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**IN THE SUPREME COURT OF THE STATE OF NEVADA**

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**Case No. 80376**

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**GREGORY GARMONG,**

*Appellant*

--against--

**WESPAC; GREG CHRISTIAN,**

*Respondents*

---

Appeal from the Second Judicial District Court of Washoe County, Nevada  
Judge Lynne Simons, Case No. CV12-01271

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**JOINT APPENDIX VOLUME 4**

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1           IN THE SECOND JUDICIAL DISTRICT COURT  
2                   OF THE STATE OF NEVADA  
3           IN AND FOR THE COUNTY OF WASHOE

4                               -o0o-

5

6 GREGORY GARMONG,

7                   Plaintiff,                   Case No. CV12-01271

8 vs.   Dept. No. 6

9 WESPAC, GREG CHRISTIAN, and  
10 DOES 1-10,

11                   Defendants.

12 \_\_\_\_\_/

13 Pages 1 to 260, inclusive.

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16                               ARBITRATION

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18                               \_\_\_\_\_  
19                               Tuesday, October 16, 2018  
20                               Reno, Nevada

21

22

23

24                               JOB NO: 503557

25 REPORTED BY:

CHRISTINA AMUNDSON  
CCR #641 (Nevada)  
CSR #11883 (California)

26

27

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18

19 ALSO PRESENT:

20 Michael Hume, Greg Garmong

21 -o0o-

22

23

24

25

## 1 I N D E X

## 2 ARBITRATION

3	EXAMINATION OF	DIRECT	CROSS
4	Greg Garmong	30	162

6

## 7 E X H I B I T S

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9	NO.	DESCRIPTION	PAGE

10 Exhibit 24-A Statement 12/1/07 to 12/31/07 168

11 Account -5386

12 Exhibit 24-B Statement for 12/1/07 to 12/31/07 173

13 Account -4369

14 Exhibit 24-C Schwab March statement 237

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**1 that not all the pages of the Wespac Confidential  
2 Client Profile were delivered?**

3           A    Yes.

**4           Q    Okay. Take us through that.**

**5                   When did you first find out?**

6           A    Well, first of all, I never got copies of  
7 any of these documents from Wespac at the time.  
8 Indeed, there's a fax that I sent in September of  
9 2008 asking Mr. Christian if there was an agreement  
10 that governed our relation and could you provide me  
11 a copy. He did not.

**12          Q    Point out that exhibit. There's an index  
13 in the exhibits in the front.**

14          A    Yes. It's 16.

**15          Q    So Exhibit 16 is a request from you to  
16 Wespac, specifically to Mr. Christian saying,  
17 "Please send me a copy of the agreement"?**

18          A    If you contend that any -- let me be more  
19 definite. This is a fax that I sent to  
20 Mr. Christian on September 28th, 2008, and the  
21 first sentence of it says, "If you contend that any  
22 aspect of our relation is governed by a written  
23 contract, bring me a copy of that contract when we  
24 meet tomorrow."

**25          Q    And you anticipated meeting on September**

1 29th, 2008?

2 A Yes. That's what the subject says, is  
3 "Meeting on September 29th, 2008."

4 Q Did you actually meet on that day?

5 A I can't recall if it was that day but it  
6 was close.

7 Q All right. To summarize, you asked for a  
8 copy of the Investment Management Agreement and all  
9 of its exhibits.

10 A Yes.

11 Q What did you get?

12 A Nothing.

13 Q When did you get the Investment Management  
14 Agreement or any portion thereof from Wespac?

15 A As an exhibit to a declaration of  
16 Mr. Christian in September 2012, I believe it was.

17 Q I direct your attention to Exhibit 42.

18 Is that the declaration you're talking  
19 about?

20 A Yes. It's actually an affidavit, not a  
21 declaration.

22 Q For the sake of expediency, if it's all  
23 right with the arbitrator, we'll use "Declaration"  
24 and "Affidavit" interchangeably.

25 ARBITRATOR PRO: Go ahead. That's fine.

1 MR. HEBERT: Okay. Thank you, your Honor.

2 BY MR. HEBERT:

3 Q 42, is that an affidavit that you saw in  
4 the litigation in this case?

5 A Yes.

6 Q What does that affidavit say?

7 A Paragraph 2 says, "Attached hereto is a  
8 true, correct and complete copy of the next  
9 Investment Management Agreement signed by me and  
10 Greg Garmong. See Exhibit 1."

11 Q Exhibit 1 is Plaintiff's Exhibit 43, so was  
12 this the -- is this the Exhibit 1 to the affidavit  
13 of Mr. Christian where he says, "This is a true,  
14 correct and complete copy of the Investment  
15 Management Agreement"?

16 A Yes.

17 Q And is the Investment Management Agreement  
18 deficient in any way? Is it accurate? Complete?

19 A It's certainly not complete.

20 Q Tell us why you don't think it's complete.

21 A Well, several reasons. One is it's -- the  
22 agreement itself, the document itself, Exhibit 1,  
23 says that it has an Exhibit A and Exhibit B --  
24 actually, two different Exhibits A and two different  
25 Exhibits B attached.



1 MR. BRADLEY: Excuse me Mr, Garmong. I'd  
2 like to object to this line of question. Judge  
3 Simons has already heard these arguments that  
4 somehow there's something missing or that it's  
5 somehow deficient.

6 She's ruled, which I think is the law of  
7 the case already, that this is a valid and  
8 enforceable Investment Management Agreement. She  
9 ordered the parties to arbitrate based on this  
10 agreement and this whole line of questioning is  
11 completely irrelevant based on rule of the case.

12 ARBITRATOR PRO: All right.

13 MR. HEBERT: Your Honor, the law of the  
14 case is when a case goes up to an appellate court  
15 and comes back down with a holding that governs the  
16 lower court in further proceedings, not what the  
17 district court has to say.

18 Second of all, the Court may recall when it  
19 denied Mr. Garmong's motion for summary judgment  
20 that it wanted to hear about the credibility of  
21 witnesses. Well, we're going to show you that, not  
22 once, but three times Mr. Christian said this is a  
23 true and correct copy of the Investment Management  
24 Agreement and its exhibits and each one of them was  
25 wrong.

1 So if the Court wants to hear about  
2 credibility, that's what we're talking about.

3 ARBITRATOR PRO: I'll allow the line of  
4 inquiry. I think to the extent Judge Simons relied  
5 upon what is Exhibit 43 in referring the matter for  
6 arbitration, she did make the determination that the  
7 case was appropriate for arbitration.

8 MR. HEBERT: Right. She made that  
9 determination but she made the determination on  
10 incomplete documents fed to them by the defendants.

11 ARBITRATOR PRO: You're not going to be  
12 arguing that the arbitration before me is  
13 improvident to me again, are you?

14 MR. HEBERT: No, your Honor. That truly is  
15 law of the case because it went to the Nevada  
16 Supreme Court and the Nevada Supreme Court said  
17 that's enforceable. We're not arguing about  
18 enforceability. We're arguing about credibility.

19 ARBITRATOR PRO: Right. Go ahead. I'll  
20 allow you.

21 MR. HEBERT: Thank you.

22 BY MR. HEBERT:

23 Q Exhibit 43, the purported first version of  
24 the Investment Management Agreement, why do you  
25 think it was incomplete?

1 A Well, because the absence of the Exhibits A  
2 and B that --

3 Q Which were, theoretically?

4 A I don't know what they are.

5 Q Does it say in the agreement what A and B  
6 were?

7 A Well, there's some referral.

8 Q Looking at paragraph 2, it says, "Exhibit A  
9 is the initial portfolio assets."

10 A Oh, yes. There's no Exhibit A like that.  
11 And then, strangely enough, paragraph 3 on the  
12 second page says that "Portfolio assets separately  
13 designated in Exhibit B."

14 Q Are there two paragraph 3s, or am mistaken?

15 A The one on the second page of the exhibit  
16 is a subparagraph under paragraph 3, "Procedures."

17 Q So subparagraph 3 on --

18 A Three?

19 Q -- page 13 of Exhibit 43 references an  
20 Exhibit B, correct?

21 A Yes.

22 ARBITRATOR PRO: Titled "Brokerage."

23 MR. HEBERT: Yes, your Honor.

24 BY MR. HEBERT:

25 Q Any the other missing exhibits?

1 A Well, if I take a few moments here, I  
2 believe there are two -- there's a reference to  
3 another Exhibit A and another Exhibit B.

4 Q Well, take your time. Find it.

5 A Okay.

6 (Witness reviewing document.)

7 THE WITNESS: On page 14 numbered in the  
8 lower right-hand corner, counting from the top --  
9 BY MR. HEBERT:

10 Q "The fee schedule set forth in Exhibit B"?

11 A Yeah. It's line 13, I think. It refers to  
12 a fee schedule set forth in Exhibit B, which seems  
13 to be something completely different than the  
14 Exhibit B talked about on page 13. And I know  
15 there's another Exhibit A someplace that, if I had a  
16 little more time, I'd find it.

17 Q And then in paragraph 3.2 on page 12  
18 there's the attached Confidential Client Profile,  
19 isn't there?

20 A Even more pertinent than that, on page 17,  
21 paragraph --

22 Q Wait, wait. Are you going to answer the  
23 question I asked or are you going to answer your own  
24 question?

25 A Well, I like my questions.

1 Q All right.

2 A Go ahead and ask it again. Sorry.

3 Q That's okay. We'll get to it.

4 Page 12, "Procedures," paragraph 3.2,  
5 "Custody of portfolio assets," does the agreement  
6 refer to the attached Confidential Client Profile?

7 A It does.

8 Q Now to your question, page 17.

9 A Paragraph 14, this states at the beginning,  
10 "This agreement, including the Confidential Client  
11 Profile and all exhibits attached thereto,  
12 constitutes the entire agreement of the parties with  
13 respect to the management of portfolio assets."

14 Q The integration clause lawyers are familiar  
15 with, is that what that is?

16 A If you want to call it that. I'm not  
17 familiar with that term.

18 Q That's because you practiced patent law.

19 Now, Mr. Garmong, turning to the first page  
20 of Exhibit 43, what's the first page number?

21 A It's page -- down in the lower right-hand  
22 corner it says "Page 12."

23 Q Would that lead you to believe there were  
24 pages 1 through 11 somewhere?

25 A Sure would.

1 Q Now, moving on to the next affidavit for  
2 Mr. Christian, turn to Exhibit 44, please.

3 Can you describe this exhibit, please.

4 A This is an affidavit of Greg Christian.

5 Q And in that affidavit -- well, what is the  
6 date of the affidavit?

7 A December 3rd, 2012.

8 Q Directing your attention to paragraph 5 on  
9 page 2, what is Mr. Christian saying to the court?

10 A "The copy of the Investment Management  
11 Agreement, which was attached as Exhibit 1 to my  
12 affidavit filed September 19th, 2012, was a true,  
13 correct and complete copy of the Investment  
14 Management Agreement signed by me and Greg Garmong."

15 Q And did Mr. Christian attempt to explain  
16 why the true and correct agreement starts on page  
17 12?

18 A Yes.

19 Q Where did he do that?

20 A In the very next paragraph, paragraph 6, he  
21 states, "I'm informed, believe and, therefore,  
22 allege that the incorrect page numbering on the  
23 Investment Management Agreement attached to my  
24 September 19th, 2012, affidavit occurred solely as a  
25 result of a word processing and/or computer error."

1           **Q**    So we have so far an affidavit of  
2 September 19th, 2012, attaching an Investment  
3 Management Agreement. Starting on page 12 we have  
4 an affidavit of December 3rd, 2012, where it's  
5 assigned to a word processing error. And then was  
6 there a third affidavit? Would that be Exhibit 45?

7           A    Yes.

8           MR. HEBERT: Your Honor, the part of the  
9 exhibit that we wanted we included the whole --

10          ARBITRATOR PRO: Next to the last page,  
11 "Attached hereto is a true and correct copy."

12          MR. HEBERT: Exactly.

13          ARBITRATOR PRO: Right. And that is 46, I  
14 trust, that it references?

15          MR. HEBERT: Yes, your Honor. So page 46  
16 is the Confidential Client Profile.

17          ARBITRATOR PRO: Yeah, Exhibit 46, right.

18          MR. HEBERT: In blank.

19          ARBITRATOR PRO: Right. Okay.

20 BY MR. HEBERT:

21          **Q**    But at this point the affidavit of  
22 January 8th, 2013, Exhibit 45, we still haven't --  
23 have you seen Exhibits A and B times two?

24          A    No.

25          **Q**    Have you seen a completed Confidential

1 **Client Questionnaire?**

2 A No.

3 Q At some point did you come to find out that  
4 -- have you ever seen a page 10 or a page 11 to the  
5 **Investment Management Agreement?**

6 A Yes. On this blank form one that's Exhibit  
7 46, there's a page 10 and a page 11. In the one  
8 that I actually signed and was given to us in  
9 production later in the case in 2017, I believe --  
10 might have been 2016 -- in any event, that one does  
11 not have a page 10 and 11.

12 Q I'm at a loss here, Mr. Garmong. You'll  
13 have to straighten me out.

14 There's a Client Confidential Questionnaire  
15 that they delivered to you -- to us that had a page  
16 10 and a page 11 in blank?

17 A Yes. That's Exhibit 46.

18 Q When the defendants delivered their version  
19 of the Confidential Client Questionnaire, did it  
20 have those pages?

21 A The signed version or unsigned version?

22 Q Both.

23 A The unsigned version had pages 10 and 11.

24 Q Is that 46?

25 A That's 46. And it's also another exhibit.



1 Q How about the signed version?

2 A It did not have 10 and 11.

3 Q The signed -- let me get this straight for  
4 the record. The signed version of the Confidential  
5 Client Questionnaire that was delivered -- that was  
6 attached --

7 ARBITRATOR PRO: It's Exhibit 3,  
8 Confidential Client Profile.

9 THE WITNESS: Yes.

10 ARBITRATOR PRO: It consists of nine pages  
11 where it's signed by Mr. Garmong on 8/18/05.

12 MR. HEBERT: Thank you, your Honor. I  
13 lapsed in calling it the wrong thing.

14 ARBITRATOR PRO: And the blank document,  
15 Exhibit 46, has not nine, but it has 11 pages with  
16 an identifier at the bottom "J Drive Agreement  
17 8/12/05, 1400 hours." I'm assuming, without  
18 knowing, that's a date and time that the document  
19 generated on the computer but I'm not sure.

20 MR. BRADLEY: Can I ask for a point of  
21 clarification? The document that's signed by Mr.  
22 Garmong --

23 ARBITRATOR PRO: Exhibit 3.

24 MR. BRADLEY: -- Exhibit 3 on pages 8 and  
25 9, the very last item is "Income saving" -- I'm

1 sorry. No. 3.

2 ARBITRATOR PRO: 14.

3 MR. BRADLEY: 13 says "Household income,"  
4 which is the same as the alleged missing page 18.  
5 And then 14 says "Income saving," which is on this  
6 other page 10.

7 ARBITRATOR PRO: Then the next page 15.

8 MR. BRADLEY: Yeah. Then the future  
9 earnings and the conclusion, they're all here. It's  
10 just got different pagination than this blank  
11 document that we supplied. So I don't really see  
12 that anything's missing. They have all the same  
13 information.

14 MR. HEBERT: Except for the page 11 that  
15 got left out.

16 MR. BRADLEY: Okay. There appears to be  
17 different forms but all this other information was  
18 in this.

19 MR. HEBERT: Well, Mr. Bradley got in there  
20 ahead of me a little bit. Did I let you finish, Mr.  
21 Bradley?

22 MR. BRADLEY: Well, just for the record, I  
23 think you're making -- I think it's irrelevant.

24 ARBITRATOR PRO: Well, I understand your  
25 point, that the same data that is reflected when

1 completed on Exhibit 3 answers the same queries that  
2 are contained on Exhibit 46.

3 MR. HEBERT: Except, your Honor --

4 ARBITRATOR PRO: Except that the final page  
5 11 called "Confidential Client Profile Target  
6 Portfolio Design" is not --

7 MR. BRADLEY: If it was ever -- perhaps it  
8 was not completed in Mr. Garmong's case. I guess we  
9 can try and find out.

10 ARBITRATOR PRO: Well, Mr. Garmong --

11 MR. BRADLEY: That doesn't make it  
12 something magically missing.

13 ARBITRATOR PRO: All right.

14 MR. HEBERT: You've been doing all the  
15 testifying, so maybe we should ask him.

16 MR. BRADLEY: I think you'll ask him. I  
17 would just like to get to the facts.

18 ARBITRATOR PRO: Yes. Did you see, Mr.  
19 Garmong, back on August 18th, 2005, if you recall  
20 when you filled out Exhibit 3, did you see the  
21 additional page called "Confidential Client Profile  
22 Target Portfolio Design"?

23 THE WITNESS: I believe I did.

24 BY MR. HEBERT:

25 Q Now, Mr. Garmong, you come from a

1 scientific background. It's apparent that you read  
2 forms very closely, as you did the Confidential  
3 Client Profile, which is Exhibit 3, if I've got the  
4 terminology correct.

5           Would it be consistent with your custom and  
6 habit that, if you had been confronted with or  
7 received page 11, you would have completed it?

8           A    Yes.

9           Q    And down here at the bottom it says in the  
10 blank form, which is the last page of Exhibit 46, it  
11 says, "Custom, to be completed only after  
12 consultation with Wespac Advisors."

13           You've previously testified that you didn't  
14 neatly fit into any of the pigeon-holes. If you had  
15 to complete "Custom" now, what would you have said?

16           A    I would have emphasized that I was looking  
17 for a conservative approach consistent with the  
18 statement that I made on the completed one about Box  
19 2-B saying that I wanted to preserve my capital, and  
20 let me find that again.

21           Q    Which exhibit are you looking at?

22           A    I just noticed something that I had never  
23 noticed before. If we look on Exhibit 3 -- well,  
24 no. I take that back.

25           So I'm looking at Exhibit 3 where I said

1 that my goal in Box 2-B was "Moderately increasing  
2 my investment value while minimizing potential for  
3 loss of principal." If I had filled in --

**4 Q Last page of --**

5 A -- this last page of Exhibit 46, I  
6 certainly would have emphasized that I wanted to  
7 preserve my capital. That was the whole point of  
8 this. And that's why I have some real concern that  
9 exhibit -- I'm sorry -- that the page 11 is now  
10 missing, because it would have clarified what I  
11 really wanted to do.

12 In depositions there's been questions  
13 raised about trying to find inconsistencies in the  
14 earlier part of the document and didn't you mean  
15 this and didn't you mean that. Page 11 is the  
16 summarizing page giving specific instructions and  
17 it's been left out.

**18 Q Well, Mr. Garmong, do you find it**  
**19 suspicious that the documents were dribbled out in**  
**20 the course of the court proceedings with three**  
**21 different affidavits saying it's true and correct**  
**22 and three times the document changes?**

23 MR. BRADLEY: Objection, leading.

24 ARBITRATOR PRO: Sustained.

25 BY MR. HEBERT:

1           **Q   Do you find it suspicious?**

2           ARBITRATOR PRO: That's argumentative. You  
3 all can argue to me what is suspicious.

4 BY MR. HEBERT:

5           **Q   All right. Do you find it puzzling?**

6           ARBITRATOR PRO: Well, instead of having  
7 him characterize, he can tell us what the facts are.

8 BY MR. HEBERT:

9           **Q   All right. I think you've talked about it.**  
10 **Is there anything else you'd like to say about this**  
11 **particular course of events?**

12          A   Yes. First of all, I do find it  
13 suspicious, and I'll tell you there's more reasons  
14 than we have talked about so far.

15          **Q   Then please talk about them.**

16          A   Remember we were discussing a little bit  
17 ago that it seems that, if you look at the signed  
18 version of the Confidential Client Profile, it's  
19 missing pages 10 and 11 specifically and, most  
20 notably, page 11.

21               That was the issue that was raised and led  
22 to Mr. Christian's second affidavit where he says,  
23 Well, it was some kind of a computer numbering  
24 error. But the exhibit that he then propounded or  
25 attached to his declaration --

1           **Q   Please use exhibit numbers.**

2           A   Yeah. Exhibit 46 is the attachment. And  
3 in blank that filled in the gap that was present in  
4 the signed versions of these documents. So  
5 magically in the Exhibit 1 attached to his third  
6 declaration --

7           **Q   In the book?**

8           A   -- which is Exhibit 46 in the exhibit list,  
9 10 and 11 are there. And it looks like, gee, the  
10 numbering goes 9, 10, 11 and then on to 12, which  
11 was the page of the Investment Management Agreement.  
12 It was also not completed. That's what initially  
13 made me suspicious.

14          **Q   Is there anything else you'd like to add**  
15 **about the page numbering of these documents?**

16          A   Only that I think the Exhibit 1 to  
17 Mr. Christian's third affidavit, Exhibit 46 here,  
18 was provided to give a false impression that there  
19 was continuity between the Confidential Client  
20 Profile and the Investment Management Agreement.  
21 Remember the Investment Management Agreement, we  
22 agreed, started on page 12. And the filled-in  
23 Confidential Client Profile did not have a page 11  
24 to precede page 12.

25                   Now, what is provided as Exhibit 46

1 magically does have a page 11. If page 11 were just  
2 some form page or instructions, or something like  
3 that, I wouldn't be concerned. But it is, perhaps,  
4 the most critical page in all of this and its  
5 absence leaves open an argument that I was being  
6 less than clear in the Confidential Client Profile  
7 that I filled in. And I think the presence of page  
8 11 would have solved that problem completely and I  
9 think that's why it was left out.

10 **Q Let's move on to the Investment Management**  
11 **Agreement, which is Exhibit 4. We already discussed**  
12 **why it starts at page 12.**

13 **On page 18, is that your signature?**

14 A Yes.

15 **Q What's the date?**

16 A August 31st, 2005.

17 **Q Now, let me direct you for the sake of time**  
18 **to several important provisions.**

19 **Did Wespac acknowledge it was registered by**  
20 **the SEC?**

21 A Yes.

22 **Q Okay.**

23 A On the very first paragraph, the very first  
24 page, which is Wespac 048.

25 **Q "This Investment Management Agreement is**



1 entered into between Wespac Advisors, an investment  
2 adviser registered with the SEC."

3 Is that what you're talking about?

4 A Yes.

5 Q What else was significant? Did Wespac  
6 appoint itself as your agent?

7 A Yes.

8 Q Where?

9 A I believe it's paragraph 5 on page Wespac  
10 0050.

11 Q Entitled "Discretionary authority"?

12 A Yes.

13 Q Did Wespac in this document commit itself  
14 to a fiduciary duty, apart from any statute that may  
15 apply?

16 A Yes.

17 Q Where?

18 A The preceding page, Wespac 049, there's a  
19 paragraph that begins 3 and is entitled,  
20 "Brokerage," and look down to the last three lines  
21 of that -- or two lines. There's reference to, "in  
22 the manner that it considers to be equitable and  
23 consistent with its fiduciary obligations to client  
24 and its other clients."

25 Q Now, in paragraph 5 Wespac states that it

1           A     Two things happened in August of 2007.  
2 What I said happened and also I formally retired as  
3 of August 31st, 2007.

4           **Q     Let's circle back just for a moment to the**  
5 **beginning of the relationship in August 2005.**  
6 **Please turn to exhibit -- I think it's in the second**  
7 **binder -- 52.**

8           MR. HEBERT: Your Honor, I'm referring to  
9 Plaintiff's Exhibit 52.

10 BY MR. HEBERT:

11          **Q     Would you tell us what that is, Mr.**  
12 **Garmong.**

13          A     It says, "Form U4, Uniform Application for  
14 Securities Industry Registration or Transfer."

15          **Q     Is this some kind of a disclosure that**  
16 **Wespac or Mr. Christian had to make to some security**  
17 **industry body?**

18          MR. BRADLEY: Objection, lack of  
19 foundation.

20          ARBITRATOR PRO: Sustained.

21 BY MR. HEBERT:

22          **Q     What is it?**

23          ARBITRATOR PRO: Well, what's your  
24 understanding of what it is?

25 BY MR. HEBERT:

1           **Q    I mean, what's your understanding of what**  
2 **the document is?**

3           A    It's a document submitted by someone. I'm  
4 not sure whether it's Wespac or Mr. Christian  
5 personally. I see at the top it says, "Jay  
6 Williams," so I think they're talking about  
7 Mr. Williams of Wespac, to the SEC making a  
8 disclosure of information.

9           **Q    And what significant information does this**  
10 **document disclose? And I direct your attention to**  
11 **paragraph 14-C on page 853 of Exhibit 52.**

12          A    The document answered "Yes" to three  
13 specific questions.

14          **Q    What's the broad, overarching question,**  
15 **14-C?**

16          A    "Has the U.S. Securities and Exchange  
17 Commission, or the commodity futures trading  
18 Commission ever," and then there are five questions  
19 to be answered.

20          **Q    Was the place for "2" checked?**

21          A    It was checked "Yes."

22          **Q    And so was 4 and 5.**

23               **What does 2 say?**

24          A    "Found you to have been involved in a  
25 violation of its regulations or statutes."

1 Q What's 3?

2 A Three is "No." Do you want --

3 Q I'm sorry. 4.

4 A "Entered an order against you in connection  
5 with investment-related activity." And 5 is,  
6 "Imposed a civil money penalty on you or ordered you  
7 to cease and desist from any activity."

8 All three of those are answered "Yes."

9 Q Did you ever come to learn the  
10 circumstances behind those three yeses?

11 A Generally.

12 Q Tell us your general understanding.

13 A That sometime in the late 1980s or '90s  
14 Mr. Christian was disciplined by the SEC for having  
15 improperly dealt in unregistered securities.

16 Q Would that be Exhibit 56 or 57?

17 A Those exhibits do deal with that subject,  
18 yes.

19 Q Okay. Directing your attention to Exhibit  
20 56, page 788 and 787 as well.

21 A Yes. At the bottom of 787 is "Regulator  
22 statement," and that then continues over to the top  
23 third of page 788.

24 Q On page 787 what was the resolution date  
25 down at the bottom?

1 A May 4th, 1992.

2 Q And what was the infraction which would be  
3 on page --

4 ARBITRATOR PRO: Well, we don't need the  
5 witness to read through the infraction. It's in  
6 evidence. You can argue.

7 MR. HEBERT: Okay. Here's the point, your  
8 Honor.

9 BY MR. HEBERT:

10 Q When you formed your relationship with  
11 Wespac and Mr. Christian in August of 2005, did  
12 Mr. Christian inform you that he had been  
13 disciplined in 1992 by the SEC for an infraction?

14 A No.

15 Q When did you find out?

16 A I found this out for the first time in the  
17 initial brief submitted by Wespac and Mr. Christian  
18 to the arbitrator -- I believe it was in 2017 -- no,  
19 not '17. Maybe it was 2016 or 2017. I had never  
20 known this before.

21 ARBITRATOR PRO: Well, if it was disclosure  
22 to me, it couldn't have been in 2016 because I  
23 wasn't the arbitrator.

24 THE WITNESS: Then I guess it was 2017.  
25 You ordered us to do what I call "the 10-page

1 brief." You said it can't be longer than that.  
2 Within the first few pages was a statement that said  
3 Mr. Christian has done a generally good job but is  
4 not completely blameworthy, or something like that,  
5 and that's when this disclosure was first made to  
6 me.

7 BY MR. HEBERT:

8       **Q    Let's move on to SEC law. Please turn to**  
9 **Exhibits 38 and 39. Now, Mr. Garmong, we've heard**  
10 **about ADV-1 and ADV-2. Can you tell us what those**  
11 **are, your understanding of that?**

12       A    Well, ADV-1 and ADV-2 are reports that  
13 people in the financial industry -- and I don't --

14           MR. BRADLEY: Excuse me, your Honor. I  
15 have to object again. He's testifying as an expert  
16 in SEC law. He's said he's not one.

17           ARBITRATOR PRO: No. I'll save you some  
18 time. The Code of Federal Regulations citations and  
19 the legal citation and the document at 39, I'll  
20 receive those. You can make whatever argument that  
21 counsel wish to make concerning their application.

22           You can certainly ask the witness if at the  
23 time of his investment activity with Wespac for  
24 2005, '06, '07, '08 he was aware of anything that's  
25 contained in those documents. That's fine. But

1 other than that, to have him characterize it, I just  
2 -- you can argue that. You can argue what it means.

3 MR. HEBERT: Thank you, your Honor.

4 BY MR. HEBERT:

5 Q Mr. Garmong, back during your relationship  
6 with Wespac and Mr. Christian, did they ever advise  
7 you through the delivery of a Form ADV-2 that they  
8 had a code of ethics?

9 A No.

10 Q Was the code of ethics required by federal  
11 securities law?

12 MR. BRADLEY: Same objection.

13 ARBITRATOR PRO: Yeah. Sustained as to  
14 what federal security law required.

15 MR. HEBERT: I think he's answered the  
16 question, your Honor?

17 ARBITRATOR PRO: He did. He said he was  
18 never informed.

19 MR. HEBERT: All right. And I'll move on.

20 BY MR. HEBERT:

21 Q Did Wespac tell you that they were not  
22 registered with the Nevada Secretary of State as a  
23 limited-liability company?

24 A No.

25 Q Did Wespac tell you that they were not --

1 when you first formed your relationship with them,  
2 that they were not registered as an investment  
3 adviser with the State of Nevada?

4 A They did not.

5 Q Has Wespac or Christian ever told you that  
6 they had insurance as required by Nevada law, NRS  
7 628A.040, that they had insurance?

8 A No.

9 Q Have you ever seen a document that shows  
10 that they've had insurance?

11 A No.

12 Q Have you asked for it?

13 A I asked for it in document production for  
14 this case.

15 Q Now, with all these things, they didn't  
16 tell you -- if I could summarize --

17 MR. BRADLEY: I would object to leading, if  
18 that's what we're going to.

19 ARBITRATOR PRO: Well, look, you don't need  
20 to summarize. The witness' testimony is clear. He  
21 was not advised of any of the things you've just  
22 enumerated.

23 MR. HEBERT: I wanted to summarize and then  
24 ask him the rest of the question. The question is  
25 this --



1 THE WITNESS: I'll plug my ears.

2 BY MR. HEBERT:

3 Q If you had that knowledge -- and I've taken  
4 you through what they didn't tell you -- if you had  
5 that knowledge, would you have done business with  
6 them in August of 2005?

7 A The answer is no, nor would I have done  
8 business with them at a later time.

9 Q And why is that?

10 A A couple of reasons. First of all, one of  
11 the big arguments made by Mr. Christian was that  
12 Wespac and Mr. Christian were worthy of trust. They  
13 were, after all, taking over the management of my  
14 life savings, what I expected to have in retirement.

15 I had to trust them to do what they were  
16 supposed to do and honor the Investment Management  
17 Agreement. So if they didn't disclose important  
18 information like this to me, I think it would be  
19 reasonable for me to be suspicious about whether  
20 they were honest and would properly deal with me.

21 Just the notion that all of this important  
22 information is concealed by someone who is asking  
23 for your trust is just alien to the granting of that  
24 trust, when -- let me put it this way: When I  
25 learned about these failures of disclosure and

1 violations of law much later in 2016 -- '16 or '17  
2 -- I was dumbfounded. I've been dumbfounded several  
3 times in this case and that was one of them.

4           The other thing is -- the other part of my  
5 concern is, if someone will not obey the law of the  
6 SEC, the federal law governing their industry and  
7 will not obey the law of the State of Nevada  
8 governing their specific industry, why should I  
9 expect that they would agree to honor the terms of a  
10 private contract with an individual?

11           Those two things together, the violation of  
12 trust and the willingness to scoff laws, if everyone  
13 knows that term, to me is just beyond the pale. I  
14 never, never, never would have remotely considered  
15 doing business with them if they had made any of  
16 those disclosures to me, particularly because, as I  
17 said, the matters at issue here were not whether  
18 they violated some traffic code or something like  
19 that. These issues went precisely to the nature of  
20 their dealings with the government and the failure  
21 to disclose went to their dealings with me.

22           **Q   Let's isolate one instance. Putting aside**  
23 **the other things they didn't mention to you, would**  
24 **you have done business with them knowing they had no**  
25 **insurance to be accountable if something went wrong?**

1           A    If the question of insurance had come up, I  
2 would have asked them. And if the answer came back,  
3 We don't have insurance, then I would not. I had  
4 had professional liability insurance for the entire  
5 time when I was self-employed and the law firm did  
6 for all of its partners and associates.

7                   So I understood what errors and omissions  
8 insurance was, and if they had said, We don't have  
9 that, the absence of it would have raised one  
10 question.

11                   But the second question is, Did they have  
12 it earlier and it got taken away from them, they  
13 couldn't be underwritten for some reason? So that  
14 would have been a real concern to me.

15           **Q    Would it have been a reason not to go to**  
16 **enter into contractual relations with them, that if**  
17 **something went wrong, they couldn't respond**  
18 **financially?**

19           A    Yes.

20                   MR. HEBERT: Your Honor, I'm getting ready  
21 to shift into the next phase of the relationship and  
22 it's quarter to twelve. Can we take a break and  
23 maybe have lunch?

24                   ARBITRATOR PRO: I don't know when they  
25 have lunch served.

1 MR. HEBERT: It's sitting out there.

2 ARBITRATOR PRO: Any objection to taking a  
3 lunch break now?

4 MR. BRADLEY: No.

5 ARBITRATOR PRO: Let's try and be -- we  
6 don't need a full hour for lunch, I take it. You  
7 want to make it 30 minutes, or so?

8 MR. HEBERT: That's fine.

9 (Lunch recess taken at 11:45 a.m.)

10 ARBITRATOR PRO: We'll go back on the  
11 record, then, and proceed with further direct  
12 examination. I meant to ask you before, you said  
13 you're going into a new area. How long do you think  
14 you have on direct?

15 MR. HEBERT: Another hour, hour and a half.  
16 I'm told no. But let me ask you this question.  
17 Tom, you've been sitting here taking it on the chin  
18 this whole time. How long do you think we'll go  
19 today?

20 MR. BRADLEY: I'd like to go until 5:00 and  
21 get this done. Mr. Christian has an appointment at  
22 5:15, but could we break at 5:00?

23 ARBITRATOR PRO: That's good.

24 THE WITNESS: I have the opposite problem.  
25 After we leave, I have a two-hour drive and I have

1 to be back here, presumably, at 9:00 in the morning.

2 I'd ask for some consideration on that.

3 ARBITRATOR PRO: Do you want to start

4 later? Let's go off record.

5 (Discussion off the record.)

6 BY MR. HEBERT:

7 Q We're back on the record.

8 Now, Mr. Garmong, when you first started  
9 your relationship with Wespac in August of 2005, did  
10 Mr. Christian ever advise you that he had other  
11 business ventures to which he was devoting his time  
12 besides investment adviser?

13 A No.

14 Q Did he ever tell you about -- I think it's  
15 called "Fusion Asset Management" -- that was a  
16 mutual fund?

17 A I first learned about that in his  
18 deposition two or three weeks ago.

19 Q Okay. Let's talk about your relationship  
20 from the period of time 2005 to 2007. Were you and  
21 Mr. Christian working together cooperatively to make  
22 investment decisions at that time?

23 A Yes.

24 Q Turn to Exhibit 9, please. Are you there?

25 A I am.

1           **Q   What is Exhibit 9?**

2           A   Exhibit 9 is a fax from me to Mr. Christian  
3 dated August 16th, 2007. It's a one-page fax,  
4 Wespac 00553.

5           **Q   What is the substance of this fax, without**  
6 **reading it?**

7           A   The substance is that I was calling a  
8 problem to his attention and hoping for some kind of  
9 action. The last sentence of the fax says, "What do  
10 you recommend should be the strategy in my accounts  
11 at this time," so that's what I was seeking.

12          **Q   Your investment objectives at that time**  
13 **were still as stated in 2005 in the Confidential**  
14 **Client Profile?**

15          A   Yes.

16          **Q   Okay. Mr. Christian testified in his**  
17 **deposition that he wrote the note at the bottom.**  
18 **What is he saying in the note? Just summarize it.**

19          A   He called -- in response to this fax he  
20 called me and we discussed the issue raised in the  
21 fax and we together decided to raise cash, which is  
22 a securities industry euphemism for sell securities.  
23 And he says that -- records what he did, sold  
24 approximately 50 percent of the holdings in QRA,  
25 qualified retirement account.

1           So this expresses the way we worked  
2 together. I raise a problem, he contacts me, we  
3 talk it over, and then he takes action based on what  
4 we decide.

5           **Q   Now, let's move forward to your retirement**  
6 **and the months that follow.**

7           **Did you retire August 31st, 2007?**

8           A   That was my formal retirement date.

9           **Q   Well, you qualify your answer.**

10          **Did you actually cease work that day?**

11          A   No.

12          **Q   What did you do?**

13          A   I ceased taking new work. Three of my  
14 clients asked me to finish up work that was already  
15 in progress. You recall I explained earlier about  
16 patent prosecution, dealing with the patent office.  
17 And a typical patent application, in those days  
18 anyway, typically took two to three years of  
19 prosecution. And that's not continuous. It might  
20 be two years before the patent examiner ever reaches  
21 the matter sitting on his stack of work.

