensation Amount:** \$455,000.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

ON AUGUST 3, 2007, RESPONDENTS FILED A MOTION TO VACATE THE ARBITRATION AWARD ISSUED ON 07/03/2007 IN NEVADA STATE COURT. THE AWARD DENIED [CUSTOMER'S] INDIVIDUAL CLAIMS, AWARDED \$25,000 TO THE CLAIMANT'S IRA ACCOUNTS AND \$425,000 TO THE PROFIT SHARING PLAN ACCOUNTS. DURING THE LIFESPAN OF ALL OF HER INVESTMENTS WITH ASC, CLAIMANT MADE A COMBINED OVERALL PROFIT OF APPROXIMATELY \$253,000.00. THIS IS ANOTHER CLAIM IN A SERIES OF CLAIMS THAT HAS BEEN BROUGHT BY THE SAME PLAINTIFF'S ATTORNEY OVER THE COURSE OF THE LAST YEAR AS THE RESULT OF HIS SOLICITATION CAMPAIGN WHERE COUNSEL IMPROPERLY USED THE REPRESENTATIVE'S CLIENT LIST AND OTHER DOCUMENTATION



CONTAINING UNRELATED CUSTOMER INFORMATION OBTAINED DURING DISCOVERY IN ANOTHER MATTER TO CONTACT MS. MEIDELL'S CLIENTS TO INDUCE THEM TO FILE CLAIMS. DOCUMENTATION COMPLETED BY [CUSTOMER] AT THE TIME THE INVESTMENTS WERE MADE DO NOT SUPPORT THE ALLEGATIONS THAT SHE WAS A CONSERVATIVE INVESTOR OR ANY OF THE ALLEGED CAUSES OF ACTION (E.G. UNSUITABILITY, NEGLIGENCE, ETC.). AS THE BASIS FOR THE ALLEGED DAMAGES, THE CLAIM SEEKS TO RECOVER MARKET LOSSES THAT WERE RESULT OF THE 2000-2002 MARKET DOWNTURN BY CHERRY PICKING BOTH THE TIME PERIOD AND INVESTMENTS WHERE MARKET LOSSES OCCURRED AND BY CLAIMING (IN HINDSIGHT) THAT HAD HER ACCOUNTS BEEN INVESTED IN BONDS SHE WOULD HAVE MADE MORE MONEY.

### Disclosure 3 of 4

|  |  |
|--|--|
| <b>Reporting Source:</b>   | Regulator  |
| <b>Employing firm when activities occurred which led to the complaint:</b> | ASSOCIATED SECURITIES CORP.  |
| <b>Allegations:</b>  | UNSUITABILITY, NEGLIGENCE, FRAUD, DECEIT AND OMISSION OF MATERIAL FACT, BREACH OF FIDUCIARY DUTY.                    |
| <b>Product Type:</b>   | Other  |
| <b>Other Product Type(s):</b>  | UNSPECIFIED TYPE OF SECURITIES   |
| <b>Alleged Damages:</b>  | \$179,569.00   |
| <b>Arbitration Information</b>   |  |
| <b>Arbitration/Reparation Claim filed with and Docket/Case No.:</b>        | NASD - CASE #05-05935  |
| <b>Date Notice/Process Served:</b>   | 11/17/2005   |
| <b>Arbitration Pending?</b>  | No   |
| <b>Disposition:</b>  | Award  |
| <b>Disposition Date:</b>   | 01/26/2007   |
| <b>Disposition Detail:</b>   | RESPONDENT IS JOINTLY AND SEVERALLY LIABLE FOR AND SHALL PAY TO CLAIMANTS THE SUM OF \$65,000 INCLUSIVE OF INTEREST. |

**Reporting Source:** Broker





**Employing firm when activities occurred which led to the complaint:** ASSOCIATED SECURITIES CORP.

**Allegations:** IN FEB. 2000, THE CUSTOMERS OPENED A MANAGED ACCOUNT WITH A STATED INVESTMENT OBJECTIVE OF CAPITAL APPRECIATION AND HIGH RISK-TOLERANCE, SEEKING INVESTMENTS PRIMARILY IN EQUITY MUTUAL FUNDS. AS A RESULT OF THE SIGNIFICANT MARKET DECLINE IN 2001 AND 2002, THE MARKET VALUE OF THEIR PORTFOLIO ALSO DECLINED AND THEY ARE NOW CLAIMING THAT THEIR PORTFOLIO WAS NOT PRUDENTLY MANAGED BY MS. MEIDELL AND IT SHOULD HAVE BEEN MANAGED IN A MORE CONSERVATIVE FASHION.

