

AWARD
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Names of Claimants

Albert Bedran, and Albert and
Wendy Bedran

vs.

Case Number: 09-01258
Hearing Site: Chicago, Illinois

Name of Respondent

Advanced Equities, Inc.

and

Name of Third-Party Claimant

Advanced Equities, Inc.

vs.

Name of Third-Party Respondent

Dan Alan Camphausen

NATURE OF THE DISPUTE

Customers vs. Member

REPRESENTATION OF PARTIES

Albert Bedran, and Albert and Wendy Bedran, hereinafter collectively referred to as "Claimants," were represented by Howard B. Prossnitz, Esq., and Kathryn S. Beard, Esq., The Law Offices of Howard B. Prossnitz, Chicago, Illinois.

Advanced Equities, Inc. ("AEI") was represented by James D. Wilson, Esq., and Sarah R. Farrell, Esq., Shefsky & Froelich, Chicago, Illinois.

Dan Alan Camphausen ("Camphausen") was represented by Nicholas P. Iavarone, Esq., The Iavarone Law Firm, Chicago, Illinois.

CASE INFORMATION

The Statement of Claim was filed on or about March 3, 2009. The Submission Agreement of Claimants was signed on or about January 9, 2009.

The Statement of Answer and Third-Party Claim was filed by AEI on or about July 9, 2009. The Submission Agreement of AEI was signed on or about July 9, 2009.

The Statement of Answer to Third-Party Claim was filed by Camphausen on or about July 22, 2009.

CASE SUMMARY

Claimants asserted the following causes of action: failure to supervise; negligence; suitability; and violation of Illinois Securities Laws. The causes of action related to Claimants' allegations that AEI allowed Claimants' money to be invested aggressively in options and private equities. Claimants asserted that AEI made misleading statements to Claimants concerning the nature of the investments and the suitability of the portfolio. Claimants further alleged that AEI breached its duties to Claimants by failing to provide sufficient control and supervision over its authorized representative. Claimants alleged that an authorized agent of AEI recommended and executed unsuitable transactions, which caused Claimants to incur substantial financial losses.

Unless specifically admitted in its Answer, AEI denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimants failed to state a claim upon which relief can be granted; Claimants are legally and equitably estopped from bringing these claims against AEI; Claimants' claims are barred under the doctrines of waiver and/or ratification; Claimants' claims are barred by their knowledge and repeated assumptions of risk; and to the extent Claimants did suffer any of the damages alleged in the Statement of Claim, such damages were not proximately caused by any act, representation, or omission of AEI.

In its Third-Party Claim, AEI asserted the following cause of action: indemnification. AEI alleged that Camphausen is contractually obligated to indemnify AEI for any liability incurred by AEI as a result of his wrongful conduct.

Unless specifically admitted in his Answer to Third-Party Claim, Camphausen denied the allegations made in the Third-Party Claim and asserted affirmative defenses including the following: the Third-Party Claim contained no factual allegations or particularity and failed to state a claim against Camphausen; any actions by Camphausen were reviewed and ratified by AEI; and AEI is of unclean hands.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested an award in the amount of:

Actual/Compensatory Damages	\$200,000.00
Exemplary/Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified
Other Non-Monetary Relief	Rescission

At the close of the hearing, Claimants requested:

Actual/Compensatory Damages	\$347,899.00
Exemplary/Punitive Damages	Unspecified
Attorneys' Fees	Unspecified

AEI requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

In its Third-Party Claim, AEI requested indemnification.

Camphausen requested that the Third-Party Claim be dismissed with prejudice.

OTHER ISSUES CONSIDERED & DECIDED

The Panel acknowledges that they have each read the pleadings and other materials filed by the parties.

Third-Party Respondent, Dan Alan Camphausen, did not file with the FINRA Dispute Resolution a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the Third-Party Claim, is bound by the determination of the Panel on all issues submitted.

On or about July 24, 2009, AEI withdrew its Third-Party Claim against Dan Alan Camphausen.

On or about January 27, 2010, AEI filed a Motion for Leave to file a Counterclaim. On or about February 2, 2010, Claimants filed an Objection to AEI's Motion for Leave to File a Counterclaim. On or about February 5, 2010, AEI filed a Reply in Support of its Motion for Leave to File a Counterclaim. In its Order dated February 19, 2010, the Panel denied the Motion.

On or about February 27, 2010, Claimants filed a Motion to Bar Use of Any Documents Prepared by AIE's Expert. On or about March 9, 2010, AEI filed a Response to Claimants' Motion to Bar. On or about March 9, 2010, Claimants filed a Reply in Support of its Motion to Bar Expert Testimony. The parties resolved all outstanding issues related to Claimants' Motion to Bar at the hearing.

On or about March 9, 2010, Claimants filed a Motion to Add a Witness. On March 10, 2010, AEI filed a Response to Claimants' Motion to Add a Witness. On March 10, 2010, Claimants filed a Reply to AEI's Response to Claimants' Motion to Add a Witness. The Motion was presented to the Panel at the hearing during which time the Panel heard oral arguments on Claimants' Motion. The Panel granted the Motion but limited the scope of testimony.