22               And then maybe a year of patent examiner  
23 issues an office action and the applicant responds  
24 and it goes back and forth. And it's very difficult  
25 sometimes to bring a new attorney in in the midst of

1 that. So my clients -- well, three of my clients  
2 asked me to continue doing work to finish up that  
3 kind of -- the patent prosecution. And these were  
4 all long-term, good clients that I owed a lot to for  
5 having provided me work for a lot of years. And, of  
6 course, I agreed to do that so, yes, I continued  
7 working but at a vastly diminished workload.

8 **Q In the interest of saving time here in the**  
9 **hearing, let me ask the following leading question:**

10 **Would it be correct to say that as of**  
11 **August 31st, 2007, you were not taking on any new**  
12 **clients and you were winding down the existing ones?**

13 A Yes.

14 **Q What else did you have going on at that**  
15 **time in your life?**

16 A I was in the process of finishing my  
17 divorce. The final decree issued on October 3rd,  
18 2007, and that didn't end it because there were a  
19 lot of corrections that had to be made, factual  
20 mistakes and typo mistakes and that sort of thing.

21 And Judge Gibbons gave us ten days, two  
22 weeks, something like that, to get that done, but we  
23 know knew the divorce was over so I then had to go  
24 get my belongings from the house, and that was not  
25 an easy process. It was not a gentle sort of



1 divorce.

2           And so there was my divorce finishing up,  
3 there was -- going back to my workload, I had a very  
4 specialized practice, as I said, because of my  
5 doctorate in metallurgy and the jobs that I was --  
6 for other clients than the ones that asked me to  
7 finish work up, others clients had asked me to help  
8 transition my work to new attorneys.

9           And that was not a simple process in some  
10 cases because with technology it was so complex  
11 that, first of all, I had to find new attorneys who  
12 would be willing to take on that kind of more  
13 complex technology than usual, and then I had to  
14 teach them about the technology, help them  
15 transition, if they got something from the patent  
16 office, help them understand it, that sorta thing.

17           So although I expected that my workload or  
18 my life would become much more relaxed after  
19 August 31st, 2007, that's not the way it worked  
20 out. Going back to my other activities, my  
21 principle avocation over the years has been  
22 wilderness search and rescue in specialized context.  
23 I had gotten interested in wilderness medicine back  
24 in the 1990s; that is, caring for injured people out  
25 in the wilderness, which is a very different

1 proposition than caring for them in town and taking  
2 them to the hospital in an ambulance.

3           And to do that you have to be certified. I  
4 was a certified wilderness medic. There's a lot of  
5 continuing education that's required on that. In  
6 terms of wilderness stuff, I also was a certified  
7 high-angle rescue specialist; that is, a  
8 mountain-climber. And at Tahoe I did not work on  
9 the -- I lived on the eastern side of the lake in  
10 Douglas County. I didn't work with that search and  
11 rescue. I worked with the search and rescue on the  
12 western side of the lake in El Dorado County, which  
13 was desolation wilderness.

14           So my partner and I were sort of the go-to  
15 guys for people that got into serious rock-climbing  
16 accidents in desolation wilderness and other  
17 adjacent areas. So as you might imagine,  
18 maintaining certification as a rock-climber,  
19 maintaining certification as a wilderness medic was  
20 a lot of time, so I was spending a lot of time on  
21 that.

22           I was also a certified EMT, emergency  
23 medical technician, at the Grade 2 level and that I  
24 did as a fire department medic there in Smith and so  
25 I was responding to probably about seven -- I was

1 also a volunteer fireman so I was responding to  
2 maybe 70 emergencies in the fire department and 40  
3 to 50 call-outs in the wilderness setting, so that  
4 was keeping me extraordinarily busy.

5           And if I didn't have enough, I was also  
6 working with my German shepherd dog to train as a  
7 search dog team. I got through about a year of  
8 training and realized that I was just in over my  
9 head. I couldn't do it. So Gretchen and I had to  
10 give up that.

11           And the last thing, I guess, that occupied  
12 a lot of my time was that I volunteered at our local  
13 animal shelter for roughly 20 hours a week. My  
14 partner and I were the only two single persons who  
15 were volunteering there, so we would work, not only  
16 on the weekends, but also on the holidays. So we  
17 ended up an average of about 20 hours a week.

18           So I was just snowed under with work -- oh,  
19 and then there was one other point. The  
20 psychological effect of retirement on me was much  
21 greater than I had appreciated. Being  
22 self-employed, I didn't get any pre- or  
23 post-retirement counseling. Parenthetically, I note  
24 that when I worked at Rocketdyne, that was long  
25 before I ever thought about retiring, fellows who

1 retired -- or men and women who retired from there  
2 got end-of-service counseling which related to, you  
3 know, secrecy obligations and that sorta thing, but  
4 also they got into some counseling on, you know,  
5 what to expect in retirement, that sorta thing.

6           The effect on me was much, much greater  
7 than I had realized. In that first month what I  
8 began to understand or began to hit me with full  
9 force was that I now cannot earn any more money.  
10 And what that means is, if I lose money out of this  
11 nest-egg retirement that I have, I don't have any  
12 way to make that up.

13           So the psychological effect on  
14 retirement -- I know our judge here has gone on to  
15 other things. He retires from the judiciary and  
16 goes on to other things that are somewhat related.  
17 I wanted to walk away from patent law and get into  
18 something completely different, which would not earn  
19 me any money, so that had an enormous psychological  
20 effect on me. Again, if you say, Well, Greg, you  
21 should have thought of that in June and July before  
22 you retire in August, yeah, I should have, but it  
23 never struck me in the full force that it did after  
24 the retirement date.

25           **Q   Is that a fairly comprehensive picture of**

1 your status there in August, September of 2007?

2 A I think so.

3 Q When was your next meeting with  
4 Mr. Christian after retirement and with all that  
5 going on?

6 A It was early October. I don't remember the  
7 exact date but it was somewhere around the 10th of  
8 October.

9 Q Was this a regularly scheduled meeting to  
10 review the status of your investments or a specially  
11 called meeting?

12 A I think it was a regular quarterly meeting,  
13 although we didn't always meet exactly on quarterly  
14 dates. But I think there were typically four  
15 meetings a year, maybe less, maybe more in some  
16 years.

17 Q Was this meeting held at a restaurant in  
18 North Carson City?

19 A Yes.

20 Q Eagle Valley Inn, does that ring a bell?

21 A I remember the word "Eagle" in the title  
22 but I don't remember the rest of it.

23 Q Okay. Tell the arbitrator what got  
24 discussed at that meeting and by whom.

25 A Well, first of all, I unburdened my soul

1 with the kinds of things that I was just talking  
2 about, what was pressuring me, what was affecting my  
3 thoughts so much -- and I won't repeat those but  
4 that's what we discussed. Oh, we discussed at the  
5 first the general status of my accounts.

6           Then I discussed what I had just told you  
7 and then Mr. Christian gratuitously offered -- I  
8 didn't ask him, but an offer which was greatly  
9 appreciated at the time, he offered to take over my  
10 accounts completely. All I had to do was state the  
11 objectives and he would take over the accounts.

12           And that's to be contrasted with this  
13 Exhibit 9 where we were working somewhat  
14 cooperatively. And so his offer was very much  
15 appreciated, but I was a little reluctant because  
16 this was, after all, my retirement and so I sort of  
17 tentatively accepted but at the same time I gave him  
18 a new objective.

19           **Q   At the meeting?**

20           A   At the meeting. And at the meeting I gave  
21 him the objective of, Don't lose capital. And  
22 that's to be contrasted with the objective that was  
23 given in the Confidential Client Profile, which was  
24 -- again, I can't remember the exact words -- but it  
25 was, Take care to minimize the potential for the

1 loss of capital. This was, Don't lose capital. It  
2 was an absolute bar to losing capital, and  
3 Mr. Christian said he would do that.

**4 Q And did you phrase it, I'll forego gain to  
5 avoid losing capital?**

6 A Well, no. That's separate. The  
7 instruction and objective was, Don't lose capital.  
8 The concern I had about possibly sacrificing -- or  
9 not possibly -- about sacrificing potential gains to  
10 avoid losses was this: If I tell an investment  
11 adviser orally, Don't lose capital, there can be a  
12 concern -- and the investment adviser structures my  
13 accounts with that in mind, well, suppose the market  
14 does really well. Am I going to come back to him  
15 and say, Boy, did you do a bad job because you  
16 didn't take advantage of these marvelous gains that  
17 could happen.

18 My point was that I would not blame him if  
19 there were big gains as long as I don't have losses.  
20 So that was kind of meant as a reassurance to  
21 Mr. Christian and Wespac that, if the markets did  
22 well, I was worried that they might lose ground.  
23 They were doing fine at that point. But I was  
24 concerned about that, and given that now I'm  
25 retired, I can't replace any losses, a dollar lost

1 psychologically to me is a lot worse -- no. A  
2 dollar gained doesn't have as much psychological  
3 value as a dollar lost would.

4           So I'm willing to sacrifice gains for  
5 losses. Oh, and I now know with my divorce decree  
6 what my obligations are going to be on alimony and  
7 any other financial matters -- and I have already  
8 made up my mind that I am never getting married  
9 again, one of my few promises that I've kept -- so I  
10 could pretty well foresee what my future was, the  
11 variables being my health and inflation, the  
12 financial condition of the country, that sorta  
13 thing.

14           **Q Did Mr. Christian understand that your**  
15 **circumstances had changed and that you had become**  
16 **much more conservative in the handling of your**  
17 **portfolio?**

18           A He didn't express any doubt. I can't say  
19 what he understands but he didn't say, I can't  
20 achieve that, I can't do that. He accepted that as  
21 my new circumstances.

22           **Q Now, consistent with -- turn to Exhibit 4,**  
23 **which is the Investment Management Agreement,**  
24 **paragraph 2, page 48. Do you see the sentence that**  
25 **starts out "In the event client's financial**



1 STATE OF NEVADA )  
2 ) ss.  
3 COUNTY OF WASHOE )

5 I, CHRISTINA MARIE AMUNDSON, a Certified Court  
6 Reporter in and for the states of Nevada and  
7 California, do hereby certify:

8           That I was personally present for the purpose  
9 of acting as Certified Court Reporter in the matter  
10 entitled herein;

11 That said transcript which appears hereinbefore  
12 was taken in verbatim stenotype notes by me and  
13 thereafter transcribed into typewriting as herein  
14 appears to the best of my knowledge, skill, and  
15 ability and is a true record thereof.

16  
17 DATED: At Reno, Nevada, this 27th day of October  
18 2018.

19

20

Christine Amundson

21

Christina Marie Amundson, CCR #641

22

- o o -

23

24

25

# CONFIDENTIAL CLIENT PROFILE

## Account Information

Answer all questions that apply

1. Account title (legal title as listed on investment management agreement)

2. Primary contact person/trustee Greg Garmong

3. Custodian Schwab Account # \_\_\_\_\_

4. Social Security/Tax ID Number Primary [REDACTED]

Secondary \_\_\_\_\_

Physical Address 11 Dee Ct, Smith NV 89430

Mailing Address P.O. Box 310

City Smith State NV Zip 89430

Phone 775 465-2981 Fax 775-465-2861

E-mail none

5. Account type

☐ Individual (taxable)

☐ IRA/IRA Rollover

☐ SEP

Account types listed below must enclose Plan Document, Partnership Agreement, Corporate Resolution, Trust Documentation, and/or Authorized Signature List.

☐ Irrevocable Trust

☐ Profit Sharing

☐ Endowment

☐ Revocable Trust

☐ Money Purchase

☐ Foundation

☐ Public Employee

☐ Defined Benefit

☐ Taft-Hartley

☐ Corporation (taxable)

☐ Limited Liability Company

☐ 401(k)

☐ S Corporation

☐ Partnership

☐ Other \_\_\_\_\_

☐ Non-Profit Corporation

Initial Investment ☐ Cash \$ \_\_\_\_\_ or ☐ Cash/Securities\* \$ \_\_\_\_\_

\* Please list all securities with cusip or ticker symbol, purchase date and cost basis on Exhibit A.

Anticipated contributions \$ \_\_\_\_\_ ☐ Monthly ☐ Quarterly ☐ Annually ☐ None

Anticipated withdrawals \$ \_\_\_\_\_ ☐ Monthly ☐ Quarterly ☐ Annually ☐ None

**CONFIDENTIAL CLIENT PROFILE**  
**Investment Objectives**  
(For all accounts)

1. What percentage of your total investable assets will WESPAC Advisors be managing (e.g., stocks, bonds)? 40 %
2. How long will these funds be committed to the stated purpose?  
☐ Less than 3 years    ☐ 3 - 5 years    ☐ 10 years    ☒ 10 years or more
3. State of legal residence Nevada  
*Please complete the following for all accounts except corporation; if corporate, proceed to page 5.*
4. Date of birth 12/15/43 Spouse's date of birth \_\_\_\_\_
5. Occupation: Patent attorney
6. What year did you start your current occupation 1979 Projected retirement age 65
7. Spouse's Occupation \*In divorce, leave out for planning purposes
8. What year did your spouse start current occupation \_\_\_\_\_ Projected retirement age \_\_\_\_\_

**For taxable accounts, please complete the following; if nontaxable, proceed to question 12.**

10. Are you subject to (please check all that apply and indicate percentages):  
☒ State <sup>Income</sup> tax? 0 %    ☒ Alternative minimum tax? ? %
11. Marginal federal income tax bracket 35 %
12. Primary source of income:    ☒ Occupation    ☒ Investments    ☐ Retirement funds
13. U.S. citizen?    ☒ Yes    ☐ No    If no: A non-resident alien?    ☐ Yes    ☐ No  
Do you pay U.S. taxes:    ☒ Yes    ☐ No
14. Net worth (excluding primary residence) [REDACTED]
15. Spouse/Dependent

Name	Age	Relationship
<u>None</u>		

## Wespac Advisors LLC Asset Management Services Investment Policy Questionnaire

### Introduction:

- The following series of questions are designed to develop a better understanding of your tolerance for investment risk.
- Understanding your tolerance for investment risk relative to your investment return expectations is an important first step in designing a portfolio.
- The answers you select will indicate your comfort level with investment risk and your ability to withstand it.
- Please carefully consider each question and select the answer that most closely fits your current situation.
- Consultation with your Investment Advisor while filling out this form is key to developing a recommended portfolio that fits your comfort level and is appropriate to reach your financial goals.

### Instructions for completing this form:

- Please check the box next to each appropriate answer.
- The assigned points for each answer appear in red to left of the box.
- After the conclusion (Page 7), please add up the selected points for each question (1-15) and compare the total with the investment objective ranges on page 8. This is the investment objective that is consistent with your responses.

Date: 8/18/05

Financial Advisor \_\_\_\_\_

### Family Information

Client<sub>1</sub> Name: G. Gregory O. Garmong 12/15/43  
First M Last Birthdate

Client<sub>2</sub> Name: \_\_\_\_\_  
First M Last Birthdate

Address: P.O. Box 310 Smith NV 89430 (75) 465-2981  
Street City/St Zip Code Telephone

Current Assets: \$ [REDACTED]

Please specify the type of account:

- ☐ A. Taxable, Individual  
☒ B. Tax exempt, Individual Mostly

### Risk Tolerance Profile

#### 1. Risk Factor

Before you make a decision on any investment, you need to consider how you feel about the prospect of potential loss of principal. This is a basic principle of investing: *the higher return you seek, the more risk you face*. Based on your feelings about risk and potential returns, your goal is to:

Question 2, Answer B is my goal

- 15 ☐ A. Potentially increase my portfolio's value as quickly as possible while accepting higher levels of risk.  
9 ☐ B. Potentially increase my portfolio's value at a moderate pace while accepting moderate to high levels of risk.  
6 ☐ C. Income is of primary concern while capital appreciation is secondary.  
3 ☐ D. The safety of my investment principal.  
☒ E. Moderate growth, low-moderate risk.

## 2. Investment Approach

Which of the following statements best describes your overall approach to investing as a means of achieving your goals?

- 3 ☐ A. Having a relative level of stability in my overall investment portfolio.  
6 ☒ B. Moderately increasing my investment value while minimizing potential for loss of principal.  
9 ☐ C. Pursue investment growth, accepting moderate to high levels of risk and principal fluctuation.  
15 ☐ D. Seek maximum long-term returns, accepting maximum risk with principal fluctuation.

## 3. Volatility

The value of most investments fluctuates from year to year as well as over the short term. How would you feel if an investment you had committed to for ten years lost 20% of its value during the first year?

- 1 ☐ A. I would be extremely concerned and would sell my investment.  
3 ☒ B. I would be concerned and may consider selling my investment.  
5 ☐ C. I would be concerned, but I would not consider selling my investment.  
7 ☐ D. I would not be overly concerned given my long-term investment philosophy.

## 4. Variation

Realizing that any market-based investments may move up or down in value over time, with which of the hypothetical portfolios below would you feel most comfortable?

	Year 1	Year 2	Year 3	Year 4	Year 5	Average Annual Return
1 <input type="checkbox"/>	3%	3%	3%	3%	3%	3%
3 <input type="checkbox"/>	2%	5%	6%	0%	7%	4%
5 <input type="checkbox"/>	-6%	7%	21%	2%	8%	6%
7 <input checked="" type="checkbox"/>	9%	-11%	26%	3%	18%	9%
10 <input type="checkbox"/>	14%	-21%	40%	-4%	31%	12%

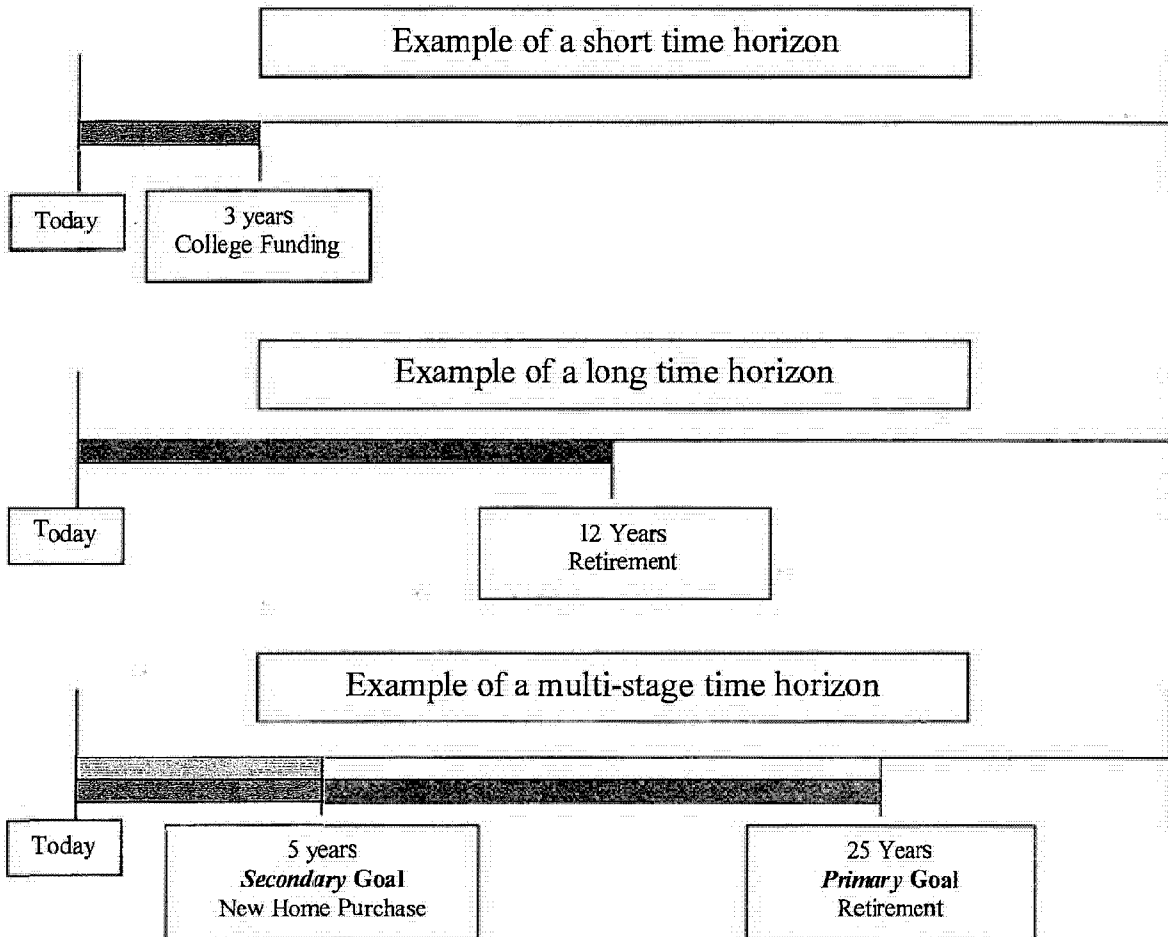
## 5. Investment Experience

Please select the type of security with which you have had the *most* investment experience?

- 2 ☐ A. U.S. Government securities  
4 ☒ B. Mid to high quality corporate fixed income securities  
6 ☐ C. Stocks of older, established companies  
8 ☐ D. Stocks of newer, growing companies

## 6. Time Horizon

An important consideration when making investment decisions is where you are in your financial life cycle and how long you have before you will need to start withdrawing the assets. Through consultation with your Financial Advisor, please indicate your portfolio's appropriate time horizon. A multi-stage time horizon would indicate that you have several goals in the future that your investment portfolio needs to address.



- 1 ☐ A. Short(3-5 Years)  
3 ☒ B. Long(5-10 Years)  
5 ☐ C. Multi-stage

## 7. Primary Goal

Please indicate approximately how many years from today until you reach your primary goal.

- 1 ☒ A. Within 1 to 5 years  
3 ☐ B. Within 5 to 10 years  
7 ☐ C. Within 11 to 20 years  
10 ☐ D. More than 20 years

*Start retirement - full reliance on investments for retirement*

## 8. Secondary Goal

Some investors have a multi-stage time horizon with several goals for their portfolio. Please indicate approximately how many years from today until you reach your secondary goal?

- 1 ☒ A. Not applicable, I only have a single stage time horizon.  
4 ☐ B. Within 1 to 5 years  
7 ☐ C. Within 5 to 10 years  
10 ☐ D. More than 10 years

## 9. Age

What is your current age?

- 10 ☐ A. Under 35  
8 ☐ B. Between 36 to 45  
6 ☐ C. Between 46 to 55  
4 ☒ D. Between 56 to 70  
1 ☐ E. Over 70

## 10. Investment Earnings

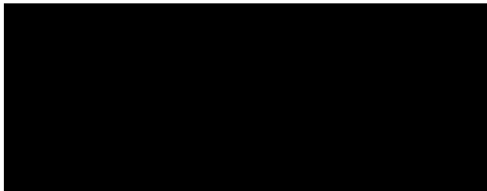
Based on your current and estimated future income needs, what percentage of your investment earnings do you think you would be able to reinvest?

- 8 ☒ A. Reinvest 100 percent of my investment earnings. *At least for a few years*  
5 ☐ B. Reinvest 20 to 80 percent of my investment earnings.  
3 ☐ C. Reinvest 0% (receive all investment earnings for cash flow).  
1 ☐ D. My investment earnings will not be sufficient and I will need to withdrawal principal.



### 11. Investment Value

Your portfolio design relates to your investment experience, which helps to determine your current investment philosophy. What is the current value of your total investment portfolio?



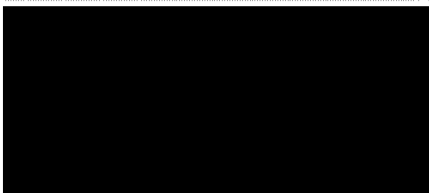
### 12. Living Expense

Given interruptions of periodic income or other unforeseen circumstances, some individuals are forced to tap their investment resources to meet living expenses. In such an instance, how many months of living expenses could be covered by your current liquid investments?

- 5 ☒ A. More than 12 months, or not a concern  
3 ☐ B. Between 4 and 12 months  
1 ☐ C. Less than 4 months, or already withdrawing

### 13. Household Income

Total earnings, which includes earned and investment income, is a requirement when assessing your risk tolerance and determining allocation of assets. What is your total annual household income (including interest and tax deferred income)



### 14. Income Saving

The percentage of your total income that you currently save is approximately:

- 1 ☐ A. I do not currently save any income.  
3 ☐ B. Between 2% - 7%  
6 ☐ C. Between 7% - 12%  
9 ☒ D. Greater than 12%

## 15. Future Earnings

In the next five years, you expect that your earned income will probably:

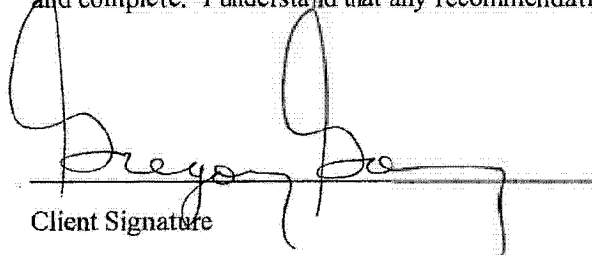
- 1 ☒ A. Decrease  
3 ☐ B. Stay about the same  
5 ☐ C. Increase modestly  
7 ☐ D. Increase significantly

## Conclusion

Comments:

My goal is providing for retirement. I'm uncertain when I will fully retire. I expect in 2006 my income will be in the [redacted] range, but almost certainly decreasing after that to about [redacted] range if I continue to work. Don't expect to start drawing on retirement accounts for about 5 years.

To the best of my knowledge, the information contained in this investment policy questionnaire is both accurate and complete. I understand that any recommendations are based upon the information supplied by me.

  
Client Signature

8/18/05  
Date

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

GREGORY O. GARMONG

11 Dee Court

Smith, NV 89430

phone: 775-465-2981, fax 775-465-2861

## FAX COVER SHEET

FAX NUMBER TRANSMITTED TO: 775-825-9655 (1 page total)

To: Greg Christian

Of: WESPAC

From: Greg Garmong

Subject: Meeting on Sept. 29, 2008

Date: September 28, 2008

DOCUMENTS	NUMBER OF PAGES*
None	

Mr. Christian:

If you contend that any aspect of our relation is governed by a written contract, bring me a copy of that contract when we meet tomorrow.

Do not forget the written report that is due then. If you wish to propose any approach to remedy the damages to me, provide that as well.

Gregory Garmong

**Notice Filing Status**

<b>Organization CRD Number:</b> 148242	<b>Primary Business Name:</b> WESPAC ADVISORS, LLC
<b>Organization SEC Number:</b> 801-69552	<b>Full Legal Name:</b> WESPAC ADVISORS, LLC
<b>No BD Record</b>	<b>Electronic Filer</b>

<b>Jurisdiction</b>	NV
<b>Notice Filing Status</b>	Notice Filed
<b>Status Effective Date</b>	09/24/2008

<b>Jurisdiction</b>	<b>Notice Filing Status</b>	<b>Status Effective Date</b>
AZ	Notice Filed	09/24/2008
CA	Notice Filed	09/24/2008
CO	No Longer Notice Filed	12/31/2012
CT	No Longer Notice Filed	12/31/2011
NV	Notice Filed	09/24/2008
OR	Notice Filed	09/24/2008
TN	No Longer Notice Filed	12/31/2012
TX	Notice Filed	09/24/2008
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## WESPAC ADVISORS, LLC

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### Business Entity Information

**Status:** Active  
**Type:** Foreign Limited-Liability Company  
**Qualifying State:** CA  
**Managed By:**  
**NV Business ID:** NV20081353177  
**File Date:** 10/15/2008  
**Entity Number:** E0645382008-5  
**List of Officers Due:** 10/31/2017  
**Expiration Date:**  
**Business License Exp:** 10/31/2017

### Additional Information

[Central Index Key:](#)

### Registered Agent Information

**Name:** GREG CHRISTIAN  
**Address 1:** 689 SIERRA ROSE DR STE A-2  
**City:** RENO  
**State:** NV  
**Zip Code:** 89511  
**Phone:**  
**Fax:**  
**Mailing Address 1:**  
**Mailing City:**  
**Mailing Zip Code:**  
**Mailing Address 2:**  
**Mailing State:** NV  
**Agent Type:** Noncommercial Registered Agent  
[View all business entities under this registered agent](#)

### Financial Information

**No Par Share Count:** 0  
**Capital Amount:** \$ 0  
 No stock records found for this company

### Officers

[Include Inactive Officers](#)

### Managing Member - RENEE T SZU

**Address 1:** 519 17TH STREET 5TH FLOOR  
**City:** OAKLAND  
**State:** CA  
**Zip Code:** 94612  
**Status:** Active  
**Address 2:**  
**Country:** USA  
**Email:**

### Actions/Amendments

[Click here to view 11 actions/amendments associated with this company](#)

Barbara H. Bergovska

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## Entity Actions for "WESPAC ADVISORS, LLC"

Sort by File Date

• descending ascending order Re-Sort

1 - 11 of 11 actions

## Actions/Amendments

18-17	<p>Action Type: Annual List</p> <p>Document Number: 20160480591-56</p> <p>File Date: 10/31/2016</p>	<p># of Pages: 1</p> <p>Effective Date:</p>
15/16	<p>Action Type: Annual List</p> <p>Document Number: 20150451677-58</p> <p>File Date: 10/13/2015</p>	<p># of Pages: 1</p> <p>Effective Date:</p>
	<p>Action Type: Annual List</p> <p>Document Number: 20140701661-68</p> <p>File Date: 10/3/2014</p> <p>(No notes for this action)</p>	<p># of Pages: 1</p> <p>Effective Date:</p>
2013-2014	<p>Action Type: Annual List</p> <p>Document Number: 20130554074-01</p> <p>File Date: 8/23/2013</p>	<p># of Pages: 1</p> <p>Effective Date:</p>
	<p>Action Type: Registered Agent Change</p> <p>Document Number: 20130041441-80</p> <p>File Date: 1/22/2013</p> <p>(No notes for this action)</p>	<p># of Pages: 1</p> <p>Effective Date:</p>
2012-2013	<p>Action Type: Annual List</p> <p>Document Number: 20120862022-95</p> <p>File Date: 12/24/2012</p>	<p># of Pages: 1</p> <p>Effective Date:</p>
	<p>Action Type: Annual List</p> <p>Document Number: 20110792310-76</p> <p>File Date: 11/1/2011</p> <p>(No notes for this action)</p>	<p># of Pages: 1</p> <p>Effective Date:</p>
	<p>Action Type: Annual List</p> <p>Document Number: 20110796291-18</p> <p>File Date: 11/1/2011</p> <p>(No notes for this action)</p>	<p># of Pages: 1</p> <p>Effective Date:</p>
09-10	<p>Action Type: Annual List</p> <p>Document Number: 20090693586-48</p> <p>File Date: 9/21/2009</p>	<p># of Pages: 1</p> <p>Effective Date:</p>
08/09	<p>Action Type: Initial List</p> <p>Document Number: 20080695805-23</p> <p>File Date: 10/22/2008</p>	<p># of Pages: 1</p> <p>Effective Date:</p>
	<p>Action Type: Application for Foreign Registration</p>	

Document Number: 00002049895-57

# of Pages: 1

File Date: 10/15/2008

Effective Date:

(No notes for this action)

[Return to Entity Details for "WESPAC ADVISORS, LLC"](#)

[New Search](#)

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**EXHIBIT 1**

**EXHIBIT 1**





# CONFIDENTIAL CLIENT PROFILE

Investment Objective Assessment/Engagement Agreement

## Privacy Policy For Individual Clients

WESPAC Advisors, LLC is committed to protecting your privacy. To conduct regular business, we may collect non-public personal information from sources such as:

Information reported by you on applications or other forms you provide to us; and/or

Information about your transactions with us, our affiliates, or others.

WESPAC Advisors, LLC shares non-public information solely to service our client accounts. We do not disclose any non-public personal information about our customers or former customers to anyone, except as permitted by law. If you decide to close your account(s) or become an inactive client, we will adhere to the privacy policies and practices as described in this notice.

### Information Safeguarding

WESPAC Advisors, LLC will internally safeguard your non-public personal information by restricting access to only WESPAC Advisors, LLC employees. WESPAC Advisors, LLC employees provide products or services to you and need access to your information to service your account. In addition, we will maintain physical, electronic, and procedural safeguards that meet federal and/or state standards to guard your non-public personal information.

## TABLE OF CONTENTS

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• Account Information	
• Investment Objectives	
• Target Portfolio Design	
<b>II. Exhibits.....</b>	<b>Pg. 5 - 11</b>
• Exhibit A: Fee Schedule	
• Exhibit B: Portfolio Appraisal/Security Cost Basis Form	
<b>III. Investment Management Agreement.....</b>	<b>Pg. 12 - 19</b>

## SUPPLEMENT CLIENT ATTACHMENT

Any additional information that relates to our duties and responsibilities as your investment advisor is required.

- Investment Policy Guidelines
- Partnership Agreement
- Corporate Resolution
- Plan/Trust Documents
  - Provide the following (as applicable):
    - Title Page
    - Signature Page
    - Proxy Voting Responsibilities
    - Asset Allocation Parameters
    - Statements of Required Reports
    - Meeting Requirements
    - Investment Policy Guidelines
    - Cash Requirements
    - Restrictions on Securities
    - List of Trustees
    - Authorized Signature List

## CONFIDENTIAL CLIENT PROFILE

### Account Information

Answer all questions that apply

1. Account title (legal title as listed on investment management agreement)

\_\_\_\_\_

2. Primary contact person/trustee \_\_\_\_\_

3. Custodian \_\_\_\_\_ Account \_\_\_\_\_

4. Social Security/Tax ID Number Primary \_\_\_\_\_ Secondary \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail \_\_\_\_\_

5. Should anyone else receive a copy of:

Quarterly reports?

☐

Yes

☐

No

Realized gain/loss reports?

☐

Yes

☐

No

Name \_\_\_\_\_ Relationship \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

6. Account type

☐

Individual (taxable)

☐

IRA/IRA Rollover

☐

SEP

Account types listed below must enclose Plan Document, Partnership Agreement, Corporate Resolution, Trust Documentation, and/or Authorized signature List.

☐

Irrevocable Trust

☐

Profit Sharing

☐

Endowment

☐

Revocable Trust

☐

Money Purchase

☐

Foundation

☐

Public Employee

☐

Defined Benefit

☐

Taft-Hartley

☐

Corporation (taxable)

☐

Limited Liability Company

☐

401 (K)

☐

S Corporation

☐

Partnership

☐

Other \_\_\_\_\_

☐

Non- Profit Corporation

7. Initial Investment ☐ Cash \_\_\_\_\_ or ☐ Cash/Securities\* \$ \_\_\_\_\_

\*Please list all securities with cusip or ticker symbol. purchase date and cost basis on Exhibit A.

8. Anticipated contributions \$. \_\_\_\_ ☐ Monthly ☐ Quarterly ☐ Annually ☐ None

9. Anticipated withdrawals \$. \_\_\_\_ ☐ Monthly ☐ Quarterly ☐ Annually ☐ None

**CONFIDENTIAL CLIENT PROFILE**  
**Investment Objectives**  
*(For all accounts)*

1. What is the purpose of your investment account?  
\_\_\_\_\_
2. What year did you begin investing in Stocks? \_\_\_\_\_ Bonds? \_\_\_\_\_
3. Characterize your investment experience: ☐ Minimal ☐ Moderate ☐ Extensive
4. Are you currently using other money manager(s)? ☐ Yes ☐ No
5. Are you now a corporate officer, or do you now own 10 % or more of any publicly traded corporation?  
☐ Yes ☐ No
6. *Account restrictions (e.g., social, religious, legal, etc.) or other specific instructions\*. If left blank, it will be assumed none.*  
\_\_\_\_\_

\*WESPAC Advisors, LLC may require further information regarding account restrictions  
and/or specific instructions before proceeding with management of the account

7. Is there any additional information which will help us more effectively manage your account?  
(e.g., retirement, anticipated changes in financial circumstances, tax information, health, college expenses, etc.)  
\_\_\_\_\_  
\_\_\_\_\_

8. How would you broadly categorize this account's investment objective?

- ☐ **Aggressive Growth of Capital.** Primary objective is to produce maximum total return. Current income is not required. Can tolerate more than one year of negative absolute returns through difficult market periods.
- ☐ **Growth of Capital.** Production of income is secondary to capital appreciation. Can tolerate several consecutive quarters of negative absolute returns through difficult market periods.
- ☐ **Modest Growth of Capital.** Primary objective is to generate modest income with some capital appreciation and limited volatility. Can tolerate infrequent, moderate losses through difficult market periods.
- ☐ **Income.** Primary objective is income generation. Client seeks the highest income oriented rate of return consistent with a suitable level of risk.
- a. \_\_\_\_\_ Inflation adjusted returns modestly exceeding risk free investment. Primary objective is to keep risk low and maximize income. Emphasis on avoiding negative returns.
- b. \_\_\_\_\_ Income returns consistent with broad domestic bond market returns.
- c. \_\_\_\_\_ Custom; income generating portfolio with investment characteristics specifically related to identified client objectives on timing, maturity, quality, etc.