**Product Type:** Mutual Fund

**Alleged Damages:** \$179,569.00

### Customer Complaint Information

**Date Complaint Received:** 02/26/2004

**Complaint Pending?** No

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

**Status Date:** 05/28/2004

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 05-05935

**Date Notice/Process Served:** 12/09/2005

**Arbitration Pending?** No

**Disposition:** Award to Customer

**Disposition Date:** 01/26/2007

**Monetary Compensation Amount:** \$65,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement**

THE ARBITRATION CLAIM WILL BE VIGOROUSLY DEFENDED.CUSTOMER'S INITIAL COMPLAINT WAS DENIED IN MAY 2004 AS THERE WAS NO MERIT TO THE COMPLAINT. THE SUBSEQUENT ARBITRATION CLAIM FILED CONTAINS THE IDENTICAL ALLEGATIONS AS NOTED IN THE PRIOR CUSTOMER COMPLAINT.

**Disclosure 4 of 4****Reporting Source:**

Regulator

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

ASSOCIATED SECURITIES CORP., ASSOCIATED PLANNERS INVESTMENT ADVISORY, INC.

**Allegations:**

BREACH OF FIDUCIARY DUTY, BREACH OF CONTRACT, NEGLIGENCE AND COMMON LAW FRAUD.

**Product Type:**

Other

**Other Product Type(s):**

FUNDS AND REAL ESTATE INVESTMENT TRUSTS.

**Alleged Damages:**

\$176,653.00

**Arbitration Information****Arbitration/Reparation Claim filed with and Docket/Case No.:**

NASD - CASE #03-04937

**Date Notice/Process Served:**

07/07/2003

**Arbitration Pending?**

No

**Disposition:**

Award

**Disposition Date:**

07/21/2004

**Disposition Detail:**

RESPONDENT PATRICIA MEIDELL IS LIABLE TO AND SHALL PAY TO CLAIMANT THE SUM OF \$27,256.07 IN COMPENSATORY DAMAGES, WHICH REPRESENTS A RETURN OF THE COMMISSIONS THE CLAIMANT PAID TO MS. MEIDELL DURING THE NON-DISCRETIONARY PERIOD OF THE ACCOUNT.

**Reporting Source:**

Broker

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

ASSOCIATED SECURITIES CORP.



**Allegations:** THE CUSTOMER CONTENDS THAT ACCOUNT ACTUALLY MADE MONEY IN THE FIVE YEARS IT WAS MANAGED BY MS. MEIDELL BETWEEN 1996 AND 2001. HOWEVER, HE FURTHER CONTENDS THAT IF MS. MEIDELL HAD "PRUDENTLY" INVESTED HIS FUNDS DURING DOWNTURN IN THE MARKET, HIS ACCOUNT WOULD HAVE MADE EVEN MORE MONEY THAN IT DID. THE \$176,000 CLAIMED AS DAMAGES IS THE ADDITIONAL AMOUNT THE CUSTOMER CONTENDS HIS ACCOUNT WOULD HAVE MADE HAD THE ACCOUNT BEEN "PRUDENTLY" MANAGED.

**Product Type:** Mutual Fund

**Alleged Damages:** \$176,653.00

### Customer Complaint Information

**Date Complaint Received:** 06/09/2003

**Complaint Pending?** No

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

**Status Date:** 07/22/2003

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

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

**Docket/Case #:** 03-04937

**Date Notice/Process Served:** 07/24/2003

**Arbitration Pending?** No

**Disposition:** Award to Customer

**Disposition Date:** 07/21/2004

**Monetary Compensation Amount:** \$27,256.07

**Individual Contribution Amount:** \$27,256.07



## 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 7

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ASSOCIATED SECURITIES CORP.

