

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimants

Case Number: 09-02259

Lesmir, Inc., d/b/a Rosen Properties and Rosen-Harbottle Commercial Real Estate
North Creek Enterprises, LLC
Everett Plaza Shopping Center
Evergreen Way Association
RH Sixth Avenue Plaza Associates
Woodinville Warehouse Associates, LLC
Mayers MGI Building Holding, LLC
Marymoor Warehouse Associates, LLC
Rosen Bel Kirk Associates, LLC
RH Lynnwood Corporate Center Associates, LLC
Stevens Health Center Associates
Kirkland Commerce Center Associates, LLC
Poll Investments, LLC
Rosen De Jonge Properties, LLC
Eastlake Business Park Associates, LLC
Lynnwood East Business Park Associates, LLC
RH Tacoma Place
Stan Rosen
Michele Rosen
H&A Investment Irrevocable Environmental
Settlement Trust

Respondents

Hearing Site: Seattle, Washington

Wedbush Securities Inc.
Richard Scott Graham
Nuveen Investments, LLC

Nature of Dispute: Customers vs. Members and Associated Person

REPRESENTATION OF PARTIES

Claimants, Lesmir, Inc., d/b/a Rosen Properties and Rosen-Harbottle Commercial Real Estate ("Lesmir"), North Creek Enterprises, LLC ("North Creek"), Everett Plaza Shopping Center ("Everett"), Evergreen Way Association ("Evergreen"), RH Sixth Avenue Plaza Associates ("RH Sixth"), Woodinville Warehouse Associates, LLC

("Woodinville"), Mayers MGI Building Holding, LLC ("Mayers"), Marymoor Warehouse Associates, LLC ("Marymoor"), Rosen Bel Kirk Associates, LLC ("Rosen Bel"), RH Lynnwood Corporate Center Associates, LLC ("RH Lynnwood"), Stevens Health Center Associates ("Stevens Health"), Kirkland Commerce Center Associates, LLC ("Kirkland"), Poll Investments, LLC ("Poll"), Rosen De Jonge Properties, LLC ("Rosen De Jonge"), Eastlake Business Park Associates, LLC ("Eastlake"), Lynnwood East Business Park Associates, LLC ("Lynnwood East"), RH Tacoma Place ("RH Tacoma"), Stan Rosen, Michele Rosen, and H&A Irrevocable Environmental Settlement Trust ("H&A"), hereinafter collectively referred to as "Claimants": Steven Williams, Esq., Cotchett, Pitre & McCarthy, Burlingame, California.

Respondents, Wedbush Securities Inc. ("Wedbush") and Richard Scott Graham ("Graham"): John W. Stenson, Esq., Wedbush Morgan Securities Inc., Los Angeles, California.

Respondent, Nuveen Investments, LLC ("Nuveen"): Jeffrey S. Eberhard, Esq., Jenner & Block, LLP, Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on or about: April 22, 2009

Amended Statement of Claim filed on or about: October 12, 2009

Claimant Lesmir signed the Submission Agreement: April 20, 2009

Claimant North Creek signed the Submission Agreement: April 20, 2009

Claimant Everett signed the Submission Agreement: April 20, 2009

Claimant Evergreen signed the Submission Agreement: April 20, 2009

Claimant RH Sixth signed the Submission Agreement: April 20, 2009

Claimant Woodinville signed the Submission Agreement: April 20, 2009

Claimant Mayers signed the Submission Agreement: April 20, 2009

Claimant Marymoor signed the Submission Agreement: April 20, 2009

Claimant Rosen Bel signed the Submission Agreement: April 20, 2009

Claimant RH Lynnwood signed the Submission Agreement: April 20, 2009

Claimant Stevens Health signed the Submission Agreement: April 20, 2009

Claimant Kirkland signed the Submission Agreement: April 20, 2009

Claimant Poll signed the Submission Agreement: April 20, 2009

Claimant Rosen De Jonge signed the Submission Agreement: April 20, 2009

Claimant Eastlake signed the Submission Agreement: April 20, 2009

Claimant Lynnwood East signed the Submission Agreement: April 20, 2009

Claimant RH Tacoma signed the Submission Agreement: April 20, 2009

Claimant Stan Rosen signed the Submission Agreement: April 20, 2009

Claimant Michele Rosen signed the Submission Agreement: April 20, 2009

Claimant H&A signed the Submission Agreement: October 15, 2010

Statement of Answer filed by Respondents Wedbush and Graham on or about: July 13, 2009

Statement of Answer filed by Respondent Nuveen on or about: July 1, 2009

Respondent Wedbush signed the Submission Agreement: July 13, 2009

Respondent Graham signed the Submission Agreement: August 2, 2009

Respondent Nuveen signed the Submission Agreement: June 26, 2009

CASE SUMMARY

Claimants asserted the following causes of action in their Statements of Claim: 1) fraud and deceit; 2) breach of fiduciary duty; 3) negligent misrepresentation; 4) negligence; 5) violation of RCS §§ 21.20.010, 21.20.430 – Washington Blue Sky Laws; 6) violation of §10(b) of the Securities Exchange Act; 7) conversion; 8) constructive fraud; 9) suitability; and 10) rescission. The causes of action relate to an investment in the Nuveen closed-end auction rate securities municipal funds.