(For all accounts)

17. Annual income (combined if joint account). Check which applies:

☐ Over \$250,000

JA 542

## **Wespac Advisors LLC Asset Management Services Investment Policy Questionnaire**

### **Introduction:**

- The following series of questions are designed to develop a better understanding of your tolerance for investment risk.
- Understanding your tolerance for investment risk relative to your investment return expectations is an important first step in designing a portfolio.
- The answers you select will indicate your comfort level with investment risk and your ability to withstand it.
- Please carefully consider each question and select the answer that most closely fits your current situation.
- Consultation with your Investment Advisor while filling out this form is key to developing a recommended portfolio that fits your comfort level and is appropriate to reach your financial goals.

### **Instructions for completing this form:**

- Please check the box next to each appropriate answer.
- The assigned points for each answer appear in red to the left of the box.
- After the conclusion ( page 11 ), please add up the selected points for each question (1-15).

Date: \_\_\_\_\_ Financial Advisor \_\_\_\_\_

### Family Information

Client  
Name

\_\_\_\_\_  
*First M Last Birthdate*

Address: \_\_\_\_\_ ( ) \_\_\_\_\_  
*Street City/St Zip Code Telephone*

Current Assets: \$ \_\_\_\_\_

Please specify the type of account:

- ☐ A. Taxable    ☐ Individual    ☐ Trust    ☐ Other \_\_\_\_\_
- ☐ B. Tax exempt    ☐ Individual    ☐ Trust    ☐ Other \_\_\_\_\_

### Risk Tolerance Profile

#### 1. Risk Factor

Before you make a decision on any investment, you need to consider how you feel about the prospect of potential loss of principal. This is a basic principle of investing: *the higher return you seek, the more risk you face*. Based on your feelings about risk and potential returns, your goal is to:

- 15 ☐ A. Potentially increase my portfolio's value as quickly as possible while accepting higher levels of risk.
- 9 ☐ B. Potentially increase my portfolio's value at a moderate pace while accepting moderate to high levels of risk.
- 6 ☐ C. Income is of primary concern while capital appreciation is secondary.
- 3 ☐ D. The safety of my investment principal.

#### 2. Investment Approach

Which of the following statements best describes your overall approach to investing as a means of achieving your goals?

- 3 ☐ A. Having a relative level of stability in my overall investment portfolio.
- 6 ☐ B. Moderately increasing my investment value while minimizing potential for loss of principal.
- 9 ☐ C. Pursue investment growth, accepting moderate to high levels of risk and principal fluctuation.
- 15 ☐ D. Seek maximum long-term returns, accepting maximum risk with principal fluctuation.



### 3. Volatility

The value of most investments fluctuates from year to year as well as over the short term. How would you feel if an investment you had committed to for ten years lost 20% of its value during the first year?

- 1 ☐ A. I would be extremely concerned and would sell my investment.  
3 ☐ B. I would be concerned and may consider selling my investment  
5 ☐ C. I would be concerned, but I would not consider selling my investment.  
7 ☐ D. I would not be overly concerned given my long-term investment philosophy.

### 4. Variation

Realizing that any market-based investments may move up or down in value over time with which of the hypothetical portfolios below would you feel most comfortable?

	Year 1	Year 2	Year 3	Year 4	Year 5	Average Annual Return
1 <input type="checkbox"/>	3%	3%	3%	3%	3%	3%
3 <input type="checkbox"/>	2%	5%	6%	0%	7%	4%
5 <input type="checkbox"/>	-6%	7%	21%	2%	8%	6%
7 <input type="checkbox"/>	9%	-11%	26%	3%	18%	9%
10 <input type="checkbox"/>	14%	-21%	40%	-4%	31%	12%

### 5. Investment Experience

Please select the type of security with which you have had the *most* investment experience?

- 2 ☐ A. U. S. Government securities.  
4 ☐ B. Mid to high quality corporate fixed income securities.  
6 ☐ C. Stocks of older, established companies.  
8 ☐ D. Stocks of newer, growing companies.

## 6. Time Horizon

An important consideration when making investment decisions is where you are in your financial life cycle and how long you have before you will need to start withdrawing the assets. Through consultation with your Financial Advisor, please indicate your portfolio's appropriate time horizon. A multi-stage time horizon would indicate that you have several goals in the future that your investment portfolio needs to address.

Example of a short term horizon

Example of a long time horizon

Example of a long time horizon

1 ☐ A. Short(3- 5 Years).

3 ☐ B. Long (5-10 Years).

5 ☐ C. Multi-stage.

## 7. Primary Goal

Please indicate approximately how many years from today until you reach your primary goal.

- 1 ☐ A. Within 1 to 5 years
- 3 ☐ B. Within 5 to 10 years
- 7 ☐ C. Within 11 to 20 years
- 10 ☐ D. More than 20 years.

## 8. Secondary Goal

Some investors have a multi-stage time horizon with several goals for their portfolio. Please indicate approximately how many years from today until you reach your secondary goal?

- 1 ☐ A. Not applicable, I only have a single stage time horizon.  
4 ☐ B. Within 1 to 5 years  
7 ☐ C. Within 5 to 10 years  
10 ☐ D. More than 10 years.

## 9. Age

What is your current age?

- 10 ☐ A. Under 35  
8 ☐ B. Between 36 to 45  
6 ☐ C. Between 46 to 55  
4 ☐ D. Between 56 to 70  
1 ☐ E. Over 70

## 10. Investment Earnings

Based on your current and estimated future income needs, what percentage of your investment earnings do you think you would be able to reinvest?

- 8 ☐ A. Reinvest 100% of my investment earnings.  
5 ☐ B. Reinvest 20 to 80% of my investment earnings.  
3 ☐ C. Reinvest 0% (receive all investment earnings for cash flow).  
1 ☐ D. My investment earnings will not be sufficient and I will need to withdraw principal.

## 11. Investment Value

Your portfolio design relates to your investment experience, which helps to determine your current investment philosophy. What is the current value of your total investment portfolio?

- 10 ☐ A. More than \$1,000,000.  
8 ☐ B. \$500,001 to \$1,000,000.  
6 ☐ C. \$300,001 to \$500,000.  
4 ☐ D. \$100,000 to \$300,000.  
2 ☐ E. Less than \$100,000.

## 12. Living Expense

Given interruptions of periodic income or other unforeseen circumstances, some individuals are forced to tap their investment resources to meet living expenses. In such an instance, how many months of living expenses could be covered by your current liquid investments?

- 5 ☐ A. More than 12 months, or not a concern.  
3 ☐ B. Between 4 and 12 months.  
1 ☐ C. Less than 4 months, or already withdrawing.

### 13. Household Income

Total earnings, which includes earned and investment income, is a requirement when assessing your risk tolerance and determining allocation of assets. What is your total annual household income (including interest and tax deferred income)

- 10 ☐ A. More than \$500,000.  
8 ☐ B. \$250,000 to \$499,999.  
6 ☐ C. \$100,000 to \$249,999.  
4 ☐ D. Less than \$100,000 .

### 14. Income Saving

The percentage of your total income that you currently save is approximately:

- 1 ☐ A. I do not currently save any income.  
3 ☐ B. Between 2% - 7%.  
6 ☐ C. Between 7% - 12%.  
9 ☐ D. Greater than 12%.

### 15. Future Earnings

In the next five years, you expect that your earned income will probably:

- 1 ☐ A. Decrease.  
3 ☐ B. Stay about the same.  
5 ☐ C. Increase modestly.  
7 ☐ D. Increase significantly.

### Conclusion

Comments:

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To the best of my knowledge, the information contained in this investment policy questionnaire is both accurate and complete. I understand that any recommendations are based upon the information supplied by me.

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

**CONFIDENTIAL CLIENT PROFILE**  
Target Portfolio Design

Please select one management style most describing investment objective

- ☐ **Aggressive Growth**
- Can use margin and short selling when market conditions warrant.
  - Can invest in smaller cap and more illiquid securities than Growth Accounts
  - Can overweight favored sectors to a higher degree than other portfolio styles.
- ☐ **Growth**
- Emphasizes total return, but does not use margin or short selling
  - Raising cash is the hedging strategy most likely to be used in the portfolio.
- ☐ **Growth & Income**
- Emphasizes dividend-paying issues and also focuses on the blue chip securities.
  - Appropriate for investors oriented toward return that includes income.
- ☐ **Passive Growth**
- Uses Exchange Traded Funds to create a sector rotation portfolio. May include and ETF (domestic or foreign)
  - ETPs with superior intermediate to long-term relative strength characteristics are buy candidates for the portfolio.
  - May use margin if consistent with a clients goals.
- ☐ **Balanced**
- This style combines one of the above strategies with investments in fixed income securities to achieve greater stability and income.
  - Instruments used may include corporate debt, government securities, preferred stock, and high yield or convertible securities.

**CLIENT ACKNOWLEDGMENT**

I understand that you are relying on the information provided in this Confidential Client Profile to design my investment portfolio and confirm to you, to the best of my knowledge, that the information contained herein is current, accurate, and complete. I agree to notify WESPAC Advisors, LLC of any significant changes in my financial situation or investment objectives.

Client Signature: \_\_\_\_\_ Date \_\_\_\_\_

Client Signature \_\_\_\_\_ Date \_\_\_\_\_

To be completed only after consultation with WESPAC Advisors

- ☐ **Custom**
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

<b>FOR WESPAC USE ONLY</b>	
Reviewed by	_____
Date	_____

# FORM U4

## UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

**U4 - INITIAL**  
**05/31/2007**

Rev. Form U4 (10/2005)

### 1. GENERAL INFORMATION

<b>First Name:</b> GREGORY	<b>Middle Name:</b> JOSEPH	<b>Last Name:</b> CHRISTIAN	<b>Suffix:</b>
<b>Firm CRD #:</b> 109915	<b>Firm Name:</b> WESPAC ADVISORS, LLC	<b>Employment Date (MM/DD/YYYY):</b> 02/01/2003	
<b>Firm Billing Code:</b>	<b>Individual CRD #:</b> 1749795	<b>Individual SSN:</b> [REDACTED]	

Do you have an independent contractor relationship with the above named firm?:

☒ Yes ☐ No

#### Office of Employment Address

CRD Branch #	NYSE Branch Code#	Firm Billing Code	Address	Private Residence	Type of Office	Start Date	End Date
			10425 DOUBLE R N BOULEVARD  RENO, NV 89521 UNITED STATES		Located At	02/01/2003	

Rev. Form U4 (10/2005)

### 2. FINGERPRINT INFORMATION

#### Electronic Filing Representation

- ☐ By selecting this option, I represent that I am submitting, have submitted, or promptly will submit to the appropriate SRO a fingerprint card as required under applicable SRO rules; or Fingerprint card barcode
- ☐ By selecting this option, I represent that I have been employed continuously by the *filing firm* since the last submission of a fingerprint card to CRD and am not required to resubmit a fingerprint card at this time; or,
- ☐ By selecting this option, I represent that I have been employed continuously by the *filing firm* and my fingerprints have been processed by an SRO other than NASD. I am submitting, have submitted, or promptly will submit the processed results for posting to CRD.

#### Exceptions to the Fingerprint Requirement

- ☐ By selecting one or more of the following two options, I affirm that I am exempt from the federal fingerprint requirement because I/*filing firm* currently satisfy(ies) the requirements of at least one of the permissive exemptions indicated below pursuant to Rule 17f-2 under the Securities Exchange Act of 1934, including any notice or application requirements specified therein:
- ☐ Rule 17f-2(a)(1)(i)
- ☐ Rule 17f-2(a)(1)(iii)

**Investment Adviser Representative Only Applicants**

- ☒ I affirm that I am applying only as an investment adviser representative and that I am not also applying or have not also applied with this *firm* to become a broker-dealer representative. If this radio button/box is selected, continue below.
- ☒ I am applying for registration only in *jurisdictions* that do not have fingerprint card filing requirements, or
- ☒ I am applying for registration in *jurisdictions* that have fingerprint card filing requirements and I am submitting, have submitted, or promptly will submit the appropriate fingerprint card directly to the *jurisdictions* for processing pursuant to applicable *jurisdiction* rules.

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**3. REGISTRATIONS WITH UNAFFILIATED FIRMS**

Some *jurisdictions* prohibit "dual registration," which occurs when an individual chooses to maintain a concurrent registration as a representative/agent with two or more *firms* (either BD or IA *firms*) that are not affiliated. *Jurisdictions* that prohibit dual registration would not, for example, permit a broker-dealer agent working with brokerage *firm* A to maintain a registration with brokerage *firm* B if *firms* A and B are not owned or controlled by a common parent. Before seeking a dual registration status, you should consult the applicable rules or statutes of the *jurisdictions* with which you seek registration for prohibitions on dual registrations or any liability provisions.

Please indicate whether the individual will maintain a "dual registration" status by answering the questions in this section. (Note: An individual should answer 'yes' only if the individual is currently registered and is seeking registration with a *firm* (either BD or IA) that is not affiliated with the individual's current employing *firm*. If this is an initial application, an individual must answer 'no' to these questions; a "dual registration" may be initiated only after an initial registration has been established).

Answer "yes" or "no" to the following questions:

Yes No

- A. Will *applicant* maintain registration with a broker-dealer that is not *affiliated* with the *filing firm*? If you answer "yes," list the *firm(s)* in Section 12 (Employment History). ☒ ☒
- B. Will *applicant* maintain registration with an investment adviser that is not *affiliated* with the *filing firm*? If you answer "yes," list the *firm(s)* in Section 12 (Employment History). ☒ ☒

Rev. Form U4 (10/2005)

**4. SRO REGISTRATIONS**

Check appropriate SRO Registration requests.

Qualifying examinations will be automatically scheduled if needed. If you are only scheduling or re-scheduling an exam, skip this section and complete Section 7 (EXAMINATION REQUESTS).

REGISTRATION CATEGORY	NASD	NYSE	AMEX	BSE	NSX	ARCA	CBOE	CHX	PHLX	ISE	NQX
OP - Registered Options	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Principal (S4)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

IR - Investment Company and Variable Contracts Products Rep. (S6)												
GS - Full Registration/General Securities Representative (S7)												
TR - Securities Trader (S7)												
TS - Trading Supervisor (S7)												
SU - General Securities Sales Supervisor (S9 and S10)												
BM - Branch Office Manager (S9 and S10)												
SM - Securities Manager (S10)												
AR - Assistant Representative/Order Processing (S11)												
<b>REGISTRATION CATEGORY</b>	<b>NASD</b>	<b>NYSE</b>	<b>AMEX</b>	<b>BSE</b>	<b>NSX</b>	<b>ARCA</b>	<b>CBOE</b>	<b>CHX</b>	<b>PHLX</b>	<b>ISE</b>	<b>NQX</b>	
IE - United Kingdom Limited General Securities Registered Representative (S17)												
DR - Direct Participation Program Representative (S22)												
GP - General Securities Principal (S24)												
IP - Investment Company and Variable Contracts Products Principal (S26)												
FA - Foreign Associate												
FN - Financial and Operations Principal (S27)												
FI - Introducing Broker-Dealer/Financial and Operations Principal (S28)												
RS - Research Analyst (S86, S87)												
RP - Research Principal												
DP - Direct Participation Program Principal (S39)												
OR - Options Representative (S42)												
<b>REGISTRATION CATEGORY</b>	<b>NASD</b>	<b>NYSE</b>	<b>AMEX</b>	<b>BSE</b>	<b>NSX</b>	<b>ARCA</b>	<b>CBOE</b>	<b>CHX</b>	<b>PHLX</b>	<b>ISE</b>	<b>NQX</b>	
MR - Municipal Securities Representative (S52)												
MP - Municipal Securities Principal (S53)												
CS - Corporate Securities Representative (S62)												
RG - Government Securities												



Representative (S72)	<input checked="" type="checkbox"/>											
PG - Government Securities Principal (S73)	<input checked="" type="checkbox"/>											
SA - Supervisory Analyst (S16)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>									
PR - Limited Representative - Private Securities Offerings (S82)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>									
CD - Canada-Limited General Securities Registered Representative (S37)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	
CN - Canada-Limited General Securities Registered Representative (S38)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	
<b>REGISTRATION CATEGORY</b>	<b>NASD</b>	<b>NYSE</b>	<b>AMEX</b>	<b>BSE</b>	<b>NSX</b>	<b>ARCA</b>	<b>CBOE</b>	<b>CHX</b>	<b>PHLX</b>	<b>ISE</b>	<b>NQX</b>	
ET - Equity Trader (S55)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>
AM - Allied Member		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>						
AP - Approved Person		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>									
LE - Securities Lending Representative		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>									
LS - Securities Lending Supervisor		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>									
ME - Member Exchange		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>		
FE - Floor Employee		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>							
OF - Officer		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>							
CO - Compliance Official (S14)		<input checked="" type="checkbox"/>										
<b>REGISTRATION CATEGORY</b>	<b>NASD</b>	<b>NYSE</b>	<b>AMEX</b>	<b>BSE</b>	<b>NSX</b>	<b>ARCA</b>	<b>CBOE</b>	<b>CHX</b>	<b>PHLX</b>	<b>ISE</b>	<b>NQX</b>	
CF - Compliance Official Specialist (S14A)		<input checked="" type="checkbox"/>										
PM - Floor Member Conducting Public Business		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>									
PC - Floor Clerk Conducting Public Business		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>									
SC - Specialist Clerk (S21)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>									
TA - Trading Assistant (S25)		<input checked="" type="checkbox"/>										
FP - Municipal Fund (S51)	<input checked="" type="checkbox"/>											
IF - In-Firm Delivery Proctor	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>										
MM - Market Maker Authorized Trader-Options (S44)						<input checked="" type="checkbox"/>						
<b>REGISTRATION CATEGORY</b>	<b>NASD</b>	<b>NYSE</b>	<b>AMEX</b>	<b>BSE</b>	<b>NSX</b>	<b>ARCA</b>	<b>CBOE</b>	<b>CHX</b>	<b>PHLX</b>	<b>ISE</b>	<b>NQX</b>	
FB - Floor Broker						<input checked="" type="checkbox"/>						
MB - Market Maker acting as Floor Broker						<input checked="" type="checkbox"/>						
OT - Authorized Trader (S7)						<input checked="" type="checkbox"/>						

MT - Market Maker Authorized  
Trader-Equities (S7)Other \_\_\_\_\_  
(Paper Form Only)

Rev. Form U4 (10/2005)

**5. JURISDICTION REGISTRATION**Check appropriate *jurisdiction(s)* for broker-dealer agent (AG) and/or investment adviser representative (RA) registration requests.

JURISDICTION	AG	RA	JURISDICTION	AG	RA	JURISDICTION	AG	RA	JURISDICTION	AG	RA
Alabama	<input type="checkbox"/>	<input type="checkbox"/>	Illinois	<input type="checkbox"/>	<input type="checkbox"/>	Montana	<input type="checkbox"/>	<input type="checkbox"/>	Puerto Rico	<input type="checkbox"/>	<input type="checkbox"/>
Alaska	<input type="checkbox"/>	<input type="checkbox"/>	Indiana	<input type="checkbox"/>	<input type="checkbox"/>	Nebraska	<input type="checkbox"/>	<input type="checkbox"/>	Rhode Island	<input type="checkbox"/>	<input type="checkbox"/>
Arizona	<input type="checkbox"/>	<input type="checkbox"/>	Iowa	<input type="checkbox"/>	<input type="checkbox"/>	Nevada	<input type="checkbox"/>	<input checked="" type="checkbox"/>	South Carolina	<input type="checkbox"/>	<input type="checkbox"/>
Arkansas	<input type="checkbox"/>	<input type="checkbox"/>	Kansas	<input type="checkbox"/>	<input type="checkbox"/>	New Hampshire	<input type="checkbox"/>	<input type="checkbox"/>	South Dakota	<input type="checkbox"/>	<input type="checkbox"/>
California	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Kentucky	<input type="checkbox"/>	<input type="checkbox"/>	New Jersey	<input type="checkbox"/>	<input type="checkbox"/>	Tennessee	<input type="checkbox"/>	<input type="checkbox"/>
Colorado	<input type="checkbox"/>	<input type="checkbox"/>	Louisiana	<input type="checkbox"/>	<input type="checkbox"/>	New Mexico	<input type="checkbox"/>	<input type="checkbox"/>	Texas	<input type="checkbox"/>	<input type="checkbox"/>
Connecticut	<input type="checkbox"/>	<input type="checkbox"/>	Maine	<input type="checkbox"/>	<input type="checkbox"/>	New York	<input type="checkbox"/>	<input type="checkbox"/>	Utah	<input type="checkbox"/>	<input type="checkbox"/>
Delaware	<input type="checkbox"/>	<input type="checkbox"/>	Maryland	<input type="checkbox"/>	<input type="checkbox"/>	North Carolina	<input type="checkbox"/>	<input type="checkbox"/>	Vermont	<input type="checkbox"/>	<input type="checkbox"/>
District of Columbia	<input type="checkbox"/>	<input type="checkbox"/>	Massachusetts	<input type="checkbox"/>	<input type="checkbox"/>	North Dakota	<input type="checkbox"/>	<input type="checkbox"/>	Virgin Islands	<input type="checkbox"/>	<input type="checkbox"/>
Florida	<input type="checkbox"/>	<input type="checkbox"/>	Michigan	<input type="checkbox"/>	<input type="checkbox"/>	Ohio	<input type="checkbox"/>	<input type="checkbox"/>	Virginia	<input type="checkbox"/>	<input type="checkbox"/>
Georgia	<input type="checkbox"/>	<input type="checkbox"/>	Minnesota	<input type="checkbox"/>	<input type="checkbox"/>	Oklahoma	<input type="checkbox"/>	<input type="checkbox"/>	Washington	<input type="checkbox"/>	<input type="checkbox"/>
Hawaii	<input type="checkbox"/>	<input type="checkbox"/>	Mississippi	<input type="checkbox"/>	<input type="checkbox"/>	Oregon	<input type="checkbox"/>	<input type="checkbox"/>	West Virginia	<input type="checkbox"/>	<input type="checkbox"/>
Idaho	<input type="checkbox"/>	<input type="checkbox"/>	Missouri	<input type="checkbox"/>	<input type="checkbox"/>	Pennsylvania	<input type="checkbox"/>	<input type="checkbox"/>	Wisconsin	<input type="checkbox"/>	<input type="checkbox"/>
									Wyoming	<input type="checkbox"/>	<input type="checkbox"/>

AGENT OF THE ISSUER REGISTRATION (AI) ☐ Indicate 2 letter *jurisdiction* code (s): \_\_\_\_\_

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**6. REGISTRATION REQUESTS WITH AFFILIATED FIRMS**Will *applicant* maintain registration with *firm(s)* under common ownership or control with the *filing firm*?If "yes", fill in the details to indicate a request for registration with additional *firm(s)*.☐ Yes ☒ No

No Information Filed

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**7. EXAMINATION REQUESTS**

**Scheduling or Rescheduling Examinations** Complete this section only if you are scheduling or rescheduling an examination or continuing education session. Do not select the Series 63 (S63) or Series 65 (S65) examinations in this section if you have completed Section 5 (JURISDICTION REGISTRATION) and have selected registration in a *jurisdiction*. If you have completed Section 5 (JURISDICTION REGISTRATION), and requested an AG registration in a *jurisdiction* that requires

that you pass the S63 examination, an S63 examination will be automatically scheduled for you upon submission of this Form U4. If you have completed Section 5 (JURISDICTION REGISTRATION), and requested an RA registration in a *jurisdiction* that requires that you pass the S65 examination, an S65 examination will be automatically scheduled for you upon submission of this Form U4.

<input type="checkbox"/> S3	<input type="checkbox"/> S11	<input type="checkbox"/> S22	<input type="checkbox"/> S32	<input type="checkbox"/> S51	<input type="checkbox"/> S73
<input type="checkbox"/> S4	<input type="checkbox"/> S12	<input type="checkbox"/> S23	<input type="checkbox"/> S33	<input type="checkbox"/> S52	<input type="checkbox"/> S82
<input type="checkbox"/> S5	<input type="checkbox"/> S14	<input type="checkbox"/> S24	<input type="checkbox"/> S37	<input type="checkbox"/> S53	<input type="checkbox"/> S86
<input type="checkbox"/> S6	<input type="checkbox"/> S14A	<input type="checkbox"/> S25	<input type="checkbox"/> S38	<input type="checkbox"/> S55	<input type="checkbox"/> S87
<input type="checkbox"/> S7	<input type="checkbox"/> S15	<input type="checkbox"/> S26	<input type="checkbox"/> S39	<input type="checkbox"/> S62	<input type="checkbox"/> S101
<input type="checkbox"/> S7A	<input type="checkbox"/> S16	<input type="checkbox"/> S27	<input type="checkbox"/> S42	<input type="checkbox"/> S63	<input type="checkbox"/> S106
<input type="checkbox"/> S9	<input type="checkbox"/> S17	<input type="checkbox"/> S28	<input type="checkbox"/> S44	<input type="checkbox"/> S65	<input type="checkbox"/> S201
<input type="checkbox"/> S10	<input type="checkbox"/> S21	<input type="checkbox"/> S30	<input type="checkbox"/> S45	<input type="checkbox"/> S66	
		<input type="checkbox"/> S31	<input type="checkbox"/> S46	<input type="checkbox"/> S72	

Other \_\_\_\_\_ (Paper Form Only)

OPTIONAL: Foreign Exam City \_\_\_\_\_

Date (MM/DD/YYYY) \_\_\_\_\_

If you have taken an exam prior to registering through the CRD system please enter the exam type and date taken.

Exam type: \_\_\_\_\_

Date taken (MM/DD/YYYY): \_\_\_\_\_

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### 8. PROFESSIONAL DESIGNATIONS

Select each designation you currently maintain.

- ☐ Certified Financial Planner
- ☐ Chartered Financial Consultant (ChFC)
- ☐ Personal Financial Specialist (PFS)
- ☐ Chartered Financial Analyst (CFA)
- ☐ Chartered Investment Counselor (CIC)

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### 9. IDENTIFYING INFORMATION/NAME CHANGE

First Name:

GREGORY

Middle Name:

JOSEPH

Last Name:

CHRISTIAN

Suffix:

Date of Birth

(MM/DD/YYYY)

12/27/1960

State/Province of Birth

UNKNOWN

Country of Birth

Sex

☒ Male ☐ Female

Height (ft)

6

Height (in)

1

Weight (lbs)

200

Hair Color

Brown

Eye Color

Blue

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**10. OTHER NAMES**

No Information Filed

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**11. RESIDENTIAL HISTORY**

Starting with the current address, give all addresses for the past 5 years. Report changes as they occur.

From	To	Street	City	State	Country	Postal Code
12/1998	PRESENT	10915 ROYAL CREST DR	TRUCKEE	CA	United States	96161
02/1993	12/1998	15198 CHATHAM REACH	TRUCKEE	CA	United States	96161

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**12. EMPLOYMENT HISTORY**

Provide complete employment history for the past 10 years. Include the *firm(s)* noted in Section 1 (GENERAL INFORMATION) and Section 6 (REGISTRATION REQUESTS WITH AFFILIATED FIRMS). Include all *firm(s)* from Section 3 (REGISTRATION WITH UNAFFILIATED FIRMS). Account for all time including full and part-time employments, self-employment, military service, and homemaking. Also include statuses such as unemployed, full-time education, extended travel, or other similar statuses. Report changes as they occur.

From	To	Name of Firm or Investment-Related business?	City	State	Country	Position
03/2004	PRESENT	FINANCIAL TELESIS INC. <input checked="" type="radio"/> Yes <input type="radio"/> No	SAN RAFAEL	CA		REGISTERED REPRESENTATIVE
01/1994	PRESENT	TRUCKEE RIVER BANK <input type="radio"/> Yes <input checked="" type="radio"/> No	TRUCKEE	CA		OTHER - INVESTMENT REPRESENTATIVE
03/2004	PRESENT	WESPAC ADVISORS, LLC <input checked="" type="radio"/> Yes <input type="radio"/> No	RENO	NV	UNITED STATES	INVESTMENT MANAGER
01/1999	03/2004	RAYMOND JAMES FINANCIAL SERVICES, INC. <input checked="" type="radio"/> Yes <input type="radio"/> No	TRUCKEE	CA		OTHER - REPRESENTATIVE
03/1993	07/1999	SIERRA WEST BANK <input type="radio"/> Yes <input checked="" type="radio"/> No	TRUCKEE	CA		OTHER - INVESTMENT SERVICES MANAGER
01/1997	01/1999	ROBERT THOMAS SECURITIES, INC. <input checked="" type="radio"/> Yes <input type="radio"/> No	TRUCKEE	CA		NOT PROVIDED
01/1994	01/1997	INVEST FINANCIAL CORPORATION <input checked="" type="radio"/> Yes <input type="radio"/> No	TRUCKEE	CA		OTHER - AE
03/1993	03/1994	LAM WAGNER, INC. <input checked="" type="radio"/> Yes <input type="radio"/> No	TRUCKEE	CA		NOT PROVIDED
12/1992	03/1993	GREAT NORTHERN INSURED ANNUITY CORP. <input type="radio"/> Yes <input checked="" type="radio"/> No	RENO	NV		OTHER - ACCOUNT EXECUTIVE INSURANCE SA
06/1991	12/1992	SECURITY FIRST FINANCIAL, INC. <input checked="" type="radio"/> Yes <input type="radio"/> No	LOS ANGELES	CA		NOT PROVIDED
08/1991	12/1992	HOLDEN <input type="radio"/> Yes <input checked="" type="radio"/> No	RENO	NV		OTHER - ACCOUNT

FINANCIAL						EXECUTIVE	
02/1990	08/1991	A. G. EDWARDS & SONS, INC.	<input checked="" type="radio"/> Yes <input type="radio"/> No	RENO	NV	INSURANCE SA	
09/1987	02/1990	WEDBUSH MORGAN SECURITIES INC.	<input checked="" type="radio"/> Yes <input type="radio"/> No	RENO	NV	OTHER - STOCKBROKER	
09/1987	02/1990	WEDBUSH MORGAN SECURITIES	<input type="radio"/> Yes <input checked="" type="radio"/> No	RENO	NV	NOT PROVIDED	
						OTHER - STOCKBROKER	

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**13. OTHER BUSINESS**

Are you currently engaged in any other business either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise? (Please exclude non *investment-related* activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.) If YES, please provide the following details: the name of the other business, whether the business is *investment-related*, the address of the other business, the nature of the other business, your position, title, or relationship with the other business, the start date of your relationship, the approximate number of hours/month you devote to the other business, the number of hours you devote to the other business during securities trading hours, and briefly describe your duties relating to the other business.

☐ Yes ☒ No

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**14. DISCLOSURE QUESTIONS**

**IF THE ANSWER TO ANY OF THE FOLLOWING QUESTIONS IS 'YES', COMPLETE DETAILS OF ALL EVENTS OR PROCEEDINGS ON APPROPRIATE DRP(S)**

**REFER TO THE EXPLANATION OF TERMS SECTION OF FORM U4 INSTRUCTIONS FOR EXPLANATIONS OF ITALICIZED TERMS.**

**Criminal Disclosure****14A.(1) Have you ever:**

YES NO

(a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any *felony*? ☐ ☒

(b) been *charged* with any *felony*? ☐ ☒

**(2) Based upon activities that occurred while you exercised control over it, has an organization ever:**

(a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic or foreign court to any *felony*? ☐ ☒

(b) been *charged* with any *felony*? ☐ ☒

**14B. (1) Have you ever:**

(a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign or military court to a *misdemeanor involving*: investments or an *investment-related* business or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, ☐ ☒

extortion, or a conspiracy to commit any of these offenses?

(b) been *charged* with a *misdemeanor* specified in 14B(1)(a)?

☐ ☒

**(2) Based upon activities that occurred while you exercised control over it, has an organization ever:**

(a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic or foreign court to a *misdemeanor* specified in 14B(1)(a)?

☐ ☒

(b) been *charged* with a *misdemeanor* specified in 14B(1)(a)?

☐ ☒

**Regulatory Action Disclosure**

**14C. Has the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission ever:** YES NO

(1) *found* you to have made a false statement or omission?

☐ ☒

(2) *found* you to have been *involved* in a violation of its regulations or statutes?

☒ ☐

(3) *found* you to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted?

☐ ☒

(4) entered an *order* against you in connection with *investment-related* activity?

☒ ☐

(5) imposed a civil money penalty on you, or *ordered* you to cease and desist from any activity?

☒ ☐

**14D(1) Has any other Federal regulatory agency or any state regulatory agency or foreign financial regulatory authority ever:**

(a) *found* you to have made a false statement or omission or been dishonest, unfair or unethical?

☐ ☒

(b) *found* you to have been *involved* in a violation of *investment-related* regulation (s) or statute(s)?

☐ ☒

(c) *found* you to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked or restricted?

☐ ☒

(d) entered an *order* against you in connection with an *investment-related* activity?

☐ ☒

(e) denied, suspended, or revoked your registration or license or otherwise, by *order*, prevented you from associating with an *investment-related* business or restricted your activities?

☐ ☒

**14D(2) Have you been subject to any final order of a state securities commission (or any agency or officer performing like functions), state authority that supervises or examines banks, savings associations, or credit unions, state insurance commission (or any agency or office performing like functions), an appropriate federal banking agency, or the National Credit Union Administration, that:**

(a) bars you from association with an entity regulated by such commission, authority, agency, or officer, or from engaging in the business of securities, insurance, banking, savings association activities, or credit union activities; or

☐ ☒

(b) constitutes a *final order* based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

☐ ☒

**14E. Has any self-regulatory organization or commodities exchange ever:**

(1) *found* you to have made a false statement or omission?

☐ ☒

(2) *found* you to have been *involved* in a violation of its rules (other than a violation designated as a "*minor rule violation*" under a plan approved by the

☐ ☒

U.S. Securities and Exchange Commission)?

- (3) *found* you to have been the cause of an *investment-related* business having its authorization to do business denied, suspended, revoked or restricted? ☐ ☒
- (4) disciplined you by expelling or suspending you from membership, barring or suspending your association with its members, or restricting your activities? ☐ ☒

**14F. Have you ever had an authorization to act as an attorney, accountant or federal contractor that was revoked or suspended?** ☐ ☒

**14G. Have you been notified, in writing, that you are now the subject of any:**

- (1) regulatory complaint or *proceeding* that could result in a "yes" answer to any part of 14C, D or E? (If yes, complete the Regulatory Action Disclosure Reporting Page.) ☐ ☒
- (2) *investigation* that could result in a "yes" answer to any part of 14A, B, C, D or E? (If yes, complete the Investigation Disclosure Reporting Page.) ☐ ☒

#### Civil Judicial Disclosure

**14H. (1) Has any domestic or foreign court ever:** YES NO

- (a) *enjoined* you in connection with any *investment-related* activity? ☐ ☒
- (b) *found* that you were *involved* in a violation of any *investment-related* statute (s) or regulation(s)? ☐ ☒
- (c) dismissed, pursuant to a settlement agreement, an *investment-related* civil action brought against you by a state or *foreign financial regulatory authority*? ☐ ☒
- (2) Are you named in any pending *investment-related* civil action that could result in a "yes" answer to any part of 14H(1)? ☐ ☒

#### Customer Complaint/Arbitration/Civil Litigation Disclosure

**14I.(1) Have you ever been named as a respondent/defendant in an *investment-related*, consumer-initiated arbitration or civil litigation which alleged that you were *involved* in one or more *sales practice violations* and which:** YES NO

- (a) is still pending, or; ☐ ☒
- (b) resulted in an arbitration award or civil judgment against you, regardless of amount, or; ☐ ☒
- (c) was settled for an amount of \$10,000 or more? ☐ ☒
- (2) Have you ever been the subject of an *investment-related*, consumer-initiated complaint, not otherwise reported under question 14I(1) above, which alleged that you were *involved* in one or more *sales practice violations*, and which complaint was settled for an amount of \$10,000 or more? ☐ ☒
- (3) Within the past twenty four (24) months, have you been the subject of an *investment-related*, consumer-initiated, written complaint, not otherwise reported under question 14I(1) or (2) above, which:
- (a) alleged that you were *involved* in one or more *sales practice violations* and contained a claim for compensatory damages of \$5,000 or more (If no damage amount is alleged, the complaint must be reported unless the firm has made a good faith determination that the damages from the alleged conduct would be less than \$5,000), or; ☐ ☒
- (b) alleged that you were *involved* in forgery, theft, misappropriation or conversion of funds or securities? ☐ ☒

#### Termination Disclosure



**14J. Have you ever voluntarily resigned, been discharged or permitted to resign after allegations were made that accused you of:** YES NO

- (1) violating *investment-related* statutes, regulations, rules, or industry standards of conduct? ☐ YES ☒ NO
- (2) fraud or the wrongful taking of property? ☐ YES ☒ NO
- (3) failure to supervise in connection with *investment-related* statutes, regulations, rules or industry standards of conduct? ☐ YES ☒ NO

**Financial Disclosure****14K. Within the past 10 years:** YES NO

- (1) have you made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition? ☐ YES ☒ NO
- (2) based upon events that occurred while you exercised *control* over it, has an organization made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition? ☐ YES ☒ NO
- (3) based upon events that occurred while you exercised *control* over it, has a broker or dealer been the subject of an involuntary bankruptcy petition, or had a trustee appointed, or had a direct payment procedure initiated under the Securities Investor Protection Act? ☐ YES ☒ NO

**14L. Has a bonding company ever denied, paid out on, or revoked a bond for you?** ☐ YES ☒ NO**14M. Do you have any unsatisfied judgments or liens against you?** ☐ YES ☒ NO

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**15. SIGNATURE SECTION**

Please Read Carefully

All signatures required on this Form U4 filing must be made in this section.