**Allegations:** CLAIMANT BEGAN HIS RELATIONSHIP WITH ASC IN 1996, SEEKING TO GROW HIS ASSETS TO FUND HIS RETIREMENT. PRIOR TO OPENING AN ACCOUNT WITH ASC, HE HAD 17 PRIOR YEARS OF INVESTMENT EXPERIENCE IN MUTUAL FUNDS, STOCKS AND BONDS. AT THE TIME HE HELD ACCOUNTS AT ASC, HE ALSO HELD AN ACCOUNT AT ANOTHER BROKER DEALER THAT HELD THE SAME KINDS OF MUTUAL FUNDS AS HIS ASC ACCOUNT HELD. IN OR ABOUT 1998, MS. MEIDELL'S SON BEGAN HANDLING THE CUSTOMER'S ASC ACCOUNTS. THE ASC ACCOUNTS EXPERIENCED SIGNIFICANT GROWTH IN VALUE OVER THE YEARS. SO MUCH SO, THAT IN 2000, THE CUSTOMER TRANSFERRED HIS ACCOUNT FROM THE OTHER BROKER DEALER TO ASC FOR MS. MEIDELL'S SON TO ALSO MANAGE. THE ACCOUNTS WERE MANAGED ON AN INVESTMENT ADVISORY BASIS WHERE A MANAGEMENT FEE WAS CHARGED. CLAIMANTS INCURRED MARKET LOSSES IN THEIR INVESTMENTS DURING THE PRECIPITOUS MARKET DECLINE IN 2000-2002 TIME PERIOD AND ARE NOW CONTENDING THAT THE INVESTMENTS WERE UNSUITABLE, WERE NOT DIVERSIFIED AND THAT HAD THEY BEEN INVESTED IN BONDS DURING THIS TIME PERIOD, THEY WOULD HAVE MADE MORE MONEY. PAT MEIDELL AND HER SON WERE ADDED AS INDIVIDUAL RESPONDENTS TO THIS CLAIM 9 MONTHS AFTER THE CLAIM WAS INITIALLY FILED.

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

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

**Alleged Damages:** \$381,915.00

### Customer Complaint Information

**Date Complaint Received:** 02/28/2007

**Complaint Pending?** No

**Status:** Arbitration/Reparation

**Status Date:** 02/28/2007

**Settlement Amount:**



**Individual Contribution  
Amount:**

**Arbitration Information**

**Arbitration/Reparation Claim  
filed with and Docket/Case  
No.:** NASD 06-02603

**Date Notice/Process Served:** 02/28/2007

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 05/15/2007

**Monetary Compensation  
Amount:** \$95,000.00

**Individual Contribution  
Amount:** \$0.00

**Broker Statement**

THE CLAIMANT OWNED SIMILAR MUTUAL FUNDS IN AN ACCOUNT WITH ANOTHER BROKER DEALER DURING THE RELEVANT TIME PERIOD. HE BECAME UNHAPPY WITH THE PERFORMANCE OF HIS OTHER BROKER DEALER ACCOUNT AND TRANSFERRED THAT ACCOUNT TO ASC IN EARLY 2000 BECAUSE HIS ACCOUNTS AT ASC HAD APPRECIATED IN VALUE AT THE SAME TIME. THIS IS ANOTHER CLAIM IN A SERIES OF CLAIMS THAT HAS BEEN BROUGHT BY THE SAME PLAINTIFF'S ATTORNEY OVER THE COURSE OF THE LAST YEAR AS THE RESULT OF HIS SOLICITATION CAMPAIGN WHERE COUNSEL IMPROPERLY USED THE REPRESENTATIVE'S CLIENT LIST AND OTHER DOCUMENTATION CONTAINING UNRELATED CUSTOMER INFORMATION OBTAINED DURING DISCOVERY IN ANOTHER MATTER TO CONTACT THE ADVISORS' CLIENTS TO INDUCE THEM TO FILE CLAIMS. DOCUMENTATION COMPLETED BY THE CLAIMANTS AT THE TIME THE INVESTMENTS WERE MADE DO NOT SUPPORT THE ALLEGATIONS THAT THEY WERE CONSERVATIVE INVESTORS OR ANY OF THE ALLEGED CAUSES OF ACTION (E.G. UNSUITABILITY, NEGLIGENCE, ETC.). DOCUMENTED DISCLOSURE WAS PROVIDED TO THESE CLIENTS AT THE TIME THE INVESTMENTS WERE MADE. AS THE BASIS FOR THE ALLEGED DAMAGES, THE CLAIM SEEKS TO RECOVER MARKET LOSSES THAT WERE RESULT OF THE 2000-2002 MARKET DOWNTURN BY CHERRY PICKING BOTH THE TIME PERIOD AND INVESTMENTS WHERE MARKET LOSSES OCCURRED AND BY CLAIMING (IN HINDSIGHT) THAT HAD THEIR ACCOUNTS BEEN INVESTED IN BONDS, THEY WOULD HAVE MADE MORE MONEY. UNDER THIS THEORY, CLAIMANTS SOUGHT DAMAGES OF APPROXIMATELY 381,915.00. TO AVOID THE COST OF PROTRACTED LITIGATION, THIS MATTER WAS SETTLED FOR \$95,000 WITH NO ADMISSION