On or about March 22, 2010, Claimants filed a post-hearing brief in a form of a Final Damage Theory increasing the damages sought to \$507,492.90. On or about March 24, 2010, AEI filed a Response to Claimants' Final Damage Theory.

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

AWARD

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

- 1.) Respondent, Advanced Equities, Inc., is liable for and shall pay to Claimants, Albert Bedran, and Albert and Wendy Bedran, the sum of \$55,000.00 in compensatory damages;

The Panel found Respondent failed in its duty to Claimants in handling their brokerage account after Camphausen left Advanced Equities, Inc., and further found Respondent to have been deficient in record keeping and supervision. The Panel awards Claimants \$55,000.00 in damages. The Panel finds all other claims of Claimants to be without merit. Furthermore, the Panel found nothing new in the post-hearing submissions to warrant a change in its award based on the evidence in the case.

- 2.) The Third-Party Claim of AEI, having been withdrawn, is hereby dismissed with prejudice;
- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and

- 4.) Any relief not specifically enumerated, including punitive damages, rescission, and attorneys' fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution will retain the non-refundable filing fee* for each claim:

Initial Claim filing fee	= \$ 1,425.00
Third-Party Claim filing fee	= \$ 2,125.00

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

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Advanced Equities, Inc. is assessed the following:

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,750.00

Contested Motion for Issuance of a Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) Decision on a contested motion for the issuance of a subpoena with one (1) arbitrator @ \$200.00 (maximum of \$600)	= \$ 200.00
Total Contested Motion for Issuance of Subpoenas Fees	= \$ 200.00

The Panel has assessed \$100.00 of the contested motion for issuance of subpoenas fees jointly and severally to Albert Bedran, and Albert and Wendy Bedran.

The Panel has assessed \$100.00 of the contested motion for issuance of subpoenas fees to Advanced Equities, Inc.

Hearing Session Fees and Assessments

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

Two (2) Pre-hearing sessions with a single arbitrator x \$450.00	= \$	900.00
Pre-hearing conferences: March 8, 2010	1 session	
March 11, 2010	1 session	
One (1) Pre-hearing session with Panel x \$1,125.00	= \$	1,125.00
Pre-hearing conference: October 22, 2009	1 session	
Eight (8) Hearing sessions x \$1,125.00	= \$	9,000.00
Hearing Dates: March 16, 2010	2 sessions	
March 17, 2010	2 sessions	
March 18, 2010	2 sessions	
March 19, 2010	2 sessions	
Total Hearing Session Fees	= \$	\$11,025.00

The Panel has assessed \$5,512.50 of the hearing session fees jointly and severally to Albert Bedran, and Albert and Wendy Bedran.

The Panel has assessed \$5,512.50 of the hearing session fees to Advanced Equities, Inc.

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

ARBITRATION PANEL

Raymond P. Buschmann - Public Arbitrator, Presiding Chair
James M. Bailey - Public Arbitrator
John T. Keefe - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ Raymond P. Buschmann
Raymond P. Buschmann
Public Arbitrator, Presiding Chair

March 30, 2010
Signature Date

/s/ James M. Bailey
James M. Bailey
Public Arbitrator

April 1, 2010
Signature Date

/s/ John T. Keefe
John T. Keefe
Non-Public Arbitrator

March 31, 2010
Signature Date

April 1, 2010
Date of Service (For FINRA office use only)

ARBITRATION PANEL

Raymond P. Buschmann - Public Arbitrator, Presiding Chair
James M. Bailey - Public Arbitrator
John T. Keefe - Non-Public Arbitrator

Concurring Arbitrators' Signatures:



Raymond P. Buschmann
Public Arbitrator, Presiding Chair

3/30/10

Signature Date

James M. Bailey
Public Arbitrator

Signature Date

John T. Keefe
Non-Public Arbitrator

Signature Date

Date of Service (For FINRA office use only)

ARBITRATION PANEL

Raymond P. Buschmann - Public Arbitrator, Presiding Chair
James M. Bailey - Public Arbitrator
John T. Keefe - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

Raymond P. Buschmann
Public Arbitrator, Presiding Chair

Signature Date



James M. Bailey
Public Arbitrator

4/1/10

Signature Date

John T. Keefe
Non-Public Arbitrator

Signature Date

Date of Service (For FINRA office use only)

ARBITRATION PANEL

Raymond P. Buschmann - Public Arbitrator, Presiding Chair
James M. Bailey - Public Arbitrator
John T. Keefe - Non-Public Arbitrator


Concurring Arbitrators' Signatures:

Raymond P. Buschmann
Public Arbitrator, Presiding Chair

Signature Date

James M. Bailey
Public Arbitrator

Signature Date



John T. Keefe
Non-Public Arbitrator

03/31/10

Signature Date

Date of Service (For FINRA office use only)