Unless specifically admitted in their Answer, Respondents Wedbush and Graham denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in its Answer, Respondent Nuveen denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statements of Claim, Claimants requested:

1. Compensatory and general damages according to proof;
2. Special damages according to proof;

3. Prejudgment interest at the maximum legal rate;
4. Punitive and exemplary damages according to proof;
5. Costs of the proceeding herein;
6. Reasonable attorneys' fees;
7. Rescission; and
8. All such other and further relief as the Panel deems just and proper.

Respondents Wedbush and Graham requested:

1. Claimants take nothing by reason of their Statement of Claim;
2. An award be entered in favor of Respondents Wedbush and Graham;
3. The Panel, pursuant to FINRA Conduct Rule 2130, order the expungement of all reference to this matter from Respondent Graham's registration records maintained by the FINRA Central Registration Depository; and
4. Such other and further relief as the Panel deems appropriate.

Respondent Nuveen requested that any relief from Nuveen as prayed for in the Statement of Claim be denied.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

On or about November 9, 2009, the Panel granted Claimants' motion to amend their Statement of Claim dismissing Claimant Poll Investments, LLC from this action with prejudice and adding H&A Irrevocable Environmental Settlement Trust as a claimant to this action.

On or about May 27, 2010, Claimants dismissed Respondent Nuveen from this action without prejudice. On or about June 15, 2010, Respondent Nuveen notified FINRA Dispute Resolution that it consented to its dismissal without prejudice.

At the hearing, Claimants made a motion to add three claimants. The Panel denied Claimants' motion.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

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

1. Respondents Wedbush and Graham shall purchase from Claimant Evergreen, at par, \$350,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham

shall also pay said Claimant \$28,976.61 in costs, expert witness fees, accounting fees, and attorneys' fees pursuant to the Washington Securities Act.

2. Respondents Wedbush and Graham shall purchase from Claimant Kirkland, at par, \$125,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham shall also pay said Claimant \$10,325.99 in costs, expert witness fees, accounting fees, and attorneys' fees pursuant to the Washington Securities Act.
3. Respondents Wedbush and Graham shall purchase from Claimant Lynnwood East, at par, \$50,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham shall also pay said Claimant \$4,106.89 in costs, expert witness fees, accounting fees, and attorneys' fees pursuant to the Washington Securities Act
4. Respondents Wedbush and Graham shall purchase from Claimant Marymoor, at par, \$50,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham will also pay said Claimant \$4,378.77 in costs, expert witness fees, accounting fees, and attorneys' fees pursuant to the Washington Securities Act
5. Respondents Wedbush and Graham shall purchase from Claimant Mayers, at par, \$200,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham shall also pay said Claimant \$19,309.86 in costs, expert witness fees, accounting fees, and attorneys' fees pursuant to the Washington Securities Act
6. Respondents Wedbush and Graham shall purchase from Claimant North Creek, at par, \$50,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham shall also pay said Claimant \$4,106.89 in costs, expert witness fees, accounting fees, and attorneys' fees pursuant to the Washington Securities Act
7. Respondents Wedbush and Graham shall purchase from Claimant Everett, at par, \$175,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham shall also pay said Claimant \$14,432.88 in costs, expert witness fees, accounting fees, and attorneys' fees pursuant to the Washington Securities Act
8. Respondents Wedbush and Graham shall purchase from Claimant Rosen de Jonge, at par, \$25,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham shall also pay said Claimant \$2,185.90 in, expert witness fees, accounting fees, costs and attorneys' fees pursuant to the Washington Securities Act