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 OF LIABILITY ON THE PART OF THE FIRM OR THE ADVISORS.
 

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**Disclosure 2 of 7**
**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ASSOCIATED SECURITIES CORP.

**Allegations:** IN THEIR STATEMENT OF CLAIM, THE [CUSTOMERS] ARE SEEKING TO RECOVER MARKET LOSSES FROM INVESTMENTS THAT WERE MADE OVER THE COURSE OF A 13 YEAR RELATIONSHIP WITH ASC AND THE MEIDELLS. CLAIMANTS BEGAN THEIR RELATIONSHIP WITH MS. MEIDELL IN OR ABOUT 1994 WHERE THEY WERE INVESTED IN EQUITY BASED MUTUAL FUNDS TO MEET THEIR STATED INVESTMENT OBJECTIVES OF GROWTH. IN OR ABOUT 1999, MS. MEIDELL BEGAN MANAGING THESE SAME INVESTMENTS ON AN INVESTMENT ADVISORY BASIS, WHERE SHE CHARGED A QUARTERLY MANAGEMENT FEE. THE CLAIMANTS ACCOUNTS ENJOYED SIGNIFICANT GAINS IN MARKET APPRECIATION UNTIL THE PRECIPITOUS MARKET DECLINE IN 2000-2002 TIME PERIOD AND ARE NOW CONTENDING THAT THEIR INVESTMENTS WERE UNSUITABLE AND WERE NOT DIVERSIFIED AND HAD THEY BEEN INVESTED IN BONDS THEY WOULD HAVE MADE MORE MONEY. PAT AND HER SON WERE ADDED AS INDIVIDUAL RESPONDENTS TO THE ARBITRATION CLAIM 8 MONTHS AFTER THE CLAIM WAS INITIALLY FILED

