

**AWARD**  
**FINRA Dispute Resolution**

---

In the Matter of the Arbitration Between:

Name of Claimant

Robert Paul Friedman

vs.

Case Number: 14-00882

Hearing Site: Philadelphia, Pennsylvania

Name of Respondent

Wells Fargo Advisors, LLC

---

**NATURE OF THE DISPUTE**

Associated Person vs. Member

**REPRESENTATION OF PARTIES**

Robert Paul Friedman ("Claimant") was represented by Michael J. Brittan, Esq., Stevens & Lee, Lawrenceville, New Jersey.

Wells Fargo Advisors, LLC ("Respondent") was represented by J. Burke McCormick, Esq., Wells Fargo Law Department, Glen Allen, Virginia.

**CASE INFORMATION**

The Statement of Claim was filed on or about March 14, 2014. The Submission Agreement of Claimant was signed on or about March 14, 2014.

The Statement of Answer was filed by Respondent on or about April 30, 2014. The Submission Agreement of Respondent was signed on or about April 30, 2014, by J. Burke McCormick, VP and Senior Counsel.

**CASE SUMMARY**

Claimant asserted the reference to a customer complaint (by Richard A. Winig) on his Form U4 should be expunged. The cause of action related to an underlying complaint made by Mr. Winig ("customer") regarding his purchase of auction rate securities ("ARS").

Respondent joined in Claimant's application for expungement and asserted an affirmative defense.

### **RELIEF REQUESTED**

Claimant requested an award of expungement.

Respondent did not assert any request for relief other than joinder in Claimant's request for expungement.

### **OTHER ISSUES CONSIDERED & DECIDED**

The Arbitrator acknowledges that he has read the pleadings and other materials filed by the parties.

The Arbitrator conducted a recorded hearing on expungement.

The Arbitrator reviewed the settlement agreement between the States Attorney Generals and Wachovia Securities dated December 8, 2011. There was no settlement agreement between Wachovia Securities and the customer.

The Arbitrator reviewed Robert Paul Friedman's BrokerCheck Report® and considered whether a party conditioned a settlement of the arbitration upon agreement not to oppose the request for expungement.

### **AWARD**

After considering the pleadings, the testimony, and the evidence presented at the hearing, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) The Arbitrator recommends the expungement of all references to the above captioned arbitration from Claimant, Robert Paul Friedman's, registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to Notice to Members 04-16, Claimant, Robert Paul Friedman, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 13805 of the Code, the Arbitrator has made the following Rule 2080 affirmative finding of fact:

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds;

The Arbitrator has made the above Rule 2080 finding based on the following reasons:

By way of background, Richard A. Winig ("Customer") had purchased ARS that were recommended by Wachovia Securities ("Wachovia") to its brokers as liquid investments. Based on the representations of Wachovia, Claimant recommended that Mr. Winig purchase ARS.

On or about February 8, 2008, the ARS market collapsed, making the ARS purchased by Mr. Winig illiquid. Thereafter, Mr. Winig demanded that he receive a refund of the \$1,400,000 he invested in ARS.

As a result of a settlement between various states Attorney Generals and Wachovia, Wachovia was required to refund to Mr. Winig \$1,400,000, which occurred on or about August 15, 2008.

Mr. Friedman was not required to make a contribution to the settlement with Mr. Winig.

Therefore, it is the finding of this Arbitrator that pursuant to FINRA Rule 2080, Mr. Friedman was not involved in any alleged related sales practice violation forgery theft, misappropriation, or conversion of funds.

- 2.) Other than Hearing Session Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) Any relief not specifically enumerated is hereby denied with prejudice.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

FINRA Dispute Resolution assessed a filing fee\* for each claim:

Initial Claim filing fee	= \$ 1,250.00
--------------------------	---------------

*\*The filing fee is made up of a non-refundable and a refundable portion.*

#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated persons at the time of the events giving rise

to the dispute. Accordingly, as a party, Wells Fargo Advisors, LLC is assessed the following:

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,200.00

### **Hearing Session Fees and Assessments**

The Arbitrator has assessed hearing session fees for each hearing session conducted. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: September 3, 2014 1 session	
One (1) Hearing session on expungement x \$450.00	= \$ 450.00
Hearing Date: October 14, 2014 1 session	
Total Hearing Session Fees	= \$ 900.00

The Arbitrator has assessed \$900.00 of the hearing session fees to Robert Paul Friedman.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.

### **ARBITRATOR**

Joseph J. Dougherty - Public Arbitrator, Presiding Chair

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

Arbitrator's Signature:

/s/ Joseph J. Dougherty  
Joseph J. Dougherty  
Public Arbitrator, Presiding Chair

11/5/14  
Signature Date

11/5/14  
Date of Service (For FINRA office use only)

to the dispute. Accordingly, as a party, Wells Fargo Advisors, LLC is assessed the following:

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,200.00

---

### **Hearing Session Fees and Assessments**

The Arbitrator has assessed hearing session fees for each hearing session conducted. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: September 3, 2014 1 session	
One (1) Hearing session on expungement x \$450.00	= \$ 450.00
Hearing Date: October 14, 2014 1 session	
Total Hearing Session Fees	= \$ 900.00

The Arbitrator has assessed \$900.00 of the hearing session fees to Robert Paul Friedman.

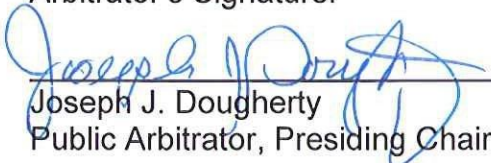
All balances are payable to FINRA Dispute Resolution and are due upon receipt.

### **ARBITRATOR**

Joseph J. Dougherty - Public Arbitrator, Presiding Chair

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

Arbitrator's Signature:

  
\_\_\_\_\_  
Joseph J. Dougherty  
Public Arbitrator, Presiding Chair

11/5/14  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Date of Service (For FINRA office use only)