A "signature" includes a manual signature or an electronically transmitted equivalent. For purposes of an electronic form filing, a signature is effected by typing a name in the designated signature field. By typing a name in this field, the signatory acknowledges and represents that the entry constitutes in every way, use, or aspect, his or her legally binding signature.

- 15A INDIVIDUAL/APPLICANT'S ACKNOWLEDGMENT AND CONSENT**  
This section must be completed on all initial or Temporary Registration form filings.
- 15B FIRM/APPROPRIATE SIGNATORY REPRESENTATIONS**  
This section must be completed on all initial or Temporary Registration form filings.
- 15C TEMPORARY REGISTRATION ACKNOWLEDGMENT**  
This section must be completed on Temporary Registration form filings to be able to receive Temporary Registration.
- 15D INDIVIDUAL/APPLICANT'S AMENDMENT ACKNOWLEDGMENT AND CONSENT**  
This section must be completed on any amendment filing that amends any information in Section 14 (Disclosure Questions) or any Disclosure Reporting Page (DRP).
- 15E FIRM/APPROPRIATE SIGNATORY AMENDMENT REPRESENTATIONS**  
This section must be completed on all amendment form filings.



15F FIRM/APPROPRIATE SIGNATORY CONCURRENCE

This section must be completed to concur with a U4 filing made by another *firm* (IA/BD) on behalf of an individual that is also registered with that other *firm* (IA/BD).

**15A. INDIVIDUAL/APPLICANT'S ACKNOWLEDGMENT AND CONSENT**

1. I swear or affirm that I have read and understand the items and instructions on this form and that my answers (including attachments) are true and complete to the best of my knowledge. I understand that I am subject to administrative, civil or criminal penalties if I give false or misleading answers.
2. I apply for registration with the *jurisdictions* and *SROs* indicated in Section 4 (SRO REGISTRATION) and Section 5 (JURISDICTION REGISTRATION) as may be amended from time to time and, in consideration of the *jurisdictions* and *SROs* receiving and considering my application, I submit to the authority of the *jurisdictions* and *SROs* and agree to comply with all provisions, conditions and covenants of the statutes, constitutions, certificates of incorporation, by-laws and rules and regulations of the *jurisdictions* and *SROs* as they are or may be adopted, or amended from time to time. I further agree to be subject to and comply with all requirements, rulings, orders, directives and decisions of, and penalties, prohibitions and limitations imposed by the *jurisdictions* and *SROs*, subject to right of appeal or review as provided by law.
3. I agree that neither the *jurisdictions* or *SROs* nor any person acting on their behalf shall be liable to me for action taken or omitted to be taken in official capacity or in the scope of employment, except as otherwise provided in the statutes, constitutions, certificates of incorporation, by-laws or the rules and regulations of the *jurisdictions* and *SROs*.
4. I authorize the *jurisdictions*, *SROs*, and the *designated entity* to give any information they may have concerning me to any employer or prospective employer, any federal, state or municipal agency, or any other *SRO* and I release the *jurisdictions*, *SROs*, and the *designated entity*, and any person acting on their behalf from any and all liability of whatever nature by reason of furnishing such information.
5. I agree to arbitrate any dispute, claim or controversy that may arise between me and my *firm*, or a customer, or any other person, that is required to be arbitrated under the rules, constitutions, or by-laws of the *SROs* indicated in Section 4 (SRO REGISTRATION) as may be amended from time to time and that any arbitration award rendered against me may be entered as a judgment in any court of competent *jurisdiction*.
6. For the purpose of complying with the laws relating to the offer or sale of securities or commodities or investment advisory activities, I irrevocably appoint the administrator of each *jurisdiction* indicated in Section 5 (JURISDICTION REGISTRATION) as may be amended from time to time, or such other person designated by law, and the successors in such office, my attorney upon whom may be served any notice, process, pleading, subpoena or other document in any action or *proceeding* against me arising out of or in connection with the offer or sale of securities or commodities, or investment advisory activities or out of the violation or alleged violation of the laws of such *jurisdictions*. I consent that any such action or *proceeding* against me may be commenced in any court of competent *jurisdiction* and proper venue by service of process upon the appointee as if I were a resident of, and had been lawfully served with process in the *jurisdiction*. I request that a copy of any notice, process, pleading, subpoena or other document served hereunder be mailed to my current residential address as reflected in this form or any amendment thereto.
7. I consent that the service of any process, pleading, subpoena, or other document in any *investigation* or administrative *proceeding* conducted by the SEC, CFTC or a *jurisdiction* or in any civil action in which the SEC, CFTC or a *jurisdiction* are plaintiffs, or the notice of any *investigation* or *proceeding* by any *SRO* against the *applicant*, may be made by personal service or by regular, registered or certified mail or confirmed telegram to me at my most recent business or home address as reflected in this Form U4, or any amendment thereto, by leaving such documents or notice at such address, or by any other legally permissible means.

I further stipulate and agree that any civil action or administrative *proceeding* instituted by the SEC, CFTC or a *jurisdiction* may be commenced by the service of process as described herein, and that service of an administrative subpoena shall be effected by such service, and that service as aforesaid shall be taken and held in all courts and administrative tribunals to be valid and binding as if personal service thereof had been made.

8. I authorize all my employers and any other person to furnish to any *jurisdiction*, *SRO*, *designated entity*, employer, prospective employer, or any agent acting on its behalf, any information they have, including without limitation my creditworthiness, character, ability, business activities, educational background, general reputation, history of my employment and, in the case of former employers, complete reasons for my termination. Moreover, I release each employer, former employer and each other person from any and all liability, of whatever nature, by reason of furnishing any of the above information, including that information reported on the Uniform Termination Notice for Securities Industry Registration (Form U5). I recognize that I may be the subject of an investigative consumer report and waive any requirement of notification with respect to any investigative consumer report ordered by any *jurisdiction*, *SRO*, *designated entity*, employer, or prospective employer. I understand that I have the right to request complete and accurate disclosure by the *jurisdiction*, *SRO*, *designated entity*, employer or prospective employer of the nature and scope of the requested investigative consumer report.

- I understand and certify that the representations in this form apply to all employers with whom I seek registration as indicated in Section 1 (GENERAL INFORMATION) or Section 6 (REGISTRATION REQUESTS WITH AFFILIATED FIRMS) of this form. I agree to update this form
9. by causing an amendment to be filed on a timely basis whenever changes occur to answers previously reported. Further, I represent that, to the extent any information previously submitted is not amended, the information provided in this form is currently accurate and complete.

- I authorize any employer or prospective employer to file electronically on my behalf any information required in this form or any amendment thereto; I certify that I have reviewed and approved the information to be submitted to any *jurisdiction* or *SRO* on this Form U4
10. Application; I agree that I will review and approve all disclosure information that will be filed electronically on my behalf; I further agree to waive any objection to the admissibility of the electronically filed records in any criminal, civil, or administrative *proceeding*.

*Applicant* or *applicant's* agent has typed *applicant's* name under this section to attest to the completeness and accuracy of this record. The *applicant* recognizes that this typed name constitutes, in every way, use or aspect, his or her legally binding signature.

Date (MM/DD/YYYY)  
05/31/2007

Signature of *Applicant*  
GREGORY J. CHRISTIAN

Signature \_\_\_\_\_

#### 15B. FIRM/APPROPRIATE SIGNATORY REPRESENTATIONS

To the best of my knowledge and belief, the *applicant* is currently bonded where required, and, at the time of approval, will be familiar with the statutes, constitution(s), rules and by-laws of the agency, *jurisdiction* or *SRO* with which this application is being filed, and the rules governing registered persons, and will be fully qualified for the position for which application is being made herein. I agree that, notwithstanding the approval of such agency, *jurisdiction* or *SRO* which hereby is requested, I will not employ the *applicant* in the capacity stated herein without first receiving the approval of any authority that may be required by law.

This *firm* has communicated with all of the *applicant's* previous employers for the past three years and has documentation on file with the names of the persons contacted and the date of contact. In addition, I have taken appropriate steps to verify the accuracy and completeness of the information contained in and with this application.

I have provided the *applicant* an opportunity to review the information contained herein and the *applicant* has approved this information and signed the Form U4.

Date (MM/DD/YYYY)  
05/31/2007

Signature of *Appropriate Signatory*  
JOHN C. WILLIAMS, III

Signature \_\_\_\_\_

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### CRIMINAL DRP

No Information Filed

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### REGULATORY ACTION DRP

This Disclosure Reporting Page is an ☐ INITIAL OR ☒ AMENDED response to report details for affirmative responses to *Questions 14C, 14D, 14E, 14F and 14G(1)* on Form U4;

Check question(s) you are responding to:

#### Regulatory Action

- |                                 |                                    |                                 |                                 |
|---------------------------------|------------------------------------|---------------------------------|---------------------------------|
| <input type="checkbox"/> 14C(1) | <input type="checkbox"/> 14D(1)(a) | <input type="checkbox"/> 14E(1) | <input type="checkbox"/> 14F    |
| <input type="checkbox"/> 14C(2) | <input type="checkbox"/> 14D(1)(b) | <input type="checkbox"/> 14E(2) |                                 |
| <input type="checkbox"/> 14C(3) | <input type="checkbox"/> 14D(1)(c) | <input type="checkbox"/> 14E(3) | <input type="checkbox"/> 14G(1) |
| <input type="checkbox"/> 14C(4) | <input type="checkbox"/> 14D(1)(d) | <input type="checkbox"/> 14E(4) |                                 |
| <input type="checkbox"/> 14C(5) | <input type="checkbox"/> 14D(1)(e) |                                 |                                 |
|                                 | <input type="checkbox"/> 14D(2)(a) |                                 |                                 |
|                                 | <input type="checkbox"/> 14D(2)(b) |                                 |                                 |

One event may result in more than one affirmative answer within each of the above items. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

1. Regulatory Action initiated by:

☒ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign ☐ Federal Banking Agency

☐ National Credit Union Administration ☐ Other

(Full name of regulator, foreign financial regulatory authority, federal, state, SRO, commodities exchange or National Credit Union Administration)

SECURITIES AND EXCHANGE COMMISSION.

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

05/04/1992 ☐ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:  
Unknown

5. Employing Firm when activity occurred which led to the regulatory action:  
WEDBUSH MORGAN SECURITIES

6. Principal Product Type:

Other Product Types:

7. Describe the allegations related to this regulatory action. (Your information must fit within the space provided.):

VIOLATION OF SECTION 5 OF THE SECURITIES ACT OF 1933

8. Current status ? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to: (SEC, SRO, Federal or State Court) and Date Appeal Filed:

**If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.**

10. How was matter resolved:  
Decision & Order of Offer of Settlement

11. Resolution Date (MM/DD/YYYY):  
05/04/1992 ☐ Exact ☐ Explanation  
If not exact, provide explanation:

**12. Resolution Detail:**

A. Were any of the following sanctions ordered? (Check all appropriate items):

☐ Monetary/Fine

Amount: \$

☐ Revocation/Expulsion/Denial

☐ Disgorgement/Restitution

☐ Censure

☒ Cease and Desist/Injunction

☐ Bar

☒ Suspension

B. Other sanctions ordered:

C. Sanction detail: If suspended, enjoined or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you, date paid and if any portion of penalty was waived:

SANCTION SUSPENDING ASSOCIATION WITH ANY BROKER, DEALER, INVESTMENT ADVISOR, INVESTMENT COMPANY OR MUNICIPAL SECURITIES DEALER FOR A PERIOD OF 90 DAYS.

13. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the action as well as the current status or disposition and/or finding(s). Your information must fit within the space provided.

WITHOUT ADMITTING OR DENYING GUILT I ACCEPTED THE BOARDS RECOMMENDATION FOR

A 90 DAY SUSPENSION SINCE I AM NOT CURRENTLY ENGAGED IN SELLING SECURITIES AND THIS WILL HAVE NO FINANCIAL IMPACT ON ME.

Rev. Form U4 (10/2005)

**CIVIL JUDICIAL DRP**

No Information Filed

Rev. Form U4 (10/2005)

**C U S T O M E R C O M P L A I N T / A R B I T R A T I O N / C I V I L L I T I G A T I O N D R P**

No Information Filed

Rev. Form U4 (10/2005)

**TERMINATION DRP**

No Information Filed

Rev. Form U4 (10/2005)

**INVESTIGATION DRP**

No Information Filed

Rev. Form U4 (10/2005)

**BANKRUPTCY/SIPC/COMPROMISE WITH CREDITORS DRP**

No Information Filed

Rev. Form U4 (10/2005)

**BOND DRP**

No Information Filed

Rev. Form U4 (10/2005)

**JUDGMENT LIEN DRP**

No Information Filed



BrokerCheck Report  
GREGORY JOSEPH CHRISTIAN  
CRD# 1749795

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Broker Qualifications	2 - 3
Registration and Employment History	4
Disclosure Events	5



## 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:

- o 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
- o 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).

**GREGORY J. CHRISTIAN**  
**CRD# 1749795**

This broker is not currently registered.

## 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 not currently registered.

This broker has passed:

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

### Registration History

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

FINANCIAL TELESIS INC  
 CRD# 31012  
 SAN RAFAEL, CA  
 03/2004 - 06/2004

RAYMOND JAMES FINANCIAL SERVICES, INC.  
 CRD# 5594  
 ST. PETERSBURG, FL  
 01/1999 - 03/2004

ROBERT THOMAS SECURITIES, INC  
 CRD# 10147  
 ST. PETERSBURG, FL  
 01/1997 - 01/1999

### Disclosure Events

This broker has been involved in one or more disclosure events involving certain final criminal matters, regulatory actions, civil judicial proceedings, or arbitrations or civil litigations.

Are there events disclosed about this broker? Yes

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1

### Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at

<https://www.adviserinfo.sec.gov>





## Broker Qualifications

### Registrations

This section provides the self-regulatory organizations (SROs), states and U.S. territories the broker is currently registered and licensed with, the category of each registration, and the date on which the registration became effective. This section also provides, for each firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.



## 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, 1 general industry/product exam, and 1 state securities law exam.

### Principal/Supervisory Exams

Exam	Category	Date
General Securities Principal Examination	Series 24	04/25/1997

### General Industry/Product Exams

Exam	Category	Date
General Securities Representative Examination	Series 7	11/21/1987

### State Securities Law Exams

Exam	Category	Date
Uniform Securities Agent State Law Examination	Series 63	12/04/1987

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/).



## Registration and Employment History

### Registration History

The broker previously was registered with the following securities firms:

Registration Dates	Firm Name	CRD#	Branch Location
03/2004 - 06/2004	FINANCIAL TELESIS INC	31012	SAN RAFAEL, CA
01/1999 - 03/2004	RAYMOND JAMES FINANCIAL SERVICES, INC.	6694	ST. PETERSBURG, FL
01/1997 - 01/1999	ROBERT THOMAS SECURITIES, INC	10147	ST. PETERSBURG, FL
04/1994 - 01/1997	INVEST FINANCIAL CORPORATION	12984	APPLETON, WI
03/1993 - 03/1994	LAM WAGNER, INC.	29870	LA JOLLA, CA
07/1991 - 12/1992	SECURITY FIRST FINANCIAL, INC.	6695	NEWPORT BEACH, CA
02/1990 - 06/1991	A. G. EDWARDS & SONS, INC.	4	ST. LOUIS, MO
11/1987 - 02/1990	WEDBUSH MORGAN SECURITIES INC.	877	LOS ANGELES, CA

### 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 Dates	Employer Name	Employer Location
03/2004 - Present	WESPAC ADVISORS, LLC	RENO, NV



## Disclosure Events

What you should know about reported disclosure events:

1. Disclosure events in BrokerCheck reports come from different sources:
  - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, their employing firms, and regulators. When more than one source reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions are separated by a solid line with the reporting source labeled.

For your convenience, below is a matrix of the number and status of regulatory 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.

### Regulatory Event

Final	On Appeal
1	0



## Disclosure Event Details

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.

This type of disclosure event involves a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source: Regulator  
Regulatory Action Initiated: SECURITIES AND EXCHANGE COMMISSION  
By:

Sanction(s) Sought:

Other Sanction(s) Sought:

Date Initiated:

Docket/Case Number:

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

Product Type:

Other Product Type(s):

Allegations:

Current Status:

Resolution:

Resolution Date:

Sanctions Ordered:

Other Sanctions Ordered:

Sanction Details:

Regulator Statement

05/04/1992

Unknown

WEDBUSH MORGAN SECURITIES

Final

Decision & Order of Offer of Settlement

05/04/1992

Cease and Desist/Injunction  
Suspension

+5/11/92+ SEC NEWS DIGEST, ISSUE 92-86, DATED MAY 4, 1992  
ADMINISTRATIVE PROCEEDINGS DISCLOSES: "ADMINISTRATIVE  
PROCEEDINGS AGAINST GREGORY CHRISTIAN". THE COMMISSION  
ANNOUNCED THE INSTITUTION OF ADMINISTRATIVE PROCEEDINGS



PURSUANT TO SECTIONS 15(b)(6) and 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AGAINST GREGORY CHRISTIAN, A FORMER REGISTERED REPRESENTATIVE IN THE RENO, NEVADA OFFICE OF WEDBUSH MORGAN SECURITIES. THE PROCEEDINGS ARISE OUT OF CHRISTIAN'S VIOLATION OF SECTION 5 OF THE SECURITIES ACT OF 1933 FOR PARTICIPATING IN THE DISTRIBUTION OF THE UNREGISTERED SECURITIES OF THE CROWN COMPANIES GROUP, LTD. a/k/a THE CROWN GOLD COMPANIES, LTD. SIMULTANEOUS WITH THE INSTITUTION OF THESE PROCEEDINGS, THE COMMISSION ACCEPTED CHRISTIAN'S OFFER OF SETTLEMENT IN WHICH HE CONSENTS TO THE ENTRY OF AN ORDER BY THE COMMISSION, WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS CONTAINED THEREIN. CHRISTIAN WAS ORDERED TO CEASE AND DESIST FROM VIOLATING SECTION 5 OF THE SECURITIES ACT AND HAS BEEN SUSPENDED FROM ASSOCIATION WITH ANY BROKER, DEALER, INVESTMENT ADVISER, INVESTMENT COMPANY OR MUNICIPAL SECURITIES DEALER FOR NINETY DAYS. (REL. 34-30632)

Reporting Source:	Broker
Regulatory Action Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	05/04/1992
Docket/Case Number:	Unknown
Employing firm when activity occurred which led to the regulatory action:	WEDBUSH MORGAN SECURITIES
Product Type:	
Other Product Type(s):	
Allegations:	VIOLATION OF SECTION 5 OF THE SECURITIES ACT OF 1933
Current Status:	Final

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WESPAC000799



**Resolution:**

**Resolution Date:**

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:**

**Broker Statement:**

**Decision & Order of Offer of Settlement**

05/04/1992

Cease and Desist/Injunction  
Suspension

SANCTION SUSPENDING ASSOCIATION WITH ANY BROKER,  
DEALER, INVESTMENT ADVISOR, INVESTMENT COMPANY OR MUNICIPAL  
SECURITIES DEALER FOR A PERIOD OF 90 DAYS.

WITHOUT ADMITTING OR DENYING GUILT I ACCEPTED THE  
BOARDS RECOMMENDATION FOR A 90 DAY SUSPENSION SINCE I AM NOT  
CURRENTLY ENGAGED IN SELLING SECURITIES AND THIS WILL HAVE NO  
FINANCIAL IMPACT ON ME.



## End of Report

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[User Guidance](#)

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

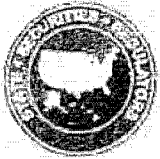
## Investment Adviser Representative Public Disclosure Report

**GREGORY JOSEPH CHRISTIAN**

CRD# 1749795

Report #63097-99453, data current as of Tuesday, June 26, 2018.

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Qualifications	2 - 3
Registration and Employment History	4
Disclosure Information	5



## IAPD Information about Investment Adviser Representatives

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

- **What is included in a IAPD report?**
  - IAPD reports for individual Investment Adviser 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 Investment Adviser 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 Investment Adviser 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 Investment Adviser Representatives.
- **How current is this information?**
  - Generally, Investment Adviser 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 Investment Adviser 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>.

**Investment Adviser Representative Report Summary****GREGORY JOSEPH CHRISTIAN (CRD# 1749795)**

The report summary provides an overview of the Investment Adviser Representative's professional background and conduct. The information contained in this report has been provided by the Investment Adviser 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 Investment Adviser Representative, a previous employing firm, or a securities regulator on 06/02/2009

**CURRENT EMPLOYERS****WESPAC ADVISORS, LLC**

IARD# 148242

519 17TH STREET

5TH FLOOR

OAKLAND, CA 94612

Registered with this firm since: 06/03/2009

**QUALIFICATIONS**

This Investment Adviser Representative is currently registered in 1 jurisdiction(s).

Is this Investment Adviser Representative currently suspended with any jurisdiction? 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 Investment Adviser Representative was previously registered with the following Investment Adviser firms:

**FIRM (IARD#) - LOCATION****REGISTRATION DATES**

RAYMOND JAMES FINANCIAL SERVICES (IARD# 6694) - TRUCKEE, CA

07/10/2002 - 03/03/2004

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 Investment Adviser Representative? Yes

The following types of events are disclosed about this Investment Adviser Representative:

Type	Count
Regulatory Event	1



## Investment Adviser Representative Qualifications

### REGISTRATIONS

This section provides the states and U.S. territories in which the Investment Adviser Representative is currently registered and licensed, the category of each registration, and the date on which the registration became effective. This section also provides, for each firm with which the Investment Adviser Representative is currently employed, the address of each location where the Investment Adviser Representative works.

This individual is currently registered with 1 jurisdiction(s) through his or her employer(s).

### Employment 1 of 1

Firm Name: WESPAC ADVISORS, LLC

Main Address: 519 17TH STREET  
5TH FLOOR  
OAKLAND, CA 94612

Firm IARD#: 148242

U.S. State/ Territory	Status	Date
California	Approved	06/03/2009

### Branch Office Locations

This individual does not have any registered Branch Office where the individual is located.



## Investment Adviser Representative Qualifications

### PASSED INDUSTRY EXAMS

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

This individual has passed the following exams:

Exam	Category	Date
Uniform Securities Agent State Law Examination (S63)	Series 63	12/04/1987

### PROFESSIONAL DESIGNATIONS

This section details that the Investment Adviser Representative has reported 0 professional designation(s).

No information reported.



## Investment Adviser Representative Registration and Employment History

### PREVIOUSLY REGISTERED WITH THE FOLLOWING INVESTMENT ADVISER FIRMS

This section indicates that state registration records show this Investment Adviser Representative previously held registrations with the following firms:

Registration Dates	Firm Name	IARD#	Branch Location
07/10/2002 - 03/03/2004	RAYMOND JAMES FINANCIAL SERVICES	6694	TRUCKEE, CA

### EMPLOYMENT HISTORY

Below is the Investment Adviser Representative's employment history for up to the last 10 years.

Please note that the Investment Adviser Representative is required to provide this information only while registered and the information is not updated after the Investment Adviser Representative ceases to be registered, with a state regulator. Therefore, an employment end date of "Present" may not reflect the Investment Adviser Representative's current employment status.

Employment Dates	Employer Name	Employer Location
03/2004 - Present	WESPAC ADVISORS, LLC	RENO, NV

### OTHER BUSINESS ACTIVITIES

This section includes information, if any, as provided by the Investment Adviser Representative regarding other business activities the Investment Adviser 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.



## Investment Adviser Representative 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 Investment Adviser Representative:

Type	Count
Regulatory Event	1

**Regulatory Event**

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

**Disclosure 1 of 1**

Reporting Source: Regulator  
Regulatory Action Initiated By: SECURITIES AND EXCHANGE COMMISSION

Sanction(s) Sought:

Other Sanction(s) Sought:

Date Initiated: 05/04/1992

Docket/Case Number: Unknown

Employing firm when activity occurred which led to the regulatory action: WEDBUSH MORGAN SECURITIES

Product Type:

Other Product Type(s):

Allegations:

Current Status: Final

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 05/04/1992

Sanctions Ordered: Cease and Desist/Injunction  
Suspension

Other Sanctions Ordered:

Sanction Details:

Regulator Statement: +5/11/92+ SEC NEWS DIGEST, ISSUE 92-86, DATED MAY 4, 1992  
ADMINISTRATIVE PROCEEDINGS DISCLOSES: "ADMINISTRATIVE  
PROCEEDINGS AGAINST GREGORY CHRISTIAN". THE COMMISSION  
ANNOUNCED THE INSTITUTION OF ADMINISTRATIVE PROCEEDINGS





PURSUANT TO SECTIONS 15(b)(6) and 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AGAINST GREGORY CHRISTIAN, A FORMER REGISTERED REPRESENTATIVE IN THE RENO, NEVADA OFFICE OF WEDBUSH MORGAN SECURITIES. THE PROCEEDINGS ARISE OUT OF CHRISTIAN'S VIOLATION OF SECTION 5 OF THE SECURITIES ACT OF 1933 FOR PARTICIPATING IN THE DISTRIBUTION OF THE UNREGISTERED SECURITIES OF THE CROWN COMPANIES GROUP, LTD. a/k/a THE CROWN GOLD COMPANIES, LTD. SIMULTANEOUS WITH THE INSTITUTION OF THESE PROCEEDINGS, THE COMMISSION ACCEPTED CHRISTIAN'S OFFER OF SETTLEMENT IN WHICH HE CONSENTS TO THE ENTRY OF AN ORDER BY THE COMMISSION, WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS CONTAINED THEREIN. CHRISTIAN WAS ORDERED TO CEASE AND DESIST FROM VIOLATING SECTION 5 OF THE SECURITIES ACT AND HAS BEEN SUSPENDED FROM ASSOCIATION WITH ANY BROKER, DEALER, INVESTMENT ADVISER, INVESTMENT COMPANY OR MUNICIPAL SECURITIES DEALER FOR NINETY DAYS. (REL. 34-30632)

Reporting Source: Individual  
Regulatory Action Initiated By: SECURITIES AND EXCHANGE COMMISSION  
Sanction(s) Sought:  
Other Sanction(s) Sought:  
Date Initiated: 05/04/1992  
Docket/Case Number: Unknown  
Employing firm when activity occurred which led to the regulatory action: WEDBUSH MORGAN SECURITIES  
Product Type:  
Other Product Type(s):  
Allegations: VIOLATION OF SECTION 5 OF THE SECURITIES ACT OF 1933  
Current Status: Final  
Resolution: Decision & Order of Offer of Settlement  
Resolution Date: 05/04/1992  
Sanctions Ordered: Cease and Desist/Injunction  
Suspension  
Other Sanctions Ordered:  
Sanction Details: SANCTION SUSPENDING ASSOCIATION WITH ANY BROKER, DEALER, INVESTMENT ADVISOR, INVESTMENT COMPANY OR MUNICIPAL SECURITIES DEALER FOR A PERIOD OF 90 DAYS.  
Broker Statement: WITHOUT ADMITTING OR DENYING GUILT I ACCEPTED THE BOARD'S RECOMMENDATION FOR A 90 DAY SUSPENSION SINCE I AM NOT CURRENTLY ENGAGED IN SELLING SECURITIES AND THIS WILL HAVE NO



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[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## FINANCIAL IMPACT ON ME.



[User Guidance](#)

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

End of Report

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IN THE SECOND JUDICIAL DISTRICT COURT  
OF THE STATE OF NEVADA  
IN AND FOR THE COUNTY OF WASHOE

---oOo---

GREGORY GARMONG,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	Case No. CV12-01271
	)	
WESPAC, GREG CHRISTIAN,	)	Dept. No. 6
and DOES 1 through 10,	)	
	)	
	)	
Defendants.	)	
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ARBITRATION

Wednesday, October 17, 2018  
Reno, Nevada

REPORTED BY:	JOHN MOLEZZO
	NV CCR #267, CA CSR #7791
JOB No.:	503568

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8 ARBITRATOR: Hon. Philip M. Pro (Ret.)  
9 Arbitrator/Mediator  
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12 Also present: Michael Hume, Greg Garmong,  
13 Greg Christian, John Williams.

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I N D E X

WITNESSES: Direct Cross Redirect Recross

FOR THE DEFENDANTS:

BRUCE CRAMER 5 49

FOR THE DEFENDANTS:

GREG GARMON 106

FOR THE DEFENDANTS:

JOHN WILLIAMS 125/137 141

FOR THE DEFENDANTS:

GREGORY CHRISTIAN 180

\* \* \*

INDEX OF EXHIBITS

EXHIBITS: PAGE

(NONE MARKED.)

\* \* \*

1           A     -- at the meeting in early October that I talked  
2     about yesterday, and then in the confirming letter of  
3     October 22nd, my instruction was not to lose capital.

4                     And then I mentioned that again in the January  
5     21st, 2008, fax as sort of an aside comment in a fax that  
6     dealt with other subjects.

7                     Then, as we had conversations, I would reinforce  
8     that. And finally, when the worst of the declines hit in  
9     June, July, August, September of 2008, I began to get  
10    very upset. He clearly was not doing what I had  
11    instructed.

12           Q     Now, you instructed -- well, your objective as  
13    communicated to Mr. Christian was to avoid the loss of  
14    capital, wasn't it?

15           A     Yes.

16           Q     At any point did Mr. Christian call you up or  
17    meet with you and say, "I'm having trouble understanding  
18    what 'avoiding loss of capital' means. Could you explain  
19    to me what you intend"?

20           A     No. Never at any time.

21           Q     But would you occasionally -- not occasionally,  
22    you would send him from time to time telefaxes discussing  
23    various aspects of your account and, again, instructing  
24    him not to lose capital, didn't you?

25           A     Yes.

1           **Q     At some point, did you become concerned that he**  
2           **wasn't understanding you? Or what do you think the**  
3           **problem was?**

4           A     I -- I have no idea. Well, I have an idea what  
5           I think the problem was, but it wasn't related to the  
6           communications.

7           **Q     Okay. What do you think it was?**

8           A     I think Mr. Christian was concerned with other  
9           issues and had his time taken with other matters.

10                   He had started a new company called -- well, the  
11           word fusion, f-u-s-i-o-n, was in it, and I can't remember  
12           the other words. Fusion Asset Management, perhaps.

13                   From his testimony in deposition a couple weeks  
14           ago, he said that he had started that in 2005 and had run  
15           it -- operated it the entire duration of our relation.

16                   When WESPAC was acquired by another company in  
17           2009, they saw that as a conflict of interest and  
18           required him to -- my understanding is get out of that  
19           company, and because he was key in it with a couple other  
20           people, they closed it down. The reason I say that  
21           bothers me -- I did not know that at the time, but  
22           having --

23                   MR. BRADLEY: Objection, relevance. If he  
24           didn't know it at the time -- he's talking about his  
25           understanding of litigation, I don't think this is



1 relevant.

2 THE COURT: How would that be relevant if he's  
3 not aware of it in 2005 through 2009?

4 MR. HEBERT: I'll move on to another topic, your  
5 Honor.

6 THE COURT: All right.

7 BY MR. HEBERT:

8 Q Mr. Garmong, and I think the exhibits are loose,  
9 but I want you to look at 24-A and 24-B. Do you have  
10 them there in front of you? Defense 24-A and 24-B.

11 A I have 24-B and C. 24-A was being shown around  
12 and I don't -- it never got back to me.

13 Q I'm going to hand the witness my copies of  
14 Exhibits 24-A and 24-B.

15 A I have 24-B.

16 Q Then here's 24-A.

17 A Okay.

18 Q Now, yesterday during cross-examination you were  
19 asked about how can you assign -- I'm looking at 24-B  
20 now, your Honor.

21 THE COURT: All right.

22 BY MR. HEBERT:

23 Q You'll see over in "Change in Account Value," it  
24 says "Change in Value of Investments" and then in parens  
25 \$28,865.60?

1 actually.

2 THE COURT: Prior to 2000?

3 THE WITNESS: Going back to '97, as far as I  
4 know.

5 THE COURT: All right. And so the financial  
6 advisors affiliated with WESPAC here in Nevada, that  
7 would include or at least at the operative times we're  
8 dealing with Mr. Christian?

9 THE WITNESS: Yes, sir.

10 THE COURT: And would Mr. Christian be employed  
11 by WESPAC? An independent contractor? What is the  
12 nature of that relationship?

13 THE WITNESS: So, I believe Greg, Mr. Christian,  
14 formerly joined WESPAC in 2004, I believe, which is when  
15 we opened the Reno WESPAC office.

16 THE COURT: Okay.

17 THE WITNESS: And I believe it was somewhere  
18 right around that time, but we also were admitted to the  
19 Schwab Advisor Network. I don't believe, however --  
20 and -- and during that early time, Greg was, in fact,  
21 working as an independent contractor.

22 At some particular point after we were acquired  
23 by Focus Financial Partners in 2008, they told us that  
24 they wanted him to become a W-2 employee. I don't recall  
25 exactly when that was.

1 THE COURT: All right. Thank you.

2 BY MR. BRADLEY:

3 Q So as part of the discovery process, did I ask  
4 you to try to locate any insurance documents applicable  
5 in 2005 to 2009?

6 A Yes.

7 Q And were you able to locate any insurance  
8 documents?

9 A I believe we did provide that, yes.

10 Q I don't -- I believe we didn't provide any  
11 insurance documents, so --

12 A I believe --

13 Q -- I apologize.

14 A I believe that we did not provide any prior to  
15 2008.

16 Q Oh, okay.

17 A Starting in 2008, we would've been owned -- like  
18 the summer of 2008, owned by Focus Financial, and I  
19 believe we do have evidence of documentation from  
20 thereon.

21 THE COURT: Explain Focus Financial, and  
22 assuming -- Focus Financial is not WESPAC?

23 THE WITNESS: They're our parent company.

24 THE COURT: Your parent company. And so Focus  
25 Financial was operating in Nevada as WESPAC at least

1 since 1997, as I understood you?

2 THE WITNESS: No, sir. They didn't acquire us  
3 until June -- July 1 of 2008, I believe.

4 THE COURT: Okay. So let's go back to 2005,  
5 when the relationship between Mr. Christian and WESPAC  
6 occurred with respect to Mr. Garmong. Who -- WESPAC was  
7 operating in Nevada.

8 THE WITNESS: Correct.

9 THE COURT: But it was not -- the parent company  
10 was not Focus.

11 THE WITNESS: Well, I don't know the exact  
12 dates, but we did have a previous parent company prior to  
13 Focus which was --

14 THE COURT: What was that?

15 THE WITNESS: -- Benefit Street Corporation.

16 THE COURT: Say that again.

17 THE WITNESS: Benefit Street Corporation.

18 THE COURT: Benefit Street Corporation. All  
19 right. So going back to 2005, maybe that's what we're  
20 driving at in terms of insurance.

21 THE WITNESS: I know that there was a time --  
22 there was -- the first part of Mr. Garmong's relationship  
23 with WESPAC, I know we could not find any documents  
24 evidencing E&O insurance at that time, say, 2005, '06,  
25 and '07, that's when we were owned by Benefit Street

1 Corporation, that's when they were handling all of the  
2 E&O coverage and we could not locate any of those  
3 documents.

4 THE COURT: And so you found insurance  
5 documentation once you were acquired by Focus starting  
6 approximately when in 2008?

7 THE WITNESS: 2000- --

8 MR. BRADLEY: Excuse me, your Honor. I -- I  
9 think the witness is incorrect. I don't believe he  
10 provided me, so I could provide the plaintiff with --

11 THE COURT: Okay.

12 MR. BRADLEY: -- any insurance documents, and at  
13 least to --

14 THE COURT: Yeah.

15 MR. BRADLEY: -- my knowledge of discovery.  
16 So --

17 THE COURT: No. I was just asking if he found  
18 any, whether he -- then I'll ask whether he provided it.

19 MR. BRADLEY: Okay.

20 THE COURT: I understand he didn't.

21 But do you recall finding some insurance --

22 THE WITNESS: Yes.

23 THE COURT: -- information after Focus takes  
24 over -- when in 2008?

25 THE WITNESS: Summer, middle of the summer of

1 2008.

2 THE COURT: Okay. And when did you locate that?  
3 When do you recall locating that?

4 THE WITNESS: That was approximately a month  
5 ago, whenever this last-minute document production order  
6 was.

7 THE COURT: Okay. But did you provide that to  
8 Mr. Bradley or --

9 THE WITNESS: I provided everything that I found  
10 to --

11 MR. BRADLEY: Your Honor --

12 THE WITNESS: I --

13 MR. BRADLEY: -- I'll --

14 THE REPORTER: Whoa, whoa, whoa. One at a time.

15 MR. BRADLEY: Excuse me.

16 Your Honor, my apologies. I will go back and  
17 check, but I am fairly confident that I was not provided  
18 any --

19 THE COURT: Sure.

20 MR. BRADLEY: -- 2008 documents. And so I'm  
21 more than happy tonight to go back and check, and if  
22 there were any, I will immediately provide them to  
23 Mr. Hebert. And I do apologize if I missed it, but  
24 I don't think I --

25 THE COURT: No need to apologize at this point,

1 because we don't know.