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

**Other Product Type(s):** VARIABLE ANNUITY PURCHASED IN 03/04/1994.

**Alleged Damages:** \$219,799.58

**Customer Complaint Information**
**Date Complaint Received:** 04/02/2007

**Complaint Pending?** No

**Status:** Arbitration/Reparation

**Status Date:** 04/20/2007

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



**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD 06-03628

**Date Notice/Process Served:** 04/02/2007

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 10/10/2007

**Monetary Compensation Amount:** \$55,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement**

DURING THE LIFESPAN OF THESE CLAIMANTS' ACCOUNTS WITH ASC, THEY MADE A COMBINED OVERALL PROFIT OF APPROXIMATELY \$77,000. THIS IS YET ANOTHER CLAIM IN A SERIES OF CLAIMS THAT HAS BEEN BROUGHT BY THE SAME PLAINTIFF'S ATTORNEY OVER THE COURSE OF THE LAST YEAR AS THE RESULT OF HIS SOLICITATION CAMPAIGN WHERE COUNSEL IMPROPERLY USED THE REPRESENTATIVE'S CLIENT LIST AND OTHER DOCUMENTATION CONTAINING UNRELATED CUSTOMER INFORMATION OBTAINED DURING DISCOVERY IN ANOTHER MATTER TO CONTACT MS. MEIDELL'S CLIENTS TO INDUCE THEM TO FILE CLAIMS. DOCUMENTATION COMPLETED BY THESE CLAIMANTS AT THE TIME THE INVESTMENTS WERE MADE DO NOT SUPPORT THE ALLEGATIONS THAT THEY WERE CONSERVATIVE INVESTORS OR ANY OF THE ALLEGED CAUSES OF ACTION (E.G. UNSUITABILITY, NEGLIGENCE, ETC.). DOCUMENTED DISCLOSURE WAS PROVIDED TO THESE CLIENTS AT THE TIME THE INVESTMENTS WERE MADE. AS THE BASIS FOR THE ALLEGED DAMAGES, THE CLAIM SEEKS TO RECOVER MARKET LOSSES THAT WERE RESULT OF THE 2000-2002 MARKET DOWNTURN BY CHERRY PICKING BOTH THE TIME PERIOD AND INVESTMENTS WHERE MARKET LOSSES OCCURRED AND BY CLAIMING (IN HINDSIGHT) THAT HAD THEIR ACCOUNTS BEEN INVESTED IN BONDS, THEY WOULD HAVE MADE MORE MONEY. THE CLAIM IS WITHOUT MERIT AND WILL BE VIGOROUSLY DEFENDED. TO AVOID THE COST OF PROTRACTED LITIGATION, THIS MATTER WAS SETTLED FOR 55,000.00 ON 10/10/07 WITH NO ADMISSION OF LIABILITY OR WRONGDOING ON THE PART OF THE FIRM OR THE ADVISORS.

**Disclosure 3 of 7**

**Reporting Source:** Broker



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

ASSOCIATED SECURITIES CORP.

**Allegations:**

THE CLAIMANTS BEGAN THEIR RELATIONSHIP WITH ASC 13 YEARS AGO IN 1994 WHEN THEY WERE IN THEIR MID TO LATE 40S INVESTING IN EQUITY BASED MUTUAL FUNDS. THEY WANTED TO ACHIEVE THEIR OBJECTIVE OF RETIRING WELL BEFORE THEY REACHED AGE 65 AND NEEDED AND WANTED TO GROW THEIR RETIREMENT ASSETS TO ACHIEVE THAT GOAL. IN OR ABOUT 1998 THE CLAIMANTS ASKED MS. MEIDELL'S SON TO TAKE OVER THE HANDLING OF THEIR ACCOUNTS. THE ACCOUNTS EXPERIENCED SIGNIFICANT GROWTH IN VALUE OVER THE YEARS UNTIL THE US MARKET DECLINE IN 2000-2002. THE ACCOUNTS WERE MANAGED ON AN INVESTMENT ADVISORY BASIS WHERE A MANAGEMENT FEE WAS CHARGED. THE CLAIMANTS ALSO OWNED WORLDCOMM WHICH THEY OBTAINED THROUGH THEIR EMPLOYMENT IN THE TELECOMMUNICATIONS INDUSTRY WHICH ALSO LOST SIGNIFICANT VALUE DURING THE WORLDCOMM DEBACLE. CLAIMANTS INCURRED MARKET LOSSES IN THEIR INVESTMENTS DURING THE PRECIPITOUS MARKET DECLINE IN 2000-2002 TIME PERIOD AND ARE NOW CONTENDING THAT THE INVESTMENTS WERE UNSUITABLE, WERE NOT DIVERSIFIED AND THAT HAD THEY BEEN EN INVESTED IN BONDS DURING THIS TIME PERIOD, THEY WOULD HAVE MADE MORE MONEY. PAT MEIDELL AND HER SON WERE ADDED AS INDIVIDUAL RESPONDENTS TO THIS CLAIM 9 MONTHS AFTER THE CLAIM WAS INITIALLY FILED.