9. Respondents Wedbush and Graham shall purchase from Claimant RH Lynnwood, at par, \$325,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham shall also pay said Claimant \$28,114.68 in costs, expert witness fees, accounting fees, and attorneys' fees pursuant to the Washington Securities Act
10. Respondents Wedbush and Graham shall purchase from Claimant Rosen Bel, at par, \$175,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham shall also pay said Claimant \$14,376.86 in costs, expert witness fees, accounting fees, and attorneys' fees pursuant to the Washington Securities Act.
11. Respondents Wedbush and Graham shall purchase from Claimant Stevens Health, at par, \$75,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham shall also pay said Claimant \$6,842.19 in costs, expert witness fees, accounting fees, and attorneys' fees pursuant to the Washington Securities Act
12. Respondents Wedbush and Graham shall purchase from Claimant RH Tacoma, at par, \$175,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham shall also pay said Claimant \$18,951.46 in costs, expert witness fees, accounting fees, and attorneys' fees pursuant to the Washington Securities Act
13. Respondents Wedbush and Graham shall purchase from Claimant Woodinville, at par, \$75,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham shall also pay said Claimant \$6,221.84 in costs, expert witness fees, accounting fees, and attorneys' fees pursuant to the Washington Securities Act
14. Respondents Wedbush and Graham shall purchase from Claimant H&A, at par, \$175,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham shall also pay said Claimant \$14,686.82 in costs, expert witness fees, accounting fees, and attorneys' fees pursuant to the Washington Securities Act
15. Respondents Wedbush and Graham shall purchase from Claimant Stan Rosen, at par, \$800,000.00 of Nuveen Auction Rate Preferred Shares currently held in Claimant's Wedbush Securities account. Respondents Wedbush and Graham shall also pay said Claimant \$68,847.50 in costs, expert witness fees, accounting fees, and attorneys' fees pursuant to the Washington Securities Act
16. The claims of Claimant Eastlake, RH Sixth, Michelle Rosen, and Lesmir are denied.

17. Interest paid on the Nuveen Auction Rate Preferred Shares shall belong to the respective Claimants until full payment to said Claimant for the Nuveen Auction Rate Preferred Shares in the account.
18. Any redemptions by Nuveen prior to payment shall reduce Respondents Wedbush and Graham's obligation to that Claimant or Claimants dollar for dollar.
19. If any amounts awarded herein remain unpaid thirty days following receipt of this award by Respondents Wedbush and Graham, from that date interest shall be paid at the rate of 12% for judgments in the State of Washington until such amounts are paid.
20. Respondent Graham's request for expungement is denied.
21. Claimant's request for prejudgement interest is denied.
22. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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(s) that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, as parties Wedbush Securities Inc. and Nuveen Investments, LLC are assessed the following:

Wedbush Securities Inc

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

Nuveen Investments, LLC

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

June 22-25, 2010, adjournment by Respondent Wedbush = \$ 1,000.00

The Panel has assessed \$1,000.00 of the adjournment fee to Respondent Wedbush.

Hearing Session Fees and Assessments

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

Two (2) Pre-hearing sessions with the Panel @ \$1,000.00/session	= \$ 2,000.00
Pre-hearing conferences: October 6, 2009 1 session	
June 23, 2010 1 session	

Eight (8) Hearing sessions @ \$1,000.00/session	= \$ 8,000.00
Hearing Dates: October 5, 2010 2 sessions	
October 6, 2010 2 sessions	
October 7, 2010 2 sessions	
October 8, 2010 2 sessions	

Total Hearing Session Fees = \$ 10,000.00

1. The Panel has assessed \$5,000.00 of the hearing session fees jointly and severally to Claimants.
2. The Panel has assessed \$500.00 of the hearing session fees jointly and severally to Respondents Wedbush, Graham, and Nuveen.
3. The Panel has assessed \$4,500.00 of the hearing session fees jointly and severally to Respondents Wedbush and Graham.


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

ARBITRATION PANEL

Frederic E. Dorkin
Charles Scott McClellan
Julie Eileen Gay

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures



Frederic E. Dorkin
Public Arbitrator, Presiding Chairperson

Nov. 9, 2010
Signature Date

Charles Scott McClellan
Public Arbitrator

Signature Date

Julie Eileen Gay
Non-Public Arbitrator

Signature Date

November 11, 2010
Date of Service (For FINRA Dispute Resolution use only)

ARBITRATION PANEL

Frederic E. Dorkin
Charles Scott McClellan
Julie Eileen Gay

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

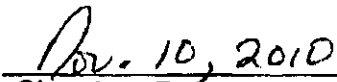
Concurring Arbitrators' Signatures

Frederic E. Dorkin
Public Arbitrator, Presiding Chairperson

Signature Date



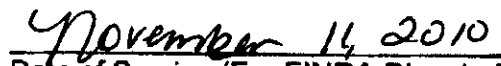
Charles Scott McClellan
Public Arbitrator



Signature Date

Julie Eileen Gay
Non-Public Arbitrator

Signature Date



Date of Service (For FINRA Dispute Resolution use only)

ARBITRATION PANEL

Frederic E. Dorkin
Charles Scott McClellan
Julie Eileen Gay

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

Frederic E. Dorkin
Public Arbitrator, Presiding Chairperson

Signature Date

Charles Scott McClellan
Public Arbitrator

Signature Date


Julie Eileen Gay
Non-Public Arbitrator

11-8-10
Signature Date

November 11, 2010
Date of Service (For FINRA Dispute Resolution use only)