2 MR. BRADLEY: Okay.

3 THE COURT: I'll let the two of you then work on  
4 where it might be and what happened. That's fine.

5 MR. HEBERT: At this point, your Honor, could I  
6 take the witness on voir dire, if that's the correct  
7 phrase, and just examine him on this point just to  
8 clarify a few things?

9 THE COURT: Sure.

10 MR. HEBERT: Is that all right?

11 THE COURT: Go ahead.

12

13 VOIR DIRE EXAMINATION

14 BY MR. HEBERT:

15 Q Mr. Williams, we've met. My name is Carl Hebert  
16 and I'm counsel for Mr. Garmong.

17 As I understand your testimony so far, you went  
18 and looked for insurance documents from 2005 to 2007 when  
19 WESPAC was owned by Benefit Street, is that correct?

20 A Correct.

21 Q And you couldn't find anything?

22 A That's correct.

23 Q Why were you looking for 2005 through 2007?

24 A Because I had been asked to produce them.

25 Q Do you understand the difference between an

1 he can't recall why he answered "Yes" on the Form U4 for  
2 2007. Is the function of a U4 different than the other  
3 forms we've been talking about?

4 THE WITNESS: Well, it's the -- basically the  
5 form for an individual advisory representative to fill  
6 out to affiliate with an advisor firm that's already  
7 registered.

8 THE COURT: Okay.

9 MR. HEBERT: May I continue, your Honor?

10 THE COURT: Yes.

11 BY MR. HEBERT:

12 Q Now, early on in my cross-examination,  
13 Mr. Williams, I asked you if it was important to obey the  
14 regulatory laws relating to the investment advising  
15 business, and you said yes.

16 A (Witness nods head.)

17 Q Was -- At the critical times, and you've sat  
18 here and listened to those times, which was '05 to '09,  
19 was WESPAC Advisors registered with the State of Nevada  
20 as an investment advisory firm?

21 A Yes.

22 Q It was?

23 A I believe it was.

24 Q For the entire time?

25 A Well, the thing is, at the time I was not -- I



1 know it was notice filed, which I believe we've already  
2 provided documentation for -- it's in the same ADV Form  
3 Part 1 that you're referring to about the 11-C. There's  
4 a section that has all the states your notice is filed  
5 in, I'm pretty sure "NV" is checked "Yes."

6 As far as, you know, registra- -- I don't know  
7 what you're referring to as the registration; if you're  
8 talking about just registered as a business entity, at  
9 the time that would have been the responsibility of our  
10 parent company.

11 BY MR. HEBERT:

12 Q Let me ask you this. Turn to Exhibit 40, the  
13 Plaintiff's Volume I.

14 THE COURT: Four zero?

15 MR. HEBERT: Four zero, your Honor.

16 THE COURT: And while you're doing that, I have  
17 to ask a preliminary question.

18 The notice file that you make is with the  
19 Securities and Exchange Commission, am I correct?

20 THE WITNESS: Yes, sir.

21 MR. BRADLEY: Listen to him.

22 THE COURT: Yes. The notice file that you were  
23 talking about, the registrations you make is with the  
24 SEC, the Securities and Exchange Commission.

25 THE WITNESS: Yes, sir.

1 THE COURT: Federal Securities and Exchange  
2 Commission?

3 THE WITNESS: Yes, sir.

4 THE COURT: What registration does WESPAC do in  
5 the State of Nevada and with whom? Is there something --  
6 besides a business license, is there something with the  
7 Secretary of State? Is there some other entity that you  
8 register with in the State of Nevada?

9 THE WITNESS: I believe that you have to  
10 register as a foreign entity with the Secretary of State.

11 THE COURT: Okay.

12 THE WITNESS: Yes.

13 THE COURT: And so WESPAC would do that since  
14 it's been operating in Nevada?

15 THE WITNESS: Yes.

16 THE COURT: Okay. Is there any other filing  
17 that you make with the State, any regulatory body that  
18 oversees the --

19 THE WITNESS: No --

20 THE COURT: -- financial advisors in the State  
21 of Nevada?

22 THE WITNESS: None that I'm aware of.

23 THE COURT: All right.

24 BY MR. HEBERT:

25 Q Please turn to Exhibit 40. Do you see it?

1 A Yes.

2 Q The document is entitled what?

3 A "Notice Filing Status."

4 Q And it has columns, "Jurisdiction, Notice Filing  
5 Status, Status Effective Date."

6 What is the status effective date for Nevada?

7 A 9-24-2008.

8 Q And this was the registration as an investment  
9 advisory firm under NRS 90.330?

10 A Well, I'm not sure what the regulation is, but  
11 yes.

12 Q Okay. So --

13 A The reason why this is saying effective, because  
14 I know where you're going with this --

15 Q You do?

16 A So at the time, we were -- just previous to  
17 this, we were acquired by Focus Financial Partners; that  
18 whole process involved us doing a withdrawal of our  
19 previous advisory registration with the SEC and a  
20 refiling incorporated in the state of Delaware, as a  
21 different entity. We received a different CRD number, a  
22 different SEC number. So it looks like, you know, it's a  
23 new entity filing.

24 Q Back in 2005, it was Benefit Street that owned  
25 WESPAC, wasn't it?

1           A     I believe. I don't recall. I think they  
2 possibly bought us in 2005. I don't remember.

3           **Q     Then in 2007 it changed to Focus Financial?**

4           A     Well, at some point Nelson Chia bought the firm  
5 back and then turned around and sold it back to Focus.

6           **Q     It looks like, wouldn't you agree, from Exhibit**  
7 **40 that you weren't a licensed investment advisory firm**  
8 **in Nevada until 9-24-08?**

9           A     That we weren't?

10          **Q     Wouldn't you agree that the date of registration**  
11 **was 9-24-08 for Nevada on this form?**

12          A     I would agree for this particular numerical  
13 entity.

14          **Q     Let me ask you this: WESPAC Advisors has always**  
15 **been called WESPAC Advisors, even if it was owned by**  
16 **Benefit Street or Focus Financial, wasn't it?**

17          A     Yes.

18          **Q     Then why wouldn't WESPAC Advisors be registering**  
19 **in the name of WESPAC Advisors?**

20          A     Well, if you want to look at this 2005 --

21          **Q     Look at what? What exhibit number?**

22          A     Well, this is Exhibit 53. If you go to Page  
23 806, you'll see the list of states, and if you look next  
24 to "NV," it's checked. And that means when we uploaded  
25 this form electronically to the SEC, they would've sent a

1 notice filing form to -- wait. This is --

2 THE COURT: That's 2008.

3 THE WITNESS: Yeah, I'm sorry.

4 MR. BRADLEY: Look at 48.

5 THE WITNESS: Okay. 48. Well, okay. If you go  
6 to 48, Page 1019. As you can see, the box next to "NV"  
7 is checked.

8 BY MR. HEBERT:

9 Q This is an ADV form which is a Federal SEC form.  
10 What was going on with the State of Nevada? Don't you  
11 have to register with the State of Nevada under NRS  
12 90.330?

13 A No.

14 Q You don't?

15 A No. If you're an SEC-registered investment  
16 advisor, all you have to do is notice file.

17 Q What does notice filing mean?

18 A It means that -- Well, you send your  
19 registration documentation, they'll send an electronic  
20 notice to the state authorities saying that this advisor  
21 is going to be doing business in your state, this  
22 SEC-registered investment advisor.

23 Q So what's this form here, Exhibit 40 then? Is  
24 this the SEC form --

25 A I've never seen that form before.

1           **Q     It says at the bottom "FINRA." Financial**  
2           **Industry Regulatory Authority, Inc.**

3           **A     So if you look, our CRD number is different over**  
4           **here. It's 109915. Over here, for the one you're**  
5           **looking at, it's 148242. So it's different entities.**

6           **Q     Is the organization SEC number on Exhibit 40,**  
7           **801-69552, the same?**

8           **A     I think that's different, too. But I'm not sure**  
9           **of the relevance.**

10          **Q     I mean, it's not your job to judge the relevance**  
11          **as the witness.**

12                **You know, you were earlier referring to Exhibit**  
13          **53, and I'm talking about Exhibit 40. But do they bear**  
14          **the same organization SEC --**

15          **A     It's not the same organization. I told you --**

16          **Q     You're not listening to my question.**

17                **THE COURT: Ask it again.**

18          **BY MR. HEBERT:**

19          **Q     On Exhibit 40, this one-page exhibit, "Notice**  
20          **filing status," in the upper left-hand corner it says --**  
21          **you made a point that the CRD number is different between**  
22          **40 and 53.**

23                **My question is directed to the number right**  
24          **below it. It says, "Organization SEC No. 80169552" --**

25          **A     That number is different, too.**

1           **Q     That's my question. So that number is different**  
2   **on 53 then?**

3           A     I believe it is.

4           **Q     Well, let's check.**

5           THE COURT: The CRD number is the same.

6           MR. HEBERT: Yes, it is, isn't it.

7           THE COURT: On 53 and 40. 14 --

8           THE WITNESS: Well, is that the -- the one from  
9   53 is 2008. So that's not the right one. It was 48 we  
10   were looking at.

11          THE COURT: All right.

12          THE WITNESS: And I wasn't seeing that they had  
13   the SEC number on it, but I'm almost certain that the SEC  
14   numbers are different.

15          MR. BRADLEY: Look at 53.

16   BY MR. HEBERT:

17          **Q     If I can understand your somewhat confusing**  
18   **testimony, Mr. Williams --**

19          MR. BRADLEY: Would you give him a chance to  
20   look at this number?

21          MR. HEBERT: Yes. I'm sorry.

22          MR. BRADLEY: Thank you.

23          THE WITNESS: What am I doing?

24          MR. BRADLEY: He's asking you -- 53 and 48, look  
25   at the CRD numbers and explain if they're the same, if

1 you were asked that.

2 THE WITNESS: So this is the ADV form before we  
3 were required by Focus Financial Partners, and we  
4 withdrew our old advisory registration and we had to  
5 re-file as a new entity incorporated in the State of  
6 Delaware. We received a new CRD number. We received, I  
7 believe, a new SEC number. I don't see where the SEC  
8 number is. But it's why we are not showing up as being  
9 notice filed under the old entity under this Exhibit 40  
10 that is showing the notice filing status.

11 BY MR. HEBERT:

12 Q You say "this." What exhibit are you referring  
13 to?

14 A The Exhibit 40, where you're saying that -- or  
15 we weren't effective until 9-24-2008. That was the new  
16 entity. Once the SEC approved the new entity, that was  
17 when we became effective, notice filed in the State of  
18 Nevada under the new entity. It doesn't have any bearing  
19 on whether we were filed under the old entity, which we  
20 were.

21 Q So if I understand all of that, the name in 48  
22 and 40 is still WESPAC Advisors, LLC, but because there  
23 was a change in ownership upstream from WESPAC Advisors,  
24 WESPAC Advisors was required to reregister and re-notice  
25 file and that resulted in somehow the form, Exhibit 40,



1 being reset to September 24, 2008. Is that your  
2 explanation?

3 A That's correct.

4 Q Okay. Got any proof of that?

5 A No.

6 THE COURT: Counsel, it's his testimony.

7 MR. HEBERT: Your Honor, you're right.

8 BY MR. HEBERT:

9 Q Now, what about registering with the Nevada  
10 Secretary of State as an LLC, was that done during the  
11 period of time that WESPAC was working for Mr. Garmong?

12 A At the time we had a parent company, Benefit  
13 Street; you know, I wasn't involved in those kind of  
14 housekeeping operation stuff.

15 Q By the way, I'm looking at Exhibit 41. Now I'm  
16 talking about WESPAC Advisors, LLC. And when does it  
17 show that WESPAC Advisors was registered as an LLC with  
18 the State of Nevada under NRS 86.544?

19 A File date 10-15-2008.

20 Q Is that when WESPAC Advisors, LLC, first  
21 registered itself as a foreign corporation, a foreign LLC  
22 with the Nevada Secretary of State?

23 A I don't know, but I highly doubt it, because  
24 this is -- again, this is the new entity. This is done  
25 after -- you know, when we were acquired by Focus, it's

1 when we were doing all our things we were doing then to  
2 make sure that we were good to go compliance-wise, you  
3 know.

4 Prior to this, you know, there was the change of  
5 ownership, you know, a couple of different times, Benefit  
6 Street, back to WESPAC. As far as what was going on  
7 throughout that period, that was being handled by people  
8 other than me.

9 Q But I direct your attention to Page GG0339 on  
10 Exhibit 41. Do you see that page, the last page?

11 A Yes.

12 Q Do you see up at the top there where it says  
13 "File date" and the first file date is October 15, 2008?

14 A Yes, I see that.

15 Q Now, WESPAC Advisors never changed its name. It  
16 just changed parent --

17 MR. BRADLEY: Objection, asked and answered.  
18 We've been through this.

19 MR. HEBERT: No, we haven't.

20 MR. BRADLEY: We've been through this five  
21 times. I object, it's asked and answered.

22 He explained that they got a different number so  
23 that's why it wasn't --

24 THE COURT: All right.

25 MR. BRADLEY: -- this document --

1 THE COURT: Sustained.

2 MR. HEBERT: A different number?

3 BY MR. HEBERT:

4 Q Let's move on to a different topic, as much as I  
5 would like to stay with the last one.

6 Was WESPAC Advisors required by the SEC to have  
7 a code of ethics?

8 A I believe so, yes.

9 Q Do you know the effective date of when the SEC  
10 required a code of ethics?

11 A No, I don't.

12 Q Let me direct your attention to Exhibit No. 38,  
13 Plaintiff's Book Volume I.

14 Do you see it?

15 A Yes.

16 Q In the middle of the page it says -- well, at  
17 the top it says, "Investment advisor code of ethics."

18 In the middle of the page it says, "Dates,  
19 effective date." Do you see that?

20 A Uh-huh.

21 Q What's the effective date?

22 A August 31, 2004.

23 Q Do you know when WESPAC Advisors first  
24 formulated a code of ethics and distributed it to its  
25 clients under the ADV2 given to them?

1 A I don't recall.

2 Q Well, would you disagree with Mr. Garmong if he  
3 testified that he didn't get one when he signed up in  
4 August 31 of 2005?

5 A I don't know that we're required to give clients  
6 a code of ethics.

7 Q You're not?

8 A It just says we're required to have one. It  
9 doesn't -- we're not required to disclose it to clients.

10 Q Just a moment, your Honor. Let us find the  
11 right exhibit.

12 A Besides, there was a very specific format for  
13 the Form ADV Part 2, it used to be a lot more regimented.  
14 You're required to disclose -- I mean, if it said you had  
15 to provide a code of ethics, I believe we would have done  
16 so.

17 Q Thank you.

18 Let's go to Page --

19 A It says, "Furnish a copy upon request."

20 MR. BRADLEY: What are you reading from, the  
21 exhibit number?

22 THE WITNESS: It's Exhibit --

23 THE COURT: 38.

24 THE WITNESS: Exhibit 38. "GG 0389, see Form  
25 ADV."

1 BY MR. HEBERT:

2 Q How does the client know to request a code of  
3 ethics? Just have to guess?

4 A It says --

5 THE COURT: It doesn't say --

6 THE WITNESS: -- it says --

7 THE COURT: It doesn't say how. It says, "Upon  
8 request, to be provided." It doesn't say --

9 THE WITNESS: It requires us to describe our  
10 code of ethics and then furnish a copy upon request.

11 BY MR. HEBERT:

12 Q Go to Exhibit 4.

13 MR. BRADLEY: 4?

14 MR. HEBERT: 4.

15 THE COURT: What page?

16 BY MR. HEBERT:

17 Q The first page. Page 48. Paragraph 2,  
18 Mr. Williams. Are you there?

19 A I'm here.

20 Q Okay. Do you see a sentence that starts out,  
21 "Client acknowledges that client has reviewed the  
22 investment policies of WESPAC Advisors as set forth in  
23 WESPAC Advisors Form ADV Part 2"?

24 A Yes.

25 Q Would the -- would the investment policies of

1 **WESPAC Advisors include a code of ethics?**

2 A No.

3 **Q So how would the client ever learn of WESPAC's**  
4 **code of ethics?**

5 A I think it's -- Starting 2005, we were required  
6 to describe our code of ethics in ADV Form Part 2.  
7 According to the rule, it's a very regimented format back  
8 then, you would've been required in the way the form was  
9 set up to describe it. So if Mr. Garmong had -- I'm  
10 assuming he read the Form ADV Part 2 where it would  
11 describe our code of ethics. If he wanted one, he could  
12 have requested one.

13 **Q Let me direct your attention to 49, which is the**  
14 **-- I'll represent to you is the Form ADV Part 2 given to**  
15 **Mr. Garmong. Take your time on this. Can you point out**  
16 **in there where it talks about the WESPAC code of ethics**  
17 **and its availability upon request?**

18 MR. BRADLEY: Take your time.

19 BY MR. HEBERT:

20 **Q Don't rush. I mean, I want you to give an**  
21 **informed answer.**

22 A Well, I mean, I don't know -- I do know that GG  
23 0370, the first half of this entire page would be in  
24 language similar to what's --

25 **Q Say the number again, please, Mr. Williams.**

1           A     0370. The first half of that page is language  
2     very similar to language that's in our current code of  
3     ethics. I don't see -- I haven't seen the term "code of  
4     ethics" yet.

5           **Q     Mr. Williams, let me ask you this: What's the**  
6     **effective date in the upper right-hand corner of this**  
7     **form?**

8           A     3-22-2005.

9           **Q     And would you acknowledge that that's about five**  
10    **months before Mr. Garmong became a customer --**

11          A     Yes.

12          **Q     -- of WESPAC Advisors?**

13          A     Yes.

14          **Q     So is there any place he could go to in that**  
15    **form that he must've gotten from WESPAC to tell him that**  
16    **he could ask for a code of ethics?**

17          A     I'm not seeing it yet.

18                MR. HEBERT: All right. Your Honor, I have a  
19    suggestion. Since I could use a short break, maybe I  
20    could take that short break while --

21                THE COURT: No. Let's wrap this up. Let's --

22                THE WITNESS: I don't see it --

23                THE COURT: All right.

24                THE WITNESS: -- the reference to it.

25                MR. HEBERT: I was going to say this would be my

1 last question. I just wanted to give him a chance --

2 THE COURT: Go ahead.

3 MR. HEBERT: I'm done.

4 THE COURT: Oh, okay.

5 MR. HEBERT: I just wanted to give him a chance  
6 to look while --

7 THE COURT: He said he hasn't seen it, so he's  
8 not aware of it in there.

9 MR. HEBERT: And I'm done with my questions.

10 THE COURT: Okay. Thank you.

11 MR. BRADLEY: No redirect.

12 THE COURT: Can Mr. Williams be excused?

13 MR. BRADLEY: Yes, your Honor.

14 THE COURT: Well, he doesn't have to be excused.  
15 He's the representative of the client, so he can be here  
16 obviously.

17 MR. BRADLEY: I think he would like to get on  
18 the road if it wouldn't upset --

19 THE COURT: No, no. That's --

20 MR. BRADLEY: -- your Honor --

21 THE COURT: Look. That's your call.

22 MR. BRADLEY: Thank you.

23 THE COURT: Okay.

24 MR. BRADLEY: He just didn't want to show you  
25 any disrespect by --



1 STATE OF NEVADA )  
2 ) ss.

3 COUNTY OF WASHOE )

4 I, JOHN MOLEZZO, a Certified Court Reporter in  
5 and for the County of Washoe, State of Nevada, do hereby  
6 certify: That on Wednesday, the 17th day of October,  
7 2018, at the hour of 9:00 a.m. of said day, at the  
8 offices of Sunshine Litigation Services, 151 Country  
9 Estates Circle, Reno, Nevada, personally appeared  
10 witnesses listed in the appearance page, who were sworn  
11 by Judge Pro to testify the truth, the whole truth, and  
12 nothing but the truth, and thereupon testified in the  
13 arbitration entitled herein;

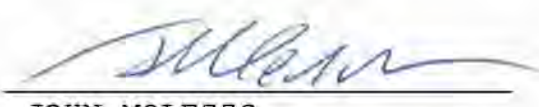
14 That said arbitration was taken in verbatim  
15 stenotype notes by me, a Certified Court Reporter, and  
16 thereafter transcribed into typewriting as herein  
17 appears;

18 That the foregoing transcript, consisting of  
19 Pages 1 through 253, is a full, true and correct  
20 transcript of my stenotype notes of said deposition to  
21 the best of my knowledge, skill and ability.

22 DATED: At Reno, Nevada, this 31st day of  
23 October, 2018.

24

25

  
JOHN MOLEZZO  
NV CCR #267, CA CSR #7791

JAMS ARBITRATION  
LAS VEGAS, NEVADA  
BEFORE THE HONORABLE PHILIP M. PRO (RETIRED)

-o0o-

GREGORY GARMONG,

Plaintiff,

vs

WESPAC, GREG CHRISTIAN  
and DOES 1 - 10,  
inclusive,

Defendants.

Case No. 1260003474

TRANSCRIPT OF PROCEEDINGS

ARBITRATION

THURSDAY, OCTOBER 18TH, 2018

Reno, Nevada

Reported By:

ERIN T. FERRETTO, RPR, CCR #281  
JOB NO. 503569

A P P E A R A N C E S

FOR THE PLAINTIFF:

LAW OFFICE OF CARL M. HEBERT  
By: CARL M. HEBERT, ESQ.  
202 California Avenue  
Reno, Nevada 89509  
775.323.5556

FOR THE DEFENDANTS:

LAW OFFICE OF THOMAS BRADLEY  
By: THOMAS BRADLEY  
448 Hill Street  
Reno, Nevada 89501  
775.323.5178

THE ARBITRATOR:

HON. PHILIP M. PRO, Retired  
Arbitrator/Mediator  
3800 Howard Hughes Parkway  
11th Floor  
Las Vegas, Nevada  
ppro@jamsadr.com  
702.457.5267

ALSO PRESENT:

Michael Hume  
Greg Garmon

I N D E X

WITNESSES FOR THE DEFENDANTS: PAGE

CHRISTIAN, Greg

Cross-Examination by Mr. Hebert 13

EXHIBITS: IDENT EVID

Exhibit Binders Pre-marked

Exhibit 47 Arbitration Award 9  
Westpac/Sharp

Exhibit 48 Certificate of Liability Insurance 13

1 MR. BRADLEY: Judge, we'll get copies. I assume  
2 Carl has his copies.

3 (Exhibit 48 was marked and admitted.)

4 ARBITRATOR PRO: Anything else before we get  
5 started with the cross-examination of Mr. Christian?

6 MR. BRADLEY: No. We're ready.

7 MR. HEBERT: We can go ahead.

8 ARBITRATOR PRO: Let's roll.

9

10 +++ CROSS-EXAMINATION +++

11 BY MR. HEBERT:

12 Q Mr. Christian, you've been sworn already, I  
13 assume?

14 ARBITRATOR PRO: Yes, it carries over. I swore  
15 him in yesterday.

16 BY MR. HEBERT:

17 Q Mr. Christian, you've heard -- you've been sitting  
18 here throughout this arbitration for the last two days;  
19 have you not?

20 A Yes.

21 Q And you've heard the discussion about fiduciary  
22 duties?

23 A Correct.

24 Q And you said in your deposition that you probably  
25 gave us the best definition of fiduciary duty, and that

1 is to always act in the client's best interest; are you  
2 staying with that?

3 A Correct.

4 Q Now, it's important as a fiduciary, wouldn't you  
5 agree, to be open and honest and clear about what you're  
6 doing to the client; isn't it?

7 A Yes.

8 Q So when you first met with Mr. Garmong, did you  
9 tell him about your SEC discipline and suspension from  
10 1992?

11 A I did not.

12 Q Did you tell him or did you hand him an ADV 2 that  
13 included a code of ethics?

14 A I handed him an ADV 2, I assumed it had a code of  
15 ethics.

16 Q Well, if -- what would you say if I told you that  
17 we have the exhibits that you produced, you and Wespac  
18 produced, and there's no code of ethics attached to it;  
19 does that mean it didn't happen?

20 A No. That means I would have provided him the ADV  
21 that we had in our new account packet, and if there's a  
22 code of ethics in there or not, I don't know.

23 Q The answer is you don't know whether there was a  
24 code of ethics attached to the --

25 A Correct.

1 Q -- ADV 2 that he got handed?

2 A Correct.

3 Q And the ADV that we've talked about throughout is  
4 a form that the SEC requires the clients to receive from  
5 investment advisors?

6 A Correct.

7 Q Are the ADV 2s ever updated?

8 A I believe they are, yes.

9 Q Do you know, do you have any memory or knowledge  
10 that he ever got a code of ethics?

11 A I do not recall that. I don't know.

12 Q At the beginning of the relationship in August of  
13 2005, do you recall whether you mentioned to Mr. Garmong  
14 that Wespac Advisors was current on all its Nevada  
15 licensure requirements?

16 A I would not have even thought to mention that, no.

17 Q If --

18 MR. HUME: Sorry for the interruption.

19 ARBITRATOR PRO: All right. Exhibit 48 has now  
20 been passed out to everybody. Go ahead, Mr. Hebert.

21 BY MR. HEBERT:

22 Q Let me represent to you, Mr. Christian, that  
23 Nevada statutes on financial planning require -- and  
24 Nevada Deceptive Trade Practices Act, both of which were  
25 in effect at the time, require that --

1 MR. HUME: My apologies.

2 MR. HEBERT: It's okay.

3 ARBITRATOR PRO: We've got Exhibit 4, counsel,  
4 we're in paragraph 3 titled "Procedures," where were you  
5 quoting from, sub 1, sub 2?

6 MR. HEBERT: In Exhibit 4 -- I'm sorry, your  
7 Honor, this is my fault. You're way ahead of me -- it's  
8 part 3 of paragraph 3.

9 That's my fault, Mr. Christian.

10 ARBITRATOR PRO: Part 3 of paragraph 3 is on the  
11 next page --

12 MR. HEBERT: 49.

13 ARBITRATOR PRO: -- page 49, okay, titled  
14 "Brokerage." Go ahead.

15 MR. HEBERT: I'm suffering from paragraph shock.

16 BY MR. HEBERT:

17 Q Do you see subpart 3 on the next page that it says  
18 "Brokerage"?

19 A I do.

20 Q Okay. That's -- do you see that first sentence?  
21 That's the Exhibit B I'm talking about; have you ever  
22 seen that Exhibit B?

23 A No, because that's exactly what I was discussing  
24 with you a minute ago.

25 Q So Exhibit B is Exhibit A?



1 A Well, obviously, yes. There's a typo or something  
2 in this document. I mean, we've changed this document to  
3 accommodate Mr. Garmong, and I'm sure whoever read it  
4 typed -- made a typo, didn't see it, transposed the data.

5 Q Do you have any direct knowledge of that or are  
6 you just guessing?

7 A I'm guessing on that one.

8 Q Thank you.

9 You've been hearing a lot about page 11 of the  
10 Investment Management Group -- actually, I'm sorry. I  
11 misspoke -- the Confidential Client Profile, if I've got  
12 my terminology correct?

13 A Correct.

14 Q Do you -- have you ever seen a completed page 11  
15 of the Confidential Client Profile?

16 A That particular page that we've shown here, not to  
17 my knowledge, no.

18 Q Would you say that Mr. Garmong was pretty faithful  
19 in communicating his position to you?

20 A Absolutely.

21 Q And that if he had had a page 11 which had several  
22 investment models to check, he would have checked it and  
23 given it to you?

24 MR. BRADLEY: Objection; calls for speculation.

25 ARBITRATOR PRO: No, the witness can answer that


1 STATE OF NEVADA )  
2 COUNTY OF WASHOE ) ss.  
3

4 I, ERIN T. FERRETTO, Certified Court  
5 Reporter of the State of Nevada, in and for the County of  
6 Washoe, DO HEREBY CERTIFY:

7 That I was present for the above-entitled  
8 proceedings on THURSDAY, OCTOBER 18TH, 2018, and took  
9 verbatim stenotype notes of the proceedings had upon the  
10 matter captioned within, and thereafter transcribed them  
11 into typewriting as herein appears;

12 That the foregoing transcript is a full,  
13 true and correct transcription of my stenotype notes of  
14 said proceedings.

15 DATED: This 2nd day of November, 2018.

16  
17  
18 

19 ERIN T. FERRETTO, CCR #281  
20  
21  
22  
23  
24  
25

Q: 48

<b>ACORD</b>		<b>CERTIFICATE OF LIABILITY INSURANCE</b>		DATE (MM/DD/YY) 7/1/2008
PRODUCER  HUB INTERNATIONAL NORTHEAST 100 SUNNYSIDE BOULEVARD WOODBURY, NY 11797		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.		
		INSURERS AFFORDING COVERAGE		
		INSURER A: US SPECIALTY INSURANCE COMPANY		
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		INSURER C:		
		INSURER D:		
		INSURER E:		
		INSURER F:		
INSURED  FOCUS FINANCIAL PARTNERS LLC 909 THIRD AVENUE, 12TH FLOOR NEW YORK, NY 10022				

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INSR LTR.	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE(MM/DD/YY)	POLICY EXPIRATION DATE(MM/DD/YY)	LIMITS
	GENERAL LIABILITY				EACH OCCURRENCE
	COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (ANY ONE FIRE)
	CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/>				MED EXP (ANY ONE PERSON)
					PERSONAL & ADV INJURY
					GENERAL AGGREGATE
					PRODUCTS - COMPIOP AGG
	GEN'L AGGREGATE LIMIT APPLIES PER:				
	POLICY <input type="checkbox"/> LOC <input type="checkbox"/>				
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT
	ANY AUTO				
	ALL OWNED AUTOS				BODILY INJURY (Per person)
	SCHEDULE AUTOS				
	HIRED AUTOS				BODILY INJURY (Per accident)
	NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident)
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT
	ANY AUTO				OTHER THAN AUTO ONLY:
					EACH ACCIDENT AGGREGATE
	EXCESS LIABILITY / UMBRELLA				EACH OCCURRENCE
	OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/>				AGGREGATE
	DEDUCTIBLE				
	RETENTION \$				
	WORKERS COMPENSATION				WC STATUTORY LIMITS
	AND				OTHER
	EMPLOYERS' LIABILITY				E.L. EACH ACCIDENT
	OTHER				E.L. DISEASE - EA EMPLOYEE
					E.L. DISEASE - POLICY LIMIT
A B	ERRORS & OMISSIONS	12620082009000	1/26/2008	1/26/2009	OCC. / AGGREGATE \$15,000,000
A B	DIRECTORS & OFFICERS	12620082009001	1/26/2008	1/26/2009	OCC. / AGGREGATE \$15,000,000
A	EMPLOYMENT PRACTICES LIAB	12620082009001	1/26/2008	1/26/2009	OCC. / AGGREGATE \$5,000,000
A	FIDUCIARY LIABILITY	12620082009001	1/26/2008	1/26/2009	OCC. / AGGREGATE \$1,000,000

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**EVIDENCE OF INSURANCE**

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AUTHORIZED REPRESENTATIVE

*[Signature]*

**Δ π EXHIBIT 48**

Deponent *Arb*

Date *10-18-18* Rptr *EF*

WWW.DEPOBOOK.COM



ACORD

## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)

1/20/2009

## PRODUCER

HUB INTERNATIONAL NORTHEAST  
100 SUNNYSIDE BOULEVARD  
WOODBURY, NY 11797

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HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR  
ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

## INSURERS AFFORDING COVERAGE

INSURER A: US SPECIALTY INSURANCE COMPANY

## INSURED

FOCUS FINANCIAL PARTNERS LLC  
909 THIRD AVENUE, 12TH FLOOR  
NEW YORK, NY 10022

INSURER B:

INSURER C:

INSURER D:

INSURER E:

INSURER F:

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MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH  
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	GENERAL LIABILITY				EACH OCCURRENCE	
	COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (ANY ONE FIRE)	
	<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR				MED EXP (ANY ONE PERSON)	
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					AGGREGATE	
	GARAGE LIABILITY					
	ANY AUTO					
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	DEDUCTIBLE					
	RETENTION \$					
	WORKERS COMPENSATION				WC STATUTORY LIMITS	
					OTHER	
	AND				E.L. EACH ACCIDENT	
					E.L. DISEASE - EA EMPLOYEE	
					E.L. DISEASE - POLICY LIMIT	
	EMPLOYERS' LIABILITY					
	OTHER					
A	ERRORS & OMISSIONS	24MGU09A18314	1/26/2009	1/26/2010	OCC. / AGGREGATE	\$10,000,000
A	DIRECTORS & OFFICERS	24MGU09A18315	1/26/2009	1/26/2010	OCC. / AGGREGATE	\$10,000,000
A	EMPLOYMENT PRACTICES LIAB	24MGU09A18315	1/26/2009	1/26/2010	OCC. / AGGREGATE	\$5,000,000
A	FIDUCIARY LIABILITY	24MGU09A18315	1/26/2009	1/26/2010	OCC. / AGGREGATE	\$1,000,000

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AUTHORIZED REPRESENTATIVE

Forms 26AW-72ND



ACORD

## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)

1/19/2009

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HUB INTERNATIONAL NORTHEAST  
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INSURER B: Westchester Fire Insurance Co

INSURER C:

INSURER D:

INSURER E:

INSURER F:

## INSURED

FOCUS FINANCIAL PARTNERS LLC  
909 THIRD AVENUE, 12TH FLOOR  
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					PERSONAL & ADV INJURY
					GENERAL AGGREGATE
					PRODUCTS - COMP/OP AGG
	GEN'L AGGREGATE LIMIT APPLIES PER:				
	<input type="checkbox"/> POLICY <input type="checkbox"/> LOC				
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT
	<input type="checkbox"/> ANY AUTO				BODILY INJURY
	<input type="checkbox"/> ALL OWNED AUTOS				(Per person)
	<input type="checkbox"/> SCHEDULE AUTOS				BODILY INJURY
	<input type="checkbox"/> HIRED AUTOS				(Per accident)
	<input type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE
					(Per accident)
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY:
					EACH ACCIDENT
					AGGREGATE
	EXCESS LIABILITY / UMBRELLA				EACH OCCURRENCE
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE
	<input type="checkbox"/> DEDUCTIBLE				
	<input type="checkbox"/> RETENTION \$				
	WORKERS COMPENSATION				WC STATUTORY LIMITS
	AND				OTHER
	EMPLOYERS' LIABILITY				E.L. EACH ACCIDENT
					E.L. DISEASE - EA EMPLOYEE
					E.L. DISEASE - POLICY LIMIT
AB	OTHER				
AB	CRIME COVERAGE	U70947067/DONG23657	1/26/2009	1/26/2010	EMPLOYEE THEFT \$5,000,000
AB	FIDELITY BOND	U70947069/DONG23657	1/26/2009	1/26/2010	ERISA BOND \$25,000,000

## DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Focus Operating LLC; Focus Operating Holding Co; Geller Group LLC; Geller Advisory Group LLC; Focus Benefit Consulting Services LLC;  
Geller Consulting Group LLC; Founders Financial Network LLC; Strategic Point Holdings LLC; Strategic Point Investment Advisors LLC;  
Strategic Point Insurance Services LLC; Strategic Point Securities LLC; Capital Advisory Group LLC; HoyleCohen LLC; Resnick Investment Advisors LLC  
Sentinel Benefits Group Inc; Sentinel Insurance Agency Inc; Sentinel Pension Advisors Inc (d/b/a Sentinel Advisors); Sentinel Securities Inc;  
Sentinel Financial Group LLC; Sentinel/Forsberg Insurance Agency; QCM LLC; BAM Risk Management LLC; BAM Advisor Services LLC;  
Buckingham Asset Management LLC; Acorn Insurance Agency Inc; BFSG LLC; Dion Money Management, LLC; GW & Wade LLC  
GW & Wade Asset Management LLC; Lara, Shull & May LLC; JFS Wealth Advisors LLC; Fidelity Independent Adviser Newsletter, LLC  
Greystone Financial Services (Holdings) Limited; Greystone Financial LTD; WESPAC Plan Services LLC; WESPAC Benefit & Insurance Services LLC;  
WESPAC Advisors LLC; R W Harris Limited; Greystone Financial Services Ltd; Greystone Wealth Management Ltd; Greystone Employee Benefit Ltd  
are included as Named Insureds under the policies listed above.

DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN  
NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL  
IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR

REPRESENTATIVES  
AUTHORIZED REPRESENTATIVE

1/19/2009

**JAMS ARBITRATION  
LAS VEGAS, NEVADA**

GREGORY GARMONG,

Plaintiff,

vs.

WESPAC; GREG CHRISTIAN,

Defendants.