**Product Type:**

Mutual Fund(s)

**Alleged Damages:**

\$315,344.00

### **Customer Complaint Information**

**Date Complaint Received:** 03/30/2007

**Complaint Pending?** No

**Status:** Arbitration/Reparation

**Status Date:** 03/30/2007

**Settlement Amount:**

**Individual Contribution Amount:**

### **Arbitration Information**

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD CASE NUMBER 06-02627





**Date Notice/Process Served:** 03/30/2007

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 09/10/2007

**Monetary Compensation Amount:** \$75,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement**

DURING THE LIFESPAN OF ALL OF THE CLAIMANTS' ACCOUNTS WITH ASC, THEY MADE A COMBINED OVERALL PROFIT OF APPROXIMATELY \$46,000.00. MUTUAL FUNDS INVESTMENTS THEY CLAIMED WERE UNSUITABLE IN THEIR ASC ACCOUNT WERE ALSO OWNED AT THE SAME TIME IN AN ACCOUNT AT ANOTHER BROKER DEALER. THIS IS ANOTHER CLAIM IN A SERIES OF CLAIMS THAT HAS BEEN BROUGHT BY THE SAME PLAINTIFF'S ATTORNEY OVER THE COURSE OF THE LAST YEAR AS THE RESULT OF HIS SOLICITATION CAMPAIGN WHERE COUNSEL IMPROPERLY USED THE REPRESENTATIVE'S CLIENT LIST AND OTHER DOCUMENTATION CONTAINING UNRELATED CUSTOMER INFORMATION OBTAINED DURING DISCOVERY IN ANOTHER MATTER TO CONTACT THE ADVISORS' CLIENTS TO INDUCE THEM TO FILE CLAIMS. DOCUMENTATION COMPLETED BY THE CLAIMANTS AT THE TIME THE INVESTMENTS WERE MADE DO NOT SUPPORT THE ALLEGATIONS THAT THEY WERE CONSERVATIVE INVESTORS OR ANY OF THE ALLEGED CAUSES OF ACTION (E.G. UNSUITABILITY, NEGLIGENCE, ETC.). DOCUMENTED DISCLOSURE WAS PROVIDED TO THESE CLIENTS AT THE TIME THE INVESTMENTS WERE MADE. AS THE BASIS FOR THE ALLEGED DAMAGES, THE CLAIM SEEKS TO RECOVER MARKET LOSSES THAT WERE RESULT OF THE 2000-2002 MARKET DOWNTURN BY CHERRY PICKING BOTH THE TIME PERIOD AND INVESTMENTS WHERE MARKET LOSSES OCCURRED AND BY CLAIMING (IN HINDSIGHT) THAT HAD THEIR ACCOUNTS BEEN INVESTED IN BONDS, THEY WOULD HAVE MADE MORE MONEY. UNDER THIS THEORY, CLAIMANTS SOUGHT DAMAGES OF APPROXIMATELY 315,000.00. ON 09/10/07 TO AVOID THE COST OF PROTRACTED LITIGATION, THIS MATTER WAS SETTLED FOR \$75,000 WITH NO ADMISSION OF LIABILITY ON THE PART OF THE FIRM OR THE ADVISORS.

**Disclosure 4 of 7**

**Reporting Source:** Broker



**Employing firm when activities occurred which led to the complaint:** ASSOCIATED SECURITIES CORP.

**Allegations:** IN 1996, MS. MEIDELL BEGAN MANAGING CLAIMANT'S ASSETS FOR A MANAGEMENT FEE. CLAIMANT SUFFERED MARKET LOSSES DURING THE 1999-2002 DOWNTURN IN THE MARKET AND IS NOW CLAIMING THAT HER INVESTMENTS WERE UNSUITABLE.

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

**Alleged Damages:** \$254,691.29

### Customer Complaint Information

**Date Complaint Received:** 12/27/2005

**Complaint Pending?** No

**Status:** Arbitration/Reparation

**Status Date:** 12/27/2005

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** NASD 05-06001

**Date Notice/Process Served:** 12/27/2005

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 03/29/2007

**Monetary Compensation Amount:** \$20,000.00

**Individual Contribution Amount:** \$0.00

**Broker Statement** THIS MATTER WILL BE VIGOROUSLY DEFENDED AS THERE IS NO EVIDENCE TO SUPPORT A CLAIM OF UNSUITABILITY OR THAT CLAIMANT WAS A CONSERVATIVE INVESTOR. ON 3/29/07 TO AVOID THE COSTS OF PROTRACTED LITIGATION, THIS MATTER WAS SETTLED FOR NUISANCE VALUE IN THE AMOUNT OF \$20,000 WITH NO ADMISSION OF LIABILITY ON



THE PART OF THE FIRM AND THE ADVISOR. THE CLAIMANT ALLEGED DAMAGES OF \$254,691.29 PLUS INTEREST BY CHERRY PICKING ONE POINT IN TIME (1999-2002 SIGNIFICANT MARKET DOWNTURN IN US MARKETS) DURING THE LIFESPAN OF HER INVESTMENT ADVISORY ACCOUNT WHEN IN FACT HER ACCOUNT WAS ESTABLISHED IN 1994 AND MADE AN OVERALL PROFIT OF \$189,425.25 UNTIL SHE CLOSED THE ACCOUNT IN 2002. CLAIMANT ALSO NEGLECTED TO INCLUDE AS PART OF HER DAMAGE ANALYSIS, THE \$374,470.00 SHE TOOK IN CASH WITHDRAWALS FROM THE ACCOUNT AND SPENT DURING THIS 8 YEAR TIME PERIOD TO SUPPORT HER LIFESTYLE.

#### Disclosure 5 of 7

|  |   |
|--|---|
| <b>Reporting Source:</b>   | Broker  |
| <b>Employing firm when activities occurred which led to the complaint:</b> | ASSOCIATED SECURITIES CORP.   |
| <b>Allegations:</b>  | CLAIMANTS ALLEGE THAT MUTUAL FUNDS PURCHASED IN 1999 IN AN ADVISORY ACCOUNT ARE NOW UNSUITABLE AS RESULT OF THE MARKET LOSSES THEY SUSTAINED DURING THE SIGNIFICANT MARKET DECLINE BETWEEN 2000 AND 2002. |
| <b>Product Type:</b>   | Mutual Fund   |
| <b>Alleged Damages:</b>  | \$203,059.00  |
| <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>            | FINRA   |
| <b>Docket/Case #:</b>  | 05-01830  |
| <b>Filing date of arbitration/CFTC reparation or civil litigation:</b>     | 04/22/2005  |

#### Customer Complaint Information

|                                 |            |
|---------------------------------|------------|
| <b>Date Complaint Received:</b> | 04/22/2005 |
| <b>Complaint Pending?</b>       | No         |



**Status:** Settled  
**Status Date:** 04/22/2005  
**Settlement Amount:** \$70,000.00  
**Individual Contribution Amount:** \$0.00

### Arbitration Information

**Disposition:** Settled  
**Disposition Date:** 03/27/2006

### Broker Statement

CLAIMANTS ARE SEEKING TO NOW CHARACTERIZE THEIR MUTUAL FUND PURCHASES IN 1999 AS UNSUITABLE TO RECOVER MARKET LOSSES THEY SUSTAINED DURING THE MARKET DECLINE IN 2000-2002. WE BELIEVE THERE ARE NO MERIT TO ALLEGATIONS AND THIS MATTER WILL BE VIGOROUSLY DEFENDED. TO AVOID THE COST OF PROTRACTED LITIGATION, THIS MATTER WAS SETTLED WITH NO ADMISSION OF LIABILITY BY RESPONDENTS.

### Disclosure 6 of 7

**Reporting Source:** Broker  
**Employing firm when activities occurred which led to the complaint:** ASSOCIATED SECURITIES CORP.  
**Allegations:** ALLEGATIONS OF MARKET LOSSES IN A REIT INVESTMENT PURCHASED IN 1994  
**Product Type:** Mutual Fund(s)  
**Other Product Type(s):** LIMITED PARTNERSHIP/REIT  
**Alleged Damages:** \$5,900.00

### Customer Complaint Information

**Date Complaint Received:** 07/26/2004  
**Complaint Pending?** No  
**Status:** Arbitration/Reparation  
**Status Date:** 10/31/2004  
**Settlement Amount:** \$0.00