# 1260003474

**PLAINTIFF'S POST-HEARING  
BRIEF**

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### **Cases**

- Bass-Davis v. Davis, 122 Nev. 442 (2006)–5
- Clark v. Lubritz, 113 Nev. 1089 (1997)–16
- Daubert v. Merrell Dow, 509 US 579 (1993)–8
- Evans v. Dean Witter Reynolds, Inc., 116 Nev. 598 (2000)–12
- Grosjean v. Imperial Palace, Inc., 125 Nev. 349 (2009)–13
- Hunter Min. Laboratories, Inc., 104 Nev. 568 (1988)–16
- Kane v. Shearson Lehman Hutton, Inc., 916 F. 2d 643 (11<sup>th</sup> Cir. 1990)–8
- Nelson v. Heer, 123 Nev. 217 (2007)–13
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- Power Integrations v. Fairchild Semiconductor, 711 F.3d 1348 (Fed. Cir. 2013)–8
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- Schnabel v. Lui, 302 F.3d 1023 (9<sup>th</sup> Cir. 2002)–13
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- NRS 17.130–20
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**TABLE OF CROSS REFERENCES TO EARLIER FILINGS**

First Amended Complaint (“FAC”), filed September 18, 2017.

Plaintiff’s Hearing Brief (“PHB”), submitted October 9, 2018.

Plaintiff’s Motion to Exclude the Testimony and Opinions of Defendants’ Expert Cramer Regarding Net Out of Pocket Damages Calculation and Hypothetical Comparison, (“Motion to Exclude”), submitted October 9, 2018.

Plaintiff’s Motion for Partial Summary Judgment (“Plaintiff’s MSJ”), submitted November 30, 2017.

Plaintiff’s Reply Points and Authorities in Support of Motion for Partial Summary Judgment (“Plaintiff’s MSJ Reply”), submitted January 11, 2018.

1 **TABLE OF NOMENCLATURE**

2 Plaintiff has adopted the following nomenclature to identify documents and portions of  
3 hearing transcripts:

4 **Hearing Exhibits**

5 Hearing exhibits are identified by the source, paragraph number (if appropriate), bates-  
6 numbered page, and line number (if appropriate). For example, Plaintiff's Exhibit 4, paragraph 5,  
7 bates-numbered page WESPAC 00051, line 2 is identified as follows:

8 PExh. 4, ¶ 5, WESPAC 00051:2.

9 Defendants exhibits are similarly identified, except beginning with DExh.

10 **Hearing Transcripts**

11 Hearing transcripts are identified by the hearing day, page, and line number, for example, the  
12 second day transcript, page 26, line 5 is identified as follows:

13 TR2, 26:5.

1 **OVERVIEW**

2 Dr. Greg Garmong was good at what he knew. He was an award-winning scientist-engineer,  
3 and later a successful patent attorney dealing with advanced technologies. As he neared retirement,  
4 he recognized his limitation that he was much better at earning money than at managing money, and  
5 was not an experienced investor in equities. TR1, 38:7-39:25; 66:23-67:1. When he was 61 in 2005  
6 he hired Defendants and paid them over \$20,000 a year to pursue his objectives of managing his  
7 equities for sufficient return to avoid losing ground to inflation, and “minimizing potential for loss  
8 of principal.” TR1, 57:9-61:8. Dr. Garmong retired in August 2007, about the time his divorce  
9 became final and his future financial obligations were settled. He felt he had enough savings to last  
10 his lifetime, so he gave Defendants an even-more-conservative objective: “Do not lose capital.” In  
11 response, over the next 16 months Defendants wasted \$669,954.17 of his capital.

12 Defendants withheld information from Dr. Garmong, including their failure to adhere to  
13 federal SEC securities law and Nevada state law, Mr. Christian’s prior discipline and suspension by  
14 the SEC for defrauding clients, Mr. Christian’s conflict of interest, and the techniques they well  
15 knew to accomplish Dr. Garmong’s objectives. This concealed information was highly material.  
16 Dr. Garmong testified he would never have dealt with them if he had known the truth.

17 With this general background, elaborated upon at PHB 1:5-5:24, this brief will focus upon  
18 the documentary and testimonial proof of the Claims of the Amended Complaint and the request for  
19 doubling of damages, and other questions for which the Arbitrator requested responses, including  
20 credibility, measures of damages, punitive damages, and awards such as attorneys fees and costs.

21 **FIRST CLAIM–BREACH OF CONTRACT**

22 The elements of breach of contract are set forth at PHB 6:3-14.

23 The parties agree that there was a contract, the Investment Management Agreement  
24 (“Agreement” PExh. 4). Plaintiff fulfilled his three obligations under the Agreement– to provide his  
25 investment objectives (PExh. 3, 11-14), to provide Wespac access to this accounts at Schwab and  
26 to pay Wespac (TR1, 143:23-144:12). Defendants did not disagree.

27 The contractual working relation of the parties was “Although WA [Wespac Advisors] may  
28 make investment decisions without prior consultation with or consent from Client, all investment

1 decisions shall be made in accordance with the investment objectives of which Client has informed,  
2 and may inform, WA from time to time in writing.” (PEXh. 4, ¶ 5, WESPAC 00050-51).  
3 Defendants were to make investment decisions according to Dr. Garmong’s investment objectives.  
4 TR1, 88:25-93:25. That is what Dr. Garmong expected from Wespac. TR2, 108:5-24. Mr.  
5 Christian testified that he was solely responsible for all the investing for Dr. Garmong. TR3, 33:19-  
6 21. Dr. Garmong provided a written initial objective 2005 in the Confidential Client Profile:  
7 “Moderately increasing my investment value while minimizing potential for loss of principal.”  
8 (PEXh. 3, WESPAC 00043).

9 Dr. Garmong testified that after his retirement on August 31, 2007, his life circumstances and  
10 psychological outlook changed, (TR1, 112:7-118:2), and that, in a meeting with Mr. Christian in  
11 early October 2007, he provided an even-more conservative objective, “Do not lose capital.” TR1,  
12 119:19-120:3. Mr. Christian accepted these new circumstances. TR1, 121:14-21. This verbal  
13 objective was followed by a confirming letter on October 22, 2007 (PEXh. 11; TR1, 121:22-125:9).  
14 That letter turned over complete control of account management to Defendants, and re-stated in part,  
15 “It is really important to me that you structure and manage my accounts so that they do not lose  
16 capital if the markets decline, as I believe they may, and if the markets do decline, to sell out the  
17 losers.” and “I am trusting you to watch my accounts very, very carefully and act to avoid losses,  
18 even at the expense of potential gains.” Plaintiff’s revised objective and instructions were  
19 confirmed in faxes of January 21, 2008 (PEXh. 12, “I have to avoid capital losses.”), March 17, 2008  
20 (PEXh. 13), and June 12, 2008 (PEXh. 14), all of which Mr. Christian admitted receiving.

21 Under both Dr. Garmong’s original conservative objective and later even-more-conservative  
22 objective, Defendants had a contractual duty to manage Dr. Garmong’s accounts to avoid loss of  
23 capital. Yet from November 1, 2007 to February 28, 2009, Defendants breached their obligations  
24 under the contract and wasted Dr. Garmong’s retirement savings in an amount of at least  
25 \$669,954.17 (PEXh. 24, 27, and 30; TR1, 136:7-147:1).

26 Turning to the defenses, the major themes were that the decline in the stock market was  
27 responsible for the losses from Dr. Garmong’s accounts (TR3, 43:17-20), that Dr. Garmong’s  
28 objectives of avoiding loss of capital were unclear or ambiguous, and that Defendants didn’t know

1 what to do and wanted Dr. Garmong to tell them. Yet Mr. Christian never said that the objectives  
2 were unclear. TR2, 109:16-110:22. And in the event, Mr. Christian's letter of September 30, 2008  
3 (PExh. 17) belies all of those arguments. After the second paragraph acknowledges that "go to 100%  
4 cash" was a viable strategy, the third paragraph states,

5 My understanding of our past conversations was that you did want me to take steps  
6 to be more conservative if the stock market declines. I complied with those  
7 instructions by raising cash and selling what we believed were weak holdings.  
8 Unfortunately, due to unusual financial times in which we find our country today,  
9 these steps were not sufficient to protect your accounts from loss of capital.

10 Mr. Christian admitted that he knew that Mr. Garmong's objective was to protect his  
11 accounts from loss of capital. Mr. Christian sold a few securities to demonstrate that he knew what  
12 to do to avoid loss of capital, but admitted that he did not take action sufficient to stop the wasting  
13 of the accounts. He did not sell out all of the securities (i.e., "go to 100% cash"), as would have been  
14 prudent. The result was that it was "unfortunate" that he destroyed Dr. Garmong's retirement  
15 savings. But one party to the Agreement did not suffer—defendants collected all of their fees.

16 Defendants' expert Mr. Cramer took an advocacy position that ignored the facts. In a futile  
17 attempt to establish that Defendants did follow Plaintiff's instructions and objectives, Mr. Cramer  
18 testified that after October 2007 Mr. Garmong's accounts had "absolute preservation of capital" and  
19 "absolutely no risk." (TR2, 29:10-24). He never explained how Defendants' "no risk" management  
20 resulted in losses of capital of \$669,954.17 in the following 16 months. Mr. Cramer also sought to  
21 justify the losses by reference to the accounts that Defendants did not manage. TR2, 30:11-32:13.

22 Defendants argued that Dr. Garmong should have fired Defendants earlier if he was unhappy  
23 (TR2, 106:10-107:8), but that argument does not absolve Defendants. As long as Defendants did  
24 not resign (TR3, 48:15-19) and accepted monthly pay of about \$2,000 (PExh. 30), or sought to revise  
25 the Agreement and their duties, they were obligated to perform their contract duties.

26 Defendants repeatedly argued that Mr. Christian did not have complete authority over Mr.  
27 Garmong's accounts. This position is demonstrably false, as evidenced by the Agreement, PExh.  
28 4, ¶ 5; letter PExh. 11, ¶¶ 3-4; fax PExh. 14, ¶ 2; Mr. Garmong's testimony, TR1, 118:23-119:18;  
TR1, 189:16-190:3; and Mr. Christian's testimony, TR2, 200:7-22. Mr. Christian had complete  
authority, within the constraint that his decisions be in accordance with Mr. Garmong's objectives.

1 The facts show that Defendants understood the objective, but did not minimize the potential  
2 for loss of capital and admittedly violated Dr. Garmong's later-stated objective, "Do not lose  
3 capital," thereby breaching their obligations under the Agreement. Mr. Christian argued that he did  
4 not breach the Agreement, and kept an infrequent watch on Dr. Garmong's life savings as he wasted  
5 them. TR3, 52:3-25. The weight to be given Mr. Christian's testimony rests upon his credibility.

6 Mr. Christian is without credibility. The Arbitrator's Order of March 19, 2018, page 2, third  
7 paragraph, expressed an interest in evaluating the credibility of the parties at the hearing. Mr.  
8 Christian's credibility is nil, as a few examples demonstrate.

9 1. Mr. Christian's testimony as to the key meeting of early October 2007 is self-contradictory  
10 and raises significant doubts of his credibility in that he is willing to say whatever helps him at the  
11 moment. On September 13, 2018, Mr. Christian stated in his deposition (PEXh. 58, 110:21-24):

12 Q. This conversation, this meeting in October of 2007, was it your testimony that  
13 you don't recall anything that got said in that conversation?

14 A Yes.

15 A month later at the hearing on October 18, 2018, Mr. Christian testified that he recalled the  
16 substance of that meeting in full detail. For example, TR3, 37:15-24:

17 Q So at this meeting in October of 2007, was it just more of the same meeting with  
18 Mr. Garmong, talking about life and him checking on his investments?

19 A I believe so. And I think we were talking about some other just financial  
20 planning, estate planning issues, things like that.

21 Q You never got the sense in that meeting that he was asking you to be very  
22 conservative with his assets?

23 A I didn't get the feeling that there was any change to the investment objective, no.

24 Inconsistency in testimony under oath is not an obstacle for Mr. Christian.

25 Dr. Garmong's unchallenged testimony was completely to the contrary, TR1, 118:3-121:21.

26 Mr. Christian also professed a remarkably complete recollection of other events during the  
27 period 2005-2008. In view of Mr. Christian's about-face on the early-October 2007 meeting, these  
28 recollections of other meetings must be viewed with utter disbelief. e.g., TR3, 43:1-17 He also  
claimed he gave Plaintiff quarterly reports (TR3, 50:24-51:22), but there are none of record.

2. Mr. Christian will deny anything, even facts put in front of him. At TR3, 38:10-25, Mr.  
Hebert quoted the fax of January 21, 2007 (PEXh. 12, which Mr. Christian admitted receiving), "I'll

1 sacrifice potential gains to ensure that I don't have capital losses. Now that I'm retired and won't be  
2 adding to my accounts, I have to avoid capital losses.” A few moments later, at TR3, 42:15-16, he  
3 quoted a fax of Sept. 26, 2008 (PExh. 15), “I specifically instructed there could not be any losses  
4 from my accounts.” Mr. Christian responded (TR3, 42:21-22), “[H]e absolutely never told me that.”

5 3. In 2012, Defendants reluctantly parsed out some of the agreement bit by bit, falsely  
6 swearing that it was “true, complete, and correct” and telling falsehoods along the way, but have  
7 never, to this day, produced the entire Agreement with the missing Exhibits A and B, and the  
8 completed Confidential Client Profile including page 11. PExh. 46, pg.11. No complete  
9 Confidential Client Profile with completed page 11 is of record, but ¶ 2 of Mr. Christian’s Affidavit  
10 found in PExh. 45 says there was one. Defendants never gave an explanation for the location of the  
11 missing exhibits of the Agreement or the completed page 11, which if produced would have  
12 clarified Dr. Garmong’s intent. TR1, 79:3-87:9; 94:13-19. It is presumed that missing evidence  
13 would be favorable to the non-custodian party, and Defendants presented no rebuttal. Bass-Davis  
14 v. Davis, 122 Nev. 442, 452 (2006) Defendants have no basis to argue that Dr. Garmong’s  
15 objectives were unclear.

16 4. In this connection, Mr. Christian falsified three affidavits by stating that the agreement  
17 presented as an exhibit was “true, complete, and correct,” when it was missing three Exhibits A,  
18 three Exhibits B, and the Confidential Client Profile. Mr. Christian’s three falsified affidavits are  
19 discussed in Plaintiff’s MSJ Reply at 15:20-19:11. In his deposition, under oath Mr. Christian  
20 repeated his misrepresentations. PExh. 58 at 116:13-121:13. Plaintiff testified, TR1, 69:15-87:9,  
21 without contradiction, that the Affidavits were falsified. The agreement was not “complete.”

22 5. Mr. Christian testified that he never used, or advised clients to use, the “Stop Losses”  
23 technique. TR2, 241:8-13. According to PExh. 20, Mr. Christian described and advocated to  
24 potential new customers a “Stop Losses” technique, that was to be applied to “all equity purchases.”  
25 PExh. 20 at WESPAC 0970 ¶ 2. Mr. Williams’ reply letter confirmed Mr. Christian’s statement to  
26 Mr. Sharpe. PExh. 20 at WESPAC 974 ¶ 1. Mr. Christian’s response was to deny what Mr. Sharpe  
27 and Mr. Williams had written. TR3, 27:19-32:3. Mr. Christian’s testimony is contradicted by Mr.  
28 Sharpe’s letter, and by Mr. Williams’ acquiescence in Mr. Sharpe’s statements.

1           6. Mr. Christian denied receiving the letter of October 22, 2007 (PExh. 11). TR2, 220:6-8.  
2 But he explained that mail was normally received and processed by office staff before it even  
3 reached him, and, remarkably for a company that requires client objectives to be stated in writing,  
4 admitted that no record of incoming mail was kept (TR3, 34:15-35:8). Mr. Christian did not deny  
5 that the letter was received by his office and office staff. No staff member was called to testify to  
6 the receipt and handling of this letter. There is a disputable presumption that a mailed letter is  
7 received, NRS 47.250(13). Lacking a factual basis for dispute, Defendants questioned the letter by  
8 innuendo, but have ignored the substance of the three consistent faxes. PExh. 12-14.

9           Returning to the First Claim, Mr. Christian testified about his ability to manage investments,  
10 specifically Dr. Garmong's non-tax-sheltered -0713 account. TR2, 204:9-211:1. Yet he wasted  
11 \$221,513 from that account in 16 months. PExh. 27, 29; TR1, 156:28-158:22. He testified that  
12 Defendants knew several techniques to avoid the capital losses, but did not apply them or even  
13 disclose them to Dr. Garmong. During the period of the greatest monthly losses in Dr. Garmong's  
14 accounts, June-September 2008, both Dr. Garmong (TR 1, 125:16-126:2; 131:11-14; 132:14-19) and  
15 Mr. Christian (TR3, 26:25-26:18) testified that Mr. Christian never disclosed the "Stop Losses"  
16 technique to Dr. Garmong, or applied it for the benefit of Dr. Garmong's accounts. The Arbitrator  
17 so stipulated (TR1, 152:4-11). Mr. Christian also knew that he could sell securities to "raise cash,"  
18 thereby reducing the risk in Dr. Garmong's accounts. PExh. 17. Mr. Cramer testified that an  
19 investment advisor would properly do so on a *temporary* basis while the market was in decline  
20 (TR2, 76:13-78:2), and that the advice would change responsive to market conditions for the client's  
21 best interests (TR2, 81:1-82:16). Mr. Christian, on the other hand, testified that he refused to  
22 recommend that Dr. Garmong's accounts be converted to an all-cash position to protect the  
23 investments, even *temporarily* during a market decline, so that if Dr. Garmong suffered losses, it was  
24 his own fault. TR3, 37:5-14, 44:7-18. Mr. Christian refused to do the job he was paid to do,  
25 particularly during the worst months of the declining stock market.

26           Defendants argued that their wasting of Dr. Garmong's retirement savings could be explained  
27 by a stock-market decline. But Dr. Garmong hired the Defendants in order to achieve financial peace  
28 of mind and avoid being subject to the vagaries of the stock market--to avoid capital loss. TR1,



1 152:24-156:9. If they didn't protect his savings, there would have been no point to hiring them.

2 Defendants have also argued, without using the word "contributory," that Dr. Garmong  
3 somehow contributed to the losses, for example that he did not instruct Defendants to go to "all  
4 cash," did not fire Defendants earlier, or had minimal knowledge of investing. There is no authority  
5 for application of a theory of victim contribution in relation to intentional breaches of contract.

6 Defendants did not impeach Dr. Garmong's credibility on any question of fact.

7 Defendants' liability is established. There remains the determination of dollar damages.

8 Plaintiff's measure of damages is as used in Nevada law, and is based upon Schwab data.

9 Plaintiff calculated damages from the wasting as \$648,670.88, plus Defendants'  
10 "management fee" of \$21,283.29, a total of \$669,954.17, using the "expectation" methodology based  
11 upon injury and loss as established by the Nevada Supreme Court. (PHB 8:2-9:7). He presented and  
12 fully explained the results of his damages calculation (PEXh. 27, 30; TR1, 136:10-145:22), derived  
13 from the Schwab source documents, PEXh. 24. Defendants did not challenge his approach.

14 There is no precedent or authority for using Defendants' NOP theory of damages in relation  
15 to Nevada claims, its use is contrary to the terms of the Agreement, and no foundational source  
16 documents for Defendants' calculation were introduced into the record.

17 Defendants proposed an alternative theory of calculating damages, "Net out of Pocket," also  
18 known as "NOP" or "netting." Under Defendants' NOP, even if Wespac caused injury occurring  
19 in the period November 2007-February 2009, when Wespac was fully responsible for management  
20 of Dr. Garmong's accounts, it escapes damages because there was an offsetting gain prior to that,  
21 when Dr. Garmong oversaw and participated in the management of the accounts. PEXh. 9.

22 Prior to the hearing, Plaintiff brought Plaintiff's Motion to Exclude. At the start of the  
23 hearing (TR1, 11:21-12:1), the Arbitrator denied this Motion with leave to renew. Plaintiff now  
24 renews the Motion, with additional facts as set forth herein. This Motion involves a question of law  
25 concerning the proper measure of contract damages, not a question of weight to be given evidence.

26 At the hearing, Defendants described their NOP calculation procedure, but backed away from  
27 calling it "NOP." It is still "NOP." In their depositions Defendants called it "NOP." Cramer  
28 deposition, PEXh. 60 at 32:12-33:7, 107:16-24, 108:14-19, 111:9-112:2, and about a dozen other

1 locations. Christian deposition, PExh. 58 at 107:4-12; 108:15-109:4. Mr. Cramer called it NOP in  
2 his trial testimony at TR2, 36:10-14, and numerous other locations. Defendants want to avoid the  
3 term “NOP” because it is not accepted under Nevada law, while continuing to apply its substance.

4 As discussed in the Motion to Exclude, the NOP procedure is not properly applied in relation  
5 to Nevada contract and tort claims. (See ruling re tort claims at TR2, 59:24-60:4.) Defendants cited  
6 no authority for such use. Also, its use is contrary to ¶ 16 of the Agreement, PExh. 4, which requires  
7 that the Arbitrator apply “the laws of the State where the agreement is governed and executed.”

8 Mr. Cramer confirmed that no part of his analysis was based upon Nevada law (TR2, 98:4-8).  
9 He was unaware of a single instance where NOP has been applied to claims to be decided under  
10 Nevada law, or used in any Nevada court or arbitration proceeding (TR2, 104:21-105:2).

11 The premise of Defendants’ NOP theory is that they are free to ignore their contractual duties  
12 as long as the client’s account ends up \$1 ahead. See Cramer deposition, PExh. 60, 107:16-108:13.  
13 This view that has been rejected by the United States Supreme Court, and the federal Eighth, Ninth,  
14 and Eleventh Circuits, see Motion to Exclude 8:1-9:10. As stated in Kane v. Shearson Lehman  
15 Hutton, Inc., 916 F. 2d 643, 646 (11<sup>th</sup> Cir. 1990), “If the...[netting]..methodology espoused by  
16 [Shearson] were adopted, it could serve as a license for broker-dealers to defraud their customers  
17 with impunity up to the point where losses equaled prior gains.” (The Nevada Supreme Court has  
18 had no occasion to comment upon NOP, as it is not properly applied under Nevada law.) Using  
19 NOP, Defendants seek to avoid their responsibility for wasting Plaintiff’s retirement savings.

20 Further, Mr. Cramer’s presentation was fatally incomplete and insufficient as a matter of  
21 law, and must be excluded. He presented no foundational source documents from which his  
22 damages calculations were derived, and none are of record (TR2, 86:14-88:20). Mr. Cramer asserted  
23 that the source of his damages information was something called “Up & Running,” but the source  
24 information itself was never introduced into evidence. There is no evidence that “Up & Running”  
25 even exists. The Arbitrator must ensure “that an expert's testimony both rests on a reliable  
26 foundation and is relevant to the task at hand.” Daubert v. Merrell Dow, 509 US 579, 580 (1993).  
27 Power Integrations v. Fairchild Semiconductor, 711 F.3d 1348, 1373 (Fed. Cir. 2013) addressed the  
28 specific issue of the need for a factual foundation of expert testimony on damages, holding,

1 Here, Dr. Troxel's damages testimony was unreliable in several respects. Initially, the  
2 source of the documents on which Dr. Troxel relied for his estimate of Samsung's  
3 worldwide sales is unclear. When asked whether the provider of the documents  
4 "found [them] off the internet," Dr. Troxel responded, "I can only assume so." Power  
5 Integrations' only response to the questionable source of Dr. Troxel's sales documents  
6 is that Dr. Troxel "was a qualified expert, and he found the [documents] and other  
materials he considered, while researching the case." We disagree with Power  
Integrations that the source and reliability of data relied upon by an expert is  
otherwise immaterial. Our rules of evidence require that an expert's testimony be "the  
product of reliable principles and methods" applied to "sufficient facts or data."

7 Additionally, Mr. Cramer was not able, under cross examination, to show how his  
8 calculations were made, and to resolve mathematical errors that Plaintiff pointed out (TR2, 88:21-  
9 94:20). Mr. Cramer asks the Arbitrator and Plaintiff to take his unsupported word that his  
10 unverifiable source numbers are correct, when the source data is not of record and the examination  
11 showed at least some of his final numbers are incorrect. The Motion to Exclude should be granted,  
12 because NOP is not the law of Nevada or this case, and Mr. Cramer's numbers are not reliable.

13 Defendants unsuccessfully attempted to establish that Nevada's "expectation" approach to  
14 calculation of damages is the same as their NOP approach. TR1, 164:8-167:3; 171:2-16. Dr.  
15 Garmong explained the difference: Mr. Cramer's NOP approach attempts to usurp for the Defendant  
16 capital gains properly attributed to the capital Plaintiff owns, and to offset the failure of the  
17 Defendants to manage the accounts according to Dr. Garmong's objective. TR2, 111:8-117:3. Mr.  
18 Cramer's error explains in part how his calculations showed a net gain over a period of years.

19 Mr. Cramer also presented two hypothetical comparisons. The results of the comparisons  
20 depend completely upon the underlying assumptions, and are therefore meaningless. TR2, 13:6-  
21 20:20. Yet Mr. Cramer did not discuss on direct examination the only meaningful comparison, the  
22 results of Defendants' wasting of Dr. Garmong's accounts with his instruction "Do not lose capital."  
23 This comparison was raised on cross-examination, and Mr. Cramer admitted to a loss of about  
24 \$519,000, even with his attempt to claim the return on Plaintiff's capital. TR2, 53:25-54:8; 103:23-  
25 104:7. Mr. Cramer's hypothetical comparisons must be excluded. Motion to Exclude 11:21-12:22.

26  
27 **THIRD CLAIM—CONTRACTUAL BREACH OF IMPLIED COVENANT**  
**OF GOOD FAITH AND FAIR DEALING**

28 A contractual claim for breach of the implied covenant of good faith and fair dealing exists

1 where 'one party performs a contract in a manner that is unfaithful to the purpose of the contract and  
2 the justified expectations of the other party are thus denied[.]' "Where one party to a contract  
3 'deliberately contravenes the intention and spirit of the contract, that party can incur liability for  
4 breach of the implied covenant of good faith and fair dealing.'" See PHB 11:12-12:12.

5 The Confidential Client Profile, PExh. 3, dated August 18, 2005, states at WESPAC 00047,  
6 "My goal is providing for retirement." The letter of October 22, 2007, PExh. 11, states at GG 0003,  
7 "I have retired as of August 31, 2007[.]" The purpose of Dr. Garmong's dealing with Defendants was  
8 to provide for his retirement by conservative investments so that his nest egg would keep pace with  
9 inflation and not lose capital (TR1, 61:16-68:20; TR1, 179:14-20; TR2, 119:14-124:1). Dr.  
10 Garmong paid Defendants to accomplish these objectives. In the 16 months following retirement,  
11 Defendants wasted Dr. Garmong's retirement savings in the amount of \$669,954.17 (PExh. 27, 30),  
12 which was unfaithful to the purpose of the contract and Dr. Garmong's expectations.

13  
14 **FOURTH CLAIM--TORTIOUS BREACH OF COVENANT  
OF GOOD FAITH AND FAIR DEALING**

15 The elements of a tortious beach of the covenant of good faith and fair dealing are the same  
16 as for the contractual breach, except that there must also be established "a special element of reliance  
17 or fiduciary duty associated with the contract." (PHB 15:16-16:24) The presence, and violation, of  
18 a fiduciary duty converts the contractual breach into a tortious breach, with availability of tort  
19 damages. In the present case, the law provides, and Defendants readily admit, that they had a  
20 fiduciary duty to Dr. Garmong. (PHB 17:1-4; 33:19-34:6) See following discussion of Sixth Claim.

21 Additionally, the cause of action requires that "the party in the superior or entrusted position  
22 has engaged in grievous and perfidious misconduct." PHB 15:16-16:24 Wespac and Mr. Christian  
23 knew full well that Dr. Garmong was over 60 years of age, and relied upon them to protect and  
24 conservatively grow his retirement savings. They knew how to protect Dr. Garmong's retirement  
25 and savings accounts by using a conservative approach, "raising cash," (PExh. 17) and the "Stop  
26 Losses" investment technique. Mr. Cramer asserted that a reasonable strategy to preserve capital in  
27 a declining market would be to sell securities and put the accounts entirely in cash equivalents,  
28 temporarily. TR2, 77:11-82:8. Mr. Christian refused to consider this approach. TR3, 37:5-14,

1 43:17-44:18. At the time when the worst of the losses occurred, June-September 2008 (PEXh. 27),  
2 Defendants advocated the use of “Stop Losses” to prospective clients for “all equity purchases”  
3 (PEXh. 20), but not to Dr. Garmong, with whom they already had a contractual obligation.

4 Defendants “grievous and perfidious misconduct” is also evidenced by their conscious  
5 disregard of Dr. Garmong’s objectives and welfare by, among other things, concealing their failure  
6 to adhere to SEC and Nevada state law, concealing Mr. Christian’s prior discipline and suspension  
7 by the SEC for defrauding clients, and the failure to disclose Mr. Christian’s other conflicting  
8 business Fusion. (When Wespac was acquired in 2009, the new owners forced Mr. Christian to end  
9 his involvement in Fusion as a conflict of interest, PEXh. 58, 32:2-21.)

10 Dr. Garmong testified (TR1, 106:3-108:17) that he did not know these concealed facts and  
11 would never have dealt with Defendants if they had disclosed any of these concealed facts.

12 The resulting special damages are as discussed under the First Claim.

13 There is also the potential for awards of general and punitive damages.

14 General damages. In addition to the special damages associated with the intentional wasting  
15 of his retirement savings by Defendants, Dr. Garmong is also entitled to the award of general  
16 damages—damages for mental distress and anxiety that any elderly person just entering into  
17 retirement would experience in this situation—a “trusted” investment advisor wasting hundreds of  
18 thousands of retirement dollars that he had worked over 50 years to earn.

19 Punitive damages. The contract term excluding punitive damages is not enforceable. The  
20 Fourth Claim in tort is the first claim to raise the possibility that punitive damages may properly be  
21 awarded in this case, a question the arbitrator requested the parties to address. TR1, 16:13-17:23.  
22 Powers v. United Services Auto. Ass’n, 114 Nev. 690, 702-702 (1998).

23 The Agreement PEXh. 4, ¶16 states: “[N]o punitive damages shall be awarded.” However,  
24 this contract term is contrary to the public policy of Nevada, and is unenforceable as a matter of law.

25 Contracts in violation of public policy are unenforceable, see Rivero v. Rivero, 125 Nev. 410,  
26 429 (2009) (“Parties are free to contract, and the courts will enforce their contracts if they are not  
27 unconscionable, illegal, or in violation of public policy.”). Accord, as to arbitration agreements,  
28 Picardi v. Eighth Judicial Court, 127 Nev. 106, 112 (2011).

1 The availability of punitive damages under NRS 42.005 for a tort violation expresses a public  
2 policy of the State of Nevada. Siggelkow v. Phoenix Ins. Co., 109 Nev. 42, 44-45 (1993), held,

3  
4 Punitive damages, on the other hand, are not designed to compensate but  
5 rather to punish and deter oppressive, fraudulent or malicious conduct. See Ace  
6 Truck and Equip. Rentals, Inc. v. Kahn, 103 Nev. 503, 506, 746 P.2d 132, 134  
7 (1987); see generally NRS 42.005; see also NRS 42.010. Punitive damages are not  
8 awarded as a matter of right to an injured litigant, but are awarded in addition to  
compensatory damages as a means of punishing the tortfeasor and deterring the  
tortfeasor and others from engaging in similar conduct. **Accordingly, a punitive  
damage award has as its underlying purpose public policy concerns unrelated  
to the compensatory entitlements of the injured party.** *Kahn*, 103 Nev. at 506,  
746 P.2d at 134.

9 (Emphasis added).

10 The punitive damages exclusion of ¶ 16 is contrary to public policy and is unenforceable.

11 NRS 42.005 provides for an award of punitive damages of up to three times the  
12 compensatory damages where the defendant has been guilty of “oppression, fraud or malice, express  
13 or implied.” as defined in NRS 42.001. The hearing evidence establishes such guilt. During  
14 November 2007-February 2009, Defendants knowingly and recklessly wasted \$669,954.17 of  
15 Plaintiff’s retirement savings, while having the capability to avoid the wasting. In a case having  
16 similarities to the present facts, the Nevada Supreme Court condemned financial services companies  
17 plundering the elderly by, increasing the jury’s compensatory damages award from \$2.6 million to  
18 \$4.2 million and upholding \$6.0 million in punitive damages, Evans v. Dean Witter Reynolds, Inc.,  
19 116 Nev. 598 (2000). The two-step procedure for assessing punitive damages is found in NRS  
20 42.005(3).

21 **FIFTH CLAIM: NRS CH. 598--DECEPTIVE TRADE PRACTICES**

22 The theories underlying Claims 5-7 and 9-11, in tort, are distinct from each other and distinct  
23 from those of the Claims 1-4 and 8, arising under contract. Each of the tort Claims 5-7 and 9-11  
24 proceed from different obligations of the Defendants. The tort claims are based upon duties that the  
25 law establishes for professionals such as investment managers and others who deal with the public  
26 and especially with the elderly. For example, this Fifth Claim arises from the public policy of  
27 Nevada that people in business may not take unfair advantage of the elderly.  
28

1 Even if there is no contract liability, tort liability would arise under Claims 5-7 and 9-11.

2 If the arbitrator determines that any of the tort Claims 5-7 and 9-11 are proved, the arbitrator  
3 may award separate tort damages for each of these Claims. Each such award would not duplicate  
4 damages with other breached tort claims, or with the contract-based Claims 1-4 and 8, because they  
5 proceed from different obligations of Defendants, injuries, facts, and proofs. The “double-recovery  
6 doctrine” applies only where there is a single injury. Grosjean v. Imperial Palace, Inc., 125 Nev.  
7 349, 372-73 (2009) See Schnabel v. Lui, 302 F.3d 1023, 1038-1039 (9<sup>th</sup> Cir. 2002).

8 The defense based upon Dr. Garmong’s objectives and instructions has no relevance to these  
9 violations by Defendants (and to violations of other tort claims). Defendants’ attempts to create  
10 confusion and their NOP theory of damages have no relevance to the violations of these tort claims.  
11 At the hearing, Defendants gave remarkably little serious attention to defenses to these tort claims,  
12 because they have no defenses.

13 Turning to this Fifth Claim, NRS Ch. 598 encompasses many of the considerations discussed  
14 in relation to the Fourth Claim, but is independent of contract and adds a further consideration,  
15 explicit special protection for the elderly in the form of punitive damages and attorneys fees.

16 NRS 598.0977 provides a cause of action for the elderly against those who engage in  
17 deceptive trade practices as defined in NRS 598.0915 (misrepresentations), NRS 598.092 (failure  
18 to comply with law in marketing of securities), and NRS 598.0923 (failure to comply with licensing,  
19 failure to disclose material facts, and violation of federal or state statute or regulation).

20 Proof of a claim under NRS 598.0977 requires “a victim of consumer fraud to prove (1) an  
21 act of consumer fraud by the defendant (2) caused (3) damage to the plaintiff.” PHB 28:20-29:4.  
22 There is no mens requirement—the violation and damages are sufficient to establish the liability. No  
23 proof of “grievous and perfidious” conduct is required, as for the Fourth Claim. That the consumer  
24 fraud is practiced against the elderly itself constitutes the “grievous and perfidious” misconduct.

25 Fraudulent consumer practices may be established by evidence of suppression or omission  
26 of information, particularly where the defendant has a fiduciary duty of full disclosure. Nelson v.  
27 Heer, 123 Nev. 217, 225 (2007) holds, “[T]he suppression or omission ‘of a material fact which a  
28 party is bound in good faith to disclose is equivalent to a false representation, since it constitutes an

1 indirect representation that such fact does not exist.”

2 Defendants suppressed material information from Dr. Garmong during their dealings with  
3 him, including: (1) Violation of federal SEC law (PEXh. 38; TR2, 170:6-175:8; TR1, 102:10-103:6,  
4 104:5-18); (2) Violations of NRS 90.330, NRS 86.544, and NRS 628A.040 (PEXh. 40-41; TR1,  
5 104:21-106:14, 159:17-170:2) (3) Prior discipline and suspension by the SEC of Mr. Christian for  
6 defrauding securities clients (PEXh. 49, 52; 58 at 70:13-16; TR3, 13:21-14:11); (4) Availability of  
7 “Stop Losses” strategy (PEXh. 20; TR1, 125:16-126:9); (5) Mr. Christian’s refusal to sell securities  
8 to avoid capital losses (TR1, 125:16-126:9); (6) Mr. Christian’s conflict of interest in Fusion (TR1,  
9 110:8-18; PEXh. 58 at 30:6-31:3 and 43:10-46:2), and (7) Mr. Christian’s false statements to the SEC  
10 that he had no other business interests outside Wespac (PEXh. 52, WESPAC 000852, ¶ 13).

11 Mr. Williams testified that Wespac falsified at least three Forms ADV-I, for 2005, 2006, and  
12 2007, submitted under oath to the SEC during the period of Wespac’s dealings with Plaintiff, but  
13 it did not disclose the falsifications to Dr. Garmong. (PEXh. 48-52; TR2, 142:13-157:21, especially  
14 151:1-5; 153:11-15; 154:10-157:21). Mr. Williams continues to falsify forms ADV-I for 2018, see  
15 PEXh. 54, Item 11(C) on WESPAC 0674, and PEXh. 55 Item 11(C) on WESPAC 00734.

16 **These misrepresentations or suppression of information are all highly material because**  
17 **Dr. Garmong testified (TR1, 106:3-108:17) that he “never, never, never would have remotely**  
18 **considered doing business with” Defendants if he had known the truth of the information that**  
19 **they falsified and suppressed. Defendants did not challenge this statement.**

20 Defendants sought to counter Plaintiff’s documentary evidence and testimony, not with their  
21 own documentary evidence, but with the unconvincing testimony of admitted perjurer Mr. Williams  
22 (TR2, 159:12-170:2). Mr. Williams speculated that the records of registration of Wespac with  
23 Nevada are somehow confused, and that Schwab would have records of Wespac’s registrations, if  
24 any. In response, Defendants have long known that Plaintiff intended to raise these NRS Ch. 598  
25 issues, and that the best evidence is found in state and federal documents. Plaintiff’s Request for  
26 Production No. 1, served May 24, 2018, requested “All records relating to Defendants’ compliance  
27 with federal, state, and local laws or rules prior to December 31, 2008.” See also Plaintiff’s MSJ at  
28 28:26-29:7. Defendants had many months to obtain documentary evidence from the SEC and the



1 State of Nevada, if any existed. Instead, they attempted to create confusion regarding the current  
2 documents from the State of Nevada (PEXh. 40, 41) over the ownership of Wespac. Wespac did  
3 business in Nevada as “Wespac” regardless of ownership, and was required to register. Defendants  
4 argued that Schwab would have conducted an inquiry, and would have the necessary evidence.  
5 Schwab was available through a subpoena, just as it was for account records. No supporting  
6 documents or witnesses from Schwab were presented. Defendants may not rely upon their  
7 conjecture of evidence they did not present to counter documentary evidence and testimony that  
8 Plaintiff presented. Defendants intentionally did not obey the federal and state laws.

9 NRS 598.0977 provides for recovery of “actual damages suffered by the elderly person...,  
10 **punitive damages**, if appropriate, and **reasonable attorney’s fees**.” (Emphasis added) The express  
11 availability of punitive damages reflects Nevada’s public policy as expressed by Siggelkow, 109  
12 Nev. 44-45, quoted above. Defendants’ violation of NRS Ch. 598 (and other tort claims) provides  
13 for damages independent of, and in addition to, the liability for special damages of \$669,954.17. By  
14 enacting NRS 598.0977, Nevada made a public-policy determination that it is reprehensible to  
15 perpetrate deceptive trade practices upon the elderly, and that such conduct should be punished by  
16 punitive damages and award of fees, in addition to actual damages.

#### 17 **SIXTH AND SEVENTH CLAIMS--BREACH OF FIDUCIARY DUTY**

18 As financial advisors, under the Agreement, statutes, and case law, and by their own  
19 admissions (PHB 33:20-34:6), Defendants had a fiduciary duty to Dr. Garmong, including duties of  
20 loyalty, full disclosure, and, in the words of Mr. Christian, “an obligation to do what's in the client's  
21 best interest.” TR3, 13:21-14:3; PEXh. 58, 69:6-7.

22 Defendants’ violations of their fiduciary duty are of several types. PHB 35:4-39:16. They  
23 violated their duty of full disclosure. As discussed in more detail above under the Fifth Claim,  
24 Wespac and Mr. Christian did not disclose their numerous violations of federal and state law, they  
25 did not disclose the intentionally false filings by Wespac’s Chief Compliance Officer of form ADV-  
26 I with the SEC, they did not disclose Mr. Christian’s disciplining and suspension by the SEC. (As  
27 Mr. Christian stated in his deposition PEXh. 58 at 70:13-16, “Q: Anyway, now, would this duty of  
28

1 disclosure include telling clients you've been disciplined by the SEC? A. Yes.”) They did not  
2 disclose the “Stop Losses” technique that they touted to potential new customers (TR1, 125:16-19),  
3 they did not disclose that they would never go to an all-cash position (TR1, 125:20-23), and they did  
4 not disclose Mr. Christian’s conflict of interest in Fusion (TR1, 110:8-18; TR2, 110:8-22; PExh. 58,  
5 32:9-23). These failures to disclose are material, as set forth in relation to the Fifth Claim.

6 Nor did they advise Plaintiff how to stem the losses, or act to stem the losses in Plaintiff’s  
7 accounts that they managed. The distinction between their contractual obligation and their tort  
8 obligations is clear. Wespac baselessly argues that there is confusion in the objective that Dr.  
9 Garmong gave to Wespac to avoid capital losses. But independent of any objective, Defendants had  
10 a fiduciary obligation to Dr. Garmong to “do what's in the client's best interest,” which in their minds  
11 permitted the wasting of \$669,954.17 of Dr. Garmong’s hard-earned retirement savings. They  
12 admit that they knew exactly how to avoid the wasting (PExh. 17), and were telling prospective  
13 clients (PExh. 20) that they do use such techniques for “all equity purchases.” They failed to do what  
14 was in Dr. Garmong’s best interests. That is the very definition of a breach of fiduciary duty.

15 Punitive damages may be awarded. Clark v. Lubritz, 113 Nev. 1089, 1099 (1997).

#### 16 **EIGHTH CLAIM--BREACH OF AGENCY**

17 The Agreement, PExh. 4, ¶ 5 establishes that Defendants were agents of Plaintiff, stating,  
18 “Client appoints WA as agent and attorney-in-fact[.]”

19 An agency establishes a contractual relation between the parties. PHB 43:12-44:4. The  
20 elements, proofs, and damages are similar to those for breach of contract.

21 The significance of the agency relation lies in Defendants’ unmet agency obligations. Rest.  
22 (Second) Agency § 14 provides "A principal has the right to control the conduct of the agent with  
23 respect to matters entrusted to him," cited by Hunter Min. Laboratories, Inc., 104 Nev. 568, 570  
24 (1988). Dr. Garmong instructed the Defendants/agents in writing before and while the agents acted  
25 (PExh. 3, 11-14), to conserve and avoid loss of capital. Rest. (Third) Of Agency § 8.09, last  
26 sentence of comment (c), states: “When an agent determines not to comply with an instruction, the  
27 agent has a duty to so inform the principal.” TR1, 92:17-93:25. Mr. Christian never informed Dr.  
28 Garmong that he did not understand Dr. Garmong’s objectives, or that he could not, or would not,

1 comply with them. TR1, 92:17-93:25; 129:6-10; TR3, 32:12-15. Agency and fiduciary principles  
2 required him to do so, if in fact he did not understand them or would not comply.

3 Defendants were required to follow Dr. Garmong's instructions under contract, fiduciary,  
4 and agency principles. If they could not, or would not follow his instructions, they were obligated  
5 to tell him, or resign, under fiduciary or agency principles. They never did so. TR3, 48:15-19.

### 6 **NINTH CLAIM--NEGLIGENCE**

7 The elements of negligence are set forth at PHB 45:20-23. The hearing exhibits and  
8 testimony establish that Defendants had (1) duties of care as a result of their fiduciary duties to "to  
9 do what's in the client's best interest" (TR3, 13:21-14:3; PExh. 58, 69:6-7) and also to disclose and  
10 use known techniques, such as "raising cash" (PExh. 17) and the "Stop Losses" technique (PExh.  
11 20) to safeguard Dr. Garmong's retirement savings; (2) the duties were breached, as Defendants did  
12 not do what was in Dr. Garmong's best interests when they wasted his lifetime retirement savings  
13 in the amount of \$669,954.17, and they did not act to avoid these losses and also did not apply the  
14 "Stop Losses" technique; (3) these breaches of Defendants' duties caused the losses to Dr. Garmong;  
15 and (4) the damages were \$669,954.17.

16 Defendants argued that Dr. Garmong's accounts would have recovered if he had just stayed  
17 with Wespac past March 2009. If they had done their jobs properly, Dr. Garmong would have had  
18 \$648,670.88 more in his accounts at that point to build upon in the recovery.

### 19 **TENTH CLAIM: NRS CH. 628A--DUTIES OF FINANCIAL PLANNERS**

20 Defendants are scofflaws, as discussed in detail for the Fifth Claim. But this Tenth Claim  
21 adds a further dimension, willful failure to maintain E&O insurance as required by NRS 628A.040  
22 for 2005-2007. TR2, 131:18-134:24. Failure to maintain such insurance is not simply imprudent,  
23 but is a violation of statute. Dr. Garmong testified that he would never have dealt with Defendants  
24 if he had known they had no liability insurance. TR1:107:22-108:19. Inasmuch as Defendant  
25 Christian was not an employee of Defendant Wespac at the time (TR2, 129:10-25), both he and  
26 Wespac had the duty to maintain insurance.

27 The basis of recovery from financial planners, such as Defendants, is found in NRS  
28

1 628A.030, “If loss results from following a financial planner’s advice under any of the  
2 circumstances listed in subsection 2, **the client may recover from the financial planner in a civil**  
3 **action the amount of the economic loss and all costs of litigation and attorney’s fees**. (Emphasis  
4 added).

5 The violations are set forth in NRS 628A.030(2), (a) violation of fiduciary duties, (b) gross  
6 negligence, and (c) violation of Nevada law. Most of these duties and their violations by Defendants  
7 are discussed above in relation to the Fifth, Sixth, and Ninth Claims, and at PHB 48:17-53:14.

8 An additional violation under subsection (c) is of NRS 628A.040, “A financial planner shall  
9 maintain insurance covering liability for errors or omissions, or a surety bond to compensate clients  
10 for losses actionable pursuant to this chapter, in an amount of \$1,000,000 or more.” PHB 51:15-  
11 52:1. Defendants were required to have insurance or a bond sufficient to cover any award of this  
12 litigation. Defendants had long been aware that the breach of NRS 628.040 would be an issue.  
13 Plaintiff’s Request for Production No. 11, served May 24, 2018, requested “11. All records  
14 concerning insurance covering liability for errors or omissions, or surety bonds to compensate clients  
15 for losses, maintained by Defendants at any time.” See also Plaintiff’s MSJ at 40:2-43:2.  
16 Defendants failed to produce any responsive records until the last day of the hearing, when they  
17 finally produced an insurance policy (DExh. 48) covering only a period at the very end of their  
18 relation with Plaintiff. (TR3, 9:23-13:8.) Mr. Williams speculated that Wespac may have had  
19 insurance earlier through a parent company, but had no policy. (TR2, 130:2-136:24) Defendant  
20 Christian did not testify that he had insurance as mandated by NRS 628A.040.

21 Defendants violated NRS 628A.040, and are each liable under NRS 628A.030 to Plaintiff  
22 for his economic loss, costs, and attorneys fees, independent of, and in addition to, contract damages.

23  
24 **ELEVENTH CLAIM—**  
**INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS**

25 To establish a cause of action for intentional infliction of emotional distress, the plaintiff  
26 must establish: (1) extreme and outrageous conduct with either the intention of, or reckless disregard  
27 for, causing emotional distress, (2) the plaintiffs having suffered severe or extreme emotional distress  
28 and (3) actual or proximate causation. PHB 53:17-26; 55:1-19.

1 The extreme and outrageous conduct is found in Defendants' wasting of the lifetime  
2 retirement savings of the elderly Dr. Garmong, when they knew he was relying upon them to provide  
3 for his retirement, occurring during the period 2007 to the present. Generally, see TR1, 152:18-  
4 156:13. PExh. 15, a fax to Mr. Christian, quoted at PHB 54:5-17, expressed the emotional distress  
5 suffered by Dr. Garmong. See also PExh. 13. Dr. Garmong had also related this stress to Mr.  
6 Christian. But all of this did no good. It was received with the same icy detachment as seen in the  
7 letter of Mr. Christian to Schwab of PExh. 21, and in Mr. Christian's testimony at the hearing.

8 At TR1, 155:14-156:9, the Arbitrator acknowledged that one source of emotional distress is  
9 litigation, and raised the question of whether this tort may be founded in part upon information, such  
10 as PExh. 20, learned during this proceeding. Plaintiff has located no authority that would bar such  
11 an award for emotional distress suffered after the filing of the lawsuit. Claim 11 is for emotional  
12 distress suffered at any time due to Defendants' acts, see FAC ¶¶ 52-57.

### 13 **DOUBLING OF DAMAGES**

14 As part of its public policy for protection of older persons, Nevada has provided for the  
15 doubling of damages in certain situations where an elderly person is exploited, NRS 41.1395.

16 The statutory elements of proof for a doubling of damages are (PHB 56:22-57:4):

- 17 • Plaintiff must be an older or vulnerable person.
- 18 • The older person suffers a loss of money caused by exploitation, where
- 19 • "Exploitation" means any act taken by a person who has the trust and  
20 confidence of the older person to obtain control, through deception, intimidation or  
21 undue influence, over the money, assets or property of the older person with the  
22 intention of permanently depriving the older person of the ownership, use, benefit or  
23 possession of that person's money, assets or property.

24 Dr. Garmong was at all relevant times an "older" person, as he was over 60 years of age.  
25 NRS 41.1395(4)(d). Dr. Garmong suffered a loss of his retirement savings of \$669,954.17.

26 The loss of money was caused by "exploitation," as that term is defined in NRS 41.1395.  
27 Wespac and Mr. Christian exerted control through deception and undue influence over Dr.  
28 Garmong's money, \$21,283.29 (PExh. 30) in "advisor fees", with the intention of permanently

1 depriving Dr. Garmong of its ownership, use, benefit or possession. See PExh. 21, where Mr.  
2 Christian states as point 5 that “We have not and do not intend reimburse management fees.” and  
3 as point 4, “We have no plans of entering into a settlement offer with Mr. Garmong.”

4 Dr. Garmong has demonstrated the elements required to prevail under the doubling of his  
5 special damages, \$669,954.17. General damages should also be doubled.

6 **AWARDS OF COSTS, ATTORNEYS FEES, INTEREST**

7 The arbitrator may award attorneys fees and costs as authorized by law. NRS 38.238, NRS  
8 18.020(3), NRS 18.050. Each of NRS 628A.030 (Tenth Claim) and NRS 41.1395(2) (doubling  
9 damages) provides for an award of costs should Plaintiff prevail. Attorney’s fees are not generally  
10 awarded to a prevailing party under Nevada law. However, each of NRS 598.0977 (Fifth Claim),  
11 NRS 628A.030 (Tenth Claim), and NRS 41.1395(2) (doubling of damages) provide for a statutory  
12 award of attorneys fees if the Plaintiff prevails. There is no award if the Defendant prevails.

13 The Arbitrator also awards prejudgment interest at the legal rate. NRS 17.130, NRS 99.010  
14 DATED this 29<sup>th</sup> day of November, 2018.

15  
16 /S/ Carl M. Hebert  
CARL M. HEBERT, ESQ.

17 Counsel for plaintiff  
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Hon. Philip M. Pro (Ret.)  
JAMS  
3800 Howard Hughes Parkway  
11<sup>th</sup> Floor  
Las Vegas, NV 89169  
Phone: (702) 457-5267  
Fax: (702) 437-5267  
Arbitrator

**JAMS ARBITRATION CASE REFERENCE NO. 1260003474**

GREGORY GARMONG,

Claimant,

vs.

WESPAC, and GREG CHRISTIAN,

Respondents.

**INTERIM AWARD**

The Arbitration Hearing in this case was conducted in Reno, Nevada on October 16, 17, and 18, 2018. Claimant Gregory Garmong was represented by Carl M. Hebert, Esq. Respondents Wespac and Greg Christian were represented by Thomas C. Bradley, Esq. of the law firm of Sinai, Schroeder, Mooney, Boetsch, Bradley & Pace. The testimony of percipient witnesses Gregory Garmong, Gregory Christian, and John Williams, and expert witness Bruce Cramer were presented at the hearing, and several dozen exhibits were received. Post-hearing briefing is complete, and case is ripe for decision on the merits.

The undersigned Arbitrator has jurisdiction to adjudicate the claims in this case in accord with the rulings entered by the Honorable Lynne K. Simons, District Judge of the Second Judicial District Court of the State of Nevada, the Stipulation of the Parties approved by Judge Simons, and the provisions of paragraph 16 of the Investment Management Agreement entered by the Parties on August 31, 2005.

In their pre-hearing and post-hearing briefs, Respondents cite to language in the Arbitration Clause, paragraph 16 of the Investment Management Agreement, which provides that the arbitration award in this case "*shall not include factual findings or conclusions of law.*" Although this decision is narrative in form and does not employ a format which states specific

“factual findings” and “conclusions of law” in numbered or headed paragraphs, it necessarily reflects my factual findings and legal conclusions flowing therefrom by a preponderance of the testimonial and documentary evidence adduced at the arbitral hearing.

This merits decision is titled an “Interim Award” because it is designed to provide the Parties the opportunity to brief the issue of entitlement to attorney’s fees, costs, and interest resulting from this decision before the Award becomes final. Additionally, because there was significant duplication in numbered exhibits offered by the Parties, unless otherwise specified, exhibit number references are to Claimant’s Exhibits.

## I. DISCUSSION

The action giving rise to this Arbitration was commenced in the Second Judicial District Court of the State of Nevada in and for the County of Washoe on May 9, 2012, by the filing of Plaintiff Gregory Garmong’s Complaint for damages against Defendants Wespac, and Greg Christian.

Dr. Garmong holds a Ph.D. in metallurgy and material science from Massachusetts Institute of Technology, a JD from UCLA Law School, and an MBA from UCLA. Wespac Advisors, LLC is an SEC Registered Investment Advisor. Mr. Christian has been a financial advisor since 1987 and has been employed as a financial advisor with Wespac since 2004. Wespac Advisors and Mr. Christian have been members of the Charles Schwab Advisor Network for many years.

As set forth more fully below, Garmong alleges that on August 31, 2005, he entered an Investment Management Agreement (Ex. 4) with Wespac and Christian to receive investment advice and professional management of a significant portion of his retirement savings. The professional relationship between the Parties formally ended in approximately March 2009. Garmong contends that during the final 16 months of their relationship, Wespac and Christian failed to adhere to his strict investment instructions and objectives causing Garmong the loss of \$669,954 of his invested capital. Additionally, Garmong contends that Wespac and Christian acted fraudulently, thereby entitling Garmong to recover punitive damages, and double damages under NRS 41.1395 because Garmong, who was 61 years of age in 2005, was an older person vulnerable to exploitation by Respondents.

After nearly five years of litigation in the Second Judicial District Court, on February 8, 2017, the Parties entered a Stipulation to proceed to arbitration pursuant to paragraph 16 of the Investment Management Agreement. On February 21, 2017, the Honorable Lynne K. Simons, District Judge, approved the Stipulation and the undersigned was appointed as Arbitrator. Several discovery and scheduling issues were resolved throughout the arbitration proceedings



and Claimants' Motion for Summary Judgment was denied on January 25, 2018.

On September 18, 2017, Claimant Garmong filed an Amended Complaint setting forth the twelve claims at issue in this Arbitration for (1) breach of contract, (2) breach of implied warranty in contract, (3) contractual breach of implied covenant of good faith and fair dealing, (4) tortious breach of implied covenant of good faith and fair dealing, (5) breach of Nevada Deceptive Trade Practices Act, (6) breach of fiduciary duty, (7) breach of fiduciary duty of full disclosure, (8) breach of agency, (9) negligence, (10) breach of NRS 628A.030 duties of a financial planner, (11) intentional infliction of emotional distress, (12) unjust enrichment, and a request for Doubling of Damages pursuant to NRS 41.1395. Each of these claims is based on the alleged conduct of the Parties during their relationship under the Investment Management Agreement.

In their Answer filed October 16, 2017, Wespac and Christian deny the allegations made by Garmong and assert 14 affirmative defenses. Additionally, they seek an award of reasonable attorney fees and costs incurred in defending the case.

Garmong's claims are grounded in his allegations that after he retained the services of Respondents' Wespac and Christian to manage his investments in four retirement investment accounts valued at approximately \$2,000,000, Wespac and Christian disregarded his express investment objective to "moderately increase his investment value while minimizing potential for loss of principal." Garmong contends this investment objective was clearly expressed in the Confidential Client Profile (Ex. 3), and the Investment Management Agreement (Ex. 4). Garmong further agreed to pay Wespac, approximately \$20,000 per year to manage his investments.

Specifically, the Confidential Client Profile (Ex. 3) signed by Garmong on August 18, 2005, expressly stated his investment goal as "moderate growth, low-moderate risk." Garmong more fully explained his investment goals in the Comments section of the Profile as follows:

"My goal is providing for retirement. I'm uncertain when I will finally retire. I expect in 2006 my income will be in the \$250,000 range, but almost certainly decreasing after that to about if I don't continue to work. Don't expect to start drawing on retirement accounts for about 5 years."

However, the testimony of Garmong and Christian is congruent and shows that from September 2005 through October 2007, Garmong and Christian worked reasonably well together to advance Garmong's investment goals. At about this time, however, the testimony of Garmong and Christian reflect a distinctly different view of what occurred.

Two significant events occurred in Garmong's life in 2007 which he explained altered his perspective on the management of his retirement savings. Garmong testified that the psychological impact of his retirement on August 31, 2017, and finalizing his divorce on October 7, 2017, was "enormous." It is undisputed that such events would profoundly affect anyone.

Garmong explained that by 2007 he had become a certified emergency medical technician and volunteered with the El Dorado, California fire department in the Desolation Wilderness area of Lake Tahoe to participate in wilderness search and rescue. Garmong further testified that he also was actively engaged as a volunteer fireman in wilderness settings; for a time trained a dog rescue team; and volunteered an average of 20 hours per week at a local animal shelter.

According to Garmong, adjusting to retirement and his divorce also caused him to reevaluate his financial circumstances. Garmong testified that during a regular quarterly meeting with Christian in early October 2007, they discussed the changes in Garmong's life and the status of his investments with Wespac. Garmong testified Christian "gratuitously offered" to take over his Wespac accounts completely and all Garmong had to do "was to state the objectives." Garmong accepted Christian's offer stating his objective as: "Don't lose capital" which Garmong contrasted with the objective stated in his earlier Client Profile for moderate growth with low-moderate risk.

Garmong introduced Ex. 11, a letter to Christian dated October 22, 2007, which he testified he mailed to Christian at Wespac. The letter is titled "Quarterly meeting and future management strategy." The two-page letter recites a summary of Garmong's investment relationship with Wespac and Christian and memorializes Garmong's decision to turn the management of his Wespac accounts over to Christian entirely. Attached to the letter of October 22, are approximately 18 pages of news articles regarding the impending housing crisis on the eve of what has come to be known popularly as "The Great Recession."

Significantly, Christian denies ever receiving Garmong's letter dated October 22, 2007, and cites to Garmong's testimony at the arbitral hearing that Wespac and Christian never acknowledged its receipt, and no other communications between the Parties occurring prior to the end of his relationship with Wespac made any reference to the letter.

Christian and Wespac argue Garmong's proffered letter of October 22, 2007, represents a curiously comprehensive summary of Garmong's currently expressed view of his investment relationship with Wespac. Combined with the attached articles from 2006 regarding the housing market decline, they suggest it was authored by Garmong more recently in preparation for this litigation. Moreover, Christian denies Garmong's characterization of their professional

relationship in several other respects.

It is unnecessary to resolve the question of precisely when the Garmong letter dated October 22, 2007 (Ex. 11) was authored, because I find by a preponderance of the evidence that it was never received by Wespac or Christian during their professional relationship with Garmong.

Dr. Garmong is a highly intelligent and educated individual. While he professes no expertise in securities investment, before he engaged the professional services of Wespac and Christian, Garmong had considerable experience in managing a comfortably large individual portfolio of assets.

In 2005, Garmong had amassed five to seven million dollars in the bond and stock market and money market funds before engaging Wespac and Christian. Garmong's acumen in understanding securities investment is further reflected in his personal editing of Wespac's Client Profile; his use of the "laddering" technique he employed in connection with his investments in the bond market; and his ability to understand the financial reports he received regularly from Wespac and Charles Schwab relating to his investment portfolio.

Christian testified that he maintained regular written and oral communication with Garmong throughout most of their professional relationship, and they personally met quarterly to review the status of Garmong's investments through Wespac. Christian characterized Garmong's ability to understand what was happening with his investment accounts to be "Better than most." The evidence adduced clearly supports that view.

The testimony of expert witness Bruce Cramer shows that Christian and Wespac employed a conservative "growth and income" investment strategy throughout their relationship with Garmong which he made more conservative over time to accommodate Garmong's circumstances and the marketplace. According to Christian, he communicated regularly with Garmong through phone, emails, and quarterly meetings. He testified that Garmong was fully engaged in managing his portfolio.

This strategy was consistent with Garmong's investment objectives set forth in his Client Profile, and as otherwise expressed when the Parties regularly reviewed his accounts with Wespac. While it did not and could not entirely insulate Garmong's stock portfolio from losses influenced by the marketplace and especially the recession which befell all sectors of the United States economy commencing in 2007, the strategy employed by Wespac and Christian was consistent with Garmong's stated investment objectives. Clearly Wespac and Christian did not subvert those objectives by their actions.

Christian acknowledged that Garmong's "life situation changed" when he retired but explained that he knew of Garmong's intended retirement from the beginning of their professional relationship and had factored that into the investment strategy employed for Garmong's accounts with Wespac.

Christian testified that at the time of his meeting with Garmong in October 2007, Garmong understood his overall investment portfolio and that he was partially invested in stocks and that stocks could go down.

Christian further testified that from the beginning of Garmong's affiliation with Wespac, the two regularly discussed Garmong's accounts, and that Garmong's portfolio trended toward more conservative investments as he moved into retirement and as the economy began its slide into recession. Christian acknowledged that Garmong became upset at the investment losses he suffered as the economy worsened in 2007 and 2008. He further testified, however, that at no time did Garmong express a change in his core investment objectives, nor did he give Christian instructions to "not lose capital" or to shift his assets to a 100% cash position.

I asked Dr. Garmong why in October 2007 he did not convert his stocks to all cash if his goal was solely to protect capital after his retirement and in the face of a worsening economy. Garmong responded, "Because you don't need to do that to get gains and preserve capital... What I was trying to do was to stay even with inflation and not lose purchasing power to inflation." (Tr. 10/17/18, page 119, line 17 to page 120, line 7). Garmong further explained that based upon a Wespac brochure he thought the company had sophisticated computer programs which could achieve this goal.

Thereafter, Garmong and Christian continued their regular communications regarding Garmong's accounts at Wespac in which he manifested active participation in the management of his investments. Respondents Wespac and Christian offered several exhibits reflecting meaningful communications regarding the status of Garmong's investments after October 2007.

On December 10, 2007, Garmong sent a fax to Christian outlining the structure of his "bond ladder" and plans for its future development (Respondent's Ex. 27). On January 21, 2008, Garmong sent a fax to Christian concerning the status of his retirement accounts and in which he repeated his willingness to "sacrifice potential gains to ensure that I don't have capital losses" (R's Ex. 28).

On March 17, 2008, Garmong sent a fax to Christian in which he expressed concern regarding the drop in the value of his retirement accounts but did not direct Christian to shift his accounts to cash or make other specific changes (R's Ex. 30). On June 12, 2008, Garmong sent a fax to Christian registering his continued concern about the decline in value of his investments

and in which he solicited Wespac's recommendations (R's E. 32).

Garmong's concern was elevated in his fax to Christian of September 26, 2008, in which he stated he was upset by the destruction of so much of his retirement funds and the failure of Wespac and Christian to follow his instructions to avoid losses during the "major stock market fall in 2008" (R's Ex. 35). Garmong stated his intent to seek from Christian a plan that would restore the value of his accounts in light of the then existing financial disaster.

Christian responded to Garmong's fax in a letter dated September 30, 2008 (R's Ex. 36). Therein, Christian expressed his empathy over the losses suffered by Garmong but reiterated that there "is risk in the financial markets." Christian also disagreed with Garmong's allegations that he had ever told Christian that "there could be no losses from my accounts in 2008." Importantly, Christian added, "If any client told me that I would have offered you two alternatives: (1) go to 100% cash or (2) to close your accounts." Christian continued that he could not comply with the demands made by Garmong to restore the losses experienced. In this regard, Christian wrote:

"However, if you wish to continue our relationship, I would recommend that in the near term we stay with our current allocations and continue to monitor your accounts. During our conversation yesterday at lunch you mentioned that the market would probably rally through the election and then run into trouble again. If this is the case, then you would afford yourself the opportunity to recoup some of the losses and hopefully allow the markets to start trading in a more normal fashion."

On October 24, 2008, Garmong sent a fax advising Christian that he remained under Garmong's express instruction of not losing money in his accounts as long as he had any management responsibility for them (R's Ex. 40).

Christian replied with a letter on October 29, 2008 (R's Ex. 41) in which he reiterated his efforts to handle Garmong's investment accounts to the best of Wespac's abilities based upon their previous meetings and conversations. Christian stated that at no time did he or anyone at Wespac imply that Garmong would not suffer any losses in 2008. Finally, Christian advised Garmong that he needed to either let Wespac continue managing his accounts or should look elsewhere for a manager that better fits his needs, and that unless he heard otherwise, he would assume Garmong wished to leave his accounts under Wespac's management. Five months later, in March 2009, Garmong formally ended his investment management relationship with Wespac and Christian.

The foregoing exchange of communications between Garmong and Christian from late 2007 and throughout 2008 compel the conclusion that although Garmong was understandably upset about losses he experienced during the decline in the stock market during that period, Christian and Wespac did not fail to abide Garmong's investment objectives and instructions, that Christian could not have avoided all loss of capital without converting Garmong's accounts to 100% cash as he offered in September 2008, and that Garmong did not instruct Christian to move all of his accounts to 100% cash.

A final factor which weighs against Garmong's claim that Wespac and Christian caused a loss in the value of his portfolio by failing to adhere to his investment objectives is that Garmong was free to terminate his relationship with Wespac and Christian at any time. Instead, Garmong maintained that relationship thru October 2008, which Garmong claims resulted in a loss of \$648,670.88 in wasted capital and \$21,283.29 in management fees (Ex. 24).

Through the testimony of expert Bruce Cramer, Wespac and Christian contend that Garmong's damages calculation is flawed as it fails to consider the overall performance of his retirement accounts, including income from dividends and interest in assessing the overall performance of his retirement accounts during his relationship with Wespac and Christian. Under his analysis, Cramer concludes Garmong's retirement accounts generated a net profit of \$5,403.88 over the life of his relationship with Wespac and Christian.

Cramer further explained that the securities in Garmong's accounts with Wespac were not sold but were transferred to Fidelity and his analysis of available statements from the Fidelity account showed that Garmong generated a profit.

I find it unnecessary to reconcile the conflicting damages calculations offered by the Parties because the question of the amount of damages to which Dr. Garmong might be entitled. Such a determination becomes material to the resolution of this case only if a finding in favor of Dr. Garmong is made on any of the 12 claims alleged in his Amended Complaint.

On the record adduced in this case I find that Dr. Garmong has failed to prove the liability of Wespac or Christian on any of his claims by a preponderance of the evidence. As a result, Garmong is not entitled to recover any loss he alleges he sustained during his professional relationship with Wespac and Christian from 2005 through 2009.

Specifically, Garmong's breach of contract claim fails because he has failed to prove that Wespac and Christian failed to manage his investment accounts in accord with his express investment objectives and instructions. Garmong understood portions of his Wespac portfolio were in stocks and that such investments carry no guarantee of profit. The evidence adduced at the arbitral hearing fails to show that Christian breached any duty to consider Garmong's

financial condition or investment objectives, or otherwise failed to fulfill his responsibilities as an investment advisor and manager during Garmong's relationship with Wespac.

Garmong's claim for breach of implied warranty fails as a matter of law. As argued by Wespac and Christian, the overwhelming weight of authority holds that a breach of implied warranty claim cannot be sustained in the context of a contract for services. See, e.g. *Lufthansa Cargo A.G. v. County of Wayne*, 2002 WL 31008373 at \*5 (E.D. Mich).

Garmong's claim for breach of the implied covenant of good faith and fair dealing fails because it is not supported by sufficient evidence of breach by Wespac or Christian. Similarly, Garmong's claim for tortious breach of the implied covenant of good faith and fair dealing fails for the same reason.

Garmong's claim for breach of Nevada's Deceptive Trade Practices Act fails because the evidence does not show deception or fraud by Wespac or Christian causing damage to Garmong. Merely showing a loss of value in an investment does not support a claim that the loss was a product of misrepresentation. There is simply no evidence in the record of this case to show that it was.

Garmong's breach of fiduciary duty of full disclosure claim fails because the evidence shows Garmong was regularly engaged in communications with Christian concerning his investment accounts at Wespac, never surrendered complete control over his accounts to Wespac or Christian, and Christian kept Garmong apprised of the decline in the stock market and the option of shifting Garmong's accounts to 100% cash if he so desired. For the same reason, Garmong's breach of agency claim fails. Garmong's negligence claim fails because the evidence has not established Christian was negligent in performing his services to Garmong.

Similarly, the evidence presented does not establish that Christian or Wespac intentionally inflicted emotional distress to Garmong in accord with the elements set forth in *Posadas v. City of Reno*, 851 P.2d 438 (Nev. 1993), or that Christian and Wespac violated NRS 628A.030.

Finally, Garmong's unjust enrichment claim fails because such an action is not available when there is, as here, an express written contract. *Leasepartners Corp. v. Robert L. Brooks Trust*, 942 P.2d 182 (1997).



## II. INTERIM AWARD AND FURTHER PROCEEDINGS

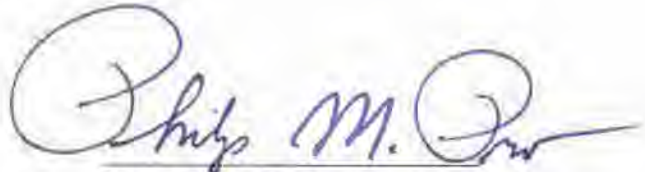
Claimant Gregory Garmong having failed to establish his claims by a preponderance of the evidence, Respondents Wespac and Greg Christian are entitled to Judgment against Claimant on all claims alleged in this Arbitration.

Respondents have requested that Claimant Garmong be required to pay 100% of the Arbitration fees and Arbitrator compensation and expenses pursuant to JAMS Rule 24(f), and further requests the opportunity to seek attorney's fees and costs as the prevailing Party in this action. Therefore, this Decision is styled an Interim Award to permit the Parties to brief the issues relating to Respondents requests.

Respondents shall be permitted to and including February 1, 2019, within which to file and serve a Motion for Arbitration costs under JAMS Rule 24(f), and attorney's fees and costs of this action. Claimant shall have to and including February 20, 2019, within which to Respond thereto. Respondents shall thereafter have to and including February 28, 2019, within which to file a Reply. The Interim Award shall become Final upon resolution of the outstanding issues relating to fees and costs.

IT IS SO ORDERED

Dated: January 12, 2019

A handwritten signature in blue ink, appearing to read "Philip M. Pro", with a stylized flourish at the end.

Hon. Philip M. Pro (Ret.)  
Arbitrator



**PROOF OF SERVICE BY EMAIL & U.S. MAIL**

Re: Garmong, Gregory vs. Wespac et al.  
Reference No. 1260003474

I, Mara Satterthwaite, Esq., not a party to the within action, hereby declare that on January 14, 2019, I served the attached INTERIM AWARD on the parties in the within action by Email and by depositing true copies thereof enclosed in sealed envelopes with postage thereon fully prepaid, in the United States Mail, at Las Vegas, NEVADA, addressed as follows:

Carl M. Hebert Esq.  
L/O Carl M. Hebert  
202 California Ave  
Reno, NV 89509  
Phone: 775-323-5556  
carl@cmhebertlaw.com  
Parties Represented:  
Gregory Garmong

Thomas C. Bradley Esq.  
Sinai, Schroeder, Mooney, Boetsch, Bradley & Pace  
448 Hill Street  
Reno, NV 89501  
Phone: 775-323-5178  
Tom@stockmarketattorney.com  
Parties Represented:  
Greg Christian  
Wespac

I declare under penalty of perjury the foregoing to be true and correct. Executed at Las Vegas, NEVADA on January 14, 2019.

  
Mara Satterthwaite, Esq.  
msatterthwaite@jamsadr.com

THOMAS C. BRADLEY, ESQ.  
435 Marsh Avenue  
Reno, Nevada 89509  
(775) 323-5178 • (775) 323-0709 FACSIMILE

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7 Attorney for Defendants

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**JAMS ARBITRATION  
LAS VEGAS, NEVADA**

GREGORY O. GARMONG,  
Plaintiff,

**CASE NO. 1260003474**

vs.

**MOTION FOR ATTORNEY FEES AND COSTS**

WESPAC; GREG CHRISTIAN,  
Defendants.

COMES NOW, WESPAC and GREG CHRISTIAN, hereby move for the award of attorney fees and costs, including all JAMS costs. This Motion is based upon the attached Points and Authorities.

DATED this 15<sup>th</sup> day of February, 2019.

By /s/ THOMAS C. BRADLEY  
THOMAS C. BRADLEY, ESQ.

///

///

## POINTS AND AUTHORITIES

### I. INTRODUCTION

WESPAC and GREG CHRISTIAN (WESPAC) respectfully request the award of attorney fees and costs pursuant to Nevada Rule of Civil Procedure 68. WESPAC also requests the award of JAMS costs pursuant to JAMS Rule 24.

### II. RULE 68 OFFER OF JUDGMENT

On September 12, 2017, WESPAC made an Offer of Judgment to Mr. Garmong in the amount of TEN THOUSAND DOLLARS (\$10,000). See Exhibit 1. At the JAMS Arbitration, Mr. Garmong failed to obtain a judgment (award) against WESPAC. Therefore, the judgment (award) is much less favorable to Mr. Garmong than WESPAC's Offer of Judgment. Pursuant to Rule 68, Mr. Garmong should be ordered to pay the post offer costs and reasonable attorney's fees. See NRCP 68(f).

The purpose of Rule 68 is to "save time and money" for the court system, the parties and the taxpayers. Dillard Department Stores v Beckwith, 115 Nev. 372, 382, 989 P.2d 882, 888 (1999). Rule 68 rewards a party who makes a reasonable offer and punishes the party who refuses to accept such an offer. Id.

Although the Court is permitted wide latitude in exercising its authority to award attorneys' fees, there are certain factors, which it must consider in doing so:

(1) whether the [offeree's] claim was brought in good faith; (2) whether the [offeror's] offer of judgment was reasonable and in good faith in both its timing and amount; (3) whether the [offeree's] decision to reject the offer and proceed to trial was grossly unreasonable or in bad faith; and (4) whether the fees sought by the offeror are reasonable and justified in amount.

Beattie v. Thomas, 99 Nev. 579, 588-89, 668 P.2d 268, 274 (1983).

1 The Nevada Supreme Court ruled that NRS 38.238 gives an arbitrator the discretion to  
2 award fees and costs, but the arbitrator is not required to do so. See WPH Architecture, Inc. v.  
3 Vegas VP, LP., 360 P.3d 1145, 1149 (2015).

4 **A) Mr. Garmong's Suit was Brought in Bad Faith**

5 Mr. Garmong's lawsuit was not brought in good faith. Mr. Garmong's suit was frivolous,  
6 unreasonable, and without a factual foundation. Moreover, the claims for breach of implied  
7 warranty and unjust enrichment were without legal foundation. Instead, Mr. Garmong's testimony  
8 reflects that his claims were transparently vindictive and were made in bad faith in order to harass  
9 Mr. Christian and WESPAC.  
10

11 In the attached Declaration, national securities arbitration expert, Bruce Cramer, states:

12 "Over the past fifteen years, I have carefully reviewed and analyzed hundreds of cases  
13 against SEC Registered Advisors, FINRA representatives, and other financial advisors  
14 alleging breach of fiduciary duty and other similarly related claims. Based upon the  
15 opinions and conclusions contained in my arbitration hearing testimony, I believe  
16 that Mr. Garmong's case against Wespac and Mr. Christian to be one of the most  
17 frivolous cases that I have encountered." See Exhibit 2.

18 An example of Mr. Garmong's vexatious litigation tactics that he utilized during the course  
19 of these proceedings was that, despite making numerous revisions to at least two copies of  
20 WESPAC's Investment Management Agreement before agreeing to sign it, Mr. Garmong spent  
21 nearly five years in the Second Judicial Court of Nevada contesting the enforcement of the  
22 Arbitration Clause in the Agreement before he finally entered into a Stipulation to proceed to  
23 arbitration pursuant to paragraph 16 of the Agreement. [Interim Award, page 2].

24 Another example of Mr. Garmong's frivolous and unreasonable claims was his argument  
25 that over TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$225,000) of income  
26 should not be included in calculating his damages. [Arbitration Transcript: 10-16-18 page 167, lines  
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1 19-22]. In fact, Mr. Garmong claimed that Defendants' expert's calculations, which have been  
2 accepted by thousands of courts and arbitration panels, was akin to the teachings of Karl Marx.

3 He testified that:

4 "... if we look at this month of December 2007, there's not a single thing that  
5 happened in this account that's attributable to WESPAC. They didn't buy, they  
6 didn't sell. All of this is -- all of this money and income is attributed to my  
7 capital. And when I was thinking about this, Judge, **what went through my mind**  
8 **is this sounds like a quasi-Marxian argument. It's something that Karl Marx**  
9 **would've said about who gets the benefits of capital; is it the capitalist or is it**  
10 **the workers?** [Arbitration Transcript: 10/17/18 page 115, lines 8-23].

11 The Interim Award noted that, "Dr. Garmong is a highly intelligent and educated  
12 individual...Garmong had considerable experience in managing a comfortably large individual  
13 portfolio of assets....Garmong's acumen in understanding securities investments is further reflected  
14 in his personal editing of WESPAC's Client Profile; his use of the 'laddering' technique he  
15 employed in connection with his investments in the bond market; and his ability to understand the  
16 financial reports he received regularly from WESPAC and Charles Schwab relating to his  
17 investment portfolio.

18 Despite his claim to the contrary, Mr. Garmong is not a vulnerable elder or an inexperienced  
19 investor who was taken by an unscrupulous investment advisor. Mr. Garmong's numerous emails  
20 to WESPAC demonstrate that he understood the economy and the market. He even insisted that he  
21 be allowed to participate in the investment decisions in his WESPAC accounts. His decision to  
22 retire was discussed in detail at the onset of his relationship with WESPAC. It was not a change in  
23 his investment strategy in October 2007, as he falsely alleged at the hearing.

24 The Interim Award accurately states that, "the testimony of Garmong and Christian is  
25 congruent and shows that from September 2005 through October 2007, Garmong and Christian  
26 worked together to advance Garmong's investment goals. At about this time, however, the  
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1 testimony of Garmong and Christian reflect a distinctively different view of what happened.”  
2 [Interim Award, Page 3]. The reason for the change in the view of the relationship is that Mr.  
3 Garmong manufactured a story, and even documentary evidence, to support his claims.

4 Importantly, the evidence demonstrated that Mr. Garmong’s “self-serving” October 22,  
5 2007, letter, was a blatant attempt to fabricate evidence. Mr. Garmong perjured himself when he  
6 proclaimed that the letter was drafted and mailed in October 2007. Essentially, Mr. Garmong  
7 claimed that by relying upon newspaper articles published a year earlier in 2006, he was able to  
8 predict with extreme accuracy the greatest financial crisis since the Great Depression of 1929.  
9 Notably, no recognized economic expert in the United States was able to match the accuracy of Mr.  
10 Garmong’s predictions.  
11

12 The timing of this fabricated letter allowed Mr. Garmong to claim damages from November  
13 2007 (the exact top in the stock market) through February 2009 (the exact bottom in the stock  
14 market). [Arbitration Transcript: 10/17/18, page 25, lines 10-14]. The Arbitrator found, “by a  
15 preponderance of the evidence that [the October 2007 letter] was never received by WESPAC or  
16 Christian during their professional relationship with Garmong.” [Interim Award, page 5].  
17

18 Mr. Garmong’s bad faith in seeking these damages was evident because his accounts were  
19 actually profitable during the time WESPAC managed them, which included one of the worst stock  
20 market crashes in history. Additionally, since Mr. Garmong did not sell the WESPAC securities  
21 when he terminated his relationship, the evidence proved that the securities, which lost value at  
22 WESPAC, more than doubled in value at his subsequent brokerage company, Fidelity. Thus, Mr.  
23 Garmong suffered no actual or realized losses on the WESPAC securities.  
24

25 Mr. Garmong’s bad faith was also evidenced by the fact that had Mr. Garmong invested in  
26 the S&P 500 during this same period he would have lost close to ONE MILLION DOLLARS  
27  
28

1 (\$1,000,000), and had he been invested in a conservative portfolio of 60% stocks and 40% bonds, he  
2 would have still lost more than FOUR HUNDRED THOUSAND DOLLARS (\$400,000).  
3 [Defendants' Exhibits 53 and 54]. At no time did Mr. Garmong truthfully acknowledge that the  
4 decline in the WESPAC portfolio from 2007 through 2009 was caused by the massive and world  
5 stock market decline and not as a result of Defendants management of his accounts. [Arbitration  
6 Transcript: 10/18/18 page 38, lines 17-20].  
7

8 Mr. Garmong also falsely claimed that after he sent the October 22, 2007, letter, he stopped  
9 monitoring his accounts. The many subsequent faxes that he sent discussing his accounts, in detail,  
10 demonstrated the falsity of this testimony. To help advance his theory of the case, he also wanted to  
11 divest himself of any responsibility for the management of the accounts and pretend that he lacked  
12 knowledge of both the type of investments in his accounts and the amount of subsequent monthly  
13 losses that occurred. So, Mr. Garmong conveniently wrote that Mr. Christian would be managing  
14 the accounts "without any input or attention" from him. The perfect timing of the letter, the  
15 accuracy of his predictions, the delegation of sole authority, his lack of supervision, and his  
16 "instructions not to lose capital" illustrate that Mr. Garmong fabricated the letter to bolster not only  
17 his liability claims but also to maximize his damage theories.  
18

19  
20 The Interim Award states that after the October 2007, letter, "Garmong and Christian  
21 continued their regular communications regarding Garmong's accounts at WESPAC in which  
22 [Garmong] manifested active participation in the management of his investments" and the Award  
23 goes on to cite numerous faxes from Garmong demonstrating this fact. [Interim Award, pages 6-7].  
24

25 Importantly, Mr. Garmong never referenced his October 22, 2007, in subsequent  
26 correspondence in which he discussed the performance and the investment objectives of his  
27 accounts. Had the letter actually been written and mailed, it is likely that Mr. Garmong would have  
28

1 complained that WESPAC failed to follow his precise instructions “not to lose capital” and  
2 terminated his relationship with WESPAC. Not only did Mr. Garmong not terminate WESPAC for  
3 failing to follow his alleged October 2007 instructions, he maintained his accounts until March  
4 2009. Notably, in September 2008, when Mr. Christian denied that Mr. Garmong had ever told him  
5 there could be no losses from his account in 2008, Mr. Garmong failed to refute that statement by  
6 referencing his October 2007, letter, where he allegedly gave that exact instruction.  
7

8 **B) WESPAC’s Offer of Judgment was Reasonable**

9 WESPAC’s offer was reasonable and in good faith in both its timing and amount in that  
10 WESPAC offered to have judgment entered against it in the amount of TEN THOUSAND  
11 DOLLARS (\$10,000.00). WESPAC made the offer on September 12, 2017, which was eight and a  
12 half years after the WESPAC relationship was terminated and several years after the securities that  
13 Mr. Garmong complained were unsuitable had increased in value by THREE HUNDRED  
14 THOUSAND DOLLARS (\$300,000). Thus, Mr. Garmong knew by 2017, he had no overall loss in  
15 the combined performance in his accounts at WESPAC, instead he had a net profit of FIVE  
16 THOUSAND FOUR HUNDRED THREE DOLLARS (\$5,403). Additionally, he knew by 2017  
17 that any temporary reduction in the value of his accounts was solely due to the severe stock market  
18 decline of 2007-2009, and not any misconduct on behalf of WESPAC. WESPAC made the offer  
19 despite Defendants belief that WESPAC did nothing wrong and all of Mr. Garmong’s claims were  
20 without merit. The Arbitrator agreed with WESPAC that, “Dr. Garmong has failed to prove the  
21 liability of WESPAC or Christian on any of his claims by a preponderance of the evidence. As a  
22 result, Garmong is not entitled to recover any loss he alleges he sustained during his professional  
23 relationship with WESPAC and Christian from 2005-2009.” [Interim Award, page 8].  
24  
25  
26

27 Under the facts of this case, WESPAC’s offer was imminently reasonable both in its timing  
28



1 and amount.

2 **C) Garmong's Refusal was Unreasonable**

3 Mr. Garmong's refusal of WESPAC's offer was unreasonable and in bad faith. WESPAC  
4 and Christian had previously explained to Mr. Garmong in correspondence dated September 30,  
5 2008, Christian sent to Garmong that (1) they empathized with his concern over his losses, (2) there  
6 is risk in the financial markets; and (3) to gain the long-term benefits associated with investing in  
7 the markets, an investor must be willing to accept the risk of loss from time to time.  
8

9 WESPAC also denied ever being told that 'there could not be any losses from my accounts  
10 in 2008.' WESPAC informed Mr. Garmong that would only be possible by either going 100% to  
11 cash or closing the accounts, which Mr. Garmong never instructed WESPAC to do, as he  
12 acknowledged when the Arbitrator asked him why he did not convert his stocks to all cash in  
13 October 2007. [Interim Award, page 6].  
14

15 Finally, WESPAC provided Mr. Garmong with Quarterly Performance Reports as well as  
16 personal meetings to review the status of his accounts. Therefore, Mr. Garmong knew that his  
17 accounts were profitable during his relationship with WESPAC. In search of a claim for damages,  
18 Mr. Garmong chose October 2007, the exact top of the stock market, as the date to start his damage  
19 calculation. By doing so, Mr. Garmong omitted to include the more than FIVE HUNDRED  
20 THOUSAND DOLLARS (\$500,000) in gains his accounts that WESPAC had produced from  
21 September 2005 through October 2007. Mr. Garmong also chose to omit all dividends and interest  
22 generated in his accounts in his damage calculations. In another bald attempt to fabricate a claim,  
23 Mr. Garmong falsely testified that he lost close to SIX HUNDRED FIFTY THOUSAND  
24 DOLLARS (\$650,000) in his accounts at WESPAC.  
25  
26

27 Mr. Garmong knew that WESPAC did not mismanage his investment accounts and there  
28

1 was no basis in fact or law to support filing a claim against Defendants. Therefore, it was  
2 unreasonable for him to refuse Defendants good faith offer to resolve Mr. Garmong's claims for  
3 TEN THOUSAND DOLLARS (\$10,000) when it was likely he would not win an arbitration award.

4 Mr. Garmong fully understood from personal experience, the risks and costs of filing a case  
5 in bad faith. See Garmong v. Rogney and Sons Construction, Nev. Sup. Ct. No. 68255 (2016) (the  
6 Rodney Court ordered Garmong to pay Defendants attorney fees and costs after finding that his  
7 purposes in litigation were to harass defendants, cause unnecessary delay, and needlessly increase  
8 litigation costs; see also Garmong v. Silverman, Nev. Sup. Ct. No. 63404 (2014) (the Supreme  
9 Court affirmed an award of substantial attorney fees and costs pursuant to an Offer of Judgment).

11 **D) WESPAC's Attorney Fees were Reasonable**

12 The fees which WESPAC paid are entirely reasonable, necessary; and usual for a case such  
13 as this. Accordingly, Mr. Garmong should pay all of WESPAC's reasonable attorneys' fees after  
14 September 12, 2017.

15 "In Nevada, 'the method upon which a reasonable fee is determined is subject to the  
16 discretion of the court,' which 'is tempered only by reason and fairness.'" Shuette v. Beazer Homes  
17 Holding Corp., 121 Nev. 837, 865, 124 P.3d 530, 548-49 (2005) (quoting University of Nevada v.  
18 Tarkanian, 110 Nev. 581, 591, 879 P. 2d 1180 (1994)). However, there are certain factors, which  
19 the Court should analyze in determining the reasonableness of a fee award:  
20  
21

22 (1) the qualities of the advocate: his ability, his training, education, experience,  
23 professional standing and skill; (2) the character of the work to be done: its  
24 difficulty, its intricacy, its importance, time and skill required, the responsibility  
25 imposed and the prominence and character of the parties where they affect the  
26 importance of the litigation; (3) the work actually performed by the lawyer: the  
27 skill, time and attention given to the work; (4) the result: whether the attorney was  
28 successful and what benefits were derived.

Brunzell v. Golden Gate Nat'l Bank, 85 Nev. 345, 349, 455 P.2d 31, 33 (1969).

1 Counsel for WESPAC charged WESPAC \$300.00 per hour, which is a fair and reasonable  
2 hourly rate based upon the fact that following graduation from Arizona State University School of  
3 Law in 1984; counsel clerked for the Honorable Bruce R. Thompson for two years; became a  
4 member of both the Nevada and California Bar Associations; then worked as an Associate for  
5 Lawrence J. Semenza for four years from 1986 to 1990; then worked as a deputy federal public  
6 defender for five years and tried many jury trials; then worked in private practice for the past  
7 twenty-four years and successfully represented parties in over 200 securities arbitration cases, many  
8 of which have tried to an arbitration panel. Counsel's current hourly rate for security arbitration  
9 cases is \$395.00 per hour; and it is his understanding that a majority of attorneys in Reno, Nevada  
10 currently charge \$300.00 or more per hour.  
11

12 Although Mr. Garmong's case lacked legal and factual foundation, the area of securities  
13 arbitration is complicated and requires specialized knowledge and experience. Moreover, thousands  
14 of pages of discovery and complicated damage calculations had to be reviewed, evaluated, analyzed,  
15 and presented at the arbitration hearing. Counsel believes that he provided zealous and superior  
16 representation on behalf of his clients. The quality of such representation, however, required  
17 counsel to spend many hours working on the case. Additionally, Mr. Garmong filed frivolous  
18 motions such as the one to disqualify the Arbitrator. Mr. Garmong also filed unduly lengthy briefs  
19 such as the Pre-Hearing Brief which was 58 pages long. Counsel hereby certify that he worked a  
20 total of 275.5 hours and billed a total of EIGHTY-TWO THOUSAND SIX HUNDRED FIFTY  
21 DOLLARS (\$82,650), and that all such bills were accurate, and all hours worked were reasonable.  
22  
23 See Exhibit 3.  
24  
25

26 I retained Michael Hume to assist me in the defense of Mr. Garmong's claims. I paid Mr.  
27 Hume \$100.00 per hour. Mr. Hume is a very experienced securities arbitration consultant. He has  
28

1 assisted lawyers throughout the United States on more than a thousand security arbitration cases  
2 over the past 25 years. I have carefully reviewed, approved, and verified all of Mr. Hume's work  
3 and the accuracy and reasonableness of his invoices. Mr. Hume worked a total of 240.2 hours. The  
4 total amount of his invoices following service of the Offer of Judgment total TWENTY-FOUR  
5 THOUSAND TWENTY DOLLARS (\$24,020). See Exhibit 3.

6  
7 The costs without including JAMS totaled FOUR THOUSAND NINE HUNDRED  
8 SEVENTY-NINE AND 96/100 DOLLARS (\$4,979.96). See Exhibit 3 and Exhibit 4. Those costs  
9 do not include the expert witness costs, which were substantial.

10 The consequence was that the total expense, not including JAMS fees, to defend the case  
11 totaled ONE HUNDRED ELEVEN THOUSAND SIX HUNDRED FORTY-NINE AND 96/100  
12 DOLLARS (\$111,649.96). Finally, the result obtained by WESPAC was that Mr. Garmong lost  
13 each and every one of his claims and was not awarded any monies.

14  
15 **E) JAMS Rule 24(f):**

16 JAMS Rule 24(f) provides, in pertinent part, that the Award of the Arbitrator may allocate  
17 Arbitration fees and Arbitration compensation and expenses, unless such an allocation is expressly  
18 prohibited by the Parties Agreement. In this case, the Investment Management Agreement did not  
19 include any such prohibition.

20  
21 For the reasons stated above, Mr. Garmong should be ordered to pay SIXTEEN  
22 THOUSAND THREE HUNDRED FIFTY-THREE AND 41/100 DOLLARS (\$16,353.41) in JAMS  
23 fees and expenses. See Exhibit 5.

24  
25 **III) CONCLUSION**

26 Mr. Garmong's claims against WESPAC were primarily based on his fabricated October 22,  
27 2007, letter, and his false, misleading, and self-serving testimony. Accordingly, WESPAC should  
28

1 be awarded all requested attorney fees and costs, including all JAMS expenses.

2 Accordingly, WESPAC respectfully requests that pursuant to NRCP 68, the Arbitrator enter  
3 an award granting reasonable fees and costs incurred since the date of the Offer of Judgment against  
4 Plaintiff, Gregory Garmong and in favor of Defendants, WESPAC and Greg Christian. This amount  
5 totals ONE HUNDRED ELEVEN THOUSAND SIX HUNDRED FORTY-NINE AND 96/100  
6 DOLLARS (\$111,649.96), which does not include the JAMS expense.  
7

8 WESPAC also requests that, pursuant to JAMS Rule 24(f), Mr. Garmong be ordered to pay  
9 100% of the Arbitration fees and Arbitrator compensation and expenses in this case. This amount  
10 totals SIXTEEN THOUSAND THREE HUNDRED FIFTY-THREE AND 41/100 DOLLARS  
11 (\$16,353.41).  
12

13 Thus, the total award should be ONE HUNDRED TWENTY-EIGHT THOUSAND THREE  
14 DOLLARS (\$128,003),  
15

16 /s/ Thomas C. Bradley  
17 Attorney for Defendants/Respondents  
18 435 Marsh Ave.  
19 Reno, Nevada 89509  
20  
21  
22  
23  
24  
25  
26  
27  
28

INDEX OF EXHIBITS

EXHIBIT NO.	DESCRIPTION
1	Offer of Judgment
2	Declaration of Bruce P. Cramer
3	Declaration of Thomas C. Bradley, Esq.
4	WESPAC Costs
5	JAMS Invoice

THOMAS C. BRADLEY, ESQ.  
435 Marsh Avenue  
Reno, Nevada 89509  
(775) 323-5178 • (775) 323-0709 FACSMILE

# **EXHIBIT 1**

# **EXHIBIT 1**

## Tom Bradley

---

**From:** Tom Bradley <Tom@stockmarketattorney.com>  
**Sent:** Tuesday, September 12, 2017 10:52 AM  
**To:** 'Carl Hebert'  
**Subject:** 17-9-12 Offer of Judgment.pdf - Adobe Acrobat Standard  
**Attachments:** 17-9-12 Offer of Judgment.pdf

Carl,

Attached is a copy of an Offer of Judgment that I am placing in the US mail today.

Please contact me if you do not receive it.

Thanks,

Tom

**Thomas C. Bradley, Esq.**  
*Law Office of Thomas C. Bradley*  
448 Hill St.  
Reno, NV 89501  
tel: (775) 323-5178  
fax: (775) 323-0709  
[tom@stockmarketattorney.com](mailto:tom@stockmarketattorney.com)

This message is intended only for the use of the individual or entity to which it is addressed, and may contain information that is **PRIVILEGED, CONFIDENTIAL**, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify me immediately by telephone, and return the original to me by mail without making a copy. Thomas C. Bradley, Esq., 448 Hill St., Reno, NV 89501 (775-323-5178). Thank you.



Code: 2635  
Thomas C. Bradley, Esq.  
Bar No. 1621  
448 Hill Street  
Reno, Nevada 89501  
Telephone (775) 323-5178  
Fax: (775) 323-0709  
Counsel for Defendants

**IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**

**IN AND FOR THE COUNTY OF WASHOE**

GREGORY GARMONG,

Plaintiff,

Case No. CV 12-01271

v.

Dept. No. 6

WESPAC, GREG CHRISTIAN, and  
Does 1-10,

Defendants.

**OFFER OF JUDGMENT**

COMES NOW, Defendants WESPAC and GREG CHRISTIAN, by and through their attorney of record, THOMAS C. BRADLEY, ESQ., of Sinai, Schroeder, Mooney, Boetsch, Bradley & Pace, pursuant to NRCP Rule 68, hereby offer to allow judgment to be taken against them and in favor of Plaintiff, Greg Garmong, for the total sum of TEN THOUSAND DOLLARS (\$10,000), which sum shall include any and all legally taxable costs, pre-judgment interest, and attorneys' fees incurred by Plaintiff to date in said action, and any other sums or remedies that could be claimed by Plaintiff against Defendants in the above-captioned action.

This written Offer of Judgment to Plaintiff is made pursuant to and for the purposes specified in Rule 68 of the Nevada Rules of Civil Procedure and is not to be construed either as an admission that Defendants are liable for Plaintiff's alleged injuries in this action or that Plaintiff is entitled to, or has suffered, any damages. Defendants waive no defense by virtue of this offer.

SINAI, SCHROEDER, MOONEY, BOETSCH,  
BRADLEY & PACE  
AN ASSOCIATION OF LAW OFFICES  
448 HILL STREET  
RENO, NEVADA 89501  
(775) 323-6178 • (775) 323-0709 FACSIMILE


1 If you accept this Offer and give written notice thereof within ten (10) days, Defendants  
2 demand that this action be dismissed with prejudice.

3 You are further notified that if notice of acceptance is not given as provided in Rule 68  
4 of the Nevada Rules of Civil Procedure within ten (10) days from the date of service of the  
5 Offer upon you, this Offer will be automatically withdrawn. You will then be responsible for  
6 Defendants' costs, expert fees and attorneys' fees incurred from this day forward in the event  
7 you fail to obtain judgment in an amount greater than that offered herein.  
8

9 The undersigned affirms that this document does not include the Social Security  
10 Number of any persons pursuant to NRS 239B.030.

11 DATED this 12 day of Sept, 2017.  
12

Sinai, Schroeder, Mooney,  
Boetsch, Bradley & Pace

13  
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28  
  
Thomas C. Bradley, Esq.  
Attorney for Defendants

1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCP 5(b), I certify that I am an employee of SINAI, SCHROEDER, MOONEY,  
3 BOETSCH, BRADLEY & PACE, and that on this day I caused to be served a true and correct  
4 copy of the attached document **OFFER OF JUDGMENT (Second Judicial District)** to the  
5 following parties by

6 \_\_\_\_\_ using the Court's CM/ECF Electronic Notification System:

7 X placing an original or true copy thereof in a sealed envelope, with sufficient postage  
8 affixed thereto, in the United States mail (USPS) at Reno, NV addressed to:

ATTORNEY	PARTY(IES)
Carl Hebert, Esq. 202 California Avenue Reno, NV 89509	Plaintiff Gregory Garmong

9  
10 Dated this 12<sup>th</sup> day of September, 2017.

David McIntosh  
An Employee of Thomas C. Bradley, Esq.

SINAI, SCHROEDER, MOONEY, BOETSCH,  
BRADLEY & PACE  
AN ASSOCIATION OF LAW OFFICES  
448 HILL STREET  
RENO, NEVADA 89501  
(775) 323-5178 • (775) 323-0709 FACSIMILE

# **EXHIBIT 2**

# **EXHIBIT 2**

## Declaration of Bruce P. Cramer

I declare under penalty of perjury under the laws of Nevada, that the following is true and correct:

1. Over the past fifteen years, I have carefully reviewed and analyzed hundreds of cases against SEC Registered Advisors, FINRA representatives, and other financial advisors alleging breach of fiduciary duty and other similarly related claims.
2. Based upon the opinions and conclusions contained in my arbitration hearing testimony, I believe that Mr. Garmong's case against Wespac and Mr. Christian to be one of the most frivolous cases that I have encountered.

/s/ Bruce P. Cramer  
Bruce P. Cramer

Dated 14<sup>th</sup> day of February, 2019

# **EXHIBIT 3**

# **EXHIBIT 3**

### **DECLARATION OF THOMAS C. BRADLEY**

1. I have been counsel of record in Garmong v. WESPAC since 2012.
2. I charged WESPAC \$300.00 per hour, which I believe is a fair and reasonable hourly rate based upon the following:
  - a. I graduated from Arizona State University School of Law in 1984;
  - b. I clerked for the Honorable Bruce R. Thompson for two years;
  - c. I am a member of both the Nevada and California Bar Association;
  - d. I worked as an Associate for Lawrence J. Senenza for five years;
  - e. I have worked in private practice for over twenty years;
  - f. I was President of the Local Chapter of the Inns of Court;
  - g. I have successfully represented parties in over 200 securities arbitration cases, many of which I have tried to an arbitration panel;
  - h. My current hourly rate for security arbitration cases is \$395.00 per hour;
  - i. It is my understanding that a majority of attorneys in Reno, Nevada charge \$300.00 or more per hour; and
  - j. WESPAC has paid all of my fees and costs, including all expert witnesses' fees and costs.
3. Although I believe that Mr. Garmong's case lacked legal and factual foundation, the area of securities arbitration is complicated and requires specialized knowledge and experience.
4. In this case, thousands of pages of discovery and complicated damage calculations had to be reviewed, evaluated, analyzed, and presented at the arbitration hearing. I believe that I provided zealous and superior representation on behalf of my clients. The quality of such representation, however, required me to spend many hours working on the case. Additionally, Mr.

Garmong filed frivolous motions such as the one to disqualify the Arbitrator. Mr. Garmong also filed unduly lengthy briefs such as the pre-hearing brief which was 58 pages long. I hereby certify that he worked a total of 275.5 hours and billed a total of EIGHTY-TWO THOUSAND SIX HUNDRED FIFTY DOLLARS (\$82,650), and that all such bills were accurate, and all hours worked were reasonable.

5. I retained Michael Hume to assist me in the defense of Mr. Garmong's claims. I paid Mr. Hume \$100.00 per hour. Mr. Hume is a very experienced securities arbitration consultant. He has assisted lawyers throughout the United States on over thousand security arbitration cases over the past 25 years. I have carefully reviewed, approved, and verified all of Mr. Hume's work and the accuracy and reasonableness of his invoices. Mr. Hume worked a total of 240.2 hours. The total amount of his invoices following service of the Offer of Judgment total TWENTY-FOUR THOUSAND TWENTY DOLLARS (\$24,020).

6. The costs without including JAMS totaled FOUR THOUSAND NINE HUNDRED SEVENTY-NINE AND 96/100 DOLLARS (\$4,979.96). Those costs do not include the expert witness costs, which were substantial.

7. The consequence was that the total expense, not including JAMS fees, to defend the case totaled ONE HUNDRED ELEVEN THOUSAND SIX HUNDRED FORTY-NINE AND 96/100 DOLLARS (\$111,649.96).

8. The JAMS fees totaled SIXTEEN THOUSAND THREE HUNDRED FIFTY-THREE AND 41/100 DOLLARS (\$16,353.41).

DATED this 15<sup>th</sup> day of February, 2019.

By /s/ THOMAS C. BRADLEY  
THOMAS C. BRADLEY, ESQ.



# **EXHIBIT 4**

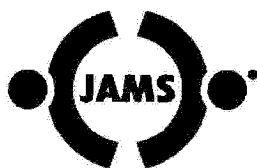
# **EXHIBIT 4**

## WESPAC COSTS

DATE	COSTS	AMOUNT
9/5/2018	Sierra Document Management Invoice AUG 18 091	\$ 1,304.70
9/21/2018	Sunshine Litigation Services: One Certified Copy - Desposition of Christian Garmong.	\$ 582.84
9/26/2018	Sunshine Litigation Services: One Certified Copy - Transcripts of John Williams.	\$ 352.00
10/1/2018	Sierra Document Management Invoice OCT 18 062	\$ 56.56
10/3/2018	Sunshine Litigation Services: One Certified Copy - Deposition of Bruce Cramer.	\$ 513.45
10/8/2018	Sunshine Lititgation Services: Original and One Certified Copy - Transcript of Gregory Garmong Vol. II.	\$ 700.60
10/8/2018	Sunshine Lititgation Services: Original and One Certified Copy - Transcript of Gregory Garmong Vol. I.	\$ 1,230.00
10/9/2018	Sierra Document Management Invoice OCT 18 025	\$ 162.40
10/9/2018	FedEx Charges to send over Exhibit Binders to Judge Pro #873886406482	\$ 77.41
TOTAL COSTS		\$ 4,979.96
TOTAL		\$ 4,979.96

# **EXHIBIT 5**

# **EXHIBIT 5**



# STATEMENT OF ACCOUNT

Statement Date

01/17/19

TO: Thomas C. Bradley, Esq.  
Sinai, Schroeder, Mooney, Boetsch, Bradley & Pace  
448 Hill Street  
Reno, NV 89501

Reference #: 1260003474 MS  
Billing Specialist: Glenn Mason  
Email: gmason@jamsadr.com  
Telephone: 949-224-4654  
Employer ID: 68-0542699

RE: Garmong, Gregory vs. Wespac et al.

Representing: Wespac  
Greg Christian  
Hearing Type: Arbitration

Neutrals(s): Hon. Philip Pro (Ret.)

REP#2

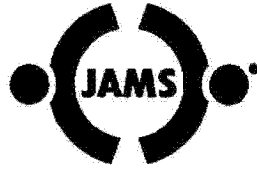
Date	Description	Charges	Credits	Balance
08/17/15	INVOICE #0003524366-260	400.00		400.00
08/31/15	CK#004061		400.00	0.00
	Paid By: Wespac Advisors, LLC			
06/10/16	INVOICE #0003762702-260 *	2,500.00		2,500.00
06/23/16	CK#004314		2,500.00	0.00
	Paid By: Wespac Advisors, LLC			
02/28/17	CREDIT MEMO # #0003970895 *		2,500.00	(2,500.00)
02/28/17	INVOICE #0003971046-260 *	2,500.00		0.00
03/31/17	INVOICE #0004000842-260	140.00		140.00
04/26/17	CK #2171		140.00	0.00
	Paid By: L/O Thomas C. Bradley			
04/28/17	INVOICE #0004026620-260	433.86		433.86
05/31/17	INVOICE #0004051792-260	70.00		503.86
07/17/17	CK#2183		503.86	0.00
	Paid By: L/O Thomas C. Bradley			
07/31/17	INVOICE #0004101672-260	140.00		140.00
08/31/17	INVOICE #0004124580-260	145.59		285.59
09/29/17	INVOICE #0004149860-260	397.60		683.19
10/13/17	CK#2196		683.19	0.00
	Paid By: L/O Thomas C. Bradley			
11/30/17	INVOICE #0004213816-260	282.48		282.48
01/31/18	INVOICE #0004279438-260	1,237.50		1,519.98

YOUR ACCOUNT BALANCE IS DUE UPON RECEIPT

Please make checks payable to JAMS, Inc.

Standard mail:  
P.O. Box 845402  
Los Angeles, CA 90084

Overnight mail:  
18881 Von Karman Ave. Suite 350  
Irvine, CA 92612



RE: Garmong, Gregory vs. Wespac et al.

Representing: Wespac  
Greg Christian

Neutrals(s): Hon. Philip Pro (Ret.)

Hearing Type: Arbitration

Reference #: 1260003474

REP#2

Date	Description	Charges	Credits	Balance
03/30/18	INVOICE #0004345580-260	986.53		2,506.51
04/09/18	CK #1365		1,237.50	1,269.01
	Paid By: L/O Thomas C. Bradley			
06/22/18	CK#1370		2,490.00	(1,220.99)
	Paid By: L/O Thomas C. Bradley			
06/28/18	INVOICE #0004438978-260 *	13,720.00		12,499.01
07/31/18	INVOICE #0004477404-260	564.59		13,063.60
08/20/18	CREDIT MEMO# #0004493175 *		2,500.00	10,563.60
08/20/18	INVOICE #0004493176-260 *	1,500.00		12,063.60
08/31/18	INVOICE #0004516114-260	1,069.15		13,132.75
09/04/18	CK#004970		13,063.60	69.15
	Paid By: Wespac Advisors, LLC			
09/24/18	CREDIT MEMO# #0004531165 *		15,220.00	(15,150.85)
09/24/18	INVOICE #0004531166-260 *	12,980.00		(2,170.85)
09/28/18	INVOICE #0004542794-260	350.00		(1,820.85)
10/31/18	CREDIT MEMO # #0004602685 *		12,980.00	(14,800.85)
10/31/18	INVOICE #0004602686-260	7,616.11		(7,184.74)
01/14/19	INVOICE #0004679316-260	2,520.00		(4,664.74)

Credit Balance, Do not pay: (4,664.74)

**CERTIFICATE OF SERVICE**

Pursuant to NRCP 5, I certify that on the 15<sup>th</sup> day of February 2019, I served a true and correct copy of this Motion for Attorney Fees and Costs via email and U.S. postal service upon

CARL HEBERT  
carl@cmhebertlaw.com  
202 California Avenue  
Reno, Nevada 89509  
Attorney for Plaintiff

DATED this 15<sup>th</sup> day of February, 2019.

/s/ THOMAS C. BRADLEY  
THOMAS C. BRADLEY, ESQ.  
Attorney for Defendants  
435 Marsh Avenue  
Reno, Nevada 89509

THOMAS C. BRADLEY ESQ.  
435 Marsh Avenue  
Reno, Nevada 89509  
(775) 323-5178 • (775) 323-0709 FACSMILE

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**CERTIFICATE OF SERVICE**

Pursuant to NRAP 25(c), I certify that I am an employee of CARL M. HEBERT, ESQ., and that on May 27, 2020, I

  X   hand-delivered

       mailed, postage pre-paid U.S. Postal Service in Reno, Nevada

  X   e-mailed

       telefaxed, followed by mailing on the next business day,

       served through use of the court's electronic filing system pursuant Nevada EFCR 9(c),

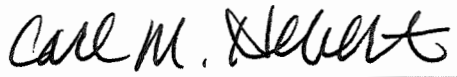
a copy of the attached

**JOINT APPENDIX VOL. 4**

addressed to:

THOMAS C. BRADLEY, ESQ.  
Bar No. 1621  
435 Marsh Ave.  
Reno, NV 89509  
775-323-5178  
[tom@tombradleylaw.com](mailto:tom@tombradleylaw.com)

Counsel for defendants/respondents  
WESPAC; Greg Christian

  
An employee of Carl M. Hebert, Esq.