**Individual Contribution Amount:** \$0.00

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** CASE# 05-00908

**Date Notice/Process Served:** 02/24/2005

**Arbitration Pending?** No

**Disposition:** Settled

**Disposition Date:** 03/21/2007

**Monetary Compensation Amount:** \$5,000.00

**Individual Contribution Amount:** \$0.00

### Broker Statement

THIS MATTER WILL BE VIGOROUSLY DEFENDED AS THE CLAIM IS WITHOUT MERIT. THE CUSTOMER INITIALLY COMPLAINED ABOUT A REIT INVESTMENT PURCHASED IN 1994 THAT WAS DENIED. AN ARBITRATION CLAIM WAS SUBSEQUENTLY FILED TO INCLUDE ALLEGATIONS ABOUT MUTUAL FUND PURCHASES IN AN INVESTMENT ADVISORY ACCOUNT. THE ECONOMIC DAMAGES ANALYSIS SHOWED NO NET LOSS TO THE CLIENT, BUT RATHER AN OVERALL PROFIT OF APPROXIMATELY \$4,000 FOR THE LIFE SPAN OF THE MANAGED ACCOUNT (10/1998 TO 10/2004). THE PARTIES SETTLED THIS MATTER FOR THE NUISANCE VALUE OF \$5,000.00 WITH NO ADMISSION OF LIABILITY OR WRONGDOING ON THE PART OF THE ADVISOR OR THE FIRM.

### Disclosure 7 of 7

**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ASSOCIATED SECURITIES CORP.

**Allegations:** CLIENT SIGNED FORMS THAT TRANSFERRED WASHINGTON MUTUAL FUND INTO THE CLIENT'S FEE BASED ACCOUNT. THE FUND WAS SOLD, TRIGGERING CAPITAL GAINS AND LOST DIVIDENDS AND CAPITAL GAIN DISTRIBUTIONS IN DECEMBER 2000. ALTERNATE NO-LOAD FUNDS PURCHASED DECLINED IN VALUE DUE TO RECESSION, 3/2000. THE CLIENT THEN CLAIMED THAT HE NEVER INSTRUCTED THE BROKER TO SELL.



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

**Alleged Damages:** \$80,000.00

### **Customer Complaint Information**

**Date Complaint Received:** 03/15/2001

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 08/15/2001

**Settlement Amount:** \$64,469.12

**Individual Contribution Amount:** \$64,469.12

### **Broker Statement**

THE [CUSTOMERS] AGREED TO TRANSFER A MUTUAL FUND INTO THEIR MANAGED ACCOUNT SO THAT IT COULD BE SOLD TO PURCHASE NO LOAD FUNDS TO DIVERSIFY THEIR PORTFOLIO. ONCE THE ASSET TRANSFERRED IN, IT WAS SOLD AND THE PROCEEDS USED TO PURCHASE NO LOAD FUNDS AS WE DISCUSSED. THE SALE OF THE FUND TRIGGERED CAPITAL GAINS AND ADDITIONALLY, AS A RESULT OF THE MARKET DECLINE IN 2000, THE NO LOAD FUNDS THAT WERE PURCHASED ALSO DECLINED IN MARKET VALUE. DESPITE THE FACT THAT THE [CUSTOMERS] RECEIVED CONFIRMATIONS OF THE SALE AND THE PURCHASE OF THE NO LOAD FUNDS, AFTER THE MARKET BEGAN ITS PRECIPITOUS DECLINE, HE CLAIMED THAT HE HAD NEVER INSTRUCTED ME TO SELL THE ASSET IN ORDER TO DIVERSIFY HIS PORTFOLIO. RATHER, HE CLAIMS THAT OUR DISCUSSIONS WERE THAT I WAS TO HOLD THE ASSET ONCE IT TRANSFERRED IN. IF THAT HAD BEEN THE DISCUSSION, THERE WOULD HAVE BEEN NO NEED TO TRANSFER THE ASSET AS IT COULD HAVE CONTINUED TO BE HELD AT THE FUND COMPANY. TO AVOID PROTRACTED LITIGATION, WE MADE A GOOD FAITH SETTLEMENT TO RESOLVE THIS MATTER WITH NO ADMISSION OF LIABILITY.

## End of